

Scotland Excel

To: Executive Sub-Committee

On: 17 November 2023

**Report by:
Chief Executive of Scotland Excel**

Update on the Contract Delivery Plan

1. Progress to Date

This report provides a progress update on the 2023/ 2024 contract delivery plan.

Appendices 1 – 4 of this report on the 2023/ 2024 Contract Delivery Plan detail new framework developments and renewals, flexible frameworks, framework extensions and frameworks with ongoing contract management activity.

At any given point there are around 70 frameworks in the Scotland Excel contract portfolio. It is intended that 5 further frameworks will be developed and added to the portfolio in the coming year, with 13 frameworks remaining to be renewed during 2023/2024 (Appendix 1).

A further 14 of the frameworks on the current portfolio have extension options that are available to be exercised in 2023/ 2024, with 6 of these extensions already being approved (Appendix 3).

The estimated forecast value of the Scotland Excel framework portfolio is approximately £2Billion.

Overall, efficiencies created by frameworks awarded so far during 2023/2024 are benchmarked at 1.61%. As noted in the paper presented to Executive Sub Committee in April 2023, an update to Scotland Excel's methodology for calculating efficiencies is now being embedded. This additional data will support councils to interpret the value achieved through working collaboratively across the local government sector. These savings are summarised in Appendix 5 in accordance with the [Scottish Government procurement benefits reporting guidance](#).

A summary of spend per council between across the portfolio between July 2022 and June 2023 can be found in Appendix 6.

In December 2022 the Contract Delivery Update presented to the Joint Committee recognised the impact of the economic downturn. This included a higher number of bidders, greater complexity of lotting structures and new ways of working. In response

to these factors the need for greater safeguards to Scotland Excel processes was cited. In August 2023 the revised Format of Contract Approval Reports paper was approved by the Executive Sub Committee concluding the first of these process improvement initiatives.

The next stage is underway, with a focus on pre-tender activity including early engagement, decision logging and ways of working during the tender development phase. This is to deliver further safeguards to contract delivery planning.

Social Care

The **Residential Rehabilitation** project was commissioned by the Scottish Government with the remit of researching and developing national approaches for commissioning of alcohol and drug residential rehabilitation. Following completion of the documentation and internal governance processes, it is proposed to progress to establishment of the framework agreement through a tendering process in autumn 2023. Subject to Scottish Government approval, it is anticipated that the framework agreement will be in place by 1 April 2024.

The **Care and Support** Flexible Framework Procurement Strategy was formally approved at the Contract Steering Group on 30 August 2023. It is anticipated that the renewal framework agreement will be in place by 1 April 2024

The **Care Homes for Adults** flexible framework renewal is at development stage. Market scoping work is in progress to inform strategic development activity. It remains the expectation that the new framework will be awarded on or around September 2024.

The Adult Social Care Uplift and Price/Fee review continues to be the focus of contract supplier management activity. The Scottish Government increase for commissioned services for the workforce element of the contract price is determined by the Fair Work in Social Care Implementation Group. The business overhead costs continue to be met by local commissioners. It is anticipated that costs will continue to increase for the foreseeable future as these elements are impacted by inflationary pressures. Scotland Excel will closely monitor costs and restructure the annual price review processes to support local authorities to understand the impact, mitigate risk and support forecast price/fee projections and increases where appropriate.

The **Social Care Agency Workers** flexible framework is at contract and supplier management stage and a programme of User Intelligence Groups (UIG) and supplier meetings is in place. Further meetings are planned through to January 2024. The emphasis of these meetings will be to discuss and monitor uptake and spend, mobilisation issues and risk mitigation.

On the National care Home Contract (NCHC), discussions are currently taking place on a review of the cost of care model used to determine placement fees. It is likely that this will result in the implementation of a small change to the model. Negotiations for the 2024/25 increase are about to take place with provider representatives following dialogue with CoSLA and Local Authorities.

Work will then begin on the redesign of the NCHC which will review the current cost model and establish whether a wider review of the model is required.

Scotland Excel continues to engage in contract management activities on the **Children's Residential and Education, including Short Breaks, Services** flexible framework that went live on 1st October 2022. This includes gathering of regular Management Information, through the new streamlined process, and the evaluation of new bids and variations.

Scotland Excel is engaging with stakeholders regarding the renewal contracts for **Secure Care Services**. The current contracts have been extended to 30th March 2025 under Regulation 72, due to the policy work ongoing in this area including the "Reimagining Secure Care" work. Work on the next generation contracts will continue throughout 2024, to ensure that the contracts are fit for purpose, meet the needs of children and young people and align with the policy direction.

In addition, across the Children's team, the fee uplift process for 2024/2025 fees is currently being developed and Scotland Excel is planning work with a range of stakeholders regarding this, including the strategic purchaser's representative group alongside UIG members.

Construction, Transport and Environmental Services

Construction and transportation markets are still experiencing the impact of inflation and some levels of supply chain disruption still exist. However, signs of increasing stability are appearing across many of the affected commodities. Impacts of the recent conflict in the Middle East will continue to be monitored for an impact on oil prices and the knock-on effect that has on many markets.

In respect of the contract delivery plan, there are three frameworks that have recently been tendered and are in differing stages of their evaluation and award status.

Firstly, the **Asbestos Related Works and Services** framework was presented for award at the Executive Sub Committee on 20th October, with the legal standstill period following thereafter. The framework is expected to be awarded in November and mobilisation work will progress throughout the month.

The evaluation of the consolidated **Grounds and Plant Equipment** framework is now being concluded. This framework brings together two previous frameworks with common supply bases for efficiency and to reduce required resources for suppliers. It is expected that the award recommendations for this framework will be presented to the December Executive Sub Committee.

The tender for **Security Services and Cash Collection** framework has now closed and the bids received are now being evaluated. The majority of services sourced through this framework involve manned guarding and as such a strong focus on licensing and payment of the Real Living Wage has been fundamental.

In terms of contract framework developments, there are several frameworks that are currently under development within the CTE team:

The consolidated **Construction Materials** framework brings six mature goods-based frameworks together, creating efficiencies for Scotland Excel's stakeholder groups. The procurement development work has been completed and final legal review of the Terms and Conditions is underway to facilitate tendering of this commodity.

The CTE team are progressing the delivery of the second generation of **New Build Residential Construction** framework which brings together the experience of the first generation of the framework with updated and innovative specifications to include bronze, silver, gold, Passivhaus and Net Zero standards. The renewal framework will enable members to manage the design and build of new residential properties through the inclusion of an option to contract for pre-construction services as well as the build RIBA (Royal Institute of British Architects) stages. The framework continues to provide a local authority centred mechanism key to meeting policy objectives on housing.

Development work continues on a new framework for the provision of services for Scottish local authorities and the Scottish Government related to **Local Heat and Energy Efficiency Strategies (LHEES)**, heat network zoning and Local Area Energy Planning (LAEP). Work is underway with construction legal specialists to review and conclude the framework contract to facilitate tendering.

The status of **Street Lighting Materials** has not changed since the last report was published and is still under consultation and review, particularly to secure technical input to conclude the specification. As a recap, Street Lighting was prepared for submission to the Executive Sub Committee but was subject to judicial interruption. An abandonment notice, in line with regulations 85(7) and (8) of the Public Contracts (Scotland) Regulations 2015, was published to all tenderers, through the PCS-T message board facility, for this tender exercise.

Development work is now underway for the renewal of **Waste Disposal Equipment**. This framework will replace the current framework for the supply and delivery of waste disposal equipment including large containers, skips, compactors, balers and roll packers. The CTE team are progressing the development of the procurement strategy and a strategy UIG took place on 10th October to define the requirement and strategic approach.

In respect of some of the more recently awarded frameworks, the **Energy Efficiency Contractors (EEC)** framework continues to grow with well over one hundred projects for energy efficiency measures awarded to date by local authorities which will assist members with a pathway to upgrade Scotland's existing housing stock (c.660,000 homes) and buildings, with innovative energy efficiency measures to reduce carbon output and household bills.

The CTE team have also recently hosted an Energy Efficiency Contractors framework working group session with Councils.

The **Electric Vehicle Charging Infrastructure (EVCI)** framework provides members with a mechanism to procure a range of works, products and services, to supply, install and maintain electric vehicle charging equipment and associated items. Local authorities are seeking investment from the private sector to help build upon their

network of public charge points across the country and procurement support in this area may be required.

Early-stage discussions are ongoing with local authority colleagues and agencies such as Scottish Futures Trust and Transport Scotland on potential concession type procurement solutions for Electric Vehicle Charging Infrastructure.

The **Property Maintenance and Refurbishment** framework is now successfully awarded and mobilised with local authorities. This framework gives local authorities a route to market for a broad range of repair, maintenance, and refurbishment services.

Corporate, ICT and Operational Supplies and Services

Food prices dropped in the UK in September for the first month in almost two years, according to retail industry figures. The British Retail Consortium (BRC) said price reductions for dairy, margarine, fish, and vegetables, coupled with elevated competition, helped to bring down the cost of an average food basket by 0.1% compared with the previous month. However, the price of many kitchen staples continues to rise, while overall food prices are still 9.9% higher than a year ago.

Inflation as measured by the CGA Prestige Foodservice Price Index decreased for a third consecutive month in August but remains above 20% year-on-year.

All 11 categories of the Index from CGA and Prestige remained in double-digit inflation, though some saw prices drop month-on-month, including fish, fruit, and sugars. Meat prices increased again, by 1.7%, and the vegetables category recorded the highest year-on-year inflation of any category at 33.5%.

These reductions in food inflation have been reflected in recent pricing variation requests across the Scotland Excel Food portfolio. Negotiations on requests are ongoing and members will be notified of the outcomes in due course.

Second generation frameworks for the **Supply and Delivery of Fresh Bread, Rolls and Bakery Products** and **Fire Safety Equipment** went live in early October, with supporting documentation available via the Scotland Excel website members area.

Development work is under way for the second-generation framework for **Fresh Fruit and Vegetables**. Work will also commence on the renewal frameworks for **Groceries and Provisions** and **Catering Sundries** in the coming weeks.

Scotland Excel is in the final stages of development for tenders for **Signage, Cleaning Equipment and Civic Supplies** (Previously known as Alcoholic Beverages). Contract notices for all tenders will be published through Public Contracts Scotland (PCS) in the coming weeks. Initial development is also underway for the tender relating to **Sheriff Officer Services** with a prior information notice (PIN) published on PCS.

The ICT team continues to develop the tender documents for **Technology Enabled Care** frameworks with specifications currently being reviewed by partner the Scottish Local Government Digital Office. The **National Shared Digital ARC** project was approved by executive subcommittee in August 2023 and will go live in the coming weeks.

The team is engaged in several projects in partnership with the Scottish Local Government Digital Office, including **Office 365** and a new arrangement for a **Security Operation Centre**.

The team regularly attends and provides procurement input for the following boards – Digital Assurance, Public Sector Innovation, the Department for Education four nations roundtable on commercial themes in schools and Telecare Steering Group. The team is also working with the Improvement Service to deliver three key projects on their behalf throughout 2023.

2. Conclusion

Members are invited to note the progress made to date.

Appendix 1 – List of New or Renewal Contracts during 2023/2024

Service	Estimated Annual Collaborative Contract Opportunity	Activity	Original Forecast Date	Previous Forecast Date	Delivered Date	Latest Forecast Date if Different	Forecast Savings Range	Delivered Savings Forecast	Comments
Contracts Approved since April 2023									
2023/24 Executive Sub Committees									
Commercial Catering Equipment	£4,000,000.00	Renew	Oct-22	Mar-23		Apr-23	2%-4%	-13.80%	Approved by Executive Sub Committee April 2023
Property Maintenance and Refurbishment	£75,000,000.00	New Contract	Dec-22	Apr-23		May-23	2%-4%	0%	Approved by Executive Sub Committee May 2023. Framework now fully mobilised and operational.
National Shared Digital Alarm Receiving Centre	2,500,000	New Contract	Aug-22	Dec-22		Aug-23	2%-4%	0%	Approved by Executive Sub Committee August 2023
Fire Safety Products	£2,500,000.00	Renew	Apr-23	Apr-23		Sep-23	2%-4%	4.30%	Approved by Exec Sub Committee September 2023
Bread and Rolls	£1,500,000.00	Renew	Oct-23	Aug-23		Sep-23	2%-4%	-7.90%	Approved by Exec Sub Committee September 2023
Asbestos related works and services	£7,000,000.00	Renew	Jul-23	Sep-23		Oct-23	2%-4%		Approved by Exec Sub Committee October 2023
December 2023 Executive Sub Committee									
Grounds and Plant Equipment	£5,000,000.00	Renew	Mar-23	Nov-23		Dec-23	2%-4%		The evaluation of the consolidated Grounds and Plant Equipment framework is now being concluded. It is expected that the award recommendations for this framework will be presented to the December Executive Sub Committee.

Service	Estimated Annual Collaborative Contract Opportunity	Activity	Original Forecast Date	Previous Forecast Date	Delivered Date	Latest Forecast Date if Different	Forecast Savings Range	Delivered Savings Forecast	Comments
Future 2023/24 Executive Sub Committee									
Security Services and Cash Collection	£15,000,000.00	Renew	Jun-23	Aug-23		Jan-24	2%-4%		The tender for Security Services and Cash Collection framework has now closed (30th October) and the bids received are now being evaluated.
Technology Enabled Care Goods	£9,000,000.00	Renew	Dec-22	Dec-22		TBC	2%-4%		Specification with Digital Office partners for review prior to tender publication.
Street Lighting Materials	£15,000,000.00	Renew	Aug-22	Aug-23		TBC	2%-4%		The status of Street Lighting Materials has not changed since the last report was published and is still under consultation and review. As a recap, Street Lighting was prepared for submission to the Executive Sub Committee but was subject to judicial interruption. An abandonment notice, in line with regulations 85(7) and (8) of the Public Contracts (Scotland) Regulations 2015, was published to all tenderers, through the PCS-T message board facility, for this tender exercise.

Service	Estimated Annual Collaborative Contract Opportunity	Activity	Original Forecast Date	Previous Forecast Date	Delivered Date	Latest Forecast Date if Different	Forecast Savings Range	Delivered Savings Forecast	Comments
Future 2023/24 Executive Sub Committee									
LHEES (Local Heat and Energy Efficiency Strategies)	1,000,000	New Contract	Sep-23			TBC	0%		Development work continues on a new framework for the provision of services for Scottish local authorities and the Scottish Government related to Local Heat and Energy Efficiency Strategies (LHEES)
Construction Materials	£70,000,000.00	Renew	Apr-23	Sep-23		End March 2024	2%-4%		Procurement development work has been completed and final legal review of the Terms and Conditions is due to conclude to facilitate tendering of this commodity.
Civic Supplies (OSS)	£1,250,000.00	Renew	Renew	Aug-23		TBC	2%-4%		Prior Information Notice Issued. Evaluation Methodology Under Development
Residential Rehabilitation and Detoxification (Alcohol and Drugs) Services	15,000,000	New Contract	Oct-23			Mar-24	n/a		In final review prior to publication, contract notice will be published November 2023.
Road Signage	£1,250,000.00	Renew		Nov-22		TBC	2%-4%		Prior Information Notice Issued. Evaluation Methodology Under Development
Cleaning Equipment	£2,000,000.00	Renew		Mar-23		TBC	2%-4%		Prior Information Notice Issued. Evaluation Methodology Under Development

Service	Estimated Annual Collaborative Contract Opportunity	Activity	Original Forecast Date	Previous Forecast Date	Delivered Date	Latest Forecast Date if Different	Forecast Savings Range	Delivered Savings Forecast	Comments
Future 2023/24 Executive Sub Committee									
Sheriff Officers	£1,100,000.00	Renew	Nov-23			TBC	2%-4%		Prior Information Notice Issued. Strategy and Evaluation Methodology Under Development
New Build Residential Construction	£375,000,000.00	Renew	Jun-23	Dec-23		TBC	2%-4%		Development work on the Terms and Conditions to be agreed and finalised prior to tendering.
Care Homes For Adults	£121,689,746.00	Renew	Oct-23			Aug-24	n/a		Early stages of development, market scoping work underway.
Care and Support	£159,469,383.00	Renew	Mar-24			Mar-24	n/a		Strategy approved, evaluation methodology under development.
Community Meals	£4,000,000.00	Renew	Aug-23			Mar-24	2% - 4%		Market and UIG engagement underway
Secure Care	£17,500,000.00	Renew	Mar-24			Mar-25	n/a		Regulation 72 extension approved until March 2025. Early provider, UIG and policy team engagement underway
Waste Disposal Equipment	£1,250,000.00	Renew	Feb-24				2% - 4%		Framework Renewal. Strategy development in progress.
Fresh Fruit and Vegetables	£2,000,000.00	Renew	Feb-24				2% - 4%		Prior Information Notice Issued. Strategy and Evaluation Methodology Under Development
Security Operating Centre	TBC	New Contract	Nov-22			TBC	2%-4%		Pending

Appendix 2 – Flexible Contracts

Service	Estimated Annual Collaborative Contract Opportunity	Activity	Anticipated Re-Opening Date	Comments
Care and Support	£140,000,000	Flexible Framework Agreement	N/A	New entrants may be approved on a 6 monthly basis during the lifetime of the Flexible Framework dependent on the circumstances and demand. Progressing with a renewal framework.
Social Care Agency Workers	£20,000,000	Flexible Framework Agreement	N/A	New entrants may be approved at any point during the lifetime of the Flexible Framework dependent on the circumstances and demand for suppliers to be added on either a National or Regional basis.
Care Homes for Adults with Learning Disabilities Including Autism	£26,500,000	Flexible Framework Agreement	N/A	New entrants may be approved on an annual basis during the lifetime of the Flexible Framework dependent on the circumstances and demand. Progressing with a renewal framework.
Bikeability Scotland Training Providers	£300,000	Dynamic Purchasing System (DPS)	N/A	New entrants may be approved at any point during the lifetime of the DPS
Recyclable and Residual Waste	£40,000,000	Dynamic Purchasing System (DPS)	N/A	New entrants may be approved at any point during the lifetime of the DPS
Digital Telecare	£4,000,000	Dynamic Purchasing System (DPS)	N/A	New entrants may be approved at any point during the lifetime of the DPS
Employability Services	£20,000,000	Dynamic Purchasing System (DPS)	N/A	New entrants may be approved at any point during the lifetime of the DPS
Children's Residential	£158,300,000	Flexible Framework Agreement	N/A	New entrants may be approved at any point during the lifetime of the Flexible Framework

Appendix 3 – Contracts with extension options and contract management activity ongoing during 2023/2024

Contract Description	Est Annual Value
Groceries and Provisions	£30,000,000
Demolition Services	£18,000,000
Catering Sundries	£6,000,000
Secure Care Services	£17,500,000
Musical Instruments	£1,750,000
Education Materials	£17,500,000
Domestic Furniture and Furnishings	£26,000,000
Heavy Vehicles	£25,000,000
Vehicle and Plant Hire	£15,000,000
Organic Waste	£12,000,000
Outdoor Play and Sports Facilities	£15,000,000
Electric Vehicle Charging Infrastructure	£20,000,000
Vehicle Parts	£12,000,000
Bitumen	£14,000,000

Contracts which are shaded have been approved for extension

Appendix 4 - Contracts with no renewal or extension activity and contract management activity ongoing during 2023/2024

Contract Description	Est Annual Value	Contract Description	Est Annual Value
Waste Composition Analysis	£750,000	Social Care Case Management Solutions	£7,000,000
Fostering and Continuing Care	£34,000,000	Vehicle Purchase RM6244	£10,000,000
Salt	£17,500,000	Supply Teacher Booking System	£300,000
Engineering and Technical Consultancy	£17,125,000	Roadstone	£25,000,000
Energy Efficiency Contractors	£200,000,000	Recycle and Refuse Containers	£12,500,000
Tyres for Vehicles and Plant	£6,500,000	Education and Office Furniture	£8,000,000
Frozen Foods	£25,000,000	Milk	£8,000,000
Online School Payments	£2,000,000	Building Construction Consultancy	£25,000,000
Pest Control	£1,000,000	Janitorial	£12,000,000
Fresh Meats	£10,000,000	PPE	£15,000,000
Washroom Solutions	£6,000,000	First Aid	£2,000,000
Audio Visual	£9,000,000	Repair and Maintenance of Catering Equipment	£1,500,000
Water Coolers	£1,000,000	Digital Publications	£1,000,000
Library Books	£14,000,000		

Appendix 5 – Savings Summary

Savings Reference/Type	BT1 - Direct price-based savings	BT2 - Price versus market savings	BT3 - Process savings from use of collaborative arrangements
Framework			
Supply and Delivery of Fresh Bread, Rolls & Bakery Products	£83,725	12%	£150,000
Supply, Delivery, Servicing and Maintenance of Fire Safety Products	-£9,742	22%	£62,500
Asbestos related Works and Services	£0	20%	£129,000

Appendix 6 – Expenditure summary per Council: July 2022 – June 2023

Member Organisation	Actual Spend	Forecast Spend	Variance	% of Total Actual Spend
Aberdeen City Council	£53,968,059	£26,496,805	203.7%	6.11%
Aberdeenshire Council	£47,543,134	£31,895,784	149.1%	5.39%
Angus Council	£11,141,140	£21,830,319	51.0%	1.26%
Argyll and Bute Council	£12,486,590	£8,410,091	148.5%	1.41%
Associate Members	£38,487,793	£65,759,701	58.5%	4.36%
Clackmannanshire Council	£19,456,894	£9,765,161	199.2%	2.20%
Comhairle nan Eilean Siar	£2,886,493	£3,000,418	96.2%	0.33%
Dumfries and Galloway Council	£43,115,605	£8,459,829	509.7%	4.88%
Dundee City Council	£21,379,782	£23,755,311	90.0%	2.42%
East Ayrshire Council	£15,776,441	£8,289,196	190.3%	1.79%
East Dunbartonshire Council	£30,293,405	£8,678,104	349.1%	3.43%
East Lothian Council	£15,307,910	£11,018,466	138.9%	1.73%
East Renfrewshire Council	£26,812,076	£8,343,122	321.4%	3.04%
Falkirk Council	£38,436,774	£44,325,893	86.7%	4.35%
Fife Council	£47,537,811	£101,154,970	47.0%	5.38%
Glasgow City Council	£43,618,574	£37,231,423	117.2%	4.94%
Inverclyde Council	£19,368,078	£6,178,092	313.5%	2.19%
Midlothian Council	£13,077,309	£7,264,858	180.0%	1.48%
North Ayrshire Council	£26,632,853	£42,930,148	62.0%	3.02%
North Lanarkshire Council	£53,203,938	£47,695,213	111.5%	6.03%
Orkney Islands Council	£3,327,428	£1,881,888	176.8%	0.38%
Perth and Kinross Council	£11,121,908	£10,328,081	107.7%	1.26%
Renfrewshire Council	£27,198,866	£37,914,493	71.7%	3.08%
Scottish Borders Council	£15,015,991	£10,940,113	137.3%	1.70%
Shetland Islands Council	£3,520,395	£1,766,770	199.3%	0.40%
South Ayrshire Council	£14,876,065	£12,499,567	119.0%	1.68%
South Lanarkshire Council	£48,292,864	£64,747,808	74.6%	5.47%
Stirling Council	£25,621,546	£6,950,351	368.6%	2.90%
Tayside Contracts	£15,004,408	£9,701,288	154.7%	1.70%
The City of Edinburgh Council	£45,005,527	£37,963,116	118.6%	5.10%
The Highland Council	£24,486,192	£16,192,260	151.2%	2.77%
The Moray Council	£13,926,922	£29,159,122	47.8%	1.58%
West Dunbartonshire Council	£28,625,816	£23,340,284	122.6%	3.24%
West Lothian Council	£26,284,362	£18,522,482	141.9%	2.98%
Total	£882,857,848	£804,390,528	109.8%	100.00%