

Scotland Excel

To: Chief Executive Officers Management Group

On: 16 March 2023

Chief Executive's Update Report

1. Introduction

The purpose of this report is to provide the group with an update on key developments within Scotland Excel since the last meeting of the Chief Executive Officers Management Group (CEOMG) on 9 November 2022.

2. Summary

Since the group last met the SXL team has focused on identifying and demonstrating the value that Scotland Excel brings to councils and associate members. In August 2022 the CEOMG approved the launch of a project that would explore additional value added for members by the wide range of activities carried out by Scotland Excel. This update includes an outline of the project and some detail on the progress made with that work.

The update also provides detail on the portfolio of frameworks and contractual solutions offered by Scotland Excel, the project-based work carried out in partnership with other public bodies and the development of associate membership.

3. Framework Portfolio

3.1 Corporate Services (including Digital)

ICT Team

There continues to be an interest from councils in the Supply Teacher Booking solution and it is expected that at least 3 more councils will contract for this offering in the next few months. One council is also actively investigating using the Social Care Case Management Solution to replace its current solution. In addition to this, Scotland Excel still supports SEEMIS, the Digital Assurance Board and the Enterprise Architecture Board.

Corporate, Education and Operational Supplies & Services Developments

Although overall inflation has started to fall, food inflation is still rising. The World Bank is predicting that global food prices will decrease by 5% in 2023, stabilising at that level (which is still considerably high) in 2024 which could have a knock-on impact in the UK. There are some other signs of improvement such as wholesale gas prices decreasing by 50% since the peak in Summer 2022. However, the

Government's Energy Bill Relief Scheme for business is being scaled back in the spring which may lead to retailers increasing food prices for citizens. Furthermore, labour shortages in the food industry look set to continue in 2023.

The next generation Audio Visual equipment framework is due to go live in April 2023. This tender is currently being evaluated and recommendations will be presented at the March Executive Sub Committee meeting.

A contract notice has been published for Commercial Catering Equipment with tender documentation available through the Public Contracts Scotland Tender website. This tender is due to close in February, with evaluation taking place during February and March and recommendations due to be presented at the April Executive Sub Committee meeting.

Prior information notices have been issued through Public Contracts Scotland for upcoming tenders including Bottled Gas, Fire Safety Equipment, Signage and Cleaning Equipment. Initial development is also underway for tenders relating to Alcoholic Beverages and Sheriff Officers.

3.2 Care Services - Adult and Older Peoples Care

National Care Service (NCS) Update

On 29 November 2022 Scotland Excel attended the Health, Social Care and Sport Committee meeting to give evidence on the subject of ethical commissioning and procurement. Scottish Care, CCPS, Glasgow HSCP and Aberdeen City IJB were also in attendance.

The early conversations with Scottish Government to consider unique and specialist workstreams - which Scotland Excel may be best placed to deliver - have been paused until early in the new financial year 23/24. A meeting has been set up with the 'Once for Scotland' policy team in the National Care Service programme to provide clarity around the arrangements Scotland Excel have in place across the broad social care portfolio.

The Key Stakeholder Reference Group, of which Scotland Excel is a member, has had two further meetings to provide updates and opportunity for questions to the Deputy Director, Social Care and National Care Service Development. January's meeting focused on the Chief Designer who outlined the methodology for Co-Design and the ongoing work to support those with lived experience wishing to participate in the development of the NCS.

National Care Home Contract (NCHC)

The signatories to the NCHC have determined, with the steering group's agreement, that an update of the current NCHC to incorporate current practice and legislation is required. This would allow for a review of the cost model ensuring it would reflect current costs to meet practice demands.

Once the cost model is reviewed, a further process of collaboration will be necessary to redesign the NCHC to reflect the changes required within the care home sector and meet future need.

Scotland Excel has attended two Care Home Assurance and Viability sub-group meetings which occur on a monthly basis and reports directly to the SCSWRG (Social Care and Social Work National Response Group SCSWRG, which replaces The Scottish Government's Adult Social Care Gold Command structure)

This sub-group is reserved for public sector members only as the independent sector has representation at the SCSWRG. The sub-group is not a decision making body but acts in an advisory role to identify, escalate and recommend responses to emerging issues and risks. The group also supports the development of early warning systems to identify emerging viability issues.

Care Homes for Adults with Learning Disabilities Including Autism

A User Intelligence Group meeting was held on 18 January 2023 and was well attended. The survey issued to local authorities is complete and the results shared with the group. A number of local authorities have requested the scope of the framework be expanded to cover other adult social care groups. Any new developments require an opportunity assessment to establish the timescale and resources required for purchasers and Scotland Excel, should the scope of the framework be expanded.

This framework is due to expire on 16 September 2023.

Residential Rehabilitation

This project was commissioned by the Scottish Government with the remit of researching and developing national approaches for commissioning of alcohol and drug residential rehabilitation. The initial market research and analysis phase has concluded, and Scotland Excel is now moving on to development of a national framework agreement for residential rehabilitation services (including detoxification services).

The proposed national framework agreement is anticipated to cover publicly funded placements across Scotland commissioned by Health and Social Care Partnerships and through Alcohol and Drug Partnerships. The focus will be on the quality of services and agreed requirements. The anticipated timescales are to establish a framework during 2023. The initial development work will include engagement with a range of stakeholders including people with lived experience of services.

Care and Support

During 2022, consultation with commissioners and providers sought views on the opportunities and risks of re-opening the framework. This framework is due to expire April 2024.

On 26 January 2023 feedback was shared during the User Intelligence Group meeting and covered the following key points: timescale and resources for purchasers', providers and Scotland Excel to deliver a successful re-opening whilst developing a 2nd generation framework. Directing time and resource to develop the next generation were pivotal to the final decision not to re-open the

framework. Scotland Excel will continue to support the current operation of the framework through User Intelligence Groups, and stakeholder meetings until 31 March 2024

Social Care Agency Workers

In January 2023, following a procurement exercise, Scotland Excel established the third-generation flexible framework agreement for the provision of trained and vetted Social Care Agency Workers in a variety of social care settings. A total of 34 Suppliers were awarded to the framework across 3 Lots and 17 Regional Sub-lots, which reflect an increase in the number of participating suppliers. A User Intelligence Group took place on 8 February 2023 and supplier sessions are scheduled on 10 and 16 February 2023 to mobilise the framework.

3.3 Children's Services

Children's Residential Care & Education

The Children's Residential and Education (including short breaks) flexible framework went live on 1st October 2022. The 23/24 fee review process for the framework is currently underway with analysis of all submissions currently being undertaken. The process incorporated lessons learnt from previous years and a revised template used to collect requests and evidence. Stakeholders will be updated on progress regularly.

The management information process for the framework is under revision and streamlined to reduce the burden on providers and ensure relevant information is captured on a regular basis. This revised approach has been informed by feedback from both the UIG and providers. Further engagement with the UIG and providers will inform this new approach and agree an annual survey or management information request to providers, for more detailed and qualitative framework, service and wider landscape information.

Secure Care

An initial meeting regarding "Reimagining Secure Care" has been held between Scotland Excel and the Children & Young People's Centre for Justice (CYCJ). CYCJ has been appointed by Scottish Government to lead this work, specifically:

"'Reimagining Secure Care' as part of the 'Reimagining Justice Service' is designed to combine views, knowledge, and experiences of all stakeholders involved to create a comprehensive understanding of what will be effective, meaningful and sustainable for secure care services to meet the needs of all children and young people who are deprived of their liberty on welfare or justice grounds, from the Children's Hearing System or through Courts."

Scotland Excel will continue to engage with this work and provide regular updates as required.

3.4 Construction Transport and Environment

Transport

The User Intelligence Group (UIG), meeting in October agreed the proposal to merge and consolidate Grounds Maintenance Equipment and Light and Heavy Plant into one framework which will be advertised as Grounds and Plant Equipment. Work

with the technical UIG team is underway to finalise the specifications, examine and revise the lotting and commercial structures.

An exercise for the creation of an updated framework for Street Lighting Materials was carried out in 2022 but prior to submission to the Executive Sub Committee 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. Revised tendering documents and specifications are currently being prepared for re-tender. The UIG for this commodity group has been canvassed for views on how this revised model should be structured.

The newly formed framework for Building Construction Consultancy has been presented to the Executive Sub Committee and is progressing to award.

The consolidated Construction Materials framework brings six mature goods-based frameworks together, creating efficiencies for stakeholder groups. By harmonising tendering and contract management milestones, once awarded, this framework will enable a range of sustainable procurement outcomes. Development work is ongoing to finalise the procurement strategy and related tender documentation.

The evaluation of the first-generation Property Maintenance and Refurbishment framework is at an advanced stage. There has been a high level of interest in the arrangement with the tender soon entering recommendations and award stage. Once live, this framework will provide a route to market for a broad range of repair, maintenance, and refurbishment services. This significantly enhances the portfolio of contracts to support estates management.

The strategy for the second-generation New Build Residential Construction Framework is nearing conclusion as attention turns to preparation of the tender documents. Through the published Prior Information Notice (PIN), a range of engagement is underway with our diverse stakeholder group to inform refinements to our offering, with revised scope and terms being developed as appropriate.

Asbestos related Works and Services strategy has now been approved and tender development is underway following engagement with the User Intelligence Group (UIG) on a refined evaluation methodology. Security Services and Cash Collection has entered pre-strategy with the next generation of the framework scheduled for late 2023.

Development work has commenced 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). This framework will complement the existing Energy Efficiency Contractors (EEC) framework which provides 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.

In collaboration with the Supply Chain Development Programme at the Scottish Government and Scottish Enterprise, forecasting on heat pump demand in Scotland is developing through engagement with Energy Efficiency Contractors (EEC) users. The aim of this work is to understand the public procurement opportunities which may provide potential to strengthen Scottish manufacturing capability.

4. Contract Delivery Plan Update

At any given point there are around 70 frameworks in the Scotland Excel contract portfolio, with 5 further frameworks to be developed and added in the coming year. 20 of these frameworks are to be renewed during 2022/2023. A further 17 of the frameworks on the current portfolio have extension options that are available to be exercised in 2022/2023, with 13 of these extensions already being approved. Overall, efficiencies delivered to date in 2022/2023 are 1.73%. This efficiencies figure will continue to be monitored throughout 2022/2023.

The following contracts have been approved at Executive Sub Committee since November 2022:

4.1 Supply and Delivery of First Aid Materials

This framework has been developed by the Operational Supplies and Services Team with a streamlined approach with key stakeholders, which has resulted in shorter procurement cycles and a more flexible approach to stakeholder engagement. This framework will provide councils and other participating bodies with a mechanism to follow the Health and Safety (First-Aid) Regulations 1981 and to procure a range of first aid materials for the workplace and the community. The framework will include, but is not limited to, first aid kits, gloves, ice & heat packs, wipes & tissues, hand sanitiser & soap, dressings & plasters, and other associated products. The projected average saving across all councils is 4.5%, which equates to an estimated total saving of approximately £41k per annum based on current forecast spend levels. In addition, analysis of our indexation model shows that the current framework costs are around 10% lower than the marketplace.

4.2 Supply and Delivery of Janitorial Products

This framework provides councils with a mechanism to procure a range of janitorial products including, but not limited to, paper-towels, cleaning chemicals, hand-soap, refuse sacks, cleaning equipment such as mops & buckets. The projected average saving across all councils is 4%, which equates to an estimated total saving of approximately £641k per annum based on current forecast spend levels. It should also be noted that the current framework contract is currently operating 12% under market conditions therefore achieving an accumulative saving of 16%.

5. Enhancing Value

A programme of improvement work was approved by CEOMG in August 2022. Assessment of the required change has recommended that six key elements of ongoing development are brought together into a transformation programme.

These six work streams are the Savings Opportunities project, a revised approach to rebate collection, recording of Cost Avoidance, enhancement of the value brought by Scotland Excel's Indexation approach, the new Net Zero Strategy and Supply Chain management.

Highlights on these work streams are set out below with the most notable focus in the preceding quarter being on Savings.

5.1 Savings Opportunities

This work stream seeks to embed a collaborative approach to identifying recurring savings. Mechanisms that can be applied to a range of commodities and frameworks have been identified. These include reducing the costs associated with supplier logistics through revised delivery patterns and benchmarking current product preferences with those offered at more favourable pricing.

Exploration of alternative payment methods and the efficiencies these could bring to financial transactions as well as the processes to maximise income available to customers from rebates as continued through this period.

Further to considering measures that can be applied broadly, a focused review of a small number of frameworks has been undertaken. These are Vehicle Parts, Janitorial Products, Washroom Solutions and the group of frameworks that comprise the Food portfolio.

A presentation on the progress made in these eight areas will be shared with the February meeting of CEOMG. Several councils have begun pilots to test and refine the proposed approach to implementing the changes to achieve recurring savings.

5.2 Climate Change and Net Zero Strategy

Scotland Excel has brought together plans and objectives to support the response of members to the climate emergency in a Net Zero strategy. The strategy will be discussed CEOMG at the February 2023 meeting and will subsequently be presented to the Executive Sub-Committee in March 2023.

Implementation of the strategy is an Operating Plan objective for 2023/24. The strategy outlines a range of activities, including those that will strengthen the organisational focus on reducing the carbon impact of internal operations as well as those arising from the use of frameworks.

5.3 Supply Chain Disruption

Scotland Excel has been providing market condition reports to members for some time; originally these were intended to help councils prepare for the impact of the UK leaving the EU. Since then, understanding the economic and geo-political factors that impact on performance and commercials of our contractual arrangements has grown in importance as instability and low predictability has become the norm.

Resources have been dedicated to collating relevant information quarterly and publishing a detailed report on factors relevant to members. The most recent of these reports was issued in January, the next is scheduled for April.

Within the transformation programme there is recognition that some general activities will also benefit from improvement measures to strengthen the offering Scotland Excel makes to members. Since early 2020 Scotland Excel has experienced a substantial change to the composition of the workforce. Around 60% of post holders are either new to the role held, or to the organisation. Coupled with the shift to remote and hybrid working practices there is a clear need for rapid implementation of new ways of working to safeguard Scotland Excel's performance. While there is an ongoing focus on this, the transformation programme will also identify processes that will benefit from greater standardisation, further automation and additional safeguards to ensure accuracy.

6. The Academy

The Academy has 1,814 registered learners accessing content on the Moodle platform, with 105 learners participating in 7 accredited cohorts - one in procurement, two in leadership & management, two in project management and two in business analysis and innovation.

There are also two hybrid procurement and leadership & management development programmes spanning five NHS health boards.

Ten accredited programmes are planned - three in procurement, three in leadership & management, three in project management and one in business analysis and innovation.

The Academy continues to deliver the Scottish Government procurement and commercial training framework across our public-sector. To date:

- 546 people attending 38 workshops to date.
- 10 open workshops are scheduled
- 22 closed (restricted to an organisation) workshops are scheduled.

Local Authorities continue to have a high uptake in utilising the framework.

Following our DETER Serious organised crime taster session of which 200 people attended, we have successfully run the first cohort and intend to run a second cohort in spring 2023.

Other suites of programme which are currently being designed and/or delivered include:

- a delegated procurement programme for Dumfries and Galloway council.
- a procurement and project management programme for Aberdeen Corporate Procurement Shared Service.
- a contract management programme for the Highland Council.

Academy Future Opportunities

With regards to our customers' requests for lower priced, shorter duration programmes as set out in the previous update – noted below:

- a scope of work with the SQA to ensure we can offer fit for purpose development programmes at significantly lower price points.
- Opportunity to develop new procurement programmes that will be co-branded by the Academy and the Scottish Government Property and Procurement Directorate fully align to the national procurement development framework.
- The creation of a new Graduate Apprenticeship (GA) programme in Procurement and Supply Chain Management with the purpose of offering a free degree development programme for our customers. We are currently exploring funding for the GA through the apprenticeship levy in collaboration with Development Scotland.
- Training to address gaps across the procurement community

Data has been analysed from the community consultation and the findings will be presented to the Procurement Improvement Programme(PIP) steering group in February.

7. Projects Update

7.1 Dumfries and Galloway Council

The programme of work within Dumfries and Galloway Council continues with the aim of improving control and visibility of procurement spend by restricting delegations to services for a period to give time for a full improvement programme to be delivered. Training sessions are progressing with staff who have Delegated Procurement Authority to enhance skills and raise awareness of procurement within the organisation. These will complement training sessions previously held with the council Elected Members and other Senior Stakeholders.

7.2 Dundee City Council

Scotland Excel has started the first part of the delivery of a transformation programme with Dundee City Council. A head of procurement has been engaged by Scotland Excel to lead the programme and an initial action plan has been submitted to the Council for agreement.

A review of the Council's spend and contracts has commenced and potential opportunities for best value and efficiency improvements are being identified with service departments within the Council.

Community Wealth Building is a key part of Dundee City Council's transformation aspirations and several key actions have been identified to support procurement's role in the delivery process.

7.3 South Lanarkshire Council

The transformation programme within South Lanarkshire Council is now 15 months into the programme and progressing well. Phase 1, 2 and 3 projects have been approved and are in the process of being implemented and savings realised.

Phase 4 and Phase 5 projects will be presented during February 2023 and May 2023 respectively. The target set at the start of the 2-year programme for savings was £1,300,000. To date, the Corporate Management Team at South Lanarkshire Council have approved projects which exceed the programme savings target, with a further programme of projects identified for delivery in 2023/24 and 2024/25.

7.4 Stirling Council

After completion of the two years programme in November 2022, Stirling Council requested ongoing support for 2 days a week. This is to lead a potential restructure of the team within Stirling. Work continues on Community Wealth Building objectives and looking at savings and efficiencies which could form a central part of the team's work going forward.

Within the Community Wealth Building workstream planning is underway for a series of thematic or spend-area specific events in the coming months. One event early in the new year will be focused on local housing and facilities management suppliers, and supply chain opportunities. Another event based around Climate Change and Sustainability will take place shortly afterwards. These will be followed with an annual event in summer 2023 similar to the format of the launch event held earlier this year, and it's intended that this becomes an annual Community Wealth Building event.

7.5 East Renfrewshire Council

Work has recommenced on year three of the project and the focus is on developing a Community Wealth Building programme. Scotland Excel is working with the Council's Chief Procurement Officer and the new Assistant Economic Development Manager to develop this.

A workshop for key stakeholders was a success, generating positive feedback and a continued momentum to develop shared knowledge. We have recently met and are now working closely with the Council on specific aspects of the business. Interim targets are data analysis to identify areas of supplier opportunity, and a focus on best practice activity.

7.6 Flexible Procurement Services

The flexible procurement team continues to deliver for Councils and associate members in conducting a variety of procurement exercises and related activity on their behalf. There continues to be a growth in demand for Flexible Procurement Services, in particular where organisations have procurement resource or expertise gaps.

Due to the success and continued growing customer demand for these services, recruitment has been carried out for an additional senior procurement specialist within the team to support in delivering the pipeline of projects. Engagement with other organisations on new requests is ongoing, whilst also building our pipeline of projects and resource requirements in the short, medium, and long term.

7.7 City Property Glasgow (Investments) LLP

City Property Glasgow (Investments) LLP continues to engage with Scotland Excel as their 'Procurement Partner' with a number of tenders having been prepared covering the waste streams from the Blochairn Food Market in the city. The latest sourcing exercise to be completed for the waste streams was to appoint a Consultant to review the whole market operations. This was a direct award to WSP Global from the Scotland Excel Engineering and Technical Consultancy Framework. There is a future requirement to appoint a facilities maintenance contractor to provide services in an office location on the outskirts of Glasgow City Centre. The route to market will use a Crown Commercial Services framework. The scope is currently being defined and a tender will be published when this is completed.

7.8 Community Wealth Building

Scotland Excel continues to work with Scottish Government and Local Authority partners, focussing on the 'Progressive Procurement' Community Wealth Building (CWB) pillar. A Community Wealth Building Toolkit, designed to provide a repeatable model to share with councils in support of their CWB journeys, has been created and published on the Scotland Excel Academy.

A workshop with East Renfrewshire council's key stakeholders took place in November and received positive feedback and a continued momentum to develop shared knowledge. The workshop is designed to help develop a shared understanding of local procurement, identify opportunities to boost economic wellbeing in their area, as well as highlighting current good practice, challenges, and possible constraints on local procurement activity.

Scotland Excel will present on the topic of Community Wealth Building at a Scottish Government Heads of Procurement event in February.

8. Associate Membership including new Members

There have been Three new associate members since the last CEOMG:

Glasgow Caledonian University
Perth College UHI
Scottish Qualifications Authority (SQA)

The total number of associate members of Scotland Excel currently stands at 144 for this reporting period. Since the last reporting period, Scottish Government has released the Affordable Housing Supply Programme process and procedures that requires all developing housing associations to participate in a programme of continuous improvement as a condition of grant. Scotland Excel delivered the last programme for the sector using the PCIP Lite tool and will offer a similar service to any housing associations looking to meet this requirement, although this be a chargeable service as the previous programme was fully funded by Scottish Government.

9. Supplier Awards and Annual Conference

The Scotland Excel Conference is an annual event held with the aim of sharing good practice, encouraging solution focussed discussion and facilitating collaboration. Running for over twelve years, the event has grown and adapted to the changing environment and now reaches a broad audience, supporting public sector colleagues from an array of departments and organisations.

The dates for the Scotland Excel Conference 2023 have now been confirmed, with the event taking place on Wednesday 10th and Thursday 11th May. Following the success of last year's event, the first day of the Conference will take place online, facilitating multiple colleagues to participate from across local authorities and the wider public sector. The second day will take place in-person at the Radisson Blu Hotel in Glasgow. This will be a smaller event targeted towards Corporate Procurement Managers.

The Conference will take stock of the current operating environment; ongoing and lasting impacts of the pandemic, pressures of the return to business-as-usual activity, inflation at a 40-year high, soaring energy prices, elevated food prices, the highest interest rates in 14 years, strikes across the public sector and the push towards Net Zero, and consider how we as collective can address these challenges.

The Conference agenda will feature a roster of speakers from local authorities and public sector partners to share their knowledge, expertise and lessons learned.

In 2015, Scotland Excel launched the Supplier Excellence Awards, the first-ever awards programme to recognise the role of suppliers within public procurement. The awards identify examples of innovation and good practice being delivered by suppliers for Scotland Excel members.

Following the success of the inaugural awards, the programme has been delivered biennially, with award ceremonies held in 2018 and 2020. Due to ongoing uncertainty around events taking place during the Covid-19 pandemic, the awards scheduled for 2022 were delayed for a year. This also provided a longer eligibility period for supplier entries given than many businesses were significantly affected by the pandemic.

The Scotland Excel Supplier Excellence Awards 2023 ceremony will take place on 11 May 2023 at the Radisson Blu hotel in Glasgow. The award programme opened for entries on 18 January and will remain open until 28 February 2023. A communications campaign is underway to encourage entries including direct email and social media, and a [dedicated website](#) has been created to promote the programme and accept entries electronically.

The awards programme covers eight categories focusing on key aspects of sustainable procurement, including an award for small and third sector suppliers. Twelve judges from across local government and the wider public sector have agreed to take part, and judging is scheduled to be completed during March. A shortlist of finalists will be announced around the middle of the month.

The awards ceremony is being planned around the highly successful blueprint created for the 2018 event. A Scottish celebrity will be engaged as host, and the Minister for Business, Trade, Tourism and Enterprise, Ivan McKee MSP, is the guest speaker. Invitations will be sent to key stakeholders in early March, and tickets are available for purchase by suppliers. Around 350 guests are expected to attend.

A range of sponsorship packages have been developed to defray the costs of the awards ceremony, and approaches are being made to potential sponsors. Ticket sales for the ceremony will also make a significant contribution to costs. A budget tracking tool has been developed to monitor expenditure and income.

The Scotland Excel Supplier Excellence Awards programme is a proven vehicle for enhancing Scotland Excel's profile, influence and reputation within the Scottish public, private and third sectors. The awards ceremony provides networking opportunities which strengthen stakeholder engagement and support growth.