

Scotland Excel

To: Executive Sub-Committee

On: 16 February 2024

**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 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 five further frameworks will be developed and added to the portfolio, with 20 frameworks to be renewed before the end of 2024 (Appendix 1).

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

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

Overall, efficiencies created by frameworks awarded so far during 2023/2024 averaged at a benchmark of 1.59%. As noted in the paper presented to Executive Sub Committee in April 2023, Scotland Excel adopted a new methodology for calculating efficiencies. 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 across the portfolio between October 2022 and September 2023 is set out in Appendix 6.

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. The closing date for submission of applications was 12 January 2024, and evaluation of submissions is in progress in line with the published evaluation criteria and methodology. It is anticipated that the framework agreement will be in place by 1 April 2024.

Framework Renewals

Work is continuing to redevelop several significant, existing service contracts. This includes the second-generation **Care and Support** flexible framework which is due to commence in April 2024. An extension under Regulation 72 to permit a marginally longer phase to revise the tender publish date to July 2024 is proposed. This will allow for a longer evaluation period and to avoid a clash with the national fair work policy approach with the Adult Social Care Uplift. The flexible framework for **Care Homes for Adults** is scheduled to commence in September 2024. Engagement with stakeholders is in progress to conclude the service specification.

Due to a reluctance of the care home providers' representative body to enter into negotiations this year, an agreed offer letter is being prepared for National Care Home Contract (NCHC) placement rates. Following an initial review of the current cost of care model, some minor modifications have been made to the costings. Again, the providers' representatives chose not to take part on further discussions on this topic. An updated NCHC has been drafted. This is to update it based on legislation and current practice and makes no material change to the contract. It is preferable this updated contract is sent out along with the settlement letter for 2024/25 rates although provider representatives have yet to identify a time to assess the proposed updates.

Scotland Excel is engaging with stakeholders regarding the renewal contracts for **Secure Care Services**. The current contracts have been extended to 31st 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 policy direction.

In addition, across the Children's team, the 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 User Intelligence Groups (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. Although the category has not seen any direct effects thus far with the increased disruption to shipping around the Red Sea, this situation is being closely monitored as to its potential impact.

Three frameworks published in 2023 and are now at late stages of their award procedures.

Asbestos Related Works and Services framework recommendations were approved at the Executive Sub Committee on 20th October, with the legal standstill period following thereafter. The framework is now live and operational and has been fully mobilised with suppliers and councils.

The **Grounds and Plant Equipment** framework was approved for award at Executive Sub-Committee on 26th January. This framework brings together two previous frameworks with common supply bases for efficiency and to reduce required resources from suppliers. **Grounds and Plant Equipment** will conclude the mandatory standstill period prior to completion of formal award procedures.

The tender for **Security Services and Cash Collection** framework was considered at Executive Sub-Committee on 26th January. Services sourced through this framework involve manned guarding and a strong focus on licensing and payment of the Real Living Wage was included in the criteria for this framework. **Security Services and Cash Collection** will conclude standstill following the conclusion of the investigation with the regulator relating to corporate restructures which came to our attention after the Executive Sub-Committee report was prepared.

Several frameworks that are currently in development, namely:

The consolidated **Construction Materials** framework brings six mature goods-based frameworks together, creating efficiencies for Scotland Excel's stakeholder groups. The tender for this framework was published on 8th January 2024. It is planned that the tender evaluation will take place in February with recommendations made at the March Executive Sub-Committee.

The delivery of the second generation of **New Build Residential Construction** is in progress with the tender documents currently subject to final legal review prior to publication of the Tender. This framework 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.

Development work continues with 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). At time of writing, tender documents are subject to final legal review in preparation for publication.

The strategy for the renewal of **Waste Disposal Equipment** is in its final stages for approval. 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 procurement strategy for the next iteration of **Demolition** is also in development. This framework will enable members to procure demolition and deconstruction works, ranging from shoring works to complex multi-storey demolitions and provide vital emergency services.

Other updates from Construction, Transport and Environment:

Regarding **Street Lighting Materials**, Scotland Excel has highlighted the position to the SCOTS group and is now working with a nominated representative to help reach an agreed approach. 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.

In terms of other frameworks, **Energy Efficiency Contractors (EEC)** framework continues to help local authorities to improve the integrity of the fabric of buildings and with well over one hundred projects underway and spend increasing accordingly.

Discussions are continuing in more depth 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** to harness private sector investment. The current Electric Vehicle Charging Infrastructure framework continues to support local authorities to install and maintain their own capital projects infrastructure.

The **Property Maintenance and Refurbishment** framework is now being used successfully by local authorities following mobilisation. 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

Prices of food and non-alcoholic beverages rose by 8.0% in the year to December 2023 according to the latest Consumer Prices Index including owner occupiers' housing costs (CPIH). This was the ninth consecutive month of falls in food inflation, down from 9.2% in November and a recent high of 19.2% in March 2023, which was the highest annual rate seen for over 45 years. The latest food and non-alcoholic beverage inflation rate is the lowest since April 2022. The easing in the inflation rate was driven by prices for dairy products rising at a slower rate than the same time in 2022.

Although the rate at which food prices are rising has slowed, they remain high. The overall price of food and non-alcoholic beverages rose around 26% between December 2022 and December 2023. In the 10 years prior to this, overall food and non-alcoholic beverage prices rose by 9%.

The Good Food Nation (Scotland) Act 2022 provides the legislative framework that enables Scotland to take steps towards realising the goal of becoming a Good Food Nation. The Act underpins in law the work that is already being done across the Scottish Government to make Scotland a Good Food Nation. It is the foundation upon which we will build our Good Food Nation. The Scottish Government has launched a public consultation on the national Good Food Nation Plan, to which Scotland Excel will respond. The Plan sets out six Outcomes, the policies needed to achieve these

Outcomes and the measures that will be used to assess progress. After the national Good Food Nation Plan is finalised, local authorities will have to produce local Good Food Nation Plans.

Scotland Excel is in the final stages of evaluation for **Civic Supplies** and **Road Signage**, with recommendations due to be presented to February and March Executive Sub Committees respectively. Contract notices have been published through Public Contract Scotland (PCS) for **Fresh Fruit and Vegetables** and **Cleaning Equipment** with both tenders due to close during February 2024. Development work continues in the preparation of tender documents for **Sheriff Officer** services.

Development work is under way for the fifth-generation framework for **Catering Sundries**, with a strategy UIG held during January 2024. Work will also commence on the renewal framework for **Furniture and Furnishings** in the coming weeks.

The Contract Notice for **Technology Enabled Care Goods** has been published on PCS with the tender due to close in February 2024. It is anticipated that recommendations will be presented to Executive Subcommittee in April 2024 for approval. In addition, several projects are ongoing in partnership with the Scottish Local Government Digital Office, including **Office 365** and a new arrangement for a **Security Operation Centre**.

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	Apr-23	2%-4%	-13.80%	Approved by Executive Sub Committee April 2023 Framework now fully mobilised and operational.
Property Maintenance and Refurbishment	£75,000,000.00	New Contract	Dec-22	Apr-23	May-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	Aug-23	2%-4%	0%	Approved by Executive Sub Committee August 2023 Framework now fully mobilised and operational.
Fire Safety Products	£2,500,000.00	Renew	Apr-23	Apr-23	Sep-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	Sep-23	2%-4%	-7.90%	Approved by Exec Sub Committee September 2023 Framework now fully mobilised and operational.
Asbestos related works and services	£7,000,000.00	Renew	Jul-23	Sep-23	Oct-23	Oct-23	2%-4%	0%	Approved by Exec Sub Committee October 2023. Framework now fully mobilised and operational.
Grounds and Plant Equipment	£5,000,000.00	Renew	Mar-23	Nov-23	Jan-24	Jan-24	2%-4%	0%	Approved by Exec Sub Committee January 2024
Security Services and Cash Collection	£15,000,000.00	Renew	Jun-23	Aug-23	Jan-24	Jan-24	2%-4%	0.10%	Approved by Exec Sub Committee January 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
February 2024 Executive Sub Committee									
Civic Supplies (OSS)	£1,250,000.00	Renew	Renew	Aug-23		Feb-24	2%-4%		Tender evaluation for this framework has now concluded and recommendations will be presented for approval at the February 2024 Exec Sub Committee.
March 2024 Executive Sub Committee									
Construction Materials	£70,000,000.00	Renew	Apr-23	Sep-23		Mar-24	2%-4%		Tender published on 8th January 2024. Tender evaluation taking place in February with planned presenting recommendations at March Executive Sub Committee.
Residential Rehabilitation and Detoxification (Alcohol and Drugs) Services	15,000,000	New Contract	Oct-23	Mar-24		Mar-24	n/a		Application for Admission process closed 12 January 2024 with evaluation underway. It is anticipated that recommendations will be presented to Exec Sub Committee in March 2024 for approval.
Road Signage	£1,250,000.00	Renew	Nov-22			Mar-24	2%-4%		Tender closed January 2024 with evaluation underway. It is anticipated that recommendations will be presented to Exec Sub Committee in March 2024 for approval.
April 2024 Executive Sub Committee									
Cleaning Equipment	£2,000,000.00	Renew	Mar-23			Apr-24	2%-4%		Contract Notice Issued, Tender documents available through Public Contracts Scotland - Tender.
Fresh Fruit and Vegetables	£2,000,000.00	Renew	Feb-24			Apr-24	2% - 4%		Contract Notice Issued, Tender documents available through Public Contracts Scotland - Tender.
Technology Enabled Care Goods	£9,000,000.00	Renew	Dec-22	Dec-22		Apr-24	2%-4%		The tender for Technology Enabled Care Goods has been published and will be closing 8th February. It is anticipated that recommendations will be presented to Exec Sub Committee in April 2024 for approval.

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			May-24	0%		Development of a new framework for Local Heat and Energy Efficiency Strategies (LHEES). Documents subject to final legal review prior to tender release.
Sheriff Officers	£1,100,000	Renew	Nov-23			May-24	2%-4%		Prior Information Notice Issued. Strategy and Evaluation Methodology Under Development.
Community Meals	£4,000,000	Renew	Aug-23	Mar-24		May-24	2% - 4%		Contract documents nearing final review prior to publication.
Waste Disposal Equipment	£1,250,000	Renew	Feb-24			Jun-24	2% - 4%		Framework Renewal. Strategy development in progress.
New Build Residential Construction	£375,000,000	Renew	Jun-23	Dec-23		Jun-24	2%-4%		Development work on the Terms and Conditions to be agreed and finalised prior to tendering. Documents subject to final legal review prior to tender release.
Catering Sundries	£4,000,000	Renew	Jun-24			Jun-24	2%-4%		Prior Information Notice Issued. Strategy and Evaluation Methodology Under Development.
Street Lighting Materials	£15,000,000	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.
Security Operating Centre	TBC	New Contract	Nov-22			TBC	2%-4%		Pending

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									
Demolition	£18,000,000	Renew	Jun-24			Aug-24	2%-4%		Strategy development stage
Care Homes for Adults	£121,689,746	Renew	Oct-23			Sep-24	n/a		Development stage: scoping work underway.
Care and Support	£159,469,383	Renew	Mar-24			Sep-24	n/a		Strategy approved, Evaluation Methodology under development.
Domestic Furniture and Furnishings	£26,000,000	Renew	Nov-24			Nov-24	2%-4%		Pending
Secure Care	£17,500,000	Renew	Mar-24			Mar-25	n/a		Regulation 72 extension approved until March 2025. Early provider, UIG and policy team engagement underway.

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	Flexible 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
Secure Care Services	£17,500,000
Musical Instruments	£1,750,000
Education Materials	£17,500,000
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	BT2	BT3
Framework	Direct price-based savings	Price versus market savings	Process savings from use of collaborative arrangements
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
Grounds and Plant Equipment	£0	0%*	£372,000
Security Services and Cash Collection	£15,754	10%	£288,000

* BT2 value unknown until Indexation model can be established.

Appendix 6 – Expenditure summary per Council: October 2022 – September 2023

Member Organisation	Actual Spend	Forecast Spend	Variance	% of Total Actual Spend
Aberdeen City Council	£53,483,401	£25,455,252	210.1%	5.86%
Aberdeenshire Council	£42,861,495	£29,667,622	144.5%	4.69%
Angus Council	£12,694,797	£21,365,681	59.4%	1.39%
Argyll and Bute Council	£12,552,617	£8,089,761	155.2%	1.37%
Associate Members	£39,361,714	£64,794,092	60.7%	4.31%
Clackmannanshire Council	£19,274,519	£8,834,611	218.2%	2.11%
Comhairle nan Eilean Siar	£3,324,350	£2,758,654	120.5%	0.36%
Dumfries and Galloway Council	£19,461,483	£23,351,585	83.3%	2.13%
Dundee City Council	£44,054,906	£7,607,037	579.1%	4.82%
East Ayrshire Council	£16,396,324	£7,367,732	222.5%	1.80%
East Dunbartonshire Council	£31,491,331	£9,536,917	330.2%	3.45%
East Lothian Council	£16,080,023	£15,903,731	101.1%	1.76%
East Renfrewshire Council	£29,110,240	£11,975,412	243.1%	3.19%
Falkirk Council	£44,289,815	£43,587,942	101.6%	4.85%
Fife Council	£47,000,509	£98,064,377	47.9%	5.15%
Glasgow City Council	£48,565,253	£32,639,897	148.8%	5.32%
Inverclyde Council	£21,121,331	£5,687,467	371.4%	2.31%
Midlothian Council	£14,112,443	£8,165,083	172.8%	1.55%
North Ayrshire Council	£28,627,392	£41,737,925	68.6%	3.13%
North Lanarkshire Council	£61,215,740	£57,765,593	106.0%	6.70%
Orkney Islands Council	£2,993,018	£1,742,838	171.7%	0.33%
Perth and Kinross Council	£11,978,177	£14,235,207	84.1%	1.31%
Renfrewshire Council	£29,554,077	£37,466,541	78.9%	3.24%
Scottish Borders Council	£14,706,238	£10,537,645	139.6%	1.61%
Shetland Islands Council	£4,144,630	£1,617,815	256.2%	0.45%
South Ayrshire Council	£49,475,199	£64,434,415	76.8%	5.42%
South Lanarkshire Council	£14,875,072	£11,652,948	127.7%	1.63%
Stirling Council	£29,398,402	£5,928,259	495.9%	3.22%
Tayside Contracts	£14,544,525	£9,107,680	159.7%	1.59%
The City of Edinburgh Council	£46,924,854	£35,147,209	133.5%	5.14%
The Highland Council	£14,271,479	£28,392,109	50.3%	1.56%
The Moray Council	£22,509,459	£13,167,507	170.9%	2.46%
West Dunbartonshire Council	£28,283,323	£22,592,283	125.2%	3.10%
West Lothian Council	£24,506,336	£17,386,874	140.9%	2.68%
Total	£913,244,472	£797,765,701	114.5%	100.00%

