

Scotland Excel

To: Chief Executive Officers Management Group

On: 18 March 2024

Chief Executive's Update Report

1. Introduction

The purpose of this report is to provide an update on key developments within Scotland Excel since the last meeting of the Chief Executive Officers Management Group (CEOMG) on 08 November 2023. The format of the report has been refreshed for 2024 to reflect the key strategic activities and outputs delivered by each team within Scotland Excel's corporate structure.

2. Strategic Overview

As requested by members, Scotland Excel continues to focus on driving efficiency to support the financial sustainability of local public services, one of five strategic goals which underpin the organisation's 2023-28 corporate strategy. The 2023-24 operating plan which supports this strategy is now coming to a close, and Scotland Excel's joint committee approved a new operating plan for 2024-25 at their meeting in December.

Scotland Excel has completed the first phase of a workforce planning exercise to support the delivery of the corporate strategy. The strategic procurement function has been streamlined to amplify the commercial value of collaborative contracting, while continuing to recognise the positive social and environmental impact procurement and commissioning supports within communities.

The new structure also brings together teams delivering savings opportunities and flexible procurement services, along with the Scotland Excel Academy, to provide a joined-up approach to enhancing commercial acumen, procurement capability and capacity within the sector.

Workforce planning is also supporting new entrants to the public procurement profession to help fulfil the growing sector demand for an experienced and qualified workforce. In 2022, Scotland Excel relaunched its graduate programme, resulting in eight trainees undertaking a 'fast track' route to skills development in procurement and associated disciplines. As of January, six graduates were confirmed in mid-level practitioner roles, and a campaign to recruit a new cohort of four graduate trainees commenced in March 2024.

In addition to workforce planning, Scotland Excel continues to pursue an ongoing commitment to business improvement. Data management and ICT capability will, together, form a core foundation for many of the improvements planned over the period of the corporate strategy. This will deliver significant efficiency benefits for the organisation while also enhancing the business intelligence, management information and reporting that is available to members.

While this is a long-term project, some early progress has already been made. A business intelligence strategy was approved by the executive sub-committee in February 2024, and a new performance management framework is currently in development to underpin a commercial and community focus to value delivery for our members. Early discussions have taken place to scope a new ICT structure to guide the evolution of systems which will support these aims.

Scotland Excel continues to engage with the Scottish Government and other public sector stakeholders to promote and represent the interests of local government procurement when appropriate. Having submitted a written response to a 'call for views' from the Scottish Parliament's Economy and Fair Work Committee in October, Scotland Excel gave oral evidence to the committee in March 2024 highlighting the progress made in opening up public procurement opportunities for local SME businesses and the third sector.

3. Strategic Procurement & Commissioning

Scotland Excel has restructured its strategic procurement function to reflect the changing demands of the sector.

The new structure comprises two teams: strategic procurement which now incorporates all categories other than social care to promote synergy in the pursuit of collaborative contracting opportunities; and strategic commissioning which will continue to focus on growing demand for social care contracting within a complex political and stakeholder landscape.

The two senior managers for these teams are now in post, and further restructuring will take place within the teams over the coming months.

3.1 Recent Awards

Four frameworks have been approved by Scotland Excel's executive sub-committee since the CEOMG last met in November.

A new framework for grounds and plant equipment was approved in January. This framework brings together two previous frameworks with a common supply base to create efficiencies for both buyers and suppliers.

A renewal framework for security services and cash collection was also approved at the January meeting. Payment of the Real Living Wage formed one of the key criteria for award of this framework.

A framework for civic supplies was approved at the February meeting of the executive sub-committee. This single supplier framework provides an effective

route to market for alcoholic and non-alcoholic beverages served at civic functions or sold in council premises with bar facilities.

A renewal framework for road signage materials was approved by the executive sub-committee in March. Previous generations of this framework have been a successful vehicle for the inclusion of a supported business in local government supply chains.

3.2 Key Frameworks in Development

A new construction materials framework will be presented to executive sub-committee for approval during the next quarter. This framework brings together six previous frameworks to improve efficiency and drive savings. Also within the construction portfolio, the next generation new build residential construction framework is expected to be approved in the summer. This new framework incorporates innovative specifications which meet Passivhaus and Net Zero standards.

A new national framework for alcohol and drug residential rehabilitation services, developed with funding from the Scottish Government, will be submitted to the executive sub-committee for approval during the next quarter. Work to develop the second generation flexible framework for care and support services is continuing and will be presented to committee in the autumn.

3.3 Social Care

Fee negotiations for the National Care Home Contract (NCHC) have been concluded, with providers accepting an 8.3% increase for residential care and 6.76% increase for nursing care. The current NCHC is being updated to incorporate legislative and practice changes while work continues on framework redesign.

In February, Scotland Excel held a successful event in partnership with the Coalition of Care Providers in Scotland (CPPS). The event brought representatives from both organisations, as well as care providers, to create a better understanding of Scotland Excel's remit and explore ways of working together more effectively in future.

4. Resources & Skills

As part of ongoing workforce planning, Scotland Excel has established a new team within the Customer & Business Services function which brings together key customer-facing services which respond to continuing growth in demand for procurement resources and skills development.

To support this, a new senior strategic post of Skills & Resources Manager has been implemented to oversee the work of teams delivering saving opportunities and flexible procurement, as well as the Scotland Excel Academy.

4.1 Savings Opportunities

Scotland Excel's savings team continue to make good progress towards their first-year target to identify £5m in savings opportunities. Over £7m of potential savings are being explored, with £4m already notified to councils. The savings opportunities cover a wide range of goods and services including food, waste and janitorial products, purchase card payment rebates, and software licence agreements. Other opportunities currently being explored include occupational health, insurance, and mobile phones.

4.2 Flexible Procurement

The Flexible Procurement Service is continuing to grow and deliver a quality service to Council's. The team currently has eleven projects underway and a further ten potential projects in the pipeline.

4.3 Scotland Excel Academy

The Scotland Excel Academy is developing a programme of free training for councils which will increase the commercial skills and knowledge of procurement practitioners. This training will develop their understanding of the key drivers within markets and supply chains so that they can maximise the value of procurement activity through negotiation, supply chain engagement, and strategic contract and supplier management.

A new two-year strategy for the Academy will be presented to the executive sub-committee for approval in April and will include plans to develop and deliver training for social care commissioners.

5. Commercial Services

Projects for Stirling and South Lanarkshire Councils have now successfully concluded. The latter project achieved savings of more than £3.5m, which greatly surpassed the initial £1.3m target. The procurement transformation programme for Dundee City Council has entered its second year and continues to make significant progress.

A third tranche of Procurement & Commercial Improvement Programme assessments are underway, with 24 council opting to take part in this cycle. Scotland Excel has held a series of workshops with councils to help them prepare for the assessment which will identify examples of good practice and opportunities for improvement. Learning arising from the programme will be shared with all members.

Scotland Excel is developing plans for its annual conference on 21-22 May which will provide a platform for delegates to share good practice and take part in solution-focused discussion. The first day of the conference will take place online to accommodate a wide audience from councils and other public sector organisations. The second day of conference is targeted towards senior procurement professionals from local authorities and will take place in Glasgow.

Eight new associate members have been approved since the report to the CEOMG in November. The new members encompass three charities, Capability Scotland, Scottish SPCA and Jane Moore Trust, and five housing associations, Paragon Lochfield Park, Linstone, Riverside and Clydesdale. Annual fee income generated by these members is £12,840.