

Minute of Meeting Scotland Excel Joint Committee

Date	Time	Venue
Friday, 09 December 2022	10:45	Remotely by MS Teams,

Present

Councillor Alex McLellan (Aberdeen City Council); Councillor David Keating and Councillor Alastair Forsyth (Aberdeenshire Council); Councillor Kenny Macleod (Comhairle Nan Eilean Siar); Councillor Carolyn Wilson (Dumfries and Galloway Council); Councillor Lynne Short (Dundee City Council); Councillor Stephen Canning (East Ayrshire Council); Councillor Calum Smith (East Dunbartonshire Council); Councillor Tony Buchanan (East Renfrewshire Council); Councillor Margaret Anslow (Falkirk Council); Councillor Altany Craik and Councillor Ross Vettraino (Fife Council); Councillor Rashid Hussain (Glasgow City Council); Councillor Derek Loudon (Highland Council); Councillor Martin McCluskey (Inverclyde Council); Councillor Gary Robinson (North Lanarkshire Council); Councillor Sheila McCole (Perth and Kinross Council); Councillor John Shaw (Renfrewshire Council); Councillor Mark Rowley (Scottish Borders Council); Councillor Dennis Leask (Shetland Islands Council); Councillor Peter Henderson (South Ayrshire Council); Councillor Eileen Logan and Councillor Walter Brogan (South Lanarkshire Council); Councillor Rachel Nunn (Stirling Council) and Councillor Anne McMillan (West Lothian Council).

Chair

Councillor John Shaw, Convener, presided.

In Attendance

J Welsh, Director, S Brannagan, Head of Customer & Business Services, H Carr, Head of Strategic Procurement, L Campbell, Corporate Services Manager, M Robertson, Marketing and Communications Manager, M Mitchell, Strategic Procurement Manager, S Roberts, Project & Accounts Manager, S Christie, Commercial Programme Manager, K Forrest, Office Manager, N French, Customer Services Assistant and E Fitzsimmons, Modern Apprentice (all Scotland Excel); C McCourt, Head of Finance & Business Services, L Mitchell, Managing Solicitor (Contracts & Conveyancing) and E Currie, Senior Committee Services (all Renfrewshire Council).

Apologies

Councillor Brenda Durno (Angus Council); Councillor William Sinclair (Argyll and Bute Council); Councillor Mandy Watt (City of Edinburgh Council); Councillor Ellen Forson (Clackmannanshire Council); Councillor John McMillan (East Lothian Council); Councillor Ruairi Kelly (Glasgow City Council); Councillor Douglas Bowen (Midlothian Council); Councillor Christina Larsen (North Ayrshire Council) and Councillor Michael McPake (North Lanarkshire Council).

Declarations of Interest

There were no declarations of interest intimated prior to the commencement of the meeting.

1 Minute of Joint Committee

There was submitted the Minute of the meeting of the Joint Committee held on 17 June 2022.

Councillor Vettraino intimated that he re-joined the meeting and that this had not been recorded in the Minute. It was agreed that the Minute be amended to reflect this.

DECIDED: That the Minute, as amended, be approved.

2 Minutes of Executive Sub-committee

There were submitted the Minutes of the meetings of the Executive Sub-committee held on 17 June, 19 August, 16 September, 21 October and 18 November 2022.

DECIDED: That the Minutes be approved.

Sederunt

Councillors Anslow, Henderson, McCole and McLellan joined the meeting during consideration of the following item of business.

3 Presentation

The Chief Executive of Scotland Excel gave a presentation to members providing an overview of performance in 2022 which included information on procurement and consultancy services; the projects and partnership work undertaken by Scotland Excel; the Pathfinder Project in partnership with the Scottish Government which would deliver local capability and impact on inclusive and green economic growth through a Community Wealth Building (CWB) Lens; the six project streams of data analysis, internal partner engagement, external partner engagement, grow local, public contracts Scotland, and quick quotes; the work being undertaken in connection with the Community Wealth Building Project Toolkit; the governance and benefits around associate membership of Scotland Excel; and the programmes, workshops, training and unaccredited programmes delivered through the Scotland Excel Academy.

The Chief Executive of Scotland Excel provided further detail on what Scotland Excel had delivered for member councils and partners; annual value reports which detailed the value derived by individual councils from membership of Scotland Excel; income generation; return on investment; construction, transport and environmental services; corporate, education and ICT; social care; supply chain disruption; the income strategy; the budget process which included details on the annual requisition, the 3% requisition increase with indicative 3% increase for the following two years, spend reviews and budget reporting to the Joint Committee and Executive Sub-committee; and Scotland Excel's proposed budget; and the way ahead for Scotland Excel.

DECIDED: That the presentation be noted.

Sederunt

Councillor Rowley joined the meeting during consideration of the following item of business.

4 Revenue Estimates 2023/24

There was submitted a joint report by the Treasurer and the Chief Executive of Scotland Excel relative to the revenue estimates of Scotland Excel, including the requisition of the constituent authorities for financial year 2023/24 and indicative planning figures for 2024/25 and 2025/26.

The report intimated that the annual revenue estimates process outlined the summary revenue budget position for the organisation. Appendix 1 to the report outlined the projected position and proposed requisitions for 2023/24 and an indicative projected position for 2024/25 and 2025/26. The assumptions used in developing these projections were outlined in sections 4 and 5 of the report.

The report advised that the financial environment within which Scotland Excel and its member authorities currently operated continued to be characterised by challenging public sector spending requirements following a prolonged period of change arising from the UK's exit from the EU, the impact and now recovery from the COVID-19 pandemic, global supply chain issues following the invasion of Ukraine and increasingly volatile economic conditions with very high current levels of inflation. These factors had influenced the revenue budget estimates and the report noted that the figures presented for 2024/25 and 2025/26 should be treated as indicative only and would be subject to constant review as economic conditions developed over the coming year. It was anticipated that local government in Scotland would face further challenges in relation to available resources over the coming years and, in this context, Scotland Excel would continue to seek operational efficiencies to manage its financial position flexibly in order to maintain its aim of minimising the level of requisition required and also to develop strategic savings opportunities for member authorities to ensure that best value was achieved.

The report noted that Scotland Excel had provided an update on the proposed requisition increase to a number of stakeholder groups who had recognised the need for the increase. Appendix 2 to the report detailed the member authority requisitions for 2023/24 and the savings achieved by member authorities during 2021/22.

The report provided information on the assumptions that the budget had been based on; income from projects; a financial overview for Scotland Excel and member authority requisitions for 2023/24.

DECIDED:

- (a) That the revenue estimates of Scotland Excel for the financial year 2023/24, as detailed in Table 1 of Appendix 1 to the report, be approved;
- (b) That the requisitions from constituent authorities, as detailed in Appendix 2 to the report, be approved; and
- (c) That the indicative estimates for 2024/25 and 2025/26 be noted.

5 Contract Delivery Plan Update

There was submitted a report by the Chief Executive of Scotland Excel providing a progress update on the 2022/23 contract delivery plan.

The report intimated that for 2022/23 the contract delivery plan had been brought back into line with pre-pandemic planning and that frameworks due for renewal during 2020/21, 2012/22 or 2022/23 were concluded as close as possible to the end of March 2023. Achieving this aim within a challenging economic environment had proved to be demanding and the impact of the economic downturn evident to Scotland Excel was detailed in the report. It was noted that these factors had driven a need for rapid improvement to some of Scotland Excel's procedures and new ways of working and that many processes would benefit from greater standardisation, further automation and additional safeguards to ensure accuracy.

The report advised that the contract delivery plan comprised new framework developments and renewals, flexible frameworks, framework extensions and frameworks with ongoing contract management only. The report highlighted that at any given point there were around 70 frameworks in the Scotland Excel contract portfolio with three further frameworks to be developed, 23 frameworks to be renewed during 2022/23 and 17 frameworks with extension options that were available to be exercised in 2022/23, with 10 of these extensions already approved. Appendices 1 to 4 to the report provided further details. The estimated forecast value of the Scotland Excel framework portfolio was approximately £2 billion.

It was noted that, overall, efficiencies created by frameworks awarded so far during 2022/23 were benchmarked at 1.70%, which was slightly below the forecast range. A summary of spend and forecast savings per Council for the period July 2021 to June 2022 was detailed in Appendix 5 to the report, with an average forecast efficiency of circa 1.44%.

In addition to the activity detailed in appendices 1 to 4, Scotland Excel was exploring the benefits of further collaborative procurement across high spend, critical service areas in construction, corporate ICT and social care teams. In order to create capacity to add new activities to the portfolio and support strategically significant areas of spend, a consolidation of the existing portfolio was underway with some existing frameworks within related markets being considered for merger and some lower value frameworks not being renewed.

DECIDED: That the progress made to date be noted.

Sederunt

Councillor McCole left the meeting during consideration of the following item of business.

6 Community Benefits and Fair Work Practices Update

There was submitted a report by the Chief Executive of Scotland Excel highlighting the community benefits delivered in the period 1 April to 30 September 2022 aligned with Scotland Excel's framework portfolio together with an update on fair work practices which would give an analysis of suppliers and providers Living Wage status.

The report intimated that Scotland Excel continually strived to be innovative in its approach to community benefits and recognised that community benefits had a considerable social, environmental and economic impact within local communities. The approach to community benefit commitments had been developed to further advance the undertakings made by suppliers and to facilitate a robust process for the collection of responses. Scotland Excel utilised the community benefit menu that had been favoured by procurement specialists when embarking on new procurement exercises and offered a focussed approach across the Scotland Excel procurement portfolio. It aimed to encourage suppliers and providers to deliver community benefits within the awarding local authority area.

The report advised that information supplied by providers had been collated to illustrate the variety and extent of community benefits delivered through Scotland Excel frameworks and this method of collection together with ongoing contract management aimed to support the delivery of commitments made by suppliers and providers at point of tender. For the return through to 30 September 2022, community benefits had been sought from suppliers and providers who had received in excess of £50,000 spend over the preceding two quarters via Scotland Excel frameworks.

Table 1 of the report provided a summary of the social value added across the portfolio since 2013. The figures were complete for the year ending on 31 March 2022. The appendix to the report detailed the accrued community benefits value by Council for the period April to September 2022.

It was noted that the next community benefits data collection, analysis and review cycle would be completed in line with the management information process to cover the period to 31 March 2023.

It was proposed that future reports include information around community benefits against spend. This was agreed.

DECIDED:

(a) That the content of the report be noted and that the ongoing practices in place to monitor delivery of community benefits and the application on fair work practices for the 2022/23 financial year be supported; and

(b) That future reports include information around community benefits against spend.

Sederunt

Councillor Leask left the meeting during consideration of the following item of business.

7 Draft Corporate Strategy 2023/28

There was submitted a report by the Chief Executive of Scotland Excel relative to the draft corporate strategy 2023/28.

The report intimated that in June 2018, the Scotland Excel Joint Committee approved a five-year corporate strategy for the organisation. As this strategy period would end on 31 March 2023, Scotland Excel had worked on the development of a new corporate strategy for 2023/28, a copy of which was appended to the report.

The report advised that Scotland Excel followed a robust strategic planning process to develop its corporate strategy and operating plans which were illustrated within the report. The future vision of the organisation was supported by a mission statement based on business capabilities with five corporate goals developed to reflect the key priorities of local authorities: journey towards a net zero Scotland; drive for efficiency to support the financial sustainability of local public services; community wellbeing with equal access to services, economic development, and fair work jobs across Scotland; resilient supply chains that maximised opportunities for Scottish businesses; and the third sector and advancement of skills to deliver Scotland's economic transformation. These goals influenced the strategic commitments made by Scotland Excel to ensure that the delivery of procurement and commissioning, services and partnerships met the requirements and expectations of members.

The report noted that annual operating plans would be developed to provide more detailed information on the actions and activities that Scotland Excel would undertake each year to deliver the strategy. The new corporate strategy builds on the progress made by Scotland Excel over the past five years and was developed in close consultation with local authority stakeholders and Scotland Excel staff. It responded to financial challenges facing local government and the wider public sector, while recognising other key social, economic and environment drivers that were important nationally and locally.

Progress on the strategic and operating reports would be produced quarterly to track Scotland Excel's performance. Half yearly and annual reports would be submitted to Joint Committee meetings in December and June, with reports for the interim quarters submitted to the Executive Sub-committee. A set of Key Performance Indicators (KPIs) which measured performance against the five corporate goals would be developed and would be reported against these indicators on an annual basis.

DECIDED: That the proposed five-year corporate strategy for 2023/28 be approved.

8 Draft Operating Plan for April 2023 to March 2024

There was submitted a report by the Chief Executive of Scotland Excel presenting the draft operating plan for 2023/24, a copy of which was appended to the report.

The report intimated that Scotland Excel's five-year corporate strategy for 2023/28 was supported by annual operating plans which provided more detailed information on the actions and activities that Scotland Excel would undertake each year to deliver the strategy. These were linked directly to the strategic commitments for procurement and

commissioning, services and partnerships as well as the strategic enablers which related to key business activities that supported the strategy. The actions and activities within the operating plan were cascaded to all staff through an annual personal development plan.

The report advised that progress reports would be produced quarterly to track Scotland Excel's performance and submitted to Executive Sub-committee meetings with half-yearly and annual reports being submitted to Joint Committee meetings. The reports summarised the performance made against operating plan commitments and used a 'traffic light' symbol to provide a guide of the status of each activity.

DECIDED: That the proposed operating plan for 1 April 2023 to 31 March 2024 be approved.

9 **Strategic Risk Strategy**

There was submitted a report by the Chief Executive of Scotland Excel relative to Scotland Excel's strategic risk strategy which set out the revised methodology that Scotland Excel would operate for managing identified strategic risk that might impact on operations and delivery of the organisation's five-year strategy, a copy of which was appended to the report.

The report intimated that with the introduction of a new five-year strategy, the methodology of monitoring, managing and reporting strategic risk to the Joint Committee and Executive Sub-committee had been reviewed. Currently the Scotland Excel senior management team reviewed its strategic risk, and this process would be updated to be more focussed and would be undertaken by a wider group of relevant colleagues drawn from across the organisation. It was noted that the detail within this strategy set out the legacy position, current work and proposed future operation.

The report advised that the 11 legacy risks had been updated and that a workshop would be held to explore any gaps identified which would form the basis of the first review by members. The review would also consider wider potential sectoral risks and would support members in their own risk management activities. Scotland Excel would work with members risk management colleagues to share output and gain wider sectoral insight.

It was noted that Scotland Excel would continue to report its strategic risk register to the Executive Sub-committee on a quarterly basis with a report being submitted to each meeting of the Joint Committee to provide members with a contextualised update, an updated risk profile and the latest strategic risk register.

DECIDED: That Scotland Excel's strategic risk strategy be approved.

Sederunt

Hugh Carr and Stephen Brannagan left the meeting prior to consideration of the following item of business.

10 **Review of Job Titles for the Heads of Service of Scotland Excel**

There was submitted a report by the Chief Executive of Scotland Excel seeking approval to the post titles of Head of Strategic Procurement and Head of Customer & Business Services being changed to Director of Strategic Procurement and Director of Customer & Business Services respectively.

The report intimated that the posts of Heads of Service of Scotland Excel were created when the organisation was established in 2018 and, at that time, the job titles reflected the titles of the posts in the predecessor organisation, the Authorities Buying Consortium, on which Scotland Excel's governance had been initially based. In terms of the Scheme of Delegations, the Heads of Service were authorised to exercise the operational responsibilities delegated to the Chief Executive where the Chief Executive was not available. There had been significant changes to the landscape in which Scotland Excel operated and this had demanded that the Heads of Service operated at a much more strategic level.

The report advised that the focus of the Heads of Service roles had primarily been to get the organisation set up and running effectively and the roles were now key in supporting and leading emerging policy agendas for both local and national government. The proposed revision to the job titles more accurately reflected the strategic nature of the roles and the level of stakeholder engagement and influencing required. The change in titles of the posts would not involve a regrading of the posts.

DECIDED:

(a) That it be agreed that the Heads of Service posts be retitled for the reasons set out in the report; and

(b) That it be noted that the Clerk had authority under the Scheme of Delegations to amend Scotland Excel's governance documents to reflect any agreed changes in job titles.

Sederunt

Hugh Carr and Stephen Brannagan re-joined the meeting prior to consideration of the following item of business.

11 Membership of Scotland Excel Executive Sub-committee

Under reference to item 5 of the Minute of the meeting of this Joint Committee held on 17 June 2022, there was submitted a report by the Clerk seeking approval for the continued appointment of the existing membership of the Scotland Excel Executive Sub-committee for a further period to December 2023.

The report intimated that in June 2022, the Joint Committee agreed to increase the number of members of the Sub-committee from 13 to 14 to include both the Convener and Vice Convener and the procedural standing orders had been amended to reflect that change. However, the new arrangements remained subject to the requirement that where possible, the membership of the Executive Sub-committee should reflect the geographic diversity of the constituent authorities. It was agreed at that meeting that the membership of the Executive Sub-committee should comprise elected members from Aberdeenshire Council, Angus Council, City Of Edinburgh Council, Comhairle nan Eilean Siar, Dumfries & Galloway Council, Fife Council, Glasgow City Council, Highland Council, North Ayrshire Council, North Lanarkshire Council (Vice Convener), Renfrewshire Council (Convener), South Ayrshire Council, South Lanarkshire Council and Shetland Islands Council. Further, that the membership of the Executive Sub-committee be next reviewed at the meeting of the Joint Committee in December 2022.

DECIDED:

(a) That it be agreed that the Executive Sub-committee continue to comprise of elected members from Aberdeenshire Council, Angus Council, City Of Edinburgh Council, Comhairle nan Eilean Sar, Dumfries & Galloway Council, Fife Council (Vice Convener), Glasgow City Council, Highland Council, North Ayrshire Council, North Lanarkshire Council, Renfrewshire Council (Convener), South Ayrshire Council, South Lanarkshire Council and Shetland Islands Council; and

(b) That membership of the Executive Sub-committee be next reviewed at the meeting of the Joint Committee in December 2023.

12 Membership of Scotland Excel Chief Executive Officers Management Group

There was submitted a report by the Clerk seeking approval for the membership of Scotland Excel's Chief Executive Officers Management Group (CEOMG), a key governance body for the organisation and which had been part of Scotland Excel's governance since its inception in 2008.

The report intimated that the CEOMG comprised six Chief Executives from the member authorities with the Chief Executive of Renfrewshire Council being a standing member due to Renfrewshire Council being the lead authority. The other five members of the group were appointed annually by the Joint Committee although membership could be renewed.

The report advised that at the meeting of the Joint Committee held on 10 December 2021 it was decided that the membership of the CEOMG remain as detailed in section 1.3 of the report until December 2022. Current members of the CEOMG had confirmed their membership of the group for a further year and this had been agreed by SOLACE at a meeting on 28 October 2022. The report proposed that the CEOMG membership remain as detailed in the report until December 2023 to allow for continuity in the strategic direction for Scotland Excel.

DECIDED:

(a) That the membership of the CEOMG remain as detailed in paragraph 1.3 of the report until December 2023; and

(b) That it be noted that Alan Russell would chair meetings of the CEOMG.

13 Meetings of Scotland Excel Joint Committee in 2023

There was submitted a report by the Clerk seeking approval for the proposed dates for meetings of the Scotland Excel Joint Committee in 2023.

DECIDED:

(a) That meetings of Scotland Excel Joint Committee be held at 10.45 am on 16 June and 8 December 2023; and

(b) That it be agreed that the Joint Committee continue to meet remotely using the Microsoft Teams platform.