

Notice of Meeting and Agenda Scotland Excel Executive Sub-committee

Date	Time	Venue
Friday, 17 September 2021	09:30	Remotely by MS teams,

KENNETH GRAHAM
Clerk

Membership

Provost Bill Howatson (Aberdeenshire Council); Councillor Angus Macmillan Douglas (Angus Council); Councillor Andrew Johnson (City of Edinburgh Council); Provost Norman A Macdonald (Comhairle Nan Eilean Siar); Councillor Stephen Thompson (Dumfries & Galloway Council); Councillor Altany Craik (Fife Council); Councillor Ruairi Kelly (Glasgow City Council); Councillor Jimmy Gray (Highland Council); Councillor Joe Cullinane (North Ayrshire Council); Councillor Paul Di Mascio (North Lanarkshire Council); Councillor John Shaw (Renfrewshire Council); Councillor Amanda Hawick (Shetland Islands Council) and Councillor Josh Wilson (South Lanarkshire Council)

Councillor John Shaw (Convener): Councillor Paul Di Mascio (Vice Convener)

Further Information

If you require further information in relation to this meeting please call 0141 618 7111.

Items of business

Apologies

Apologies from members.

Declarations of Interest

Members are asked to declare an interest in any item(s) on the agenda and to provide a brief explanation of the nature of the interest.

- | | | |
|----------|--|----------------|
| 1 | Minute | 3 - 8 |
| | Minute of meeting of the Executive Sub-committee held on 20 August 2021. | |
| 2 | Response to Scottish Government Consultation | 9 - 12 |
| | Report by Chief Executive of Scotland Excel. | |
| 3 | Supply Chain Disruption and Price Volatility | 13 - 18 |
| | Report by Chief Executive of Scotland Excel. | |
| 4 | Contract for Approval: Supply and Provision of Online School Payments, Cashless Catering and Kitchen Management and Nutritional Systems | 19 - 30 |
| | Report by Chief Executive of Scotland Excel. | |
| 5 | Request for Associate Membership: University of Stirling | 31 - 32 |
| | Report by Chief Executive of Scotland Excel. | |
| 6 | Sickness Absence Report including Mental Health Update | 33 - 38 |
| | Report by Chief Executive of Scotland Excel. | |
| 7 | Date of Next Meeting | |
| | Note that the next meeting of this Sub-committee will be held at 9.30 am on 22 October 2021. | |



Minute of Meeting Scotland Excel Executive Sub-committee

Date	Time	Venue
Friday, 20 August 2021	09:30	Remotely by MS teams,

Present

Councillor Charles Buchan (substitute for Provost Bill Howatson) (Aberdeenshire Council); Councillor Angus Macmillan Douglas (Angus Council); Provost Norman A Macdonald (Comhairle Nan Eilean Siar); Councillor Stephen Thompson (Dumfries & Galloway Council); Councillor Ian Cameron (substitute for Councillor Altany Craik) (Fife Council); Councillor Ruairi Kelly (Glasgow City Council); Councillor Joe Cullinane (North Ayrshire Council); Councillor Paul Di Mascio (North Lanarkshire Council); and Councillor John Shaw (Renfrewshire Council).

Chair

Councillor Shaw, Convener, presided.

In Attendance

J Welsh, Chief Executive, S Brannagan, Head of Customer and Business Services, N Howie, Assistant Procurement Specialist, L Richard, Strategic Procurement Manager, M Mitchell, Strategic Procurement Manager, B Murray, Procurement Development Manager, S Christie, Commercial Manager, R Bridgen, Senior Procurement Specialist, L McIntyre, Senior Communications Specialist and K Forrest, Office Manager (all Scotland Excel); and M Conaghan, Legal & Democratic Services Manager, C McCourt, Finance Business Partner, L Meikle, Senior Accountancy Assistant and E Currie, Senior Committee Services Officer (all Renfrewshire Council).

Apologies

Provost Bill Howatson (Aberdeenshire Council); Councillor Andrew Johnston (City of Edinburgh Council); Councillor Altany Craik (Fife Council); Councillor Amanda Hawick (Shetland Islands Council); and Councillor Josh Wilson (South Lanarkshire Council).

Declarations of Interest

Councillor Buchan declared a non-financial interest in item 5(c) of the agenda and indicated that he would remain in the meeting during consideration of the item.

1 Minute

There was submitted the Minute of the meeting of the Executive Sub-committee held on 18 June 2021.

DECIDED: That the Minute be approved.

2 Chief Executive's Update Report

There was submitted a report by the Chief Executive of Scotland Excel relative to the Chief Executive's update report considered at the meeting of the Scotland Excel Chief Executive Officers Management Group (CEOMG) held on 29 June 2021, a copy of which was appended to the report.

The report intimated that the CEOMG met quarterly and that as part of the regular governance process, the Chief Executive of Scotland Excel provided an update on the work of Scotland Excel. Following discussions with the Convener, it had been agreed that this report, and any future reports, be shared with members of the Scotland Excel Executive Sub-committee, following CEOMG meetings.

The report submitted to the CEOMG on 29 June 2021 covered the period between March and June 2021 and provided information in relation to work in collaboration with the Digital Office; care services; the independent review of adult social care; the national care home contract; the £500 project; the Scotland Excel Academy; housing and new build housing; the contract plan and contracts approved since November 2020; projects with other local authorities and associate members; climate change; new associate members; the Scotland Excel annual conference; and community wealth building.

DECIDED: That the report be noted.

3 Revenue Budget Monitoring

There was submitted a joint revenue budget monitoring report by the Treasurer and the Chief Executive of Scotland Excel for the period 1 April to 23 July 2021.

The report intimated that at the end of period 4, Scotland Excel was projecting a £25,000 overspend by year-end in its core activities and a £110,000 drawdown from project reserves by year-end within projects. It was noted that both core and projects would be monitored closely in order to mitigate any projected overspends and as a result, Scotland Excel was confident it would deliver against its planned budget by year-end. Further detail was provided in section 3 of the report.

Appendix 1 to the report provided an analysis of the actual spend to date along with projected net expenditure for 2021/22 and included a summary of movement in the revenue reserve. Appendix 2 to the report provided an analysis of the actual spend to date along with projected net expenditure for 2021/22 and included a summary of movement in the project reserves.

DECIDED: That the report be noted and that the detailed budget adjustments for projects be approved.

4 **Contract for Approval: Dynamic Purchasing System (DPS) for Digital Telecare Goods**

There was submitted a report by the Chief Executive of Scotland Excel recommending a new Dynamic Purchasing System (DPS) for digital telecare goods, which the Chief Executive has elected to establish in terms of Scotland Excel's contract standing orders. The report also sought that delegated authority be awarded to the Chief Executive to appoint new entrants to the DPS during its lifetime, as detailed in the report.

The report intimated that this DPS would focus on the provision of digital telecare products that assisted the person and monitored the person's environment. Scotland Excel supported the Scottish Government's Technical Enabled Care (TEC) programme which focussed on citizen facing digital solutions where 'outcomes for individuals in home or community settings are improved through the application of technology as an integral part of quality, cost effective care and support to look after more people at home'. It was noted that all local authorities and associate members would be able to purchase through this agreement.

The DPS had been divided into three lots, as detailed in table 1 of the report, and had been advertised at an estimated value of £12 million over its ten-year life span. Appendix 1 to the report detailed those applicants requesting to be granted access to the DPS at its establishment. Of the 17 applicants received, 11 applicants had fully satisfied the requirements of selection and Appendix 2 to the report provided a summary of recommended participants.

A key outcome of the DPS route to market was a facility to allow new entrants throughout the lifetime of the arrangement and thereby not lock-out new providers who met the regulatory requirements. Following commencement of the DPS, a second contract notice would be issued inviting new entrants to complete the qualification process. This invitation would remain open throughout the lifetime of the DPS.

The Public Contracts (Scotland) Regulations 2015 required that applicants putting themselves forward to be granted access to the DPS must, ordinarily, be informed of their success or failure within a maximum of 10 days following completion and submission of qualification documents. In order to remain compliant with the statutory requirement, the report sought that the Chief Executive of Scotland Excel be granted the appropriate delegated authority to approve such decisions and that the Executive Sub-committee be updated on the status of available service providers on an annual basis via incorporation into the annual procurement report.

DECIDED:

(a) That delegated authority be granted to the Chief Executive, or the Head of Strategic Procurement in the Chief Executive's absence, to approve the evaluation outcome of initial respondents and any new entrants that completed the qualification process for entry to the DPS during its lifetime, ensuring compliance with the applicable procurement rules including the statutory period for evaluation and notification of outcome;

(b) That the Executive Sub-committee be updated on the status of available service providers on an annual basis through incorporation into the annual procurement report; and

(c) That the applicants, detailed in Appendix 2 to the report, be admitted to the DPS.

5(a) **Request for Associate Membership: Berwickshire Housing Association Limited**

There was submitted a report by the Chief Executive of Scotland Excel advising that Berwickshire Housing Association Limited had submitted an application to become an associate member of Scotland Excel.

The report provided details of the organisation and the legislative position in relation to the application.

DECIDED: That the application by Berwickshire Housing Association Limited to become an associate member of Scotland Excel, with an annual membership fee of £2,882, be approved subject to completion and signing of the agreement documentation.

5(b) **Request for Associate Membership: Caledonian Maritime Assets Limited (CMAL)**

There was submitted a report by the Chief Executive of Scotland Excel advising that Caledonian Maritime Assets Limited (CMAL) had submitted an application to become an associate member of Scotland Excel.

The report provided details of the organisation and the legislative position in relation to the application.

DECIDED: That the application by Caledonian Maritime Assets Limited (CMAL) to become an associate member of Scotland Excel, with no annual membership fee, be approved subject to completion and signing of the agreement documentation.

Declaration of Interest

Councillor Buchan having previously declared an interest in the following item remained in the meeting.

5(c) **Request for Associate Membership: Heriot-Watt University**

There was submitted a report by the Chief Executive of Scotland Excel advising that Heriot-Watt University had submitted an application to become an associate member of Scotland Excel.

The report provided details of the organisation and the legislative position in relation to the application.

DECIDED: That the application by Heriot-Watt University to become an associate member of Scotland Excel, with no annual membership fee, be approved subject to completion and signing of the agreement documentation.

5(d) **Request for Associate Membership: Scottish Environment Protection Agency (SEPA)**

There was submitted a report by the Chief Executive of Scotland Excel advising that the Scottish Environment Protection Agency (SEPA) had submitted an application to become an associate member of Scotland Excel.

The report provided details of the organisation and the legislative position in relation to the application.

DECIDED: That the application by the Scottish Environment Protection Agency (SEPA) to become an associate member of Scotland Excel, with no annual membership fee, be approved subject to completion and signing of the agreement documentation.

5(e) **Request for Associate Membership: West Granton Housing Co-operative Limited**

There was submitted a report by the Chief Executive of Scotland Excel advising that West Granton Housing Co-operative Limited had submitted an application to become an associate member of Scotland Excel.

The report provided details of the organisation and the legislative position in relation to the application.

DECIDED: That the application by West Granton Housing Co-operative Limited to become an associate member of Scotland Excel, with an annual membership fee of £558, be approved subject to completion and signing of the agreement documentation.

6 **Contract Delivery Plan Update**

There was submitted a report by the Chief Executive of Scotland Excel providing a progress update on the 2021/22 contract delivery plan.

The report intimated that the contract delivery plan detailed new framework developments and renewals, framework extensions and frameworks with ongoing contract management only and appendices 1 to 4 to the report provided further details.

The report highlighted that there were 72 current frameworks in the Scotland Excel portfolio, with a further four new frameworks to be added and 30 frameworks to be renewed before 31 December 2022. Appendix 1 to the report detailed new or renewal contracts until December 2022; Appendix 2 to the report detailed the flexible contracts until December 2022; Appendix 3 to the report detailed contracts with extension options and contract management activity ongoing until December 2022; and Appendix 4 to the report detailed contracts with no renewal or extension activity and contract management activity ongoing until December 2022.

The estimated forecast value of the Scotland Excel framework portfolio by 31 March 2022 would be approximately £2 billion. It was noted that overall, efficiencies delivered to date in 2021/22 were 3.1%, which was slightly above the forecast range.

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 the construction, corporate, ICT and social care teams and further detail was provided in the report.

A summary of spend and forecast savings per council between April and March 2021 was detailed in Appendix 5 to the report, with an average forecast efficiency of circa 2.94%. Overall savings were estimated at £9.7 million which was lower than previous years, however, overall spend had reduced by 10% against the same period last year due to changes to spend patterns during the COVID-19 pandemic.

DECIDED: That the progress made to date be noted.

7 **Operating Plan Update 2021/22**

There was submitted a report by the Chief Executive of Scotland Excel providing an update on the progress made in the three months between April and June 2021 towards delivering the commitments contained in the operating plan 2021/22.

The report intimated that a new operating plan, covering the fifteen-month period from January 2021 to March 2022, had been approved at the meeting of the Scotland Excel Joint Committee held on 11 December 2020. To simplify reporting, the number of commitments in the plan had reduced from 68 detailed commitments to 30 broader commitments and these aligned to more than 120 specific actions cascaded to staff as part of Scotland Excel's Performance Review and Development Programme.

The report highlighted that 27 commitments were progressing in line with plans and were indicated as green; one commitment was indicated as amber; and one commitment had been completed and was indicated as black.

It was noted that progress reports were produced quarterly to track Scotland Excel's activity against operating plan commitments and at the end of each quarter reports were submitted to the Executive Sub-committee with half-yearly and annual reports submitted to the Joint Committee. Due to the continuing uncertainty in relation to COVID-19 and Brexit, reporting against key performance indicators was currently on hold pending a review of appropriate measures.

DECIDED: That Scotland Excel's progress in delivering the commitments contained within the operating plan 2021/22 be noted.

8 **Date of Next Meeting**

DECIDED: That it be noted that the next meeting of the Executive Sub-committee would be held at 9.30 am on 17 September 2021.

Scotland Excel

To: Executive Sub-Committee

On: 17 September 2021

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

Response to Scottish Government Consultation

1. Introduction

The purpose of this paper is to provide an update in relation to the Scottish Government's consultation on the proposed National Care Service (NCS).

The paper aims to highlight areas of specific concern for the local government sector and Scotland Excel, and seeks support for the proposed approach to our response.

2. Background

In February this year the report on the findings of the Independent Review of Adult Social Care was published. The report found issues with implementation of social care policy and was critical of current commissioning & procurement activity.

Amongst the recommendations, to help drive improvement in the sector, was the establishment of a NCS in Scotland. The report recommended that the NCS take over responsibility for the strategic aspects of social care planning and commissioning from local government. Local government would instead become a care provider alongside the private and voluntary sectors and would be commissioned to deliver services on behalf of the NCS.

The report noted the work of The Promise in children's services and identified that separation of services for adults and children (by moving adult social care to the NCS) may cause issues. It did not go as far as to recommend inclusion of children's services within the NCS.

In August, the Scottish Government published their consultation on the creation of the NCS in Scotland. The proposals set out within this document are significant and will result in a fundamental change to the role of local government in Scotland if implemented.

The scope of services proposed for inclusion in the NCS is far broader than was initially anticipated and includes services relating to adult social care, children's services, community health, addiction, justice, and social care in prison.

3. Issues for Local Government

The proposals pose significant issues to local government. If implemented as set out, the overall role for the local government sector will undertake a fundamental shift and will be much diminished. With strategic responsibility for social care removed, local authorities will be refocused as social care providers. This assumes that this is role authorities will be willing to continue to provide under the new system. If not, the implications for the social care market are significant.

Scotland Excel's role would also be much diminished by the proposed plans. Within the section 'Commissioning of Services' there are a number of questions which clearly and directly impact Scotland Excel's current and potential service offering.

These include questions on:

- National commissioning of social care;
- Market research and analysis; and
- Structure of Standards and Processes which includes the provision of guidance, templates and tools to support local commissioning practice

The proposals relating to these questions include the NCS undertaking responsibility for commissioning of complex services at a national level. This includes residential services such as the National Care Home Contract. Given the proposals extend to children's services it is likely that the majority of Scotland Excel's current portfolio and remit in social care would transfer to the NCS.

For more than 10 years Scotland Excel has been delivering national social care arrangements on behalf of Scottish local authorities and in collaboration with the wider sector. Today, national social care commissioning is a key strategic focus for Scotland Excel covering both adult social care and children's services. Removing responsibility for social care commissioning would mean the loss of one of our key functions.

The proposals also include responsibility for market research & analysis, provision of commissioning standards & guidance and provision of tools and templates to support local commissioning all sitting within the NCS.

Whilst undertaking extensive market research and analysis in relation to the markets and services commissioned, Scotland Excel does not currently have a role in market research beyond this.

In terms of support for local commissioning Scotland Excel has experience in delivering this at an individual project level, but this is not routinely undertaken at a national level.

4. Approach to Scotland Excel's Consultation Response

Response to Commissioning of Services Section

In response to the areas highlighted in section three, Scotland Excel proposes to respond by confirming it does not believe the NCS should undertake responsibility in these areas.

Scotland Excel plans to respond that it should continue to lead work on the national commissioning of social care services and that it should utilise existing skills and experience to extend its current remit to meet the challenges set out in relation to overall market research and analysis and provision of standards and guidance for the sector.

Scotland Excel proposes to argue that it is uniquely positioned to undertake this role having an established, dedicated social care section, comprising three specialist teams staffed by skilled and experienced social care commissioners, and supported by other professional disciplines and governance arrangements. With more than a decade of experience in commissioning at a national level,

Scotland Excel has developed the skills and knowledge to offer expert stakeholder engagement and collaboration across a complex stakeholder group. Working in partnership with local authorities and other key stakeholders Scotland Excel is set up to support decision making in relation to local versus national options and to utilise its experience to extend its current role to support local commissioning.

Scotland Excel feels strongly that the role of providing guidance and documentation to support local commissioning should be undertaken by an organisation with direct skills and experience in undertaking social care commissioning & procurement. Scotland Excel already has these in place.

Local government and Scotland Excel has worked for years to improve procurement practices both generally and in social care. In the period since the McLelland report was published in 2006, the procurement profession has changed radically from a back-office function to a strategic and professional function which drives social good as well efficiency. Scotland Excel feels strongly that the local government sector - including Scotland Excel- is best placed to deliver the improvement now needed in social care commissioning.

Scotland Excel proposes to argue in its response that establishing a new team within the NCS to undertake a role for which there is already a successful specialist national resource would not be best for recipients of care or representative of best value.

In its response, Scotland Excel will also note the absence of its current role being articulated within the consultation document. It is felt that without an accurate description of current roles and responsibilities in relation to commissioning, a question in relation to the future roles and responsibilities is materially flawed.

Response to Other Sections

In relation to the remainder of the consultation, Scotland Excel will be working to consult and agree the detail of its final proposed position. It is the organisations intention to respond 'no' in relation to some of the key questions including:

- Q20 -Do you agree that Scottish Ministers should be accountable for the delivery of social care, through a National Care Service?
- Q23 - Should the National Care Service include both adults and children's social work and social care services?

Scotland Excel's response to these questions would note that it is unable to answer 'yes' without clear evidence to support the major structural reform proposed. It is suggested that a comprehensive cost/benefit analysis is carried out, comparing the features and benefits of the current structures against any alternative models.

There are a number of questions in relation to the role of the regulator within the document which are also of interest. While Scotland Excel would not propose to be involved in the main duties and function of the regulator but propose to offer a supporting function in relation to the areas where skills and expertise allows. This would include areas agreed as overlapping in terms of market oversight and market research and analysis e.g. financial monitoring.

5. Governance Proposal

Given the significance of the potential impact of the proposals and consultation it is proposed that a paper containing our full proposed consultation response is brought to the Executive Sub Committee in October for approval.

In advance of this Scotland Excel will hold a special meeting of the Chief Executive Officers Management Group to help inform the response.

6. Recommendation

Members are invited to:

- Note the issues set out in respect of the current proposals for a National Care Service;
- Endorse the proposed response in respect of the specific areas with impact our role;
- Endorse the response to the key general questions;
- Support Scotland Excel's position within individual council responses; and
- Approve the governance proposal in respect of approving Scotland Excel's final consultation response.

Scotland Excel**To: Executive Sub-Committee****On: 17 September 2021****Report by:
Chief Executive of Scotland Excel****Supply Chain Disruption and Price Volatility****1. Introduction**

This report provides an update on the supply chain disruption and price variances that have occurred in recent months and the impact on the delivery of some of Scotland Excel's framework contracts and to highlight controls and actions that are being taken to mitigate these risks.

2. Background

Economies are growing fast as many countries ease coronavirus restrictions. This uptake in demand is coinciding with a global shortage of many key raw materials including construction materials, packaging, shipping containers and food amongst others. There was an early warning of this in May when the UN's Food and Agriculture Organisation reported a 40% monthly increase in their global food price index. This increase is the largest jump seen since 2011, driven by spikes in the cost of vegetable oils and cereals. Away from agricultural markets, energy, fuel, and packaging are also experiencing rapid inflation. In the last 12 months the price of crude oil has increased 50% while the average cost of packaging is up 70%. This commodity boom has led to speculation that we may be entering a "super cycle" which describes a period of unusually high demand which keeps prices high for an extended period. Additionally, changing global demand patterns have created a container shortage on East to West shipping routes with prices now up to 5 times higher than pre-pandemic. The resulting inflation is impacting all countries. In the USA, headline inflation is now 5.4% - a 13 year high, with fuel and food prices the key drivers.

The UK is partially insulated from this commodity pressure by the year on year strengthening of Sterling. But this only protects imported goods. As a result, overall UK inflation increased from 2.1% to 2.5% in June, and the consensus among economists and the Bank of England is that prices will continue to rise further as the year progresses. In their August Monetary Policy Committee meeting, the Bank of England forecasted that UK inflation would rise above 4% in the near-term causing speculation that they may respond by increasing the cost of borrowing.

Industry overall is also facing a well-publicised labour shortage. Estimates suggest there are currently around 100,000 delivery driver vacancies. This is a longer-term problem exacerbated by COVID restrictions and a changing immigration policy. As well as causing disruption, the subsequent wage inflation has materially increased business running costs across industry.

3. Key impacted areas

3.1 Construction Materials – Market Update

In June, Scotland Excel circulated a construction materials market update to its stakeholders reporting on the unprecedented disruption of our materials supply chains. This paper provided a summary of the causes and impacts of the current market conditions, outlined engagement with key suppliers and recommended appropriate mitigating action.

Over the course of the summer, and as predicted, conditions have deteriorated. Set out below is an update on the current market conditions, corresponding impacts for our members and suppliers and confirmation of collaborative work underway to advocate for the sector.

Of all the goods-based frameworks, the Building and Timber Materials framework is experiencing the greatest degree of disruption. The Timber Trade Federation (TTF)¹ have reported a record level of softwood imports in 2020 against previous years, with sales up 18% in Jan 2021 against Jan 2020. By April 2021 the value of construction projects on site (<£100m) was 30% higher than the same period in 2020.

Our suppliers are reporting the worst timber shortage the industry has faced in recent times. The Swedish sawmill industry, responsible for around 50% of the structural wood used in the UK, has reported the lowest stock levels for 20 years. The framework has been reclassified from a category D to a category B contract requiring frequent engagement with suppliers and councils. Our suppliers have reported an ongoing surge in demand over the Summer, as homeowners invested in upgrading their properties, during the favourable weather and as they were unable to travel as freely.

High demand from the retail sector and for European Whitewood is resulting in monthly price increases as well as driving up the price of Redwood. Medium Density Fibreboard (MDF) products have been impacted considerably by the scarcity of waxes and chemicals used in production. Given the high demand for MDF in the house building sector, many of those products are being priced on application. Demand from the US continues to be impactful with new homes 20% greater than estimated and with the US paying more than what has been paid in the UK. In evidence submitted by suppliers to justify price variance requests, increases are reported between c.20%-40% dependant on product groupings.

Where alternative sources of supply are available, supply chains are less mature and being impacted by difficulties in logistics including availability and price of containers, shortages of HGV drivers and shipping companies imposing surcharges due to delays at ports.

Holiday and maintenance periods in Scandinavia started at the end of June for two months resulting in reduced available timber to export.

As sawmills restarted in August, suppliers have advised (with caution), that it is hoped the deficit will be reduced, so that future increases for some product groupings will not be as high as previous. Scotland Excel is working with key suppliers to request market forecast data on how the market is anticipated to perform late 2021/early 2022.

¹ Timber demand and supply in the UK, May 2021

3.2 Building and Timber Impact - Price Variance and Indexation

The category team have been negotiating a higher volume of price variances and exceptional price increase requests in 2020-2021. Table 1 demonstrates the impact of the supply chain volatility on framework pricing, with the most recent uplift, for prices becoming effective on 1 September 2021 representative of a 23% increase, bringing the contract index to 142.04.

PRICE VARIANCE	VALUE PRIOR TO PV	VALUE FOLLOWING PV	TOTAL INCREASE	% INCREASE	COMPOUNDED INCREASE	CONTRACT INDEX	MARKET INDEX
OCTOBER 2019	£5,361,463.78	£5,361,838.96	£375.18	0.0%	100.0%	100.01	93.38
JULY 2020	£5,361,838.96	£5,409,277.97	£47,439.01	0.9%	100.9%	100.89	100.93
OCTOBER 2020	£5,409,277.97	£5,644,334.82	£235,056.85	4.3%	104.3%	105.25	104.84
APRIL 2021	£5,644,334.82	£6,045,499.71	£401,164.90	7.1%	107.1%	112.41	126.26
JULY 2021	£6,045,499.71	£6,397,722.51	£352,222.80	5.8%	105.8%	118.45	150.35
SEPTEMBER 2021	£6,397,722.51	£7,866,823.32	£1,469,100.81	23.0%	123.0%	142.04	150.35

Table 1: Building and Timber – Price Variance

Figure 1 displays the current indexation chart for the framework with the market index sitting at 150.35, a gap of c. 8%. August figures are yet to be published, but it is anticipated that the market index will be more than what is currently reflected on our indexation graph.

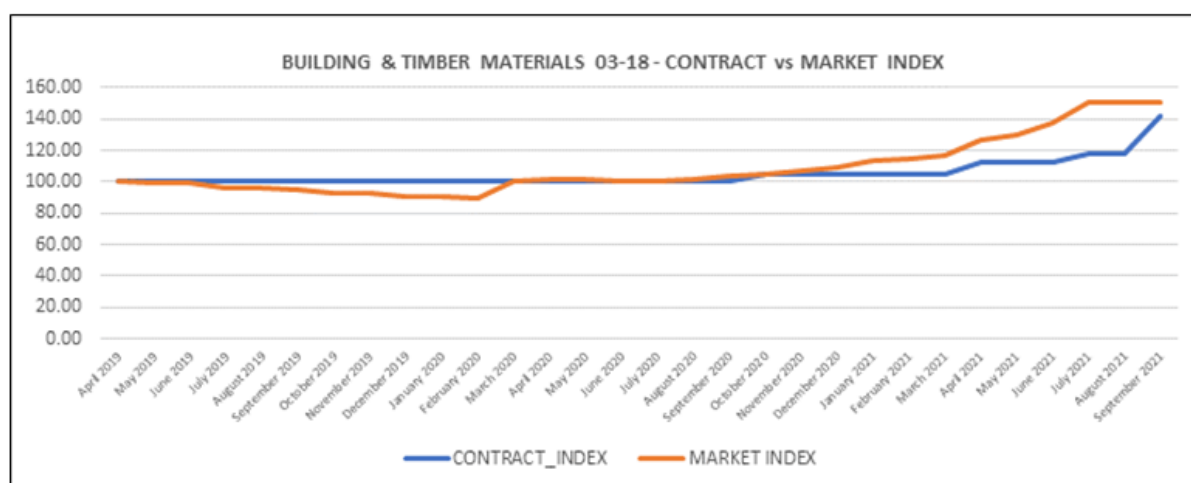


Figure 1: Building and Timber Indexation Graph Apr 2019 – Sept 21

3.3 Materials Short Life Working Group

Scotland Excel launched a short life working group (SLWG) with representatives from our established User Intelligence Group (UIG) to collaborate on our shared experiences of the current volatility. Key insights from this engagement are set out below.

- Our members are reporting extreme difficulty in launching procurement for larger projects given the lack of price certainty resulting in a focus on small, emergency repairs instead of capital programmes.
- There is concern that the current conditions will limit the ability to utilise available funding for construction projects impacting the construction-led recovery.

- Works which can be scheduled are significantly over budget due to materials costs.
- Direct award is becoming more prevalent as suppliers are unable to offer for mini competitions due to shortages and pricing volatility.
- Council departments are reporting a significant inefficiency/administrative burden of sourcing products with a range of suppliers in some cases on application or with fixed pricing reducing from months to weeks.
- There are constraints where grant funding timescale requirements are unable to be achieved because of prolonged material lead times.

4. Further Collaborative Activity

As part of enhanced contract management activities for the framework, members were provided with data and benchmarking to inform supplier engagement and purchasing decisions. Due to the number of lots/items affected, although demand planning was considered as part of the SLWG, it was decided that this should not be undertaken on a national basis.

Scotland Excel has been advocating on behalf of our members and suppliers with a range of public sector bodies including the Construction Scotland Innovation Centre (CSIC) on innovative and alternative products, Scottish Enterprise on the longer-term actions required to build supply chain resilience through Scottish manufacturing and has also joined the Ministerial Short Life Working Group (MSLWG) for construction materials chaired by Ivan McKee MSP. The issue of grant funding timescales has been raised at this forum to highlight the challenges, and to request that greater flexibility is introduced on such funding streams.

Other activities that will form part of our strategic procurement for materials include.

- Ongoing collaboration across the public sector on planning for alternative sources of supply, release of home-grown timber and changes to building regulations to accommodate sustainable alternatives.
- Data Analytics on historic line level data to inform forecasting/demand planning of materials requirements.
- Consideration of how tender pipeline should be influenced by ongoing disruption including, covid recovery, planning the backlog of works through and supplier's ability to tender for our revised contract delivery plan.
- Consideration of how to consult with and confirm impact on communities including delays to adaptations, fuel poor homes and housing programmes.
- Consideration of Net Zero implications how to support members to meet targets on retrofitting, reduction of embodied carbon and the opportunity for circular products.

5. Food and Drink

Supply chain issues continue to be well reported on in the media, but despite the challenges of a shortage of labour and haulage difficulties, Scotland Excel, working with key suppliers has had reassurance, that the key suppliers for schools and care homes have maintained an industry-leading level of product availability – as has been the case throughout the pandemic.

As suppliers have been able to continue to diversify and operate during the height of the pandemic, they advise that their supplier partners are working closely with them and

ensuring that Scotland Excel has been regularly updated on any challenges they may be encountering in getting goods into the supply chain. Whilst there are lower levels of availability in many areas of the supply base, with some challenges in specific categories, our key suppliers are pleased to report that they have seen only a **minimal impact on the top selling** lines.

The mitigation factors that key suppliers have undertaken are noted as follows: -

- Building up a **large stockholding of food and non-food** across their sites
- **Boosting inventory in advance of the peak requirements** to align with the reopening of schools after the summer term, with up to 4 weeks of stock of the most popular frozen and ambient product lines.
- **Broadening the range** so that they can identify and offer close alternatives for any products where there are issues, whilst ensuring that full allergen information is still provided so that customers can check for all products.
- **Using their own vehicles** to collect stock from suppliers who can't deliver to them, where this is practical.
- **Continually monitoring and tracking issues and risks**, so they can act early to mitigate product availability challenges.

We will continue to work with our suppliers to maintain availability, as the above factors have been, and are likely to remain, challenging. However, our supply base has provided reassurance that Education and Health sectors will be prioritised above retail requirements.

6. Fleet

In terms of vehicles and fleet, during the initial months of the pandemic last year, many vehicle manufacturing plants were closed completely or had severe restrictions placed on their manufacturing output for a significant period of time.

Although these plants are now back fully operational and have been for some time now, inevitably a backlog of their orderbooks has developed and this impact is still being felt in terms of vehicle delivery lead-times. Coupled with the well-publicised global scarcity of microchips affecting many industries, this has resulted in grossly extended delivery times from order placement until customer delivery.

Typically, where we would have previously seen car or vans delivered in a period of around 3-4 months from point of order placement, these are now around 6 months or more. For heavy duty vehicles lead times are up to 12 months, or even longer depending upon their specifications.

Vehicle manufacturers had expected an improvement in global microchip availability by the end of 2021, although the latest market analysis is still unclear when this situation will be fully resolved. As such, extended lead-times should be taken into consideration in any fleet replacement programmes that are being planned.

7. PPE and Future planning

In general PPE products (out with some key covid items) have healthy stock levels. Pricing has been affected by the factors below and some suppliers have approached Scotland Excel regarding potential price reviews, citing the following: -

- Labour costs have increased in both the UK and far east due to the impact of covid and worldwide demand for goods as well as a reduction in available resources.
- Freight costs remain at an all-time high and with no sign of this returning to normality for the remainder of 2021. Lack of available containers and vessels to sail from the Far East to the UK has been widely publicised across all sectors, regardless of industry. This has pushed normal lead times of 4-5 weeks being pushed out to 8-12 weeks. In addition, difficulties at the UK ports have forced some liners to take alternate routes into Europe, and for forwarders to transport via road into the UK.
- Raw material costs for nitrile gloves and plastics are still high, which is keeping the costs of items higher than pre covid with this expected to continue into 2022.

Work continues to develop a new tender for the provision of PPE with a focus on sustainability and where possible opening access to UK / Scottish marketplace to produce items for Scotland. Working alongside, Scottish Enterprise, it is hoped that the new tender activity will open a marketplace for production from Scottish Suppliers, and where it is not possible to source directly, will allow sub-contracting opportunities through tier one suppliers.

The challenge now will be in developing a longer-term approach to PPE supply and distribution, which includes both business as usual needs as well as preparing for future pandemics.

8. Conclusion

Members are invited to note the progress made to date, and endorse the ongoing activity outlined.

Scotland Excel

To: Executive Sub-Committee

On: 17 September 2021

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

Tender: Supply and Provision of Online School Payments, Cashless Catering and Kitchen Management & Nutritional Systems

Schedule: 05/20

Period: 20 September 2021 until 19 September 2025

1. Introduction and Background

This recommendation is for the award of the second-generation framework for the Supply and Provision of Online School Payments, Cashless Catering and Kitchen Management & Nutritional Systems.

This proposed framework was advertised for the period from 20 September 2021 to 19 September 2025. It is intended to commence on 19 October 2021.

This framework will provide local authorities and other participating bodies with a mechanism to procure a complete solution for Online School Payments, Cashless Catering, Kitchen Management and Nutritional Analysis Systems permitting the award of Call-offs under the framework by way of a mini-competition.

2. Scope, Participation and Spend

As part of the strategy development, the User Intelligence Group (UIG) endorsed the inclusion of four lots as summarised in Table 1. This lot structure is an extension of the previous framework, with the addition of Cashless Catering, Kitchen Management Systems, and a Nutritional Analysis system. This continues to represent the council and other participating member requirements, whilst also recognising the structure of the marketplace.

Table 1: Lotting Structure

Lot No.	Description	Estimated % Spend through lot
1	Online School Payments	45%
2	Cashless Catering System	45%
3	Kitchen Management System	5%
4	Nutritional Analysis System	5%

As detailed in Appendix 1, 29 councils plus Tayside Contracts have confirmed their intention to participate in this framework. Whilst every Council is entitled to participate in the framework, North Ayrshire Council, East Ayrshire Council & Edinburgh City Council, are not intending to participate in this framework and have their own arrangements in place.

The forecast annual spend for participating councils and associate members, with contingency, is £1 million per annum, equating to an estimated £4 million over the full 4-year term of the framework.

3. Procurement Process

A UIG consisting of representatives from participating councils endorsed the procurement strategy on 18 November 2020. In addition, a working group consisting of technical and procurement representatives was formed to review technical specifications and participate in the evaluation.

Scotland Excel has taken cognisance of the current situation and impact during the tender exercise of the Corona virus outbreak. Balancing the current situation with the need to provide a route to market for councils seeking the continuation of supply of the services within the scope of this framework and considering those council projects that may require to be undertaken in the future, Scotland Excel determined it was appropriate to undertake this renewal tender exercise and to recommend the establishment of this framework.

A Prior Information Notice without a call for competition (PIN) was published on 26 February 2020, which resulted in expressions of interest from 33 organisations. Suppliers were given the opportunity to provide Scotland Excel with information in relation to, but not limited to; market intelligence, market trends, sustainability initiatives and community benefits to help inform the strategy.

The Contract Notice was published via the Find A Tender and Public Contracts Scotland (PCS) portal on 17 June 2021, with the tender documentation being immediately available via the Public Contracts Scotland Tender (PCS-T) system.

This tender exercise commenced after the UK withdrawal from the European Union and was conducted and concluded in accordance with the law and procedures in force at that time.

The procurement process followed the open tender process to ensure maximum competition and the inclusion for all potential suppliers to service the framework. All bidders were examined against selection criteria, using the Single Procurement Document (SPD) and award criteria, concurrently. The award criteria included technical and commercial sections that were evaluated against the following criteria and weightings:

Technical: 70%

Commercial: 30%

Within the technical section, bidders were required to evidence their knowledge and experience by responding to method statements which covered areas including: the delivery of the solution detailing the implementation plan, supporting the solution from help desks, maintenance and upgrades and a full exit management process. Bidders were also assessed in terms of their ability to meet essential and desirable technical characteristics, climate emergency and sustainability, community benefits and fair work practices. These are detailed below within Table 2.

Table 2: Technical Section Weighting

Question	Description	Weighting
1	Delivery of the Solution	20
2	Supporting the Solution	20
3	Off Boarding & Exit Management	10
4	Essential Technical Characteristics	Pass/Fail
5	Desirable Technical Characteristics	8
6	Community Benefits	4
7	Fair Work Practices	4
8	Climate Emergency & Sustainability	4
Total Score		70

Within the commercial section, bidders were invited to offer on a lot-by-lot basis. Fixed pricing for 48 months was required for all lots. Bidders were also invited to specify if they would offer any early settlement discount (to encourage prompt payment).

4. Report on Offers Received

The tender document was downloaded by 14 organisations, with 5 tender responses received by the specified closing date and time. A summary of all offers received is provided in Appendix 2.

Based on the criteria and scoring methodology set out in the tender document, a full evaluation of the compliant offers received was completed. Appendix 3 confirms the scoring achieved by each bidder.

5. Recommendations

Based on the evaluation undertaken, and in line with the criteria and weightings set out above, it is recommended that a multi-supplier framework arrangement is awarded to 5 suppliers across the four lots as outlined in Appendix 3.

These 5 recommended suppliers offer best value and represent a mix of small, medium, and large organisations. Four suppliers are classed as SME's, and one is a Scottish supplier.

The range of suppliers recommended provides coverage for the provision of Online School Payments, Cashless Catering and Kitchen Management Systems along with Nutritional Analysis Systems to be used on school campuses along with the ability to service any pop-up catering facilities by any participating member. The ability to service pop-up catering is an added value that extends the framework to, but not limited to, Leisure Organisations, Town Halls and Corporate Events looking for cashless solutions and Nutritional labeling for products.

6. Benefits

Savings

It was concluded by the UIG that benchmarking would not be possible on this framework at the outset as it incorporates both new elements and an expansion of the original online school meal payment system. The previous framework service offering was therefore a subset of this expanded scope, and as such pricing comparison is difficult to reconcile.

Price Stability

Fixed pricing for all four lots applies throughout the lifetime of the framework.

Sustainable Procurement Benefits

Within the technical section of the tender, a sustainability method statement assessed suppliers in relation to their corporate approach to sustainability and the climate emergency with regard to their carbon reduction plans, how they promote recycle, reuse and reduce to minimise the impact of their supply chain on the environment. A range of sustainable measures were outlined by suppliers including:

- Focus on paperless office and removal of plastics from canteen facilities.
- Transitioning to green and renewable energy supply coupled with replacing all lighting to LED.
- Encourage use of public transport wherever possible.
- Specific policies to target carbon neutrality expedited to 2030.
- Recycling of all general waste and setting internal carbon fees on managers linking to pay and performance – teams are internally charged for their emissions.

Community Benefits

Scotland Excel is committed to maximising community benefit delivery for our members. Tenderers were asked to confirm whether they were willing to comply with our community benefits approach for the lifetime of the framework. This approach is designed to deliver local community benefits based on individual member spend thresholds and all 5 recommended suppliers have confirmed their acceptance.

The community benefits approach focused on supporting the Scottish Government's National Performance Framework, and the benefits delivered should support, but are not limited to, the following indicators:

- Improve the skill profile of the population
- Reduce Scotland's carbon footprint
- Reduce waste generated

Suppliers have agreed to report ongoing delivery of community benefits to Scotland Excel on a six-monthly basis.

Delivery of commitments made will be monitored throughout the lifetime of the framework.

Fair Work Practices including the Real Living Wage

Scotland Excel and its members are committed to the delivery of high-quality public services and recognise that this is dependent on a workforce that is well-rewarded, well-motivated, well-led, has access to appropriate opportunities for training and skills development, are diverse and is engaged in decision making. Within the technical section of the tender, bidders were assessed on their approach to fair work practices and payment of the Real Living Wage to their workforce. Of the 5 recommended bidders, 5 pay the Real Living Wage, as detailed in Appendix 4 - List of Recommended Suppliers with Living Wage Status.

Scotland Excel will continue to monitor Fair Work Practices including the Real Living Wage status during contract and supplier management.

7. Contract Mobilisation and Management

As part of the mobilisation process, all suppliers will be offered a contract mobilisation meeting to outline the operation of the framework, including roles and responsibilities, management information and community benefit commitments. Suppliers will be invited to demonstrate their ability to meet all technical characteristics for all lots bid for and this demonstration will be recorded for access by any participating member. Both suppliers and participating members will be issued with a mobilisation pack containing all required details to utilise the framework.

In accordance with Scotland Excel's established contract and supplier management programme, in terms of risk and spend as detailed in Appendix 5, this framework is classified as class D. As such, it will require annual supplier and user group reviews as appropriate. During the current market conditions Scotland Excel will continue to engage with suppliers on a regular basis to manage the response to the pandemic and ensure continuity of services for our members.

Meetings and engagement undertaken with suppliers will adhere to all applicable health and safety guidelines.

8. Summary

This second-generation framework for the Supply and Provision of Online School Payments, Cashless Catering and Kitchen Management & Nutritional Systems continues to maximise collaboration, facilitate the procurement of an integrated solution for a cashless society, promotes added value and delivers best value in terms of price, quality and service.

The Executive Sub Committee is requested to approve the recommendation to award this framework agreement as detailed in Appendix 3 (Scoring and Recommendations).

Appendix 1 –Participation & Spend Summary –Online School Payments, cashless Catering and Kitchen Management & Nutritional Systems 0520

COUNCIL	PARTICIPATION STATUS	PARTICIPATION ENTRY DATE	ESTIMATED ANNUAL SPEND *	SOURCE OF SPEND DATA
ABERDEEN CITY COUNCIL	Yes	TBD/2022	£50,000	Council
ABERDEENSHIRE COUNCIL	Yes	2022	£40,000	MI Data
ANGUS COUNCIL	Yes	Summer 2021	£60,000	Council
ARGYLL & BUTE COUNCIL	Yes	Jan 2022	£50,000	Council
CITY OF EDINBURGH COUNCIL	No	n/a	n/a	Council
CLACKMANNANSHIRE COUNCIL	Yes	2021	£20,000	Council
COMHAIRLE NAN EILEAN SIAR	Yes	Late 2021/Early 2022	£100,000	Council
DUMFRIES & GALLOWAY COUNCIL	Yes	Contract Start	£150,000	Council
DUNDEE CITY COUNCIL	Yes	TBD	£40,000	MI Data
EAST Ayrshire COUNCIL	No	n/a	n/a	MI Data
EAST DUNBARTONSHIRE COUNCIL	Yes	TBD	To Confirm	Council
EAST Lothian COUNCIL	Yes	TBD	£16,000	Council
EAST RENFREWSHIRE COUNCIL	Yes	Contract Start	£40,000	MI Data
FALKIRK COUNCIL	Yes	TBD	To Confirm	Council
FIFE COUNCIL	Yes	2023/2024	To Confirm	Council
GLASGOW CITY COUNCIL	Yes	TBD	To Confirm	Council
HIGHLAND COUNCIL	Yes	TBD	To Confirm	Council
INVERCLYDE COUNCIL	Yes	Late 2021	£25,000	MI Data
MIDLothian COUNCIL	Yes	2022	£30,000	MI Data
MORAY COUNCIL	Yes	TBD	£20,000	MI Data
NORTH Ayrshire COUNCIL	No	n/a	n/a	Council
NORTH LANARKSHIRE COUNCIL	Yes	Feb 2022	£400,000	Council
ORKNEY ISLANDS COUNCIL	Yes	TBD	To Confirm	Council
PERTH & KINROSS COUNCIL	Yes	March 2022	£36,000	MI Data
RENFREWSHIRE COUNCIL	Yes	2022	£150,000	Council
SCOTTISH BORDERS COUNCIL	Yes	July 2021	£65,000	Council
SHETLAND ISLANDS COUNCIL	Yes	Contract Start	£5,000	Council
SOUTH Ayrshire COUNCIL	Yes	Contract Start	To Confirm	Council
SOUTH LANARKSHIRE COUNCIL	Yes	May 2022	£50,000	Council
STIRLING COUNCIL	Yes	TBD	£20,000	Council
WEST DUNBARTONSHIRE COUNCIL	Yes	TBD	£5,000	Council
WEST Lothian COUNCIL	Yes	TBD	£105,000	Council
TAYSIDE CONTRACTS	Yes	Contract Start	To Confirm	
ASSOCIATE MEMBER	Yes	Contract Start	To Confirm	

*Provisional spend data – will be subject to ongoing clarification.

Appendix 2 – Summary of Offers Received

Name of Tenderer	SME Status	Location	Lot(s) Tendered	Lot(s) Awarded
Civica UK Limited	Large	London	1,2,3,4	1,2,3,4
Cash Registers (Buccleuch) Limited	Medium	Edinburgh	1,2,4	1,2,4
Nutritics Limited	Medium	Dublin	4	4
Parentpay Limited	Medium	London	1,2,3,4	1,2,3
SF Software Limited	Small	Newcastle Upon Tyne	2	2

Appendix 3 - Scoring and Recommendations

LOT 1 – ONLINE SCHOOL PAYMENTS		
Tenderer	SCORE	Awarded (Yes/No)
Cash Registers (Buccleuch) Limited	92.00	Yes
Parentpay Limited	87.70	Yes
Civica UK Limited	74.30	Yes

LOT 2 – CASHLESS CATERING SYSTEM		
Tenderer	SCORE	Awarded (Yes/No)
Parentpay Limited	86.90	Yes
SF Software Limited	82.00	Yes
Civica UK Limited	81.82	Yes
Cash Registers (Buccleuch) Limited	78.57	Yes

LOT 3 – KITCHEN MANAGEMENT & NUTRITIONAL ANALYSIS SYSTEM		
Tenderer	SCORE	Awarded (Yes/No)
Parentpay Limited	92.00	Yes
Civica UK Limited	62.68	Yes

LOT 4 – NUTRITIONAL ANALYSIS SYSTEM		
Tenderer	SCORE	Awarded (Yes/No)
Nutritics Limited	86.59	Yes
Civica UK Limited	84.00	Yes
Cash Registers (Buccleuch) Limited	76.21	Yes
Parentpay Limited	Non-Compliant Bid	Non-Compliant Bid

Appendix 4- List of Recommended Suppliers with Living Wage Status

Tenderer	Accredited	Currently progressing through Real Living Wage accreditation process	Pay Real Living Wage to all employees, and committed to gaining accreditation over the initial 2 years of framework	Pay Real Living Wage to all employees, but not accredited	Neither accredited nor paying Real Living Wage, but do commit to pay the Real Living Wage to all employees over the initial 2 years of the framework	Neither accredited nor paying Real Living Wage
Civica UK Limited	x					
Cash Registers (Buccleuch) Limited				x		
Nutritics Limited				x		
Parentpay Limited	x					
SF Software Limited		x				

Appendix 5 – Segmentation classifications

0520 provision of Online School Payments, Cashless Catering and Kitchen Management Systems along with Nutritional Analysis Systems is classified as class D.

There are five segmentation classifications and these classifications are rated from Class A to Class E. Each classification has contract and supplier management activities associated with it based on pre-determined weighted criteria.

Class A

Due to the unique and bespoke nature of the frameworks that fall within this class, a contract management plan to be developed and agreed with CSG.

Class B

Quarterly supplier contact, six monthly surveys, annual UIG, frequent support to councils, suppliers and external stakeholders requiring high level of procurement expertise, extensive contract monitoring.

Class C

Six monthly supplier contact, six monthly to annual surveys, annual UIG, regular support to councils, suppliers and external stakeholders requiring procurement expertise, high contract monitoring.

Class D

Annual supplier contact, annual surveys, optional annual UIG, ad-hoc support to councils, suppliers and external stakeholders potentially requiring procurement expertise, regular contract monitoring.

Class E

Annual supplier contact (if required), optional annual surveys, no requirement for annual UIG, straightforward ad-hoc support to councils, suppliers and potentially requiring procurement assistance, basic contract monitoring.

Scotland Excel

To: Executive Sub-Committee

On: 17 September 2021

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

Request for Associate Membership of Scotland Excel by University of Stirling

1. Background

- 1.1 Scotland Excel operates an Associate programme to allow access to its frameworks and services to a wide range of other public service orientated bodies. Applications can be made for Associate Membership by organisations such as council arm's length organisations, community groups, charities, housing associations and voluntary organisations which are a public body or a body that engages in activities of a public nature.

Although associate members have access to frameworks, they do not have the opportunity to influence the future contract delivery schedule which is reserved for the full local authority members.

Associate membership supports the wider aims of Scotland Excel by increasing overall spend against frameworks, providing additional income and supporting the goals of promoting excellent public procurement across Scottish organisations.

2. Organisation Background

- 2.1 The University of Stirling is a higher education institution founded in 1967. The University of Stirling is an international university with a global reputation for high-quality teaching and research. By striving for success, its teaching and research makes a real and demonstrable impact on the economy, environment and society in Scotland and beyond.
- 2.2 University of Stirling is a real living wage employer.

3. Associate Membership Process

3.1 Before any application is submitted for approval, a number of validation checks on the organisation are carried out. These include a review of the Memorandum & Articles of Association, the financial position and the type of contracts that the organisation is likely to access. It is confirmed that satisfactory validation checks have been completed in relation to this application.

3.2 Scotland Excel monitors all requests from applicants to become associate members to ensure that any legal requirements are met. In this case, University of Stirling can be recommended for associate membership access in accordance with the Local Authorities (Goods and Services) Act 1970, section 1 (1B)(b). Namely, that it has functions that are public in nature or engages in activities of that nature so long as the purpose or effect of access to Scotland Excel's services is to facilitate its discharge of those functions or activities.

3.3 Fees are determined in a number of ways:

Arms Length External Organisations (ALEOs) related to local authority members pay no fee as this is covered within requisition fees.

National Health Service (NHS) bodies, Colleges and Universities, and Non departmental bodies of the Scottish Government pay no fee under a reciprocal agreement that allows local authorities to utilise contracts created by the relevant procurement centres of expertise.

All other associate fees are calculated on a standard methodology agreed by committee. e.g. Housing Associations pay based on the number of houses within their portfolio.

4. Recommendations

4.1 It is recommended to committee that University of Stirling's application to join Scotland Excel as an associate member be approved, with no annual fee as part of the reciprocal agreement and subject to the agreement document.



Scotland Excel

To: Executive Sub-Committee

On: 17 September 2021

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

Employee Absence Management Report

1. Introduction and purpose of the report

In response to the Renfrewshire Council Internal Audit team recommendation, this report on organisational sickness absence is submitted on a quarterly basis highlighting the absence rate in the organisation.

In addition to adhering to the recommendation, this report also provides members with further information on how Scotland Excel is engaging with staff to support attendance and staff well-being related to mental health.

2. Scotland Excel Absence Management Target

The Joint Committee has previously agreed that Scotland Excel should work to an absence rate of below 4%. This target aligns Scotland Excel with partner organisations, supports good practice in this area and demonstrates the ongoing commitment to absence management as a key efficiency target.

3. Overview of Attendance

In line with audit recommendations, the attached report has been prepared for the Executive Sub Committee. The report details:

- Breakdown of current month, last six months and last 12 months absence figures
- Illustration of 12 months in days
- Illustration of last 12 months in percentages

The report includes the latest absence details for the period to 31 August 2021. The rate of absence across the organisation has generally been maintained at or below the 4% target, with the exception of March 2021 where the absence rate rose to 5.1% due to a number of long-term absences. The rolling 6 and 12 month average absence rates have maintained at or below 3.6%.

The absence rates for the reporting periods as shown in appendix 1 are:

- previous 1 month to 2.6% (40 days)
- previous 6 months to 3.6% (341.5 days)
- previous 12 months to 3.2% (598.5 days)

While Scotland Excel has been successful in reducing the average number of sickness absence days per employee over recent years, the COVID-19 pandemic has had an adverse impact on the 2020/21 average sickness days per employee figure compared to the same period in 2019/20 (6.2 days per employee in 2020/21 compared to 5.5 days per employee in 2019/20).

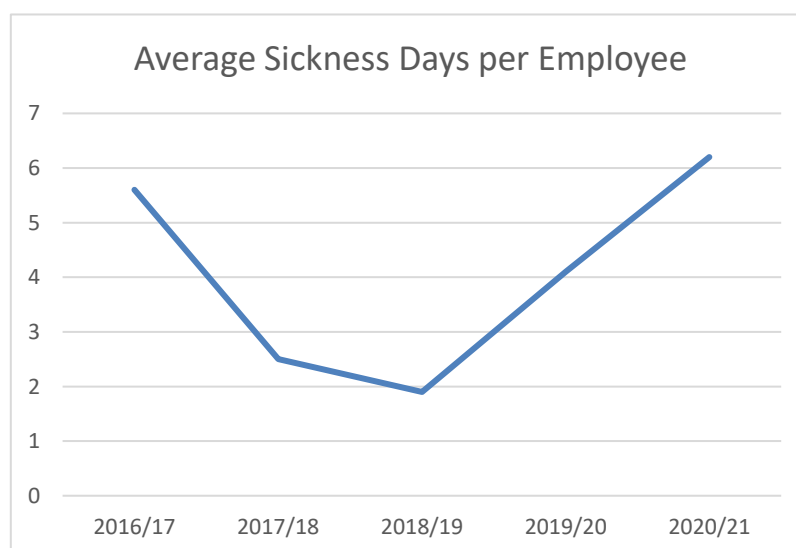
In particular, the Covid-19 pandemic appears to have had an adverse impact on the mental wellbeing of staff with the predominant cause of long-term sickness absence being reported as mental ill health. While the pandemic has not been the primary cause of absence, it has been identified as a contributory factor in a number of cases. Long term sickness absence is recorded when an employee reaches 20 working days consecutive sickness absence. A number of staff have also tested positive for Covid-19 during the reported period.

The impact of the pandemic can also be evidenced when comparing the absence pattern from the previous 12 months and how it has changed. Short-term sickness absence days recorded by Scotland Excel staff shows a reduction year on year from 146.5 days to 71.5 days. However, over the same period, long-term sickness absence days recorded have increased from 384 days to 527 days.

March 2021 shows a particular spike in long-term absences. At the end of that month the organisation was supporting 4 members of staff who had identified mental ill health (medically certified) as the cause of their absence, all of which had triggered the long-term absence support process. All were supported through a range of interventions including Occupational Health referral, Counselling Services, and Cognitive Behavioral Therapy (CBT) sessions. Following effective support by the organisation, all 4 members of staff have made a successful return to work.

In addition to supporting members of staff absent through ill health, Scotland Excel continues positive early intervention practices including working with Occupational Health and other support services to maintain employee attendance and to support members of staff who may be experiencing difficulties while remaining at work.

The graph below shows average sickness days per employee within Scotland Excel over the past 5 years.



4. Supporting Mental Health

Scotland Excel prides itself on the employee support which is already available to all employees of the organisation whether at work or absent due to ill health. These supports include access to Occupational Health, Cognitive Behavioral Therapy (CBT), Counselling, weekly Well-being emails, flexible working, regular contact with line managers and a generous annual leave entitlement.

In addition to these existing supports, Scotland Excel has signed up to the *Mental Health at Work Commitment*.

The Mental Health at Work Commitment is a simple framework that builds on what Scotland Excel already provides for its staff. The Mental Health at Work Commitment provides a roadmap to assist the organisation achieve better outcomes in relation to the Mental Health for its employees.

The Mental Health at Work Commitment is based around 6, “Thriving at Work” standards which are:

1. Prioritise mental health in the workplace by developing and delivering a systematic programme of activity
2. Proactively ensure work design and organisational culture drive positive mental health outcomes
3. Promote an open culture around mental health
4. Increase organisational confidence and capability
5. Provide mental health tools and support
6. Increase transparency and accountability through internal and external reporting.

In addition to providing a framework to guide actions, the Mental Health at Work standard also provides a range of resources and information which will assist Scotland Excel in fulfilling its commitment.

Scotland Excel Mental Health at Work Commitment Action Plan

An action plan to support the Mental Health at Work commitment has already been developed by Scotland Excel and includes a wide range of actions including the following:

- 14 members of staff will be trained as accredited Mental Health First Aiders by 30 Sept 2021
- 11 Senior Managers have received training from SAMH on “Managing Mental Health in the Workplace”
- Mental Health Awareness training will be available to all staff from 01 October 2021
- All staff will take part in the MIND “Wellness Action Plan” during their next PRD session
- Mental Health resource page will be developed on the Staff Intranet giving advice and providing links to mental health support practices and websites along with identifying all Mental Health First Aiders across the organisation.

5. Recommendation

The Executive Sub Committee is requested to note the contents of report.

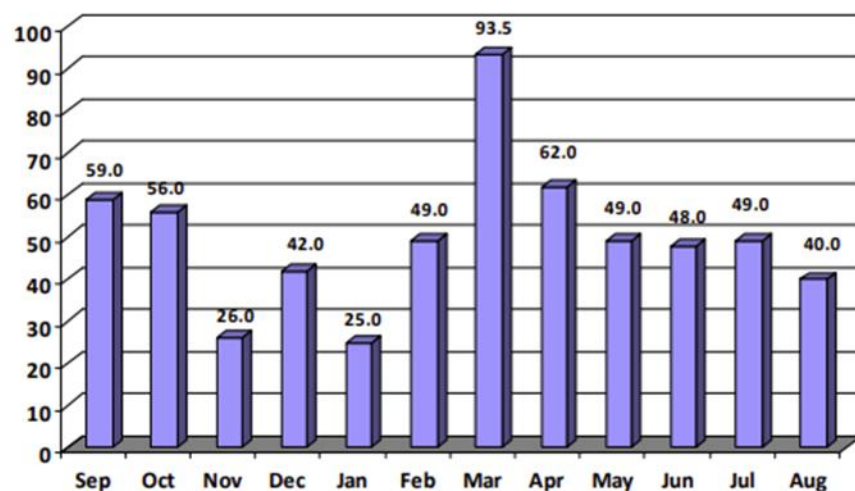
Absence Report

Organisation Level

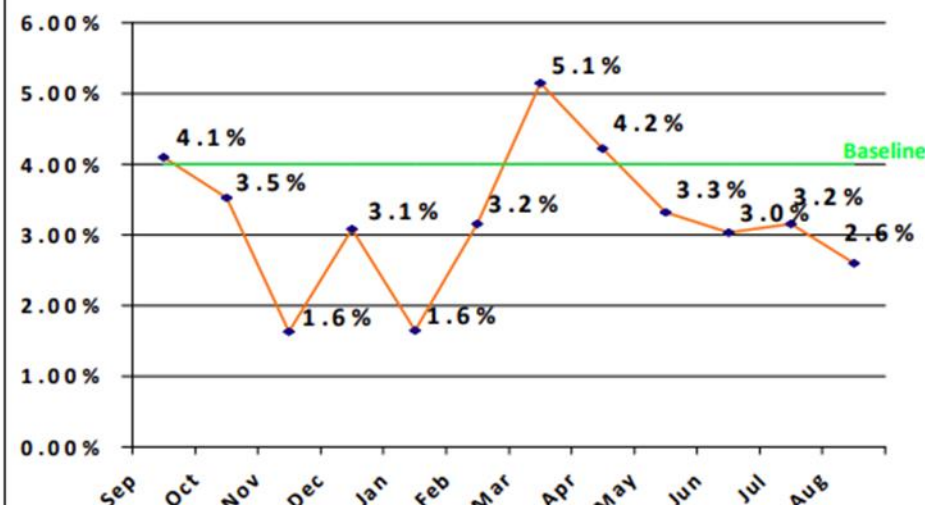
Month Ending: 31 August 2021

Current Month					Last 6 Months					Last 12 Months				
Self Certified Sick	Doctor Certified Sick	Total Sick Leave	Sickness Absence Rate	Sickness Absence Instances	Self Certified Sick	Doctor Certified Sick	Total Sick Leave	Sickness Absence Rate	Sickness Absence Instances	Self Certified Sick	Doctor Certified Sick	Total Sick Leave	Sickness Absence Rate	Sickness Absence Instances
Total: 6	34	40	2.6%	3	53.5	288	341.5	3.6%	24	71.5	527	598.5	3.2%	35
No of Employees (Permanent and Temporary): 96					Average no of Sickness Absence Days per Employee: 6.2									
No of Leavers included: 9														

Total Sickness Absence Days by Month for Last 12 Months



Monthly YTD Absence Rate



Sickness Absence Report

Breakdown of Sickness Absence Days by Month

Month Ending: 31 August 2021

