

Notice of Meeting and Agenda Scotland Excel Joint Committee

Date	Time	Venue
Friday, 08 December 2023	10:00	Remotely by MS teams,

MARK CONAGHAN
Clerk

Meeting Details

The meeting will take place at 10.00 am or at the conclusion of the Executive Sub-committee whichever is the later.

Membership

Councillor Shaw (Convener) and Councillor Altany Craik (Vice Convener)

Councillor Alex McLellan and Councillor Sandra Macdonald (Aberdeen City Council); Councillor David Keating and Councillor Alastair Forsyth (Aberdeenshire Council); Councillor Brenda Durno (Angus Council); Councillor William Sinclair (Argyll and Bute Council); Councillor Adam McVey and Councillor Mandy Watt (City of Edinburgh Council); Councillor Ellen Forson (Clackmannanshire Council); Councillor Kenny Macleod (Comhairle Nan Eilean Siar); Councillor Carolyn Wilson (Dumfries and Galloway Council); Councillor Heather Anderson (Dundee City Council); Councillor Stephen Canning (East Ayrshire Council); Councillor Calum Smith (East Dunbartonshire Council); Councillor John McMillan (East Lothian Council); Councillor Tony Buchanan (East Renfrewshire Council); Councillor Margaret Anslow (Falkirk Council); Councillor Ross Vettraino (Fife Council); Councillor Ruairi Kelly and Councillor Rashid Hussain (Glasgow City Council); Councillor Derek Loudon and vacancy (Highland Council); Councillor Martin McCluskey (Inverclyde Council); Councillor Colin Cassidy (Midlothian Council); Councillor Neil McLennan (Moray Council); Councillor Christina Larsen (North Ayrshire Council); Councillor Michael McPake and Councillor Denis Johnston (North Lanarkshire Council); Councillor Sheila McCole (Perth and Kinross Council); Councillor Mark Rowley (Scottish Borders Council); Councillor Dennis Leask (Shetland Islands Council); Councillor Chris Cullen (South Ayrshire Council); Councillor Eileen Logan and Councillor Walter Brogan (South Lanarkshire Council); Councillor Rachel Nunn (Stirling Council); Councillor Daniel Lennie (West Dunbartonshire Council); and Councillor Anne McMillan (West Lothian Council).

Further Information - online meetings only

This meeting is on-line only but is a meeting which is open to members of the public by prior arrangement. A copy of the agenda and reports for this meeting will be available for inspection prior to the meeting at the Customer Service Centre, Renfrewshire House, Cotton Street, Paisley and online at <http://renfrewshire.cmis.uk.com/renfrewshire/CouncilandBoards.aspx>

For further information, please email democratic-services@renfrewshire.gov.uk

Members of the Press and Public - contact details

Members of the press and public wishing to attend the meeting should contact democratic-services@renfrewshire.gov.uk to allow the necessary arrangements to be made.

Items of business

Apologies

Apologies from members.

Declarations of Interest and Transparency Statements

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

- | | | |
|-----------|--|-----------------|
| 1 | Minute of Joint Committee | 5 - 12 |
| | Minute of meeting of the Joint Committee held on 16 June 2023. | |
| 2 | Minutes of Executive Sub-committee | 13 - 36 |
| | Minutes of meetings of the Executive Sub-committee held on 18 August, 15 September, 20 October and 17 November 2023. | |
| 3 | Presentation | |
| | Presentation by Chief Executive of Scotland Excel. | |
| 4 | Revenue Estimates 2024/25 | 37 - 46 |
| | Joint report by Treasurer and Chief Executive of Scotland Excel. | |
| 5 | Update on the Contract Delivery Plan | 47 - 62 |
| | Report by Chief Executive of Scotland Excel. | |
| 6 | Operating Plan 1 April 2024 to 31 March 2025 | 63 - 74 |
| | Report by Chief Executive of Scotland Excel. | |
| 7 | Community Benefits and Fair Work Practices | 75 - 80 |
| | Report by Chief Executive of Scotland Excel. | |
| 8 | Procurement Commercial Improvement Programme (PCIP) Update | 81 - 84 |
| | Report by Chief Executive of Scotland Excel. | |
| 9 | Strategic Risk Register Update | 85 - 106 |
| | Report by Chief Executive of Scotland Excel. | |
| 10 | Membership of Scotland Excel Executive Sub-committee | |
| | Report by Clerk. (not available - copy to follow) | |

11	Membership of Scotland Excel Chief Executive Officers Management Group	107 - 108
	Report by Clerk.	
12	Meetings of Scotland Excel Joint Committee in 2024	109 - 110
	Report by Clerk.	



Minute of Meeting Scotland Excel Joint Committee

Date	Time	Venue
Friday, 16 June 2023	10:45	Remotely by MS teams,

Present

Councillor Alex McLellan and Councillor Sandra Macdonald (Aberdeen City Council); Councillor David Keating and Councillor Alastair Forsyth (Aberdeenshire Council); Councillor Brenda Durno (Angus Council); Councillor William Sinclair (Argyll and Bute Council); Councillor Adam McVey (City of Edinburgh Council); Councillor Ellen Forson (Clackmannanshire Council); Councillor Kenny Macleod (Comhairle Nan Eilean Siar); Councillor Carolyn Wilson (Dumfries and Galloway Council); Councillor Calum Smith (East Dunbartonshire Council); Councillor John McMillan (East Lothian Council); Councillor Altany Craik and Councillor Ross Vettraino (Fife Council); Councillor Ruairi Kelly and Councillor Rashid Hussain (Glasgow City Council); Councillor Neil McLennan (Moray Council); Councillor Christina Larsen (North Ayrshire Council); Councillor Michael McPake and 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 Peter Henderson (South Ayrshire Council); Councillor Eileen Logan and Councillor Walter Brogan (South Lanarkshire Council); Councillor Rachel Nunn (Stirling Council); Councillor Daniel Lennie (West Dunbartonshire Council) and Councillor Anne McMillan (West Lothian Council).

Chair

Councillor John Shaw, Convener, presided.

In Attendance

J Welsh, Chief Executive, S Brannagan, Director of Customer & Business Services, H Carr, Director of Strategic Procurement, L Campbell, Corporate Services Manager, M Mitchell and L Richard, both Strategic Procurement Managers, S Christie, Commercial Programme Manager, E Hay, Strategic Programme Manager, P Barnes, Project and Account Manager, N Hyde, Programme Manager, K Forrest, Office Manager, L Mooney, Senior Communications Specialist, M Boyle, Senior Business Services Specialist, C Kirkwood, Assistant Procurement Specialist, N French, Customer Services Assistant and A Park, Graduate Trainee (all Scotland Excel); C McCourt, Head of Finance & Procurement, L Mitchell, Managing Solicitor (Contracts & Conveyancing), A Burns, Corporate Finance Team Manager, E Currie, Senior Committee Services Officer, T McGowan, Senior Accountancy Assistant (for items 1 to 6 only) and K O'Neill, Assistant Democratic Services Officer (all Renfrewshire Council).

Apologies

Councillor Mandy Watt (City of Edinburgh Council); Councillor Lynne Short (Dundee City Council); Councillor Stephen Canning (East Ayrshire Council); Councillor Margaret Anslow (Falkirk Council); Councillor Derek Loudon (Highland Council) and Councillor Martin McCluskey (Inverclyde 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 9 December 2022.

DECIDED: That the Minute be approved.

2 Minutes of Executive Sub-committee

There were submitted the Minutes of the meetings of the Executive Sub-committee held on 9 December 2022 and 27 January, 17 February, 17 March, 21 April and 19 May 2023.

DECIDED: That the Minutes be approved.

Sederunt

Councillors McPake, Brogan, Macleod and Smith 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 updates under the categories of delivering savings; funding; and reshaping Scotland Excel.

In relation to delivering savings, the Chief Executive provided an update on the national savings projects launched mid-2022 and the work being undertaken with the CEOMG and the Chief Executive Transformation Group, savings related work, framework utilisation which included information on the link between framework utilisation and member savings, the focus on growth of utilisation and on how Scotland Excel demonstrated value.

In relation to funding, the Chief Executive provided an overview of the budget process which included information on annual requisitions, the budget reported to the Joint Committee in December of each year, rebates, spend reviews and future funding.

In relation to reshaping Scotland Excel, the Chief Executive provided an update on the work being undertaken by the organisation to reprioritise resources and the potential impact on current plans, the tensions around procurement which included policy versus price and the need for a two-tiered approach to procurement, being community wealth building and maximising value for money and supply chain disruption.

The Chief Executive of Scotland Excel ended the presentation by advising members that the organisation would continue to seek efficiencies, that savings for members would remain a priority and how resources would be reprioritised.

DECIDED: That the presentation be noted.

Sederunt

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

4 Unaudited Annual Accounts 2022/23

There was submitted a report by the Treasurer relative to Scotland Excel's unaudited Annual Accounts for 2022/23, a copy of which were attached to the report.

The report intimated that the accounts for the year ended 31 March 2023 would be submitted to the external auditor, Azets, for audit in advance of the statutory deadline of 30 June 2023. The accounts indicated that Scotland Excel's core activities resulted in a small overspend of £1,870 in 2022/23 compared to a budgeted break-even position and that projects returned income of £269,985 over expenditure. This resulted in a combined balance of £268,115 which had been added to usable reserves, which were committed for use as outlined in note 3 to the accounts.

The management commentary within the accounts provided an overview of Scotland Excel's performance during 2022/23 along with risk information and its outlook for the future.

The report advised that the Local Authority Accounts (Scotland) Regulations 2014 required that Scotland Excel prepare and publish a set of accounts, including an Annual Governance Statement, by 30 June each year. The unaudited accounts were then required to be formally considered by the Joint Committee and the Annual Governance Statement should be formally approved at this time.

Further, that in accordance with the Regulations, the unaudited Annual Accounts would then be signed by the Treasurer as proper officer. The accounts would then be subject to external audit by the Joint Committee's appointed auditor, Azets, by 30 September. The 2022/23 audited Annual Accounts were scheduled to be presented to the Executive Sub-committee on 15 September 2023 for approval and signing by the Convener, the Chief Executive of Scotland Excel and the Treasurer, in accordance with the regulations.

DECIDED:

- (a) That the unaudited Annual Accounts for 2022/23 be noted; and
- (b) That the Annual Governance Statement be approved.

Sederunt

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

5 Operating Plan Update 2022/23

There was submitted a report by the Chief Executive of Scotland Excel relative to operating plan activity for the period 1 January to 31 March 2023. A copy of the Operating Plan 2022/23 was appended to the report.

The report intimated that an Operating Plan, covering the period from 1 April 2022 to 31 March 2023, had been approved at the meeting of the Scotland Excel Joint Committee held on 10 December 2021. The report highlighted that, as at the end of March 2023, 31 operating plan commitments had been completed and that three commitments remained incomplete. It was noted that work would continue on these actions and updates provided in future reports.

The report advised 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 the most recent quarterly report being submitted to the Joint Committee with recent updates noted.

DECIDED: That Scotland Excel's progress in delivering the commitments contained within the Operating Plan 2022/23 be noted.

6 **Procurement Commercial Improvement Programme (PCIP) Update**

There was submitted a report by the Chief Executive of Scotland Excel providing an update on the status of the work undertaken by Scotland Excel to support Councils with the Procurement Commercial Improvement Programme (PCIP), the maturity model introduced in 2015 to assess Scottish public sector procurement performance in a common format.

The report intimated that PCIP Pulse Check was due to commence in 2023 with the offer of a new approach to further support the sector, focussing on the policies and procedures driving procurement performance and the results they delivered. An assessment model had been developed offering a reduced question set and streamlined process for organisations whilst still assessing and supporting current procurement priorities. This hybrid model allowed for greater flexibility and consisted of a blended question set that could be tailored by the assessing centre of expertise (CoE) to the organisation and the sectoral context. The model consisted of 11 mandatory and nine discretionary questions, and these were detailed in the appendix to the report.

The report advised that Scotland Excel had worked with colleagues within Scottish Government and in conjunction with other public sector centres of expertise to consider the assessment route for 2023/24 to be undertaken between October 2023 and March 2024. Eight Councils had opted not to participate in the next tranche of assessments but all good practice and learning gathered as a result of assessments would be shared with all members. A number of Councils had volunteered to undertake pilot assessments over the coming months and output would be shared with the wider community. Most Councils had requested that assessments be conducted at the end of the assessment period and Scotland Excel would undertake most assessments in February and March 2024.

DECIDED:

(a) That Scotland Excel's progress in supporting sectoral procurement assessments be noted; and

(b) That it be noted that a report on findings would be presented to the Executive Subcommittee and Joint Committee in June 2024.

7 **Annual Procurement Report**

There was submitted a report by the Chief Executive of Scotland Excel relative to Scotland Excel's annual procurement report, a copy of which was appended to the report.

The report intimated that the Procurement Reform (Scotland) Act 2014 (the Act) worked alongside procurement regulations to provide a national legislative framework for sustainable public procurement and supported Scotland's economic growth through improved procurement practice. The Act focussed on a small number of general duties on contracting authorities regarding their procurement activities and some specific measures aimed at promoting good, transparent and consistent practice.

The report advised that since the introduction of the Act, public bodies with an estimated procurement spend of £5 million or more required to publish an annual procurement

strategy, or a published revision of the previous strategy, and an annual procurement report. The Act set out what, as a minimum, each annual procurement report must contain. Scotland Excel was not obligated to produce an annual report, it was prepared and submitted on a voluntary basis providing evidence of good practice carried out through collaboration in Scotland's public sector.

The report further advised that annual procurement reports were expected to be published as soon as reasonably practicable after the end of the financial year, which for Scotland Excel was 31 March, and should be relevant and proportionate, provide transparency of purchasing activities, and address all matters contained in the organisation's procurement strategy.

The report further intimated that the Act required Scottish Ministers to publish an annual report on procurement activity in Scotland providing an overview of public procurement activity informed by the individual annual procurement reports published by contracting authorities in Scotland. Annual procurement reports were expected to be published no later than 5-months following the end of the contracting authority's financial year and Scotland Excel's annual procurement report required to be published no later than the end of August 2023, subject to approval by the Joint Committee. The Scotland Excel annual report would then be considered along with those of other public bodies subject to this requirement and included in the overview when Scottish Ministers produced the national report.

DECIDED:

- (a) That the content of the report be noted; and
- (b) That publication of the Annual Procurement Report, as appended to the report, be approved for submission to the Scottish Government by 30 September 2023.

8 **Care Update**

There was submitted a report by the Chief Executive of Scotland Excel providing an update on the work of the social care team.

In relation to Children's Services, the report provided an update on the framework for Children's Residential Care and Education including Short Breaks and an update on Reimagining Secure Care. In relation to Adult Services, the report provided updates on the National Care Service (NCS); the National Care Home Contract (NCHC) and the Residential Rehabilitation project.

The report intimated that the contracts in the social care portfolio typically allowed for a process of annual fee uplift requests which gave awarded providers the opportunity to request increases to the agreed pricing of services. To guide the approach and ensure alignment with local authority expectations, senior representatives of Councils had been approached to form governance groups and children's services had held several meetings to discuss and agree the approach to fee-reviews on an annual basis. Adult services were establishing a similar group to allow for consistency across the social care portfolio.

Table 1 of the report summarised the price uplift requests received across the children's services contract portfolio and table 2 of the report summarised the price uplift requests received across the adult services contract portfolio.

DECIDED: That the contract updates be noted and supported.

9 **Strategic Risk Register Update**

There was submitted a report by the Chief Executive of Scotland Excel providing an update on the Strategic Risk Register maintained to assess threats and risks that could impact on the delivery of Scotland Excel's 5-year strategy and to identify controls that were in place to mitigate these risks. A copy of the Strategic Risk Register was appended to the report.

The report intimated that the Strategic Risk Register had been developed using methodology set out in the Strategic Risk Strategy approved by the Joint Committee in December 2022. Currently there were 12 strategic risks ranging in assessed risk score from 9 to 20 and a summary of key statistics in relation to each identified risk was detailed in the Register.

The report advised that the Strategic Risk Register was maintained and reviewed regularly by the Senior Management Team and key officers with particular expertise in certain risk areas. The Register continued to be a focus of the organisation with actions being undertaken in mitigation of the risks on-going throughout the year.

DECIDED: That the Strategic Risk Register be noted.

Sederunt

Councillor Robinson and Councillor Anne McMillan left the meeting during consideration of the following item of business.

10 **Supporting Attendance, Special Leave and Hospitality**

There was submitted a report by the Chief Executive of Scotland Excel relative to staff absence rates, special leave given to staff and hospitality granted by the organisation for the 2022/23 financial year.

The report intimated that the Joint Committee had agreed that Scotland Excel work to an absence rate of below 4% and that this target aligned Scotland Excel with partner organisations, supported good practice in this area and demonstrated the ongoing commitment to absence management as a key efficiency target.

The report advised that during 2022/23, the average sickness rate per full time equivalent member of staff had been 4.0 days. In total, 428.5 sickness leave days had been reported across all staff during 2022/23 representing an average sickness absence rate of 2.0%. Scotland Excel would continue to monitor this and ensure that, where required, staff were given appropriate support to maintain attendance. The graph in section 2 of the report provided monthly percentage absence figures for staff during 2022/23.

The report further advised that, in addition to actively supporting members of staff absent through ill health, Scotland Excel continued to implement positive early

intervention practices including working with occupational health and other support services to maintain employee attendance and to support members of staff who might be experiencing difficulties whilst remaining at work; recognised that positive mental health amongst staff members was an area that should be actively supported and encouraged and, in addition to actively promoting good mental health practices and initiatives, had 15 staff from across all operational areas and grades who had trained as accredited Mental Health First Aiders; had implemented a Mental Health at Work Commitment Action Plan which was recognised as a comprehensive tool for adopting best practice in promoting and maintaining positive mental health within the organisation; and had started the journey to become a Trauma-informed Organisation with Laura James, the National Trauma Lead from the Improvement Service, presenting to the whole Scotland Excel workforce at a face-to-face event in March 2023. The next step for Scotland Excel would be to conduct a self-assessment exercise using the Quality Improvement Framework issued in Spring 2023.

The report indicated that in terms of the Scheme of Delegation, the Chief Executive had authority to permit any member of staff to absent themselves occasionally and temporarily during business hours and also to approve the provision of reasonable hospitality to a maximum of £1,000 in relation to any one occasion. Further detail in relation to requests for special leave and hospitality were provided in sections 3 and 4 of the report.

DECIDED: That the contents of the report be noted.

11 **Date of Next Meeting**

DECIDED: That it be noted that the next meeting of the Joint Committee would be held remotely on MS teams at 10.45 am on 8 December 2023.

Valedictory

The Convener advised members that Councillor Peter Henderson would be retiring from South Ayrshire Council at the end of June 2023 and that this would be his last Joint Committee meeting. On behalf of the Joint Committee, the Convener thanked Councillor Henderson for his attendance, participation and support during his membership of Scotland Excel.



Minute of Meeting Scotland Excel Executive Sub-committee

Date	Time	Venue
Friday, 18 August 2023	09:30	Remotely by MS Teams,

Present

Councillor Brenda Durno (Angus Council); Councillor Kenny Macleod (Comhairle Nan Eilean Siar); Councillor Altany Craik (Fife Council); Councillor Carlyne Wilson (Dumfries & Galloway Council); Councillor Ruairi Kelly (Glasgow City Council); Councillor Derek Loudon (Highland Council); Councillor Christina Larsen (North Ayrshire Council); Councillor Michael McPake (North Lanarkshire Council); Councillor John Shaw (Renfrewshire Council) and Councillor Walter Brogan (South Lanarkshire Council).

Chair

Councillor Shaw, Convener, presided.

In Attendance

J Welsh, Chief Executive, H Carr, Director of Strategic Procurement, S Brannagan, Director of Customer & Business Services, L Campbell, Customer Services Manager, L Muir, Strategic Procurement Manager, S Christie, Commercial Programme Manager, N Hyde, Programme Manager, K Forrest, Office Manager, L Mooney, Senior Communications Specialist, K Farley, Procurement Co-ordinator, S Todd, Senior Procurement Specialist, S Martin, Principal Project & Customer Account Manager, A Park, Graduate Trainee and D Pettigrew, Category Manager (all Scotland Excel) and A Burns, Corporate Finance Manager, L Mitchell, Managing Solicitor (Contracts & Conveyancing), E Pinkerton, Assistant Managing Solicitor (Contracts & Procurement) and E Currie, Senior Committee Services Officer (all Renfrewshire Council).

Apology

Councillor David Keating (Aberdeenshire Council).

Declarations of Interest and Transparency Statements

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

Prior to the start of the meeting the Convener intimated that agenda 6(c) - Request for Associate Membership: Michelin Scotland Innovation Parc – had been withdrawn and consequently would not be considered by the Sub-committee.

1 Minute

There was submitted the Minute of the meeting of the Executive Sub-committee held on 19 May 2023.

DECIDED: That the Minute be approved.

Sederunt

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

2 Chief Executive's Update Report to Chief Officers Management Group - August 2023

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 9 August 2023.

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 future reports, be shared with members of the Scotland Excel Executive Sub-committee, following CEOMG meetings.

The report submitted to the CEOMG meeting held on 9 August 2023, which covered the period from May to July 2023, was appended to the report.

DECIDED: That the report be noted.

Sederunt

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

3 Revenue Budget Report to 21 July 2023

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 21 July 2023.

The report intimated that at the end of period 4, Scotland Excel was projecting an overspend of £192,000 by year-end in its core activities and an increase of £231,000 in project reserves. It was noted that both core and projects budgets would be monitored closely in order to mitigate any projected overspends against planned budgets by year-end. Further detail was provided in section 3 of the report.

The appendices to the report provided an analysis of the actual spend to date along with projected net expenditure for 2023/24 and included a summary of movement in both the revenue reserve and the project reserves.

DECIDED: That the report be noted.

Sederunt

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

4 Contract for Approval: Provision of a Shared Alarm Receiving Centre (ARC) Technology Solution

There was submitted a report by the Chief Executive of Scotland Excel relative to the award of a first-generation framework for provision of a shared alarm receiving centre (ARC) technology solution for a period of six years from the commencement date, unless terminated earlier in accordance with its terms (contractual break option after year four). It was noted that subject to approval and completion of a standstill period, it was intended that the framework would commence on 1 September 2023.

The report intimated that the single-supplier framework would provide members with a mechanism to procure a technology solution to contribute to a smooth transition from the current analogue connections to digital connections within their ARCs. It was anticipated that the analogue network would be permanently switched off in December 2025 and the proposed framework agreement for a single supplier would help to ensure that the solution being delivered was consistent and co-ordinated across Scotland.

The report summarised the outcome of the procurement process and advised that the framework had been advertised with an estimated spend of £15 million over its lifetime of six years, equating to approximately £2.5 million per annum.

Tender responses had been received from five suppliers. The report advised that two tenderers were deemed non-compliant as they did not accept the terms and conditions published with the tender documents.

Based on the criteria and scoring methodology set out in the tender document, a full evaluation of the compliant offers had been carried out and Appendix 3 to the report confirmed the overall scoring achieved by each supplier.

Based on the evaluation undertaken, and in line with the advertised criteria and weightings set out in the report, it was recommended that the single-supplier framework arrangement be awarded to Chubb Fire & Security Limited, as outlined in Appendix 3 to the report.

The report detailed the approach taken by suppliers in relation to fair work practices and their position on the payment of the Real Living Wage together with the other benefits that would be achieved through the framework. The report intimated that, in accordance with Scotland Excel's established contract and supplier management programme, in terms of risk and spend, the framework had been classified as class B.

It was noted that the reference to 'call handlers' in the second paragraph of section 6 of the report should read 'connections'.

DECIDED:

(a) That the award of the single-supplier framework agreement for the provision of a shared alarm receiving centre (ARC) technology solution, as detailed in Appendix 3 to the report, be approved; and

(b) That it be noted that the reference to 'call handlers' in the second paragraph of section 6 of the report should read 'connections'.

5 Format of Contract Approval Reports

Under reference to item 5 of the Minute of the meeting of this Sub-committee held on 21 April 2023, there was submitted a report by the Chief Executive of Scotland Excel providing details of the final revised format of contract approval reports.

The report provided detail on the proposed content and format of all future approval reports and a reworked copy of a previously approved contract report formed Appendix 1 to the report as an example of how the changes would be applied.

DECIDED: That the proposed changes to contract approval reports, as detailed in Appendix 1 to the report, be approved.

6(a) Request for Associate Membership: Blairtummock Housing Association Limited

There was submitted a report by the Chief Executive of Scotland Excel advising that Blairtummock 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 Blairtummock Housing Association Limited to become an associate member of Scotland Excel, with an annual membership fee of £1,090, be approved, subject to completion and signing of the agreement documentation.

6(b) Request for Associate Membership: Cassiltoun Housing Association Limited

There was submitted a report by the Chief Executive of Scotland Excel advising that Cassiltoun 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 Cassiltoun Housing Association Limited to become an associate member of Scotland Excel, with an annual membership fee of £1,640, be approved, subject to completion and signing of the agreement documentation.

6(c) Request for Associate Membership: Michelin Scotland Innovation Parc

This report was withdrawn.

6(d) Request for Associate Membership: New Gorbals Housing Association Limited

There was submitted a report by the Chief Executive of Scotland Excel advising that New Gorbals 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 New Gorbals Housing Association Limited to become an associate member of Scotland Excel, with an annual membership fee of £4,000, be approved, subject to completion and signing of the agreement documentation.

7 Operating Plan Update 2023/24

There was submitted a report by the Chief Executive of Scotland Excel providing an update on the Operating Plan 2023/24, a copy of which was appended to the report.

The report intimated that the new five-year Corporate Strategy, outlining the organisation's business goals and priorities for 2023/28, had been approved at the meeting of the Joint Committee held on 9 December 2022. This strategy had been developed around five corporate goals, being: journey towards a net zero Scotland; drive for efficiency to support the financial sustainability of local public service; community wellbeing with equal access to services, economic development and fair work jobs; resilient supply chains that maximise opportunities for Scottish businesses and the third sector; and advancement of skills to deliver Scotland's economic transformation, and it was noted that these corporate goals influenced all aspects of Scotland Excel's work.

The strategy was supported by annual operating plans and the plan covering the period for 1 April 2023 to 31 March 2024 had been approved at the meeting of the Joint Committee held on 9 December 2022. The report provided an update on operating plan activity between 1 April and 30 June 2023.

The report highlighted that, since approval of the operating plan, senior local authority stakeholders had indicated that one of the corporate goals, the drive for efficiency to support the financial sustainability of local public service, should be prioritised during 2023/24 and, in the first quarter, Scotland Excel had been working to understand how it could grow and accelerate deliverables against this key goal. A dedicated team had been established to manage this work and as a result, some of the other actions within the plan had not yet been scheduled and were likely to begin later in the financial year.

The report 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 the most recent quarterly report being submitted to the Joint Committee with recent updates noted.

DECIDED: That Scotland Excel's progress in delivering the actions contained within the Operating Plan 2023/24 be noted.

8 **Date of Next Meeting**

DECIDED: That it be noted that the next meeting of the Sub-committee would be held remotely on MS teams at 9.30 am on 15 September 2023.

Minute of Meeting Scotland Excel Executive Sub-committee

Date	Time	Venue
Friday, 15 September 2023	09:30	Remotely by MS Teams,

Present

Councillor David Keating (Aberdeenshire Council); Councillor Brenda Durno (Angus Council); Councillor Carolyne Wilson (Dumfries & Galloway Council); Councillor Ian Cameron (substitute for Councillor Altany Craik) (Fife Council); Councillor Derek Loudon (Highland Council); Councillor Christina Larsen (North Ayrshire Council); Councillor Michael McPake (North Lanarkshire Council); Councillor John Shaw (Renfrewshire Council); Councillor Dennis Leask (Shetland Islands Council) and Councillor Walter Brogan (South Lanarkshire Council).

Chair

Councillor Shaw, Convener, presided.

In Attendance

J Welsh, Chief Executive, H Carr, Director of Strategic Procurement, S Brannagan, Director of Customer & Business Services, L Muir and L Richard, both Strategic Procurement Manager, K Forrest, Office Manager, L Mooney, Senior Communications Specialist, S Martin, Principal Project & Customer Account Manager, M Boyle and L Jones, both Senior Business Services Specialists and R Baird, Graduate Trainee (all Scotland Excel); C McCourt, Head of Finance & Procurement, A Burns, Corporate Finance Manager, L Mitchell, Managing Solicitor (Contracts & Conveyancing), E Currie, Senior Committee Services Officer, K O'Neill, Democratic Services Officer and T McGowan, Senior Accountancy Assistant (all Renfrewshire Council) and G Devlin, Audit Partner (Azets) (for items 1 and 2 only).

Apologies

Councillor Kenny Macleod (Comhairle Nan Eilean Siar); Councillor Altany Craik (Fife Council) and Councillor Ruairi Kelly (Glasgow City Council).

Declarations of Interest and Transparency Statements

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

1 **Minute**

There was submitted the Minute of the meeting of the Executive Sub-committee held on 18 August 2023.

DECIDED: That the Minute be approved.

2 **Annual Audit Report on the Annual Accounts 2022/23**

Under reference to item 4 of the Minute of the meeting of the Joint Committee held on 16 June 2023, there was submitted a report by the Treasurer relative to Azet's findings from the audit of Scotland Excel's financial statements for 2022/23.

The report intimated that The Local Authority Accounts (Scotland) Regulations 2014 required the audited accounts to be approved for signature no later than 30 September each year. Section 10 of the Regulations required the relevant committee to consider any report made by the appointed auditor before deciding whether to sign the audited accounts.

Azet's annual audit report formed Appendix 1 to the report and included their anticipated opinion that the annual accounts were free from material misstatement and presented a true and fair view of Scotland Excel's financial position at 31 March 2023 as well as details of adjustments made to the accounts during the course of the audit.

A copy of the audited annual accounts 2022/23 was attached as Appendix 2 to the report. Following approval, the audited accounts would be submitted to the Convener, Treasurer and Chief Executive of Scotland Excel for secure digital signature.

It was noted that there was no total detailed in the remuneration table in page 15 of the accounts and that this would be amended prior to sign-off. A copy of the amended annual audited accounts would be made available on both Renfrewshire Council's and Scotland Excel's website. The total should have stated 27 for 2022/23 and 13 for 2021/22.

Gary Devlin, Audit Partner (Azets) then presented the Annual Audit Report to members.

DECIDED:

(a) That the findings of the 2022/23 audit as contained in the external auditor's annual audit report, which formed Appendix 1 to the report, be noted;

(b) That the Scotland Excel 2022/23 audited annual accounts, which formed Appendix 2 to the report, be approved for signature; and

(c) That it be noted that there was no total detailed in the remuneration table in page 15 of the accounts and that this would be amended prior to sign-off. A copy of the amended annual audited accounts would be made available on both Renfrewshire Council's and Scotland Excel's website.

3(a) **Contract for Approval: Supply and Delivery of Fresh Bread, Rolls and Bakery Products**

There was submitted a report by the Chief Executive of Scotland Excel relative to the award of a second-generation renewal framework for the supply and delivery of fresh bread, rolls and bakery products for a period of 48 months from the commencement date. It was noted that subject to approval and completion of a standstill period, it was intended that the framework would commence on or around October 2023.

The report intimated that the framework would provide a mechanism for councils to procure a range of fresh bread, rolls and bakery products and that users of the framework were likely to include schools, nurseries, care homes, leisure centres, cafes and office units.

The report summarised the outcome of the procurement process which contained one lot, as detailed in table 1 of the report. The framework had been advertised at £2 million per annum, totalling an estimated spend of £8 million over the four-year period of the framework. This advertised spend allowed for increased participation from councils and associate members not currently utilising the framework. Appendix 1 to the report detailed the participation, spend and savings summary for those participating in the framework.

Tender responses had been received from four suppliers and, based on the criteria and scoring methodology set out in the tender documents, a full evaluation of all compliant offers had been carried out with the confirmed overall scoring achieved by each supplier detailed in Appendix 2 to the report.

Based on the evaluation undertaken, and in line with the advertised criteria and weightings set out in the report, it was recommended that a multi-supplier framework arrangement be awarded to all four suppliers, as outlined in Appendix 2 to the report.

The report detailed the approach taken by suppliers in relation to fair work practices and their position on the payment of the Real Living Wage together with the other benefits that would be achieved through the framework. The report intimated that, in accordance with Scotland Excel's established contract segmentation tool, the framework had been classified as class D.

It was noted that the reference to 'D. McGee and Sons Ltd' in Appendix 2 to the report should read 'D. McGee & Sons Ltd'.

DECIDED:

(a) That the award of the framework agreement for the supply and delivery of fresh bread, rolls and bakery products, as detailed in Appendix 2 to the report, be approved; and

(b) That it be noted that the reference to 'D. McGee and Sons Ltd' in Appendix 2 to the report should read 'D. McGee & Sons Ltd'.

3(b) **Contract for Approval: Supply, Delivery, Servicing and Maintenance of Fire Safety Products**

There was submitted a report by the Chief Executive of Scotland Excel relative to the award of a framework for the supply, delivery, servicing and maintenance of fire safety products for an initial period of 24 months from the commencement date with an option to extend for up to a further two 12-month periods subject to satisfactory operation and performance. It was noted that subject to approval and completion of a standstill period, it was intended that the framework would commence on 1 October 2023.

The report intimated that the framework would provide a range of fire safety products and services.

The report summarised the outcome of the procurement process which had been divided into two lots, as detailed in table 1 of the report. The framework had been advertised at a total value of £1 million per annum, totalling an estimated spend of £4 million over the maximum four-year period of the framework, if the extension options were exercised. This advertised spend allowed for increased participation from councils and associate members not currently utilising the framework. Appendix 1 to the report detailed the participation, spend and savings summary for those participating in the framework.

Tender responses had been received from 15 suppliers and, based on the criteria and scoring methodology set out in the tender documents, a full evaluation of all compliant offers had been carried out with the confirmed the overall scoring achieved by each supplier detailed in Appendix 2 to the report.

Based on the evaluation undertaken, and in line with the advertised criteria and weightings set out in the report, it was recommended that a multi-supplier framework arrangement be awarded to eight suppliers, in whole or in part, as outlined in Appendix 2 to the report.

The report detailed the approach taken by suppliers in relation to fair work practices and their position on the payment of the Real Living Wage together with the other benefits that would be achieved through the framework. The report intimated that, in accordance with Scotland Excel's established contract segmentation tool, the framework had been classified as class D.

DECIDED: That the award of the framework agreement for the supply, delivery, servicing and maintenance of fire safety products, as detailed in Appendix 2 to the report, be approved.

4(a) **Request for Associate Membership: Accountant in Bankruptcy**

There was submitted a report by the Chief Executive of Scotland Excel advising that Accountant in Bankruptcy 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 Accountant in Bankruptcy to become an associate member of Scotland Excel, with no annual membership fee, be approved, subject to completion and signing of the agreement documentation.

4(b) **Request for Associate Membership: Knowes Housing Association Limited**

There was submitted a report by the Chief Executive of Scotland Excel advising that Knowes 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 Knowes Housing Association Limited to become an associate member of Scotland Excel, with an annual membership fee of £1,625, be approved, subject to completion and signing of the agreement documentation.

4(c) **Request for Associate Membership: University of Dundee**

There was submitted a report by the Chief Executive of Scotland Excel advising that the University of Dundee 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 University of Dundee 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 **Employee Supporting Attendance Report**

There was submitted a report by the Chief Executive of Scotland Excel relative to organisational supporting attendance highlighting the absence rate in the organisation and some of the support mechanisms implemented to support staff members.

The report intimated that the Joint Committee had agreed that Scotland Excel should work to an absence rate of below 4% which aligned Scotland Excel with partner organisations, supported good practice in this area and demonstrated the ongoing commitment to absence management as a key efficiency target.

The report advised of the absence levels for the 12-month period to 31 July 2023 and provided a breakdown of the current month, the last six months and 12 months absence figures, together with an illustration of 12 months in days and the last 12 months in percentages.

The report noted that the rate of absence across the organisation had been maintained at below the 4% target, as detailed in Appendix 1 to the report.

It was noted that, in addition to actively supporting members of staff absent through ill health, Scotland Excel continued to implement positive early intervention practices including working with occupational health and other support services to maintain employee attendance and to support members of staff who might be experiencing difficulties whilst remaining at work. Scotland Excel continued to support a range of interventions for staff including occupational health referral, confidential counselling services and Cognitive Behavioural Therapy services, physio-therapy sessions and issued wellbeing emails with further information on health initiatives which could be

accessed independently by all staff.

The report intimated that Scotland Excel recognised that positive mental health amongst staff members was an area that should be actively supported and encouraged and, in addition to actively promoting good mental health practices and initiatives, had 15 staff from across all operational areas and grades who had trained as accredited Mental Health First Aiders. In providing this confidential opportunity to staff members, it was hoped that any personal difficulties experienced could be addressed at an early stage with appropriate signposting to professional support. Further training for those staff members wishing to become accredited Mental Health First Aiders had been arranged for November 2023 with The Scottish Association for Mental Health (SAMH).

DECIDED: That the contents of the report be noted.

6 **Date of Next Meeting**

DECIDED: That it be noted that the next meeting of the Executive Sub-committee would be held remotely on MS teams at 9.30 am on 20 October 2023.

Minute of Meeting Scotland Excel Executive Sub-committee

Date	Time	Venue
Friday, 20 October 2023	09:30	Remotely by MS Teams,

Present

Councillor Colin Simpson (substitute for Councillor David Keating) (Aberdeenshire Council); Councillor Brenda Durno (Angus Council); Councillor Kenny Macleod (Comhairle Nan Eilean Siar); Councillor Carolyne Wilson (Dumfries & Galloway Council); Councillor Ruairi Kelly (Glasgow City Council); Councillor Derek Loudon (Highland Council); Councillor Michael McPake (North Lanarkshire Council); Councillor John Shaw (Renfrewshire Council); Councillor Dennis Leask (Shetland Islands Council) and Councillor Walter Brogan (South Lanarkshire Council).

Chair

Councillor Shaw, Convener, presided.

In Attendance

J Welsh, Chief Executive, S Brannagan, Director of Customer & Business Services, L Campbell, Customer Services Manager, M Mitchell, Strategic Procurement Manager, C Richardson, Senior Procurement Specialist, M Robertson, Marketing & Communications Manager, S Roberts and L Robertson, both Project & Accounts Managers, N French, Corporate Services Assistant, S Christie, Commercial Programme Manager and G Harkins, Assistant Procurement Specialist (all Scotland Excel); and L Mitchell, Managing Solicitor (Contracts & Conveyancing), A Burns, Corporate Finance Manager, D Blackburn, Principal Accountant, E Currie, Senior Committee Services Officer and T McGowan, Senior Accountancy Assistant (all Renfrewshire Council).

Apology

Councillor David Keating (Aberdeenshire Council).

Declarations of Interest and Transparency Statements

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

1 Minute

There was submitted the Minute of the meeting of the Executive Sub-committee held on 15 September 2023.

DECIDED: That the Minute be approved.

2 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 15 September 2023.

The report intimated that at the end of period 6, Scotland Excel was projecting an overspend of £89,000 by year-end in its Core activities and an increase of £169,000 in Project Reserves. It was noted that both Core and Projects budgets would be monitored closely in order to mitigate any projected overspends against planned budgets by year-end. Further detail was provided in section 3 of the report.

The appendices to the report provided an analysis of the actual spend to date along with projected net expenditure for 2023/24 and included a summary of movement in both Revenue and Project Reserves.

DECIDED: That the report be noted.

Sederunt

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

3 Contract for Approval: Asbestos related Works and Services

There was submitted a report by the Chief Executive of Scotland Excel relative to the award of a fourth-generation renewal framework for asbestos related works and services for a period of 48 months. It was noted that subject to approval and completion of a standstill period, it was intended that the framework would commence in November 2023.

The report intimated that the framework would provide a mechanism for councils to procure a range of asbestos related works and services including surveys, removal and disposal works and analytical services.

The report summarised the outcome of the procurement process which contained four lots and then subdivided by six geographical regions, as detailed in tables 1 and 2 of the report. The framework had been advertised at £7 million per annum, totalling an estimated spend of £28 million over the four-year period of the framework. This advertised spend allowed for increased participation from councils and associate members not currently utilising the framework. Appendix 1 to the report detailed the participation, spend and savings summary for those participating in the framework.

Tender responses had been received from 36 suppliers and, based on the criteria and scoring methodology set out in the tender documents, a full evaluation of all compliant offers had been carried out with the confirmed overall scoring achieved by each supplier detailed in Appendix 2 to the report.

Based on the evaluation undertaken, and in line with the advertised criteria and weightings set out in the report, it was recommended that a multi-supplier framework arrangement be awarded to 34 suppliers, as outlined in Appendix 2 to the report.

The report detailed the approach taken by suppliers in relation to fair work practices and their position on the payment of the Real Living Wage together with the other benefits that would be achieved through the framework. The report intimated that, in accordance with Scotland Excel's established contract segmentation tool, the framework had been classified as class C.

It was noted that in the Community Benefits paragraph of the report, the reference to 'Of the recommended suppliers, all four have committed to delivering these benefits.' should read 'Of the recommended suppliers, all 34 have committed to delivering these benefits.'

DECIDED:

(a) That the award of the framework agreement for asbestos related works and services, as detailed in Appendix 2 to the report, be approved; and

(b) That it be noted in the Community Benefits paragraph of the report, the reference to 'Of the recommended suppliers, all four have committed to delivering these benefits.' should read 'Of the recommended suppliers, all 34 have committed to delivering these benefits.'

4(a) Request for Associate Membership: Clydesdale Housing Association Limited

There was submitted a report by the Chief Executive of Scotland Excel advising that Clydesdale 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 Clydesdale Housing Association Limited to become an associate member of Scotland Excel, with an annual membership fee of £1,160, be approved, subject to completion and signing of the agreement documentation.

4(b) **Request for Associate Membership: Irvine Housing Association Limited**

There was submitted a report by the Chief Executive of Scotland Excel advising that Irvine 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 Irvine Housing Association Limited to become an associate member of Scotland Excel, with an annual membership fee of £3,875, be approved, subject to completion and signing of the agreement documentation.

4(c) **Request for Associate Membership: Linstone Housing Association Limited**

There was submitted a report by the Chief Executive of Scotland Excel advising that Linstone 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 Linstone Housing Association Limited to become an associate member of Scotland Excel, with an annual membership fee of £2,435, be approved, subject to completion and signing of the agreement documentation.

4(d) **Request for Associate Membership: Lochfield Park Housing Association Limited**

There was submitted a report by the Chief Executive of Scotland Excel advising that Lochfield Park 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 Lochfield Housing Association Limited to become an associate member of Scotland Excel, with an annual membership fee of £930, be approved, subject to completion and signing of the agreement documentation.

4(e) **Request for Associate Membership: The Jane Moore Trust**

There was submitted a report by the Chief Executive of Scotland Excel advising that the Jane Moore Trust 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 Jane Moore Trust to become an associate member of Scotland Excel, with an annual membership fee of £550, be approved, subject to completion and signing of the agreement documentation.

5 **Procurement Reform Act Consultation Response**

There was submitted a report by the Chief Executive of Scotland Excel relative to the organisation's response to the consultation on 'Assessing the impact of the Procurement Reform Act' published by the Economy and Fair Work Committee in June 2023.

The report intimated that the Procurement Reform (Scotland) Act 2014 introduced a range of duties on public bodies to consider how procurement could be used to improve the wellbeing of local areas including the impact on the economic, social and environmental health of the area. The Act also sought to reduce barriers to entry for small businesses, third sector organisations and supported businesses to participate in public procurement.

The report advised that the consultation sought views on a broad range of themes covered by the Act to assess whether it was achieving these aims. The draft response to the consultation was appended to the report.

It was noted that, since publication of the report, further feedback had been received and would be included in the response to the Economy and Fair Work Committee.

It was proposed that the following wording be added to question 10 of the response: 'That as part of the UK's exit from the EU the opportunity to simplify procurement mechanisms relating to the creation of contracts for alternative energy sources be considered.'. This was agreed.

DECIDED:

(a) That the content of the report be noted;

(b) That it be noted that the further feedback received would be included in the response to the Economy and Fair Work Committee;

(c) That the following wording be added to question 10 of the response: 'That as part of the UK's exit from the EU the opportunity to simplify procurement mechanisms relating to the creation of contracts for alternative energy sources be considered.'; and

(d) That the response, as amended, be submitted to the Economy and Fair Work Committee.

6 **Operating Plan Update 2023/24**

There was submitted a report by the Chief Executive of Scotland Excel providing an update on the Operating Plan 2023/24, a copy of which was appended to the report.

The report intimated that the new five-year Corporate Strategy had been approved at the meeting of the Joint Committee held on 9 December 2022. The strategy was supported by annual operating plans and the report provided an update on operating plan activity between 1 July and 30 September 2023.

The report highlighted that, since approval of the operating plan, senior local authority stakeholders had indicated that one of the corporate goals, the drive for efficiency to support the financial sustainability of local public service, should be prioritised during 2023/24 and Scotland Excel had been working to understand how it could grow and accelerate deliverables against this key goal. A dedicated team had been established to manage this work and as a result, some of the other actions within the plan had not yet been scheduled and were likely to begin later in the financial year.

The report 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 the most recent quarterly report being submitted to the Joint Committee with recent updates noted.

DECIDED: That Scotland Excel's progress in delivering the actions contained within the Operating Plan 2023/24 be noted.

7 **Date of Next Meeting**

DECIDED: That it be noted that the next meeting of the Executive Sub-committee would be held remotely on MS teams at 9.30 am on 17 November 2023.

Minute of Meeting Scotland Excel Executive Sub-committee

Date	Time	Venue
Friday, 17 November 2023	09:30	Remotely by MS Teams,

Present

Councillor David Keating (Aberdeenshire Council); Councillor Brenda Durno (Angus Council); Councillor Kenny Macleod (Comhairle Nan Eilean Siar); Councillor Carlyne Wilson (Dumfries & Galloway Council); Councillor Altany Craik (Fife Council); Councillor Derek Loudon (Highland Council); Councillor Christina Larsen (North Ayrshire Council); Councillor Michael McPake (North Lanarkshire Council); and Councillor John Shaw (Renfrewshire Council).

Chair

Councillor Shaw, Convener, presided.

In Attendance

J Welsh, Chief Executive, H Carr, Director of Strategic Procurement, S Brannagan, Director of Customer & Business Services, L Campbell, Customer Services Manager, M Mitchell and L Muir, both Strategic Procurement Managers, S Christie, Commercial Programme Manager, P Barnes, Project and Accounts Manager and K Forrest, Office Manager (all Scotland Excel); and C McCourt, Head of Finance & Procurement, L Mitchell, Managing Solicitor (Contracts & Conveyancing), K Campbell, Assistant Chief Auditor, A Burns, Corporate Finance Manager, D Blackburn, Principal Accountant, E Gray, Senior Committee Services Officer and T McGowan, Senior Accountancy Assistant (all Renfrewshire Council).

Apologies

Councillor Ruairi Kelly (Glasgow City Council), Councillor Dennis Leask (Shetland Islands Council), Councillor Chris Cullen (South Ayrshire Council) and Councillor Walter Brogan (South Lanarkshire Council).

Declarations of Interest and Transparency Statements

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

1 Minute

There was submitted the Minute of the meeting of the Executive Sub-committee held on 20 October 2023.

In relation to item 3 of the Minute - Contract for Approval: Asbestos related Works and Services - it was noted that prior to bidders being notified of the outcome an error was identified where the final line had been omitted for the Lot 4 Region 6 (L4R6) table. A revised Appendix 2 rectified this and the missing "." for both DNKA LTD. and E.D.P. Health, Safety and Environment Consultants Limited for approval. The overall outcome for bidders had not changed. The revised Appendix would be circulated following the meeting.

DECIDED:

(a) That the Minute be approved; and

(b) That the update in relation to item 3 - Contract for Approval: Asbestos related Works and Services – be noted.

2 Draft Revenue Estimates 2024/25

There was submitted a joint report by the Treasurer and the Chief Executive of Scotland Excel presenting the Revenue Estimates of Scotland Excel, including the requisition of the constituent authorities, for the financial year 2024/25 along with indicative planning figures for 2025/26 and 2026/27.

The report intimated that the annual Revenue Estimates process outlined the summary revenue budget position for the organisation and the budget estimates provided in Appendix 1 to the report outlined the projected position for 2024/25 and an indicative position for 2025/26 and 2026/27. Appendix 2 to the report detailed the proposed requisitions for 2024/25 with the assumptions used in developing these projections being outlined in sections 4 and 5 of the report.

The report noted that Scotland Excel had provided an update on the proposed 0% increase to requisition for 2024/25 and 2025/26 to stakeholders.

DECIDED:

(a) That the Revenue Estimates of Scotland Excel for the financial year 2024/25, as detailed in Table 1 of Appendix 1 to the report, be noted;

(b) That the requisitions from constituent authorities and total estimated savings for 2022/23, as detailed in Appendix 2 to the report, be noted; and

(c) That the indicative estimates for 2025/26 and 2026/27 be noted.

3 Chief Executive's Update Report to Chief Officers Management Group - November 2023

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 8 November 2023.

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 future reports, be shared with members of the Scotland Excel Executive Subcommittee, following CEOMG meetings.

The report submitted to the CEOMG meeting held on 8 November 2023, which covered the period between August to October 2023, was appended to the report.

DECIDED: That the report be noted.

4 Internal Audit Engagement - Social Care Contracts

There was submitted a report by the Chief Auditor, Renfrewshire Council, relative to Internal Audit's report summary on social care contracts processes.

The report intimated that in line with the Public Sector Internal Audit Standards, Internal Audit must communicate the results of each engagement to the Executive Subcommittee. It was noted that the Chief Auditor would report summaries of completed audit engagements on the conclusion of each engagement for formal consideration by members in line with best practice.

The report provided detail of the audit engagement completed in September 2023 with the overall assurance rating and the number of recommendations in each category. The detailed committee summary for the engagement was appended to the report.

DECIDED: That the summary for the Internal Audit engagement of social care contracts processes be noted.

5 Update on the Contract Delivery Plan

There was submitted a report by the Chief Executive of Scotland Excel providing a progress update on the 2023/24 contract delivery plan.

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

The report highlighted that, at any given point, there were around 70 frameworks in the Scotland Excel contract portfolio. In 2023/24, it was intended that a further five frameworks would be developed and added to the portfolio, 13 frameworks would be renewed and 14 frameworks had extension options that were available to be exercised, with six of these extensions already approved.

The report noted that the estimated forecast value of the Scotland Excel framework portfolio was approximately £2 billion and that overall, efficiencies created by frameworks awarded so far during 2023/24 were benchmarked at 1.61%. Appendix 5 to the report summarised the savings in accordance with the Scottish Government procurement benefits reporting guidance and Appendix 6 to the report detailed a summary of spend per council across the portfolio between July 2022 and June 2023.

DECIDED: That the progress made to date be noted.

6 Strategic Risk Register Update

There was submitted a report by the Chief Executive of Scotland Excel providing an update on the Strategic Risk Register maintained to assess threats and risks that could impact on the delivery of Scotland Excel's five-year strategy and to identify controls that were in place to mitigate these risks. A copy of the Strategic Risk Register was appended to the report.

The report intimated that the Strategic Risk Register had been developed using methodology set out in the Strategic Risk Strategy approved by the Joint Committee in December 2022. Currently there were 12 strategic risks ranging in assessed risk score from 9 to 20 and a summary of key elements in relation to each identified risk was detailed in the Register.

It was noted that the strategic direction of Portfolio segmentation was not reflected within the Risk Register. The Director of Customer & Business Services confirmed that this approach would impact a number of strategic risks and that the Register would be updated accordingly.

DECIDED:

(a) That it be noted that the Strategic Risk Register would be updated to reflect the implementation of Portfolio segmentation; and

(b) That the Strategic Risk Register be otherwise noted.

7 Draft Operating Plan for 1 April 2024 to 31 March 2025

There was submitted a report by the Chief Executive of Scotland Excel which provided the Executive Sub-committee with an opportunity to review the proposed operating plan for 2024/25 in advance of its submission to the Joint Committee on 8 December 2023.

The report intimated that in December 2022, the Joint Committee approved a five-year strategy covering the period 1 April 2023 to 31 March 2028. This strategy 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.

DECIDED: That the proposed Operating Plan 2024/25 be noted prior to submission to the Joint Committee on 8 December 2023.

8 **Request for Associate Membership: Capability Scotland**

There was submitted a report by the Chief Executive of Scotland Excel advising that Capability Scotland 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 Capability Scotland to become an associate member of Scotland Excel, with an annual membership fee of £550, be approved, subject to completion and signing of the agreement documentation.

9 **Meetings of Scotland Excel Executive Sub-committee in 2024**

There was submitted a report by the Clerk relative to proposed dates for meetings of the Executive Sub-committee during 2024.

DECIDED: That, if required, meetings of the Executive Sub-committee be held remotely using the Microsoft Teams platform at 9.30 am on 26 January, 16 February, 15 March, 19 April, 17 May, 21 June, 23 August, 20 September, 18 October, 15 November and 6 December 2024

10 **Date of Next Meeting**

DECIDED: That it be noted that the next meeting of the Executive Sub-committee would be held remotely on MS teams at 9.30 am on 8 December 2023.

Scotland Excel

To: Joint Committee

On: 8 December 2023

**Report by:
The Treasurer and Chief Executive**

Revenue Estimates 2024/25

1. Summary

- 1.1 The following report has been prepared by the Treasurer, in consultation with the Chief Executive, to present the Revenue Estimates of Scotland Excel, including the requisition of the constituent authorities, for the financial year 2024/25, along with indicative planning figures for 2025/26 and 2026/27.

2. Recommendations

- 2.1 It is recommended that members:

- approve the Revenue Estimates of Scotland Excel for the financial year 2024/25 as shown in Table 1 of Appendix 1;
- approve the requisitions from constituent authorities detailed in Appendix 2; and
- note the indicative estimates for 2025/26 and 2026/27.

3. Background

- 3.1 The annual Revenue Estimates process outlines the summary revenue budget position for the organisation. The budget estimates provided in the attached Appendix 1 outline the projected position for 2024/25 and outline an indicative position for 2025/26 and 2026/27. Proposed requisitions for 2024/25 are also attached in Appendix 2. The assumptions used in developing these projections are outlined in sections 4 and 5 below.
- 3.2 The financial environment within which Scotland Excel and its member authorities currently operate continues to be characterised by challenging public sector spending requirements. Factors including the UK exit from the EU, the impact and now recovery from the COVID-19 pandemic, global supply chain issues resulting from continuing conflicts in Ukraine and the middle east,

increasingly volatile economic conditions with high levels of inflation and a cost-of-living crisis, all present challenges.

These factors have influenced the revenue budget estimates for 2024/25, 2025/26 and 2026/27 contained within this report. Indeed, figures presented for 2025/26 and 2026/27 should be treated as indicative only and will be subject to constant review as economic conditions develop over the coming year.

- 3.3 It is anticipated that due to the impact of the factors outlined above, local government in Scotland is likely to face further challenges in relation to available resource over the coming years. In this context, Scotland Excel will continue to seek operational efficiencies to manage its financial position flexibly in order to maintain its aim of minimising any increase in requisition required while also developing strategic savings opportunities for member authorities ensuring that, best value continues to be achieved through Scotland Excel.
- 3.4 Scotland Excel has provided an update on the proposed requisition position to a number of stakeholder groups including, the Society of Local Authority Chief Executives (SOLACE), the Chief Executive Officers Management Group (CEOMG) and the Chartered Institute of Public Finance and Accountancy (CIPFA) Directors of Finance forum. The proposed no increase to requisition for 2024/25 and 2025/26 was acknowledged and greatly appreciated by stakeholders within the challenging financial landscape currently being experienced.

4. Budget Assumptions

- 4.1 The expenditure budget presented is based on the following assumptions.
- 4.2 An estimated budget provision of 3% in relation to a pay award for 2024/25 has been included in the budget forecast. An estimated 3% increase has also been added to the Employee Costs element of the indicative figures shown for 2025/26 and 2026/27. These are estimates only, used to provide indicative figures for 2025/26 and 2026/27 and, should be considered alongside the continuing economic uncertainty. It should be noted that an estimated pay award for 2023/24 of 6% has been included in all employee costs calculations.
- 4.3 In line with previous years practice, no standard inflationary adjustment has been made to non-salary expenditure lines. Any individual adjustments made are detailed in paragraph 4.4 below.
- 4.4 Adjustments to existing budgets have been made to specific expenditure lines to reflect operational demand in relation to:

- **Employee Costs** – in addition to the 3% pay inflation noted above (and 6% estimated pay award for 2023/24), adjustment has been made to reflect the revised staffing structure in place within Scotland Excel, a staffing turnover assumption of 5% and a reduction in employers' superannuation contributions as advised by Strathclyde Pension Fund (SPF) with further detail provided in section 6.
- **Property Costs** – no inflationary element applied.
- **Transport Costs** – no inflationary element applied.
- **Transfer Payments** – the Apprenticeship Levy directly relates to employee costs and has been increased accordingly.
- **Supplies and Services** – no inflationary element applied.
- **Support Costs** – budget has been increased to reflect increased legal support costs anticipated to rise in line with employee costs.

4.5 Income estimates include the following assumptions and adjustments to existing budgets:

- **Council Requisitions** – Council Requisitions for 2024/25 have been maintained at current levels with no increase proposed.
- **Associate Income** – The income target reflects pre-COVID estimates previously noted by the Joint Committee resulting in a £10k increase in target.
- **Income from Projects** – Includes anticipated income from several Projects, including Flexible Procurement Services, Consultancy Services, New Build and Learning and Development (Academy). Further detail on the estimated income generated by each of these elements is presented in section 5 below.
- **Rebates** – Income from Rebates during 2024/25 has been amended to reflect current forecasts in relation to the number of Scotland Excel frameworks with rebates attached. Further detail on projected Rebate income for 2024/25, 2025/26 and 2026/27 is also presented in section 5 below.

4.6 In total, estimated non-requisition income for 2024/25 totals £1.586m representing 31% of operating costs for the year. This level of non-requisition income is anticipated to continue to grow through 2025/26 and 2026/27 where non-requisition income will total 34.3% of core operating costs.

4.7 The current projected outturn position for 2023/24 is an overspend position for Core activities of £89k. Income and expenditure will continue to be closely

monitored throughout the financial year and reported regularly to the Executive Sub-Committee.

5. Other Income

5.1 Members are aware that a new funding model was approved at the June 2018 Joint Committee, which saw Core operations funded from both requisitions and income generated from a range of other sources. This move to a more commercial funding model has increased the overall level of financial risk to Scotland Excel, which requires to be appropriately managed. Key elements of the new funding model and their contributions to core operating costs are detailed below.

5.2 **New Build Housing** – Income provision from the New Build project (£50k) reflects current expenditure projections through the framework and resulting rebate less delivery costs.

5.3 **Consultancy Services** – Income provision from Consultancy projects, including Flexible Procurement, has been projected at £218k for 2024/25. This figure reflects the confirmed consultancy project portfolio at time of writing and, the growing market utilisation of the Flexible Procurement options being offered by Scotland Excel. Flexible Procurement options being offered to partners continue to grow in popularity, particularly in light of the challenging recruitment environment currently being experienced across the sector.

5.4 **Learning and Development (Academy)** – Income provision from the Scotland Excel Academy for 2024/25 has been projected at £30k to reflect the continuing journey back to pre-pandemic activity levels.

5.5 Overall, income from New Build Housing £50k, Consultancy £218k and the Scotland Excel Academy £30k will contribute £298k to core operating costs recorded under Income from Projects.

5.6 **Rebates** – Income provision from Rebates for 2024/25 has been projected at £1.048m. This projection reflects the increasing number of Scotland Excel frameworks anticipating a rebate on expenditure activity during 2024/25. During 2024/25, it is anticipated that 42 frameworks will generate rebate income compared to 28 frameworks during 2023/24.

5.7 Estimated framework expenditure is derived from a range of management information, including historical spend and market intelligence. This information is then used to estimate total framework spend, from which a Rebate figure is calculated. Scotland Excel will continue to monitor expenditure levels across all its frameworks to ensure that forecast Rebate levels continue to be achievable.

6. Strathclyde Pension Fund

- 6.1 Following actuarial review (the triennial valuation), Strathclyde Pension Fund has advised that, as a result of higher than anticipated returns from investments, the fund is 147% funded against current and anticipated future commitments. For this reason, pension fund main employers have been advised that their employer contribution rates for the coming three years have been adjusted. Employer contributions currently total 19.3% however, these rates will be adjusted to 6.5% in 2024/25, 6.5% in 2025/26 and 17.5% in 2026/27. The in-year impact for 2024/25 and 2025/26 will be an anticipated operating surplus of £460k and £459k respectively, which will be allocated to general reserves.
- 6.2 In consultation with the Treasurer, it is proposed to retain the anticipated operating surplus, ring-fenced within Reserves with any in-year draw down to be approved by the Executive Sub-Committee.
- 6.3 There will be no impact on employee pension contribution rates and individual pension entitlement is unaffected.
- 6.4 It is estimated that general reserves will total £155k at the end of the 2023/24 financial year. This represents 3% of anticipated operating expenditure for the year. The minimum level of uncommitted general reserves recommended by the Treasurer is 5%. This would equate to general reserve balances of £358k in 2024/25 and £441k in 2025/26.
- 6.5 Scotland Excel is developing a suite of projects aimed at utilisation of pension related surpluses in 2024/25 and 2025/26. These projects will demonstrably benefit member authorities in their day-to-day procurement activities and generate on-going efficiencies for Scotland Excel. All project proposals will be presented to the Executive Sub-Committee for approval with funds being drawn down from Reserves as required. A number of proposals are already in development including: the extension of the National Savings Team from its initial one-year pilot to making a three-year commitment and delivering significantly greater savings, a modernisation programme to implement new customer facing solutions and a number of proposals around direct support for framework utilisation.

In addition, the current Voluntary Retirement (VR)/ Voluntary Early Retirement (VER) programme will require funding once full costs are known. All project proposals will be fully costed and presented in line with carbon net zero expectations of the sector.

7. Financial Overview

- 7.1 As outlined above, the financial outlook in the short and medium-term for local government continues to be characterised by economic and operational uncertainty which has been reflected in the figures presented.
- 7.2 The information provided in Appendix 1 outlines the forecast year-end financial position for 2023/24, the proposed operating budget for 2024/25 and indicative figures for 2025/26 and 2026/27. The funding streams, as set out within the Funding Model Review (see section 5 above) approved by members at the June 2018 Joint Committee, have been incorporated into these estimates. No increase has therefore been recommended for requisitions in financial year 2024/25.
- 7.3 Indicative figures have been included within the paper for financial years 2025/26 and 2026/27 and propose no increase in requisition for 2025/26 and a 2% increase in 2026/27. The figures presented for 2025/26 and 2026/27 at this time are indicative only.
- 7.4 Members will note that a memorandum section is detailed in Appendix 1 (Table 2) relating to the projects operated by Scotland Excel. The funding of these projects is not covered by requisition income and the income and expenditure shown are for information purposes only. Project expenditure and income will vary each financial year and activities are generally short-term in nature, therefore only the 2024/25 figures, as known at this time, are provided. As outlined above, Projects are forecast to contribute income towards Core activities during the forthcoming financial years.

8. 2024/25 Member Authority Requisitions

- 8.1 Maintaining member requisition at 2023/24 levels (no increase) has been recommended for 2024/25 as detailed in Appendix 2 of this report. This recommendation supersedes the indicative 3% increase provided in the December 2022 revenue estimates paper. It should be noted that the requisitions outlined do not include amounts payable in relation to the National Care Home Contract. It is proposed that these costs are absorbed by Scotland Excel from 2025/26 and appropriate information provided to councils to allow this additional benefit to be cross charged to Integrated Joint Boards.
- 8.2 In addition to member authority requisitions for 2024/25, Appendix 2 also details the Total Estimated Savings achieved by member authorities during 2022/23. Joint Committee representatives and all local authorities will receive their annual value reports during December 2023 giving further detail in relation to savings and other member benefits.

- 8.3 Any future events that may materially affect these finances will be the subject of a report to the Joint Committee.
- 8.4 The requisition funding drawdown will be invoiced annually during October, in accordance with arrangements made by the Treasurer.

Appendix 1

Scotland Excel Revenue Estimates

Table 1

	2023/24 Approved Budget £000	2023/24 Forecast Outturn £000	2024/25 Proposed Budget £000	2025/26 Indicative Budget £000	2026/27 Indicative Budget £000
Core Activity					
Employee Costs	4,207	4,431	4,245	4,583	5,185
Property Costs	217	217	217	217	217
Transport Costs	20	20	20	20	20
Supplies and Services	291	313	291	291	291
Transfer Payments	22	22	23	24	25
Support Costs	303	281	329	354	360
Total Core Operating Costs	5,060	5,284	5,125	5,489	6,098
Council Requisitions	(3,999)	(3,999)	(3,999)	(3,999)	(4,079)
Associate Income	(230)	(230)	(240)	(240)	(240)
Income from Projects	(248)	(383)	(298)	(298)	(298)
Rebates	(583)	(583)	(1,048)	(1,411)	(1,554)
Total Core Operating Income	(5,060)	(5,195)	(5,585)	(5,948)	(6,171)
Core Operating Deficit/(Surplus)	-	89	(460)	(459)	(73)
Uncommitted Reserves					
Opening Balance at 1 April	244	244	155	615	1,074
Use of Reserves	0	(89)	460	459	73
Closing Balance at 31 March	244	155	615	1,074	1,147
% of Operating Income	4.90%	3.00%	12.00%	19.60%	18.80%

Table 2

Project Activity			
Employee Costs	1,534	1,680	1,474
Transport Costs	3	2	2
Supplies and Services	54	87	48
Transfer Payments	7	8	7
Support Costs	848	289	306
Total Project Costs	2,446	2,066	1,837
Income from Projects	(2,868)	(2,596)	(2,247)
Project Deficit / (Surplus)	(422)	(530)	(410)
Transfer to Core	248	361	298
Transfer from Project Reserves	(174)	(169)	(112)
Project Reserves			
Opening Balance at 1 April	1,383	1,303	1,472
Use of Reserves	174	169	112
Closing Balance at 31 March	1,557	1,472	1,584
% of Operating Income	63.7%	71.2%	86.2%

Appendix 2

Member Requisitions 2024/25 & Savings Achieved 2022/23

Requisition by Authority	2023/24 Requisition	Proposed 2024/25 Proposed Requisition	Total Estimated Savings Achieved 22/23
Aberdeen City	£157,769	£157,769	£1,585,811
Aberdeenshire	£178,354	£178,354	£1,406,015
Angus	£92,786	£92,786	£370,936
Argyll and Bute	£75,330	£75,330	£598,880
City of Edinburgh	£332,351	£332,351	£1,283,869
Clackmannanshire	£55,083	£55,083	£412,525
Dumfries and Galloway	£111,859	£111,859	£439,243
Dundee City	£111,234	£111,234	£791,355
East Ayrshire	£96,230	£96,230	£687,178
East Dunbartonshire	£88,571	£88,571	£469,949
East Lothian	£88,967	£88,967	£669,724
East Renfrewshire	£81,378	£81,378	£597,083
Falkirk	£118,812	£118,812	£1,003,215
Fife	£243,764	£243,764	£958,792
Glasgow City	£395,787	£395,787	£1,671,732
Highland	£163,975	£163,975	£544,131
Inverclyde	£69,772	£69,772	£573,758
Midlothian	£80,269	£80,269	£436,880
Moray	£81,279	£81,279	£417,809
Na h-Eileanan Siar	£40,547	£40,547	£317,550
North Ayrshire	£103,352	£103,352	£818,444
North Lanarkshire	£224,305	£224,305	£1,103,325
Orkney Islands	£38,153	£38,153	£221,739
Perth and Kinross	£114,789	£114,789	£565,073
Renfrewshire	£130,044	£130,044	£781,656
Scottish Borders	£92,727	£92,727	£520,202
Shetland Islands	£38,387	£38,387	£310,540
South Ayrshire	£90,643	£90,643	£515,343
South Lanarkshire	£213,347	£213,347	£1,087,896
Stirling	£79,562	£79,562	£427,293
West Dunbartonshire	£76,246	£76,246	£776,497
West Lothian	£133,337	£133,337	£832,057
	£3,999,008	£3,999,008	£23,196,500

The **Total Estimated Savings** figure comprises:

- **Direct price-based savings calculation** - multiplying the difference between the new contract price and the baseline price (the previous contract price) by the estimated annual volume purchased.
- **Cost avoidance (collaboration) calculation** - the number of new and renewed Scotland Excel frameworks that went live in the financial year is multiplied by the average number of councils participating in those frameworks then multiplied by £12,000. This sectoral figure is then allocated evenly across the 32 local authorities.
- **Cost avoidance (indexation) calculation** - using a range of market indices that accurately reflect the key cost drivers of the goods or services provided, price versus market calculations are carried where appropriate, at an individual framework level for each local authority.

Scotland Excel

To: Joint Committee

On: 8 December 2023

**Report by:
 Chief Executive of Scotland Excel
 Update on the Contract Delivery Plan**

1. Progress to Date

This report provides a progress update on the 2023/ 2024 contract delivery plan.

Appendices 1 – 4 of this report on the 2023/ 2024 Contract Delivery Plan detail new framework developments and renewals, flexible frameworks, framework extensions and frameworks with ongoing contract management activity.

At any given point there are around 70 frameworks in the Scotland Excel contract portfolio. It is intended that 5 further frameworks will be developed and added to the portfolio in the coming year, with 13 frameworks remaining to be renewed during 2023/2024 (Appendix 1).

A further 15 of the frameworks on the current portfolio have extension options that are available to be exercised in 2023/ 2024, with 8 of these extensions already being approved (Appendix 3).

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

Overall, efficiencies created by frameworks awarded so far during 2023/2024 are benchmarked at 1.61%. As noted in the paper presented to Executive Sub Committee in April 2023, an update to Scotland Excel's methodology for calculating efficiencies is now being embedded. This additional data will support councils to interpret the value achieved through working collaboratively across the local government sector. These savings are summarised in Appendix 5 in accordance with the [Scottish Government procurement benefits reporting guidance](#).

A summary of spend per council across the portfolio between July 2022 and June 2023 can be found in Appendix 6.

In December 2022 the Contract Delivery Update presented to the Joint Committee recognised the impact of the economic downturn. This included a higher number of bidders, greater complexity of lotting structures and new ways of working. In response

to these factors the need for greater safeguards to Scotland Excel processes was cited. In August 2023 the revised Format of Contract Approval Reports paper was approved by the Executive Sub Committee concluding the first of these process improvement initiatives.

The next stage is underway, with a focus on pre-tender activity including early engagement, decision logging and ways of working during the tender development phase. This is to deliver further safeguards to contract delivery planning. Specific refinements to the contract development cycle include:

- Establishment of a legal/compliance review panel at strategy development
- Simplify the pre-tender activity cycle on low-risk contract areas
- Embed additional review steps for first generation contracts
- Redefine the governance gateway process

Social Care

The **Residential Rehabilitation** project was commissioned by the Scottish Government with the remit of researching and developing national approaches for commissioning of alcohol and drug residential rehabilitation. The establishment of the framework agreement is progressing through a tendering process, published on 3 November 2023, via the Public Contracts Scotland Tender portal. It is anticipated that the framework agreement will be in place by 1 April 2024.

Framework Renewals

Work is continuing to redevelop several significant, existing service contracts. This includes the second-generation care and support framework and the framework for care homes for adults which are both scheduled to commence in 2024. The flexible frameworks will be in place for 6 years, enabling a greater degree of certainty for the market whilst maximising participation by enabling new entrants to join on an ongoing basis at any point.

Negotiations are underway on the National care Home Contract (NCHC) to determine fees for 2024/25. An initial review of the current cost of care model has taken place with a view to the parties agreeing parameters for further negotiation. As anticipated, there is a difference in position between the local government negotiating team and Scottish Care with further work needed to ensure ongoing discussions are based on appropriate evidence. Once the 2024/25 rate has been agreed a further phase of work will commence to consider appropriate changes to the structure of the existing cost model. The aim of this work is to review whether changes to the model could be incorporated to reflect different cost pressures experienced by care homes of different sizes.

Scotland Excel continues to engage in contract management activities on the **Children's Residential Care and Education, including Short Breaks, Services** flexible framework that went live on 1st October 2022. This includes gathering of regular Management Information, through the new streamlined process, and the evaluation of new bids and variations.

Scotland Excel is engaging with stakeholders regarding the renewal contracts for **Secure Care Services**. The current contracts have been extended to 31st March 2025 under Regulation 72, due to the policy work ongoing in this area including the “Reimagining Secure Care” work. Work on the next generation contracts will continue throughout 2024, to ensure that the contracts are fit for purpose, meet the needs of children and young people and align with the policy direction.

In addition, across the Children’s team, the fee uplift process for 2024/2025 fees is currently being developed and Scotland Excel is planning work with a range of stakeholders regarding this, including the strategic purchaser’s representative group alongside UIG members.

Construction, Transport and Environmental Services

Construction and transportation markets are still experiencing the impact of inflation and some levels of supply chain disruption still exist. However, signs of increasing stability are appearing across many of the affected commodities. Impacts of the recent conflict in the Middle East will continue to be monitored for an impact on oil prices and the knock-on effect that has on many markets.

In respect of the contract delivery plan, there are three frameworks that have recently been tendered and are in differing stages of their evaluation and award status.

Firstly, the **Asbestos Related Works and Services** framework was presented for award at the Executive Sub Committee on 20th October, with the legal standstill period following thereafter. The framework is expected to be awarded in November and mobilisation work will progress throughout the month.

The evaluation of the consolidated **Grounds and Plant Equipment** framework is now being concluded. This framework brings together two previous frameworks with common supply bases for efficiency and to reduce required resources for suppliers. The award recommendations for this framework will be presented to the December Executive Sub Committee.

The tender for **Security Services and Cash Collection** framework has now closed and the bids received are now being evaluated. The majority of services sourced through this framework involve manned guarding and as such a strong focus on licensing and payment of the Real Living Wage has been fundamental.

In terms of contract framework developments, there are several frameworks that are currently under development within the CTE team:

The consolidated **Construction Materials** framework brings six mature goods-based frameworks together, creating efficiencies for Scotland Excel’s stakeholder groups. The procurement development work has been completed and final legal review of the Terms and Conditions is underway to facilitate tendering of this commodity.

The CTE team are progressing the delivery of the second generation of **New Build Residential Construction** framework which brings together the experience of the first

generation of the framework with updated and innovative specifications to include bronze, silver, gold, Passivhaus and Net Zero standards. The renewal framework will enable members to manage the design and build of new residential properties through the inclusion of an option to contract for pre-construction services as well as the build RIBA (Royal Institute of British Architects) stages. The framework continues to provide a local authority centred mechanism key to meeting policy objectives on housing.

Development work continues on a new framework for the provision of services for Scottish local authorities and the Scottish Government related to **Local Heat and Energy Efficiency Strategies (LHEES)**, heat network zoning and Local Area Energy Planning (LAEP). Work is underway with construction legal specialists to review and conclude the framework contract to facilitate tendering.

The status of **Street Lighting Materials** has not changed since the last report was published and is still under consultation and review, particularly to secure technical input to conclude the specification. As a recap, Street Lighting was prepared for submission to the Executive Sub Committee but was subject to judicial interruption. An abandonment notice, in line with regulations 85(7) and (8) of the Public Contracts (Scotland) Regulations 2015, was published to all tenderers, through the PCS-T message board facility, for this tender exercise.

Development work is now underway for the renewal of **Waste Disposal Equipment**. This framework will replace the current framework for the supply and delivery of waste disposal equipment including large containers, skips, compactors, balers and roll packers. The CTE team are progressing the development of the procurement strategy and a strategy UIG took place on 10th October to define the requirement and strategic approach.

In respect of some of the more recently awarded frameworks, the **Energy Efficiency Contractors (EEC)** framework continues to grow with well over one hundred projects for energy efficiency measures awarded to date by local authorities which will assist members with a pathway to upgrade Scotland's existing housing stock (c.660,000 homes) and buildings, with innovative energy efficiency measures to reduce carbon output and household bills.

The CTE team have also recently hosted an Energy Efficiency Contractors framework working group session with Councils.

The **Electric Vehicle Charging Infrastructure (EVCI)** framework provides members with a mechanism to procure a range of works, products and services, to supply, install and maintain electric vehicle charging equipment and associated items. Local authorities are seeking investment from the private sector to help build upon their network of public charge points across the country and procurement support in this area may be required.

Early-stage discussions are ongoing with local authority colleagues and agencies such as Scottish Futures Trust and Transport Scotland on potential concession type procurement solutions for Electric Vehicle Charging Infrastructure.

The **Property Maintenance and Refurbishment** framework is now successfully awarded and mobilised with local authorities. This framework gives local authorities a route to market for a broad range of repair, maintenance, and refurbishment services.

Corporate, ICT and Operational Supplies and Services

Prices of food and non-alcoholic beverages rose by 10.1% in the year to October 2023 according to the latest Consumer Prices Index including owner occupiers' housing costs (CPIH). This was down from 12.2% in September and a recent high of 19.2% in March 2023, which was the highest annual rate seen for over 45 years.

The largest downward contributions came from milk, cheese and eggs, and vegetables, which eased to 7.9% in the year to October 2023, down from 12.3% in September. Yoghurt prices fell 2.9% between September and October this year, compared with a rise of 5.8% between the same two months last year. Prices of crisps fell 3.4% between September and October this year, compared with a rise of 4.1% between the same two months a year ago.

While food inflation is slowing, prices were around 30% higher in October 2023 than in October 2021. These reductions in food inflation have been reflected in recent pricing variation requests across the Scotland Excel Food portfolio. Negotiations on requests are ongoing and members will be notified of the outcomes in due course.

Second generation frameworks for the **Supply and Delivery of Fresh Bread, Rolls and Bakery Products** and **Fire Safety Equipment** went live in early October, with supporting documentation available via the Scotland Excel website members area.

Development work is under way for the second-generation framework for **Fresh Fruit and Vegetables**. Work will also commence on the renewal frameworks for **Groceries and Provisions, Catering Sundries** and **Domestic Furniture and Furnishings** in the coming weeks.

Scotland Excel is in the final stages of development for tenders for **Signage, Cleaning Equipment** and **Civic Supplies** (Previously known as Alcoholic Beverages). Contract notices for all tenders will be published through Public Contracts Scotland (PCS) in the coming weeks. Initial development is also underway for the tender relating to **Sheriff Officer Services** with a prior information notice (PIN) published on PCS.

The ICT team continues to develop the tender documents for **Technology Enabled Care** frameworks with specifications and tender documentation in the final stages of review. The **National Shared Digital ARC** project is now live.

The team is engaged in several projects in partnership with the Scottish Local Government Digital Office, including **Office 365** and a new arrangement for a **Security Operation Centre**.

The team regularly attends and provides procurement input for the following boards – Digital Assurance, Public Sector Innovation, the Department for Education four nations roundtable on commercial themes in schools and Telecare Steering Group. The team is also working with the Improvement Service to deliver three key projects on their behalf throughout 2023/24.

2. Conclusion

Members are invited to note the progress made to date.

Appendix 1 – List of New or Renewal Contracts during 2023/2024

Service	Estimated Annual Collaborative Contract Opportunity	Activity	Original Forecast Date	Previous Forecast Date	Delivered Date	Latest Forecast Date if Different	Forecast Savings Range	Delivered Savings Forecast	Comments
Contracts Approved since April 2023									
2023/24 Executive Sub Committees									
Commercial Catering Equipment	£4,000,000.00	Renew	Oct-22	Mar-23	Apr-23	Apr-23	2%-4%	-13.80%	Approved by Executive Sub Committee April 2023
Property Maintenance and Refurbishment	£75,000,000.00	New Contract	Dec-22	Apr-23	May-23	May-23	2%-4%	0%	Approved by Executive Sub Committee May 2023. Framework now fully mobilised and operational.
National Shared Digital Alarm Receiving Centre	£2,500,000.00	New Contract	Aug-22	Dec-22	Aug-23	Aug-23	2%-4%	0%	Approved by Executive Sub Committee August 2023
Fire Safety Products	£2,500,000.00	Renew	Apr-23	Apr-23	Sept-23	Sep-23	2%-4%	4.30%	Approved by Exec Sub Committee September 2023
Bread and Rolls	£1,500,000.00	Renew	Oct-23	Aug-23	Sept-23	Sep-23	2%-4%	-7.90%	Approved by Exec Sub Committee September 2023
Asbestos related works and services	£7,000,000.00	Renew	Jul-23	Sep-23	Oct-23	Oct-23	2%-4%	0%	Approved by Exec Sub Committee October 2023
December 2023 Executive Sub Committee									
Grounds and Plant Equipment	£5,000,000.00	Renew	Mar-23	Nov-23		Dec-23	2%-4%		The evaluation of the consolidated Grounds and Plant Equipment framework is now being concluded. It is expected that the award recommendations for this framework will be presented to the December Executive Sub Committee.

Service	Estimated Annual Collaborative Contract Opportunity	Activity	Original Forecast Date	Previous Forecast Date	Delivered Date	Latest Forecast Date if Different	Forecast Savings Range	Delivered Savings Forecast	Comments
Future 2023/24 Executive Sub Committee									
Security Services and Cash Collection	£15,000,000.00	Renew	Jun-23	Aug-23		Jan-24	2%-4%		The tender for Security Services and Cash Collection framework has now closed (30th October) and the bids received are now being evaluated.
Technology Enabled Care Goods	£9,000,000.00	Renew	Dec-22	Dec-22		TBC	2%-4%		Specification and tender documentation being finalised prior to tender publication.
Street Lighting Materials	£15,000,000.00	Renew	Aug-22	Aug-23		TBC	2%-4%		The status of Street Lighting Materials has not changed since the last report was published and is still under consultation and review. As a recap, Street Lighting was prepared for submission to the Executive Sub Committee but was subject to judicial interruption. An abandonment notice, in line with regulations 85(7) and (8) of the Public Contracts (Scotland) Regulations 2015, was published to all tenderers, through the PCS-T message board facility, for this tender exercise.

Service	Estimated Annual Collaborative Contract Opportunity	Activity	Original Forecast Date	Previous Forecast Date	Delivered Date	Latest Forecast Date if Different	Forecast Savings Range	Delivered Savings Forecast	Comments
Future 2023/24 Executive Sub Committee									
LHEES (Local Heat and Energy Efficiency Strategies)	1,000,000	New Contract	Sep-23			TBC	0%		Development work continues on a new framework for the provision of services for Scottish local authorities and the Scottish Government related to Local Heat and Energy Efficiency Strategies (LHEES)
Construction Materials	£70,000,000.00	Renew	Apr-23	Sep-23		End March 2024	2%-4%		Procurement development work has been completed and final legal review of the Terms and Conditions is due to conclude to facilitate tendering of this commodity.
Civic Supplies (OSS)	£1,250,000.00	Renew	Renew	Aug-23		TBC	2%-4%		Prior Information Notice Issued. Evaluation Methodology Under Development
Residential Rehabilitation and Detoxification (Alcohol and Drugs) Services	15,000,000	New Contract	Oct-23			April-24	n/a		Tender documents published.
Road Signage	£1,250,000.00	Renew	Nov-22			TBC	2%-4%		Prior Information Notice Issued. Evaluation Methodology Under Development
Cleaning Equipment	£2,000,000.00	Renew	Mar-23			TBC	2%-4%		Prior Information Notice Issued. Evaluation Methodology Under Development

Service	Estimated Annual Collaborative Contract Opportunity	Activity	Original Forecast Date	Previous Forecast Date	Delivered Date	Latest Forecast Date if Different	Forecast Savings Range	Delivered Savings Forecast	Comments
Future 2023/24 Executive Sub Committee									
Sheriff Officers	£1,100,000.00	Renew	Nov-23			TBC	2%-4%		Prior Information Notice Issued. Strategy and Evaluation Methodology Under Development
New Build Residential Construction	£375,000,000.00	Renew	Jun-23	Dec-23		TBC	2%-4%		Development work on the Terms and Conditions to be agreed and finalised prior to tendering.
Care Homes For Adults	£121,689,746.00	Renew	Oct-23			Aug-24	n/a		Early stages of development, market scoping work underway.
Care and Support	£159,469,383.00	Renew	Mar-24			July-24	n/a		Documents are being finalised prior to tendering.
Community Meals	£4,000,000.00	Renew	Aug-23			July-24	2% - 4%		Documents are being finalised prior to tendering.
Secure Care	£17,500,000.00	Renew	Mar-24			Mar-25	n/a		Regulation 72 extension approved until March 2025. Early provider, UIG and policy team engagement underway
Waste Disposal Equipment	£1,250,000.00	Renew	Feb-24				2% - 4%		Framework Renewal. Strategy development in progress.
Fresh Fruit and Vegetables	£2,000,000.00	Renew	Feb-24				2% - 4%		Prior Information Notice Issued. Strategy approved. Evaluation Methodology Under Development
Security Operating Centre	TBC	New Contract	Nov-22			TBC	2%-4%		Pending

Appendix 2 – Flexible Contracts

Service	Estimated Annual Collaborative Contract Opportunity	Activity	Anticipated Re-Opening Date	Comments
Care and Support	£140,000,000	Flexible Framework Agreement	N/A	New entrants may be approved on a 6 monthly basis during the lifetime of the Flexible Framework dependent on the circumstances and demand. Progressing with a renewal framework.
Social Care Agency Workers	£20,000,000	Flexible Framework Agreement	N/A	New entrants may be approved at any point during the lifetime of the Flexible Framework dependent on the circumstances and demand for suppliers to be added on either a National or Regional basis.
Care Homes for Adults with Learning Disabilities Including Autism	£26,500,000	Flexible Framework Agreement	N/A	New entrants may be approved on an annual basis during the lifetime of the Flexible Framework dependent on the circumstances and demand. Progressing with a renewal framework.
Bikeability Scotland Training Providers	£300,000	Dynamic Purchasing System (DPS)	N/A	New entrants may be approved at any point during the lifetime of the DPS
Recyclable and Residual Waste	£40,000,000	Dynamic Purchasing System (DPS)	N/A	New entrants may be approved at any point during the lifetime of the DPS
Digital Telecare	£4,000,000	Dynamic Purchasing System (DPS)	N/A	New entrants may be approved at any point during the lifetime of the DPS
Employability Services	£20,000,000	Dynamic Purchasing System (DPS)	N/A	New entrants may be approved at any point during the lifetime of the DPS
Children's Residential	£158,300,000	Flexible Framework Agreement	N/A	New entrants may be approved at any point during the lifetime of the Flexible Framework

Appendix 3 – Contracts with extension options and contract management activity ongoing during 2023/2024

Contract Description	Est Annual Value
Groceries and Provisions	£30,000,000
Demolition Services	£18,000,000
Catering Sundries	£6,000,000
Secure Care Services	£17,500,000
Musical Instruments	£1,750,000
Education Materials	£17,500,000
Domestic Furniture and Furnishings	£26,000,000
Heavy Vehicles	£25,000,000
Fostering and Continuing Care	£34,000,000
Vehicle and Plant Hire	£15,000,000
Organic Waste	£12,000,000
Outdoor Play and Sports Facilities	£15,000,000
Electric Vehicle Charging Infrastructure	£20,000,000
Vehicle Parts	£12,000,000
Bitumen	£14,000,000

Contracts which are shaded have been approved for extension

Appendix 4 - Contracts with no renewal or extension activity and contract management activity ongoing during 2023/2024

Contract Description	Est Annual Value	Contract Description	Est Annual Value
Waste Composition Analysis	£750,000	Social Care Case Management Solutions	£7,000,000
Salt	£17,500,000	Vehicle Purchase RM6244	£10,000,000
Engineering and Technical Consultancy	£17,125,000	Supply Teacher Booking System	£300,000
Energy Efficiency Contractors	£200,000,000	Roadstone	£25,000,000
Tyres for Vehicles and Plant	£6,500,000	Recycle and Refuse Containers	£12,500,000
Frozen Foods	£25,000,000	Education and Office Furniture	£8,000,000
Online School Payments	£2,000,000	Milk	£8,000,000
Pest Control	£1,000,000	Building Construction Consultancy	£25,000,000
Fresh Meats	£10,000,000	Janitorial	£12,000,000
Washroom Solutions	£6,000,000	PPE	£15,000,000
Audio Visual	£9,000,000	First Aid	£2,000,000
Water Coolers	£1,000,000	Repair and Maintenance of Catering Equipment	£1,500,000
Library Books	£14,000,000	Digital Publications	£1,000,000

Appendix 5 – Savings Summary

Savings Reference/Type	BT1 - Direct price-based savings	BT2 - Price versus market savings	BT3 - Process savings from use of collaborative arrangements
Framework			
Supply and Delivery of Fresh Bread, Rolls & Bakery Products	£83,725	12%	£150,000
Supply, Delivery, Servicing and Maintenance of Fire Safety Products	-£9,742	22%	£62,500
Asbestos related Works and Services	£0	20%	£129,000

Appendix 6 – Expenditure summary per Council: July 2022 – June 2023

Member Organisation	Actual Spend	Forecast Spend	Variance	% of Total Actual Spend
Aberdeen City Council	£53,968,059	£26,496,805	203.7%	6.11%
Aberdeenshire Council	£47,543,134	£31,895,784	149.1%	5.39%
Angus Council	£11,141,140	£21,830,319	51.0%	1.26%
Argyll and Bute Council	£12,486,590	£8,410,091	148.5%	1.41%
Associate Members	£38,487,793	£65,759,701	58.5%	4.36%
Clackmannanshire Council	£19,456,894	£9,765,161	199.2%	2.20%
Comhairle nan Eilean Siar	£2,886,493	£3,000,418	96.2%	0.33%
Dumfries and Galloway Council	£43,115,605	£8,459,829	509.7%	4.88%
Dundee City Council	£21,379,782	£23,755,311	90.0%	2.42%
East Ayrshire Council	£15,776,441	£8,289,196	190.3%	1.79%
East Dunbartonshire Council	£30,293,405	£8,678,104	349.1%	3.43%
East Lothian Council	£15,307,910	£11,018,466	138.9%	1.73%
East Renfrewshire Council	£26,812,076	£8,343,122	321.4%	3.04%
Falkirk Council	£38,436,774	£44,325,893	86.7%	4.35%
Fife Council	£47,537,811	£101,154,970	47.0%	5.38%
Glasgow City Council	£43,618,574	£37,231,423	117.2%	4.94%
Inverclyde Council	£19,368,078	£6,178,092	313.5%	2.19%
Midlothian Council	£13,077,309	£7,264,858	180.0%	1.48%
North Ayrshire Council	£26,632,853	£42,930,148	62.0%	3.02%
North Lanarkshire Council	£53,203,938	£47,695,213	111.5%	6.03%
Orkney Islands Council	£3,327,428	£1,881,888	176.8%	0.38%
Perth and Kinross Council	£11,121,908	£10,328,081	107.7%	1.26%
Renfrewshire Council	£27,198,866	£37,914,493	71.7%	3.08%
Scottish Borders Council	£15,015,991	£10,940,113	137.3%	1.70%
Shetland Islands Council	£3,520,395	£1,766,770	199.3%	0.40%
South Ayrshire Council	£14,876,065	£12,499,567	119.0%	1.68%
South Lanarkshire Council	£48,292,864	£64,747,808	74.6%	5.47%
Stirling Council	£25,621,546	£6,950,351	368.6%	2.90%
Tayside Contracts	£15,004,408	£9,701,288	154.7%	1.70%
The City of Edinburgh Council	£45,005,527	£37,963,116	118.6%	5.10%
The Highland Council	£24,486,192	£16,192,260	151.2%	2.77%
The Moray Council	£13,926,922	£29,159,122	47.8%	1.58%
West Dunbartonshire Council	£28,625,816	£23,340,284	122.6%	3.24%
West Lothian Council	£26,284,362	£18,522,482	141.9%	2.98%
Total	£882,857,848	£804,390,528	109.8%	100.00%

Scotland Excel

To: Joint Committee

On: 8 December 2023

Report by:

Chief Executive of Scotland Excel

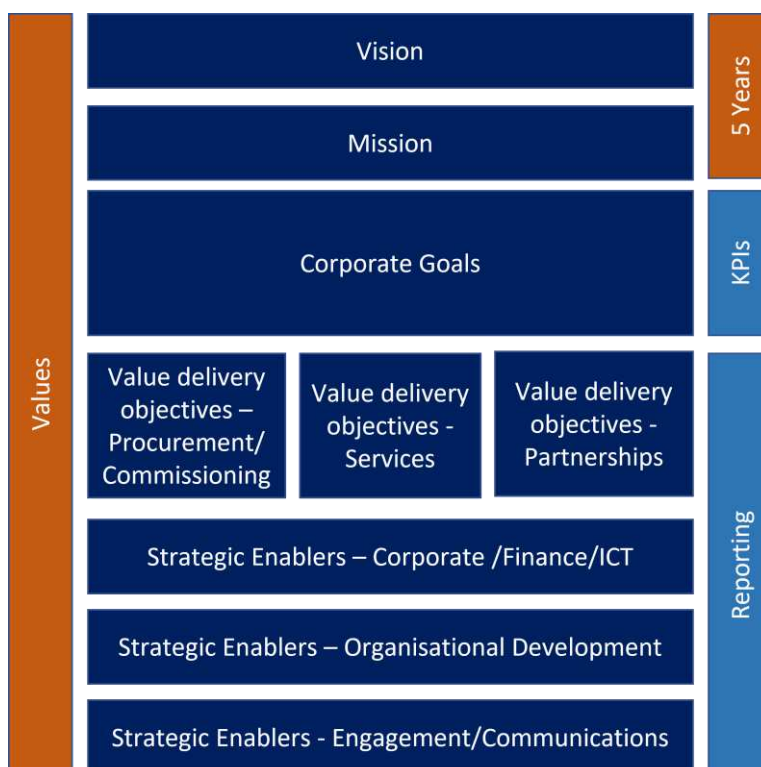
Operating Plan for 01 April 2024 – 31 March 2025

1. Summary

- 1.1 In December 2022, Scotland Excel's Joint Committee approved a five-year strategy covering the period from 01 April 2023 to 31 March 2028. The strategy is supported by annual operating plans which provide more detailed information on the actions and activities that Scotland Excel will undertake each year to deliver the strategy.
- 1.2 The purpose of this report is to present the proposed operating plan for 2024-25 to the Joint Committee for approval.

2. Background






- 2.1 Scotland Excel follows a robust process to develop its corporate strategy and operating plans as illustrated below.



- 2.2 The annual operating plan contains the actions and activities that Scotland Excel will undertake each year to work towards delivering the five-year strategy. These actions and activities are cascaded to all staff through an annual Personal Development Plan (PDP).
- 2.3 The annual operating plan approach provides the flexibility to respond to changes in the public sector landscape and/or member requirements. Following approval of the 2023-24 operating plan, further discussions with senior local authority stakeholders indicated that one of the five corporate goals – the drive for efficiency to support the financial sustainability of local public service – should be prioritised for the foreseeable future.
- 2.4 In response, Scotland Excel has been working to understand how it can grow and accelerate deliverables against this key goal. Activity has focused on implementing plans to increase savings and deliver other financial opportunities for local authorities. A dedicated team has been established to manage this work.
- 2.5 As a result, a small number of actions from the 2023-24 operating plan have been rescheduled and will now form part of future operating plans. Most of these actions have been incorporated within the operating plan for 2024-25, and further details of the rescheduled actions can be found in Appendix 1.
- 2.6 Changes continue to take place within Scotland Excel to underpin the delivery of the corporate strategy and, in particular, the drive to support the financial sustainability of public services. These include organisational restructuring and ongoing consideration of additional projects which benefit members.

3. Reporting methodology

- 3.1 Progress reports are produced quarterly to track Scotland Excel's performance against operating plan commitments. Reports are produced at the end of each quarter and submitted to Executive Sub-Committee meetings.
- 3.2 The reports summarise the progress made against operating plan actions and use a 'traffic light' symbol to provide a guide to the status of each activity.

	Project or activity not yet started
	Project or activity is currently stalled or significantly behind schedule
	Project or activity is progressing at a slower pace than anticipated and/or results have been weaker than expected
	Project or activity is progressing in line with expected/agreed timelines and results
	Project or activity completed

4. Recommendation

- 4,1 The members of the Joint Committee are requested to approve the proposed Operating Plan 2024-25.

Appendix 1: Rescheduled operating plan activities 2023-24

The following actions from the 2023-24 operating plan have been rescheduled to support an increased focus on a drive for efficiency to support the financial sustainability of local public services, as requested by senior stakeholders from member councils.

Area	Action	Notes
Value delivery: services	<ul style="list-style-type: none"> Explore alternative business models to support sustainable growth and reduce reliance on membership fees. 	<ul style="list-style-type: none"> Existing business model supports the delivery of current strategic priorities. This action may be revisited at a future date.
Value delivery: partnerships	<ul style="list-style-type: none"> Develop and implement a Scotland Excel partnership strategy which sets out objectives and plans for key partner relationships, assigns ownership, and prioritises activities that support the delivery of our five-year strategy. 	<ul style="list-style-type: none"> Scotland Excel's partnership strategy has been rescheduled to form part of the 2024-25 operating plan. In the meantime, all strategically important partnership relationships continue to be managed effectively.
Strategic enablers: corporate, finance and ICT	<ul style="list-style-type: none"> Provide legal and financial support for exploring new business model options. 	<ul style="list-style-type: none"> This strategic enabler links to the value delivery objective on business models and may be revisited alongside this at a future date.
	<ul style="list-style-type: none"> Implement a new five-year ICT strategy to support staff efficiency and increase digital delivery for customers. 	<ul style="list-style-type: none"> Scotland Excel's ICT strategy has been rescheduled to form part of the 2024-25 operating plan. Resources such as SharePoint are being rolled out to support the delivery of a new strategy.
Strategic enablers: organisational development	<ul style="list-style-type: none"> Develop an approach to succession planning which to support career development and create a steady pipeline of talent at all levels. 	<ul style="list-style-type: none"> An approach to succession planning will now be developed as part of the 2024-25 operating plan. Organisational restructuring currently taking place will provide foundations for this approach.
Strategic enablers: engagement and communication	<ul style="list-style-type: none"> Support the development and implementation of Scotland Excel's partnership strategy, including the use of stakeholder mapping and competitor modelling tools across the organisation. 	<ul style="list-style-type: none"> This strategic enabler links to the value delivery objective on partnership strategy and now forms part of the 2024-25 operating plan.
	<ul style="list-style-type: none"> Re-establish a customer satisfaction survey programme, and baseline satisfaction rates for future improvements. 	<ul style="list-style-type: none"> The delivery of a customer satisfaction programme has been rescheduled for 2024-25 to allow current operational and delivery changes to take effect. In the meantime, Scotland Excel continues to solicit and respond to customer satisfaction feedback.



Operating Plan

01 April 2024 – 31 March 2025

Introduction

Scotland Excel was established as the centre of procurement expertise for the local government sector in 2008. We are a leading non-profit organisation serving Scotland's 32 local authorities and around 150 associate members from across the public and third sectors.

Our portfolio of over 70 frameworks has an annual value of £2bn, and provides an effective route to market for goods and services that support the delivery of public services. Adopting a sustainable procurement approach, we consider the social, economic and environmental impact of all of our frameworks.

We have a range of services which help our members strengthen their own procurement teams. Sector-wide improvement projects enhance key areas of practice, while learning and development programmes enrich the skills and knowledge of practitioners. We also offer bespoke strategic resourcing and flexible procurement services.

Scotland Excel works with a broad range of stakeholders and partners across national and local government, enterprise and industry, and education to develop frameworks, services and solutions that deliver value for our members.

In 2023, we published a new five-year corporate strategy which builds on our past achievements and sets out our future ambitions within the context of the current political and economic environment. Developed in consultation with key stakeholders, the strategy seeks to increase the value delivered by Scotland Excel and support our members with the challenges and opportunities they will face over the next five years.

The strategy map on page 3 provides an overview of the strategic commitments we have made for the delivery of procurement and commissioning activities, services and partnerships. Delivery is supported by strategic enablers – key business activities that ensure the successful implementation of the strategy.

To support the strategy, we develop annual operating plans which record the actions we will undertake to achieve our strategic commitments for procurement and commissioning, services, partnerships, and strategic enablers to meet the requirements and expectations of our members. This approach allows the flexibility to evolve our plans to meet our corporate goals within a changing public sector landscape.

This document records the actions we will take from April 2024 - March 2025 to deliver the second year of our strategy. It capitalises on actions undertaken during year one, and supports a focus on financial efficiency which has been highlighted as a priority by our members. Reports are issued quarterly to record our progress against these actions.

We recommend that you read the operating plan in conjunction with the full strategy document which is available to download from our website.

Strategy Map

Vision

To provide collaborative, innovative and transformative solutions that support social, economic and environmental wellbeing.

Mission

We will make the most of our expertise and experience by leading and collaborating on solutions that support local and national aims for fairer, wealthier and greener communities.

Corporate Goals

Through our experience, expertise, innovation and collaboration, we will create and deliver solutions which provide value to our members across key strategic areas:

- Journey towards a net zero Scotland
- Drive for efficiency to support the financial sustainability of local public service.
- Community wellbeing with equal access to services, economic development and fair work jobs.
- Resilient supply chains that maximise opportunities for Scottish businesses and the third sector.
- Advancement of skills to deliver Scotland's economic transformation.

Procurement & Commissioning

We will continue to develop and manage procurement solutions which provide an effective route to market for our members. Our frameworks will continue to deliver additional social, economic and environmental value for communities.

We will:

- Support our members with their drive for financial sustainability by helping them to maximise savings, efficiencies and benefits from our frameworks.
- Implement our new sustainable procurement and net zero strategies to support our members' net zero journey.
- Develop and deliver new and next generation contracts for key strategic areas including construction, digital and care.
- Respond to new policy and legislation that may impact the value delivered by our frameworks.

Services

We will continue to provide services for our members to help them strengthen their procurement capability, including through the Scotland Excel Academy.

We will:

- Develop proposals for growing our membership and expanding the market for our services.
- Identify and evaluate new service opportunities that provide value to our members.
- Explore alternative business models to support growth and reduce reliance on membership fees.
- Develop and implement new qualification and procurement training programmes based on member requirements.
- Champion public procurement talent through employment and training initiatives.

Partnerships

We will continue to work with the Scottish Government and other national public sector organisations to influence and support policies and programmes that deliver benefits for our members.

We will:

- Develop a partnership strategy to plan and prioritise engagement activity which maximises the value of our relationships.
- We will strengthen our relationships with other local government bodies to provide a unified connection between policy, finance and procurement.
- Develop mutually beneficial relationships with care and other third sector organisations.
- Explore opportunities to provide additional value for members through working in partnership with UK organisations.

Strategic Enablers: Corporate, Finance & ICT

We will continue to develop robust and cost-effective corporate, finance and ICT services which support all business operations and underpin the delivery of our five-year strategy.

We will:

- Explore the opportunities, benefits and risks of alternative business models.
- Enhance our income forecasting and rebate monitoring tools.
- Explore office and facilities solutions appropriate for hybrid and remote working.
- Develop and implement a new business intelligence strategy and plan.
- Develop and deliver a new five-year ICT strategy and plan to enhance business efficiency.
- Explore methods to reduce the carbon footprint of our business operations.

Strategic Enablers: Organisational Development

We will continue to implement our People Strategy and the recommendations of our Gold Standard Investors in People report to ensure that our staff fulfill their potential. A culture of performance management will support career development and underpin the delivery of effective and efficient services.

We will:

- Implement an employee journey that supports the recruitment and retention of talented staff.
- Undertake succession planning to support career development and create a steady pipeline of talent at all levels.
- Equip staff with the skills required to provide value to our customers, now and in the future.
- Support the wellbeing of our staff through flexible working, physical and mental health resources, and staff engagement platforms.

Strategic Enablers: Engagement & Communication

We will continue to develop and deliver engagement and communications plans which increase Scotland Excel's influence and ensure our members obtain maximum value from our services.

We will:

- Increase engagement with elected members and other senior stakeholders.
- Improve customer experience and increase satisfaction.
- Engage with partners and stakeholders on net zero strategies and other key policy areas.
- Provide advocacy and representation for our members within key national policy groups and programmes.

Value delivery: procurement & commissioning

Scotland Excel continues to develop, deliver and manage procurement solutions which provide an effective and efficient route to market for goods and services which support public services. In 2023-24, senior local authority stakeholders indicated that supporting the financial sustainability of local public service should be prioritised within procurement. Significant actions have been undertaken to support the delivery of this priority. A dedicated savings team has been established to identify savings opportunities for members, while refreshed category strategies focus on the specific areas of value delivered by each framework.

Social and environmental value delivered by frameworks will continue to form a core part of contract development, and this will be signposted to members to enable them to make informed decisions on contract usage aligned to their financial, net zero and/or community wealth-building policies.

Actions

- Continue to review and refresh Scotland Excel's approach to contract delivery planning to maximise the efficiency of collaboration, meet customer expectations, and signpost different aspects of value to support contract utilisation.
- Continue to develop Scotland Excel's approach to key supplier management (KSM) and contract and supplier management (CSM) to identify further savings and efficiency opportunities for members.
- Continue to identify and deliver savings opportunities to maximise the commercial value returned to members through optimal use of our frameworks.
- Continue to develop a methodology for assessing and presenting the total value of membership including framework savings, rebates, community benefits, service delivery, skills development, and other benefits.
- Continue to support local economic development through identifying and promoting supply chain opportunities for Scottish businesses.
- Continue to monitor payment of the Real Living Wage by suppliers, providing reports to members which enable them to evaluate and select suppliers on this basis.
- Continue to implement actions from Scotland Excel's net zero strategy, via a whole organisation approach, to support our members' net zero journey.
- Continue to work with cross-sector partners to develop positive carbon impact initiatives linked to procurement activities.
- Monitor, respond to, and report on national policy changes that affect Scotland Excel's procurement portfolio, including the National Care Service, seeking opportunities to contribute to policy discussions where appropriate.

Value delivery: services

Scotland Excel will continue to provide a range of services which support procurement capability and capacity across our member organisations. As well as sector-wide improvement projects to enhance key areas of practice, Scotland Excel will continue to meet growing demand for strategic resourcing and flexible procurement services.

The Scotland Excel Academy will continue to implement its strategy of delivering affordable options for developing and upskilling procurement practitioners including accredited learning programmes, support for professional study, short courses, and free workshops and seminars.

Action
<ul style="list-style-type: none">• Provide support to councils to help them respond to improvement opportunities identified through the 2023-24 Procurement & Commercial Capability improvement Programme (PCIPs) assessments.
<ul style="list-style-type: none">• Continue to deliver a range of services for councils and associate members which strengthen their procurement capability and resources.
<ul style="list-style-type: none">• Continue to develop Scotland Excel's Academy strategy to provide affordable training options for members.
<ul style="list-style-type: none">• Continue to explore the development of progressive, sustainable learning pathways, working with educational and/or cross-sector partners to address skills gaps, support career development, and attract new entrants to procurement.
<ul style="list-style-type: none">• Continue to build business intelligence services for members based on their requirements and the first-year actions of the Business Intelligence strategy.

Value delivery: partnerships

Throughout 2023-24, Scotland Excel has continued to build successful working relationships with partners across the local government and wider public sector to deliver additional value for members. Examples include exploring supply chain opportunities from low carbon heating and energy efficiency procurement solutions with the Scottish Government and Scottish Enterprise, and working with the Scottish Government and academic partners to develop a Graduate Apprenticeship in business management with procurement.

In 2024-25, these activities will be formalised in a partnership strategy to ensure relationships are prioritised and managed effectively.

Action
<ul style="list-style-type: none">Develop and implement a Scotland Excel partnership strategy which sets out objectives and plans for key partner relationships, assigns ownership, and prioritises activities that support the delivery of our five-year strategy.
<ul style="list-style-type: none">Continue to develop relationships with the Scottish Government and Centres of Expertise to support the delivery of cross-sector procurement projects and programmes.
<ul style="list-style-type: none">Continue to develop and deliver projects and activities with local government partners including COSLA, CIPFA Local Government Finance Directors, Solace, the Improvement Service, and the Digital Office for Scottish Local Government that benefit our mutual stakeholders.
<ul style="list-style-type: none">Continue to work with partners, suppliers and the third sector to increase the procurement opportunities available to Scottish businesses, and support councils with their community wealth-building plans.
<ul style="list-style-type: none">Continue to work with education and academic partners to support the delivery of Scotland Excel's Academy strategy and provide opportunities for all levels of procurement professional to develop their skills throughout their careers.

Strategic enablers

Strategic enablers consider what we need to develop, implement or improve within our business to ensure we can deliver our commitments across procurement and commissioning, services and partnerships. As such, many are intrinsically tied to other actions and any changes of focus or timing of these actions affect the delivery of the enablers.

Due to an increased focus on financial efficiency agreed with stakeholders in 2023-24, some of the actions below have been carried forward from the operating plan for that year. Nevertheless, significant progress was made on a number of key enablers during 2023-24 including rebate management, business intelligence, and employment and training.

Business Area	Action
Corporate, Finance & ICT	<ul style="list-style-type: none"> • Manage, monitor and report on all rebates due from Scotland Excel frameworks using the methodology and tool developed for this purpose.
	<ul style="list-style-type: none"> • Develop a future facilities strategy based on data and feedback gathered from staff and customers in response to the operation of Scotland Excel's hybrid working policy.
	<ul style="list-style-type: none"> • Implement a new five-year ICT strategy to support staff efficiency and increase digital delivery for customers.
	<ul style="list-style-type: none"> • Implement the first-year actions from Scotland Excel's business intelligence strategy.
	<ul style="list-style-type: none"> • Continue to strengthen Scotland Excel's data management and reporting capability in support of the business intelligence strategy, ensuring staff have the tools and skills to access data, information, insight, and intelligence in support of their decision making.
	<ul style="list-style-type: none"> • Continue to consider options for reducing Scotland Excel's carbon footprint as part of the delivery of the organisation's net zero action plan.
Organisational Development	<ul style="list-style-type: none"> • Continue to implement Scotland Excel's people strategy and Investors in People plan to support organisational performance and individual career goals.
	<ul style="list-style-type: none"> • Develop an approach to succession planning to support career development and create a steady pipeline of talent at all levels.
	<ul style="list-style-type: none"> • Continue to deliver training plans which ensure staff can acquire the skills required for the delivery of the strategy within a continually changing public sector landscape.
	<ul style="list-style-type: none"> • Continue to implement an employment and training approach that supports new entrants to public procurement, including with partners on sector-wide qualifications and pathways.

Engagement & Communication	<ul style="list-style-type: none"> • Support the development and implementation of Scotland Excel's partnership strategy, including the use of stakeholder mapping and competitor modelling tools across the organisation.
	<ul style="list-style-type: none"> • Implement the recommendations of Scotland Excel's value project to articulate and demonstrate the value of membership to customers
	<ul style="list-style-type: none"> • Re-establish a customer satisfaction survey programme, and baseline satisfaction rates for future improvements.

Scotland Excel

To: Joint Committee

On: 8 December 2023

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

Community Benefits and Fair Work Practices Update

1. Introduction

Community benefit requirements are defined in the Procurement Reform (Scotland) Act 2014 as a contractual requirement imposed by a contracting authority, relating to training and recruitment, or sub-contracting opportunities. Since the introduction of community benefits within the public procurement landscape, this has expanded to improve the economic, social, or environmental wellbeing of the authority's area in a way additional to the main purpose of the contract in which the requirement is included.

This report will highlight the community benefits delivered in the period of 1 April 2023 to 30 September 2023, aligned with the Scotland Excel framework portfolio. Additionally, an update will be provided regarding Fair Work Practices which will give an analysis of suppliers and providers' Living Wage status.

Scotland Excel continually strives to be innovative in its approach to community benefits. Scotland Excel recognises that community benefits have a considerable social, environmental, and economic impact within local communities, and will continue to encourage and grow awareness in this regard. Scotland Excel's approach to community commitments has been developed to further advance the undertakings made by suppliers and to facilitate a robust process for the collection of responses. A revised collection process was developed and rolled out across Scotland Excel to simplify the process and ensure wider transparency of available benefits to all members.

Scotland Excel utilises the community benefit menu that has been favoured by procurement specialists when embarking on new procurement exercises and offers a focused approach across the Scotland Excel procurement portfolio. Furthermore, it aims to encourage suppliers and providers to deliver community benefits within the awarding local authority area.

2. Summary

Twice yearly, suppliers and providers are requested to complete a comprehensive community benefits template. This information is collated to illustrate the variety and extent of community benefits delivered through Scotland Excel frameworks. This method of collection together with ongoing contract management aims to

support the delivery of the commitments made by suppliers and providers at point of tender. For the return through to 30 September 2023, community benefits have been sought from suppliers and providers who have received more than £50,000 spend over the preceding two quarters via Scotland Excel frameworks.

Table 1 shows a summary of the social value added across the Scotland Excel procurement portfolio since 2013. The figures are complete for the year ending March 2023.

	2013/ 2014	2014/ 2015	2015/ 2016	2016/ 2017	2017/ 2018	2018/ 2019	2019/ 2020	2020/ 2021	2021/ 2022	2022/ 2023	April 2023 to Sept 2023	Total
No of Apprentices	9	92	49	18	52	34	37	26	40	49	45	451
No of New Jobs	78	43	29	53	146	280	249	340	370	296	236	2120
No of Work Placements	0	5	6	17	30	107	43	47	39	34	209	537
Hours of Volunteering & Mentoring	95	377	1279	1570	1637	803	853	608	616	3815	569	12,222
Hours of Work Experience	5305	28214	16734	7852	2541	667	10,360	19	1,292	15,411	3515	91,910
Value of Other Community Benefits	£2,474	£16,550	£46,140	£87,814	£311,549	£437,443	£901,410	£858,590	£733,572	£783,214	£551,135	£4,729,891

Table 1: Summary of social value added across the collaborative portfolio

Suppliers with over £50k of spend in the previous six months were contacted with a request to report their community benefits delivery for the period 1st April to 30th September 2023.

A total of 401 community benefits can be reported for this period. A total of 28 local authorities have received community benefits, as well as associate members. The scale of return is based upon contract utilisation; the more spend generated, the better the benefits return into the local authority area. These community benefits include:

- Total Number of Employees Recruited to Deliver Contract: 236
- Total Number of Apprenticeships Recruited to Deliver Contract: 45
- Total Number of Hours of Work Experience for School Pupils, College, and University Students: 3515
- Total Number of Volunteering Hours: 569
- Total Monetary Value of Other Community Benefits: £551,135

The reported community benefits for this period are delivered across the classification listed above as well as across local authority regions.

An example under the Apprentice classification has been delivered under the current Asbestos Related Works and Services framework. A supplier recently took on two trainee asbestos operatives who are under 25 and have been long term unemployed. The employees were given full training and have already gained several qualifications.

A further example is linked to the Scotland Excel Education and Office Furniture framework. One of the suppliers supplied bespoke furniture for a complete primary school building refurbishment, including classrooms, a staff room, a canteen, a library, and breakout rooms for individual learning. This furniture has significantly enhanced the learning experience for local children. By designing collaborative spaces, they enabled children to learn according to their individual needs, fostering a neurodiverse-friendly environment that allows all students to excel in their academic experiences.

The accrued community benefits value per local authority area is noted within Appendix 1.

In relation to Fair Work First (including the Living Wage) Scotland Excel commenced formal consideration within tenders in early 2015. Since this time the respective position on bidders' work practices has been outlined within Executive Sub Committee Contracts for Approval Reports.

Scotland Excel continues to ensure transparency within the tender process and focus on aspects of fair work practices deemed relevant for each framework.

Scotland Excel continues to monitor and encourage the implementation of fair working practices and to work closely with suppliers to review their progress in this area. It is possible to mandate the real Living Wage in public contracts where: Fair Work First practices, including payment of the real Living Wage is relevant to how the contract will be delivered, and:

- it does not discriminate amongst potential bidders.
- it is proportionate to do so, and
- the contract will be delivered by workers based in the UK

Within the last six months reporting period, the living wage status including those suppliers with accredited living wage status is shown within Table 2.

	May 2023	November 2023	Change since May 2023
Accredited	262	291	29
Progressing towards accreditation	53	51	-2
Committed to gaining accreditation over the first 2 years of the framework	84	89	5
Not accredited but paying the Living Wage	498	534	36
Not accredited or paying the Living Wage but committed to doing so within 2 years	38	38	0
Neither accredited nor paying Living Wage	96	94	-2
TOTAL APPLICABLE SUPPLIERS WHERE STATUS IS KNOWN	1031	1097	66
TOTAL PAYING	897	965	68
% PAYING	87.00%	87.97%	0.97%

Table 2 Living Wage Status

3. Next Steps

The next community benefits data collection, analysis and review cycle will be completed in line with the Management Information process to cover the period through to the end of 31 March 2024. The results will be reviewed with the supply base and where appropriate will be incorporated into supplier performance objectives.

4. Conclusion

Committee members are requested to note the content of this report and support the on-going practices in place to monitor delivery of community benefits and the application on Fair Work practices for the 2023/24 financial year.

Appendix 1 Community Benefits by Council Apr to Sep 23

	Number of new apprentices	Number of new employees	Number of work placements	Hours of volunteering	Hours of work experience	Monetary value of Other Community Benefits
Aberdeen City Council	1.05	6.70	0.00	0.00	0.00	£479
Aberdeenshire Council	0.00	2.50	0.00	0.00	0.00	£6,749
Angus Council	0.00	0.00	0.00	0.00	0.00	£2,582
Argyll & Bute Council	0.00	1.00	0.00	0.00	450.00	£3,250
Associate Member	1.00	8.75	0.00	78.00	351.00	£108,371
City Of Edinburgh Council	1.05	4.50	137.00	9.75	18.75	£84,191
Clackmannanshire Council	0.00	0.00	0.00	0.00	0.00	£0
Comhairle nan Eilean Siar	0.00	0.00	0.00	0.00	0.00	£0
Dumfries & Galloway Council	0.10	0.00	0.00	0.00	150.00	£6,000
Dundee City Council	0.25	0.80	0.00	0.00	0.00	£2,520
East Ayrshire Council	0.00	2.00	0.00	0.00	0.00	£13,699
East Dunbartonshire Council	0.00	0.10	0.00	0.00	0.00	£13,192
East Lothian Council	0.05	2.90	0.00	0.00	0.00	£2,122
East Renfrewshire Council	0.00	2.00	0.00	0.00	0.00	£8,445
Falkirk Council	3.00	1.20	0.00	0.00	0.00	£17,029
Fife Council	1.00	19.10	0.00	0.00	1784.50	£41,085
Glasgow City Council	17.20	59.69	0.00	44.04	9.60	£62,585
Highland Council	1.20	2.50	0.00	0.00	326.00	£21,895
Inverclyde Council	0.00	1.00	0.00	0.00	0.00	£600
Midlothian Council	0.00	0.80	0.00	0.00	0.00	£9,014
North Ayrshire Council	0.20	4.09	0.00	56.00	0.00	£15,212
North Lanarkshire Council	4.00	10.10	0.00	0.00	105.90	£19,364

	Number of new apprentices	Number of new employees	Number of work placements	Hours of volunteering	Hours of work experience	Monetary value of Other Community Benefits
Orkney Islands Council	0.00	0.00	0.00	0.00	0.00	£0
Perth & Kinross Council	0.00	8.00	0.00	0.00	0.00	£10,647
Renfrewshire Council	12.10	54.70	72.00	70.20	10.75	£27,987
Scottish Borders Council	0.05	2.00	0.00	0.00	0.00	£3,200
Shetland Islands Council	1.00	1.00	0.00	0.00	0.00	£0
South Ayrshire Council	0.00	0.10	0.00	305.00	0.00	£11,377
South Lanarkshire Council	1.00	20.20	0.00	6.00	309.00	£36,862
Stirling Council	0.00	2.90	0.00	0.00	0.00	£2,790
The Moray Council	1.20	0.00	0.00	0.00	0.00	£10,458
West Dunbartonshire Council	0.00	0.00	0.00	0.00	0.00	£3,009
West Lothian Council	0.00	17.80	0.00	0.00	0.00	£6,423
Total	45	236	209	567	3515	£551,135

Scotland Excel

To: Joint Committee

On: 8 December 2023

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

Procurement Commercial Improvement Programme (PCIP) Update

1. Introduction

This report provides an update on the status of the work undertaken by Scotland Excel to support councils with the Procurement Commercial Improvement Programme (PCIP).

2. Background

The Procurement and Commercial Improvement Programme was introduced in 2015 and is a maturity model designed to assess Scottish public sector procurement performance in a common format.

The annual assessments set out to build foundations of good public sector procurement and to signpost good practice. The assessments were demonstrably at the heart of procurement improvements across Scotland.

The PCIP is a continuation of the work undertaken by the Procurement Capability Assessment (PCA) carried out on an annual basis since 2008 until introduction of the PCIP. PCIP focuses on the policies and procedures driving procurement performance and the results they deliver.

The PCIP Pulse Check assessment programme commenced in August this year, with the offer of a new approach to further support the sector. This PCIP Pulse Check focuses on the policies and procedures driving procurement performance and, more importantly, the results they deliver. These pulse checks are undertaken with the assumption that the foundation elements identified and implemented since The McClelland report remain in place within organisations.

For PCIP Pulse Check, an assessment model has been developed which offers a reduced question set and streamlined process for organisations whilst still assessing and supporting current procurement priorities. This hybrid model allows for greater flexibility and consists of a blended question set that can be tailored by the assessing CoE to the organisation and the sectoral context.

The model consists of eleven mandatory questions and nine discretionary questions. A number of these questions are from the previous assessment however some questions have additional elements included within the evidence criteria.

Each question has four levels that an organisation may indicate it has achieved and will be assessed on the day. The levels are:

1. Developing
2. Improving
3. Good Practice
4. Advanced

Further information on the PCIP can be obtained at the Scottish Government website: <https://www.procurementjourney.scot/pcip/pcip-overview>

3. PCIP Assessments 2023/24

Scotland Excel worked with colleagues within Scottish Government and in conjunction with other public sector centres of expertise to consider the assessment route for 2023/24.

Assessments have now commenced with a number of councils and the programme will continue until the end of March 2024.

Of the thirty-two councils, nine have opted not to participate in the next tranche of assessments. Generally, these councils have made a strategic decision to focus their limited resources on more pressing matters. Irrespective of participation, all good practice and learning gathered as a result of the assessments will be shared with all members.

- 3.1 During August, September and October Scotland Excel undertook a series of workshops across the sector during which typical evidence was reviewed and each of the mandatory questions were discussed as a group to achieve a common understanding. These workshops were well attended and well received.
- 3.2 A number of councils volunteered to undertake pilot assessments and these took place during October and November. A further two councils requested to undertake their assessments before the end of the year and these have also now been completed. Learnings from all of these assessments are being shared with the wider community.
- 3.3 Most councils asked for their assessments to be conducted at the end of the assessment period. To support this, Scotland Excel will assess using multiple teams and aim to undertake most assessments in February and March 2024. All councils have now been allocated an assessment date.
- 3.4 Scotland Excel will continue to explore the use and support of the additional voluntary/discretionary questions.

- 3.5 The sector has agreed to proceed with assessments on the understanding that council level results will not be shared beyond individual councils. Sector reporting, where possible, will be shared beyond individual councils.
- 3.6 Suitable output will be provided by Scotland Excel at a council level. Unlike previous PCIPs, there is no score for each question and therefore no overall score that an organisation can compare with previous assessments or other organisations, or sectors. Any comparisons will have to be undertaken based on the four levels indicated in section 2 above.

4. Sharing Best Practice

- 4.1 One of the main benefits of sectoral assessment is the collection, sharing, and signposting of best practice. This is a key aim of this assessment cycle and Scotland Excel will continue to meet with its Procurement Improvement Programme Steering Group, made up of local government procurement managers, to discuss this.
- 4.2 Scotland Excel also plans to run a series of workshops after the assessments encouraging those councils to discuss and share their best practice.

5. Recommendation

The members of the Joint Committee are invited to note Scotland Excel's progress in supporting sectoral procurement assessments and that a subsequent report on findings will be presented to the Executive Sub and Joint Committee in June 2024.

Scotland Excel

To: Joint Committee

On: 8 December 2023

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

Strategic Risk Register Update

1. Introduction

- 1.1 This report provides the Joint Committee with an update on the Strategic Risk Register which is maintained to assess threats/risks that could impact on the delivery of Scotland Excel's 5 Year Strategy and to identify controls that are in place to mitigate these risks.

2. Background

- 2.1 The Strategic Risk Register has been developed using the revised methodology set out in the Strategic Risk Strategy, approved by Joint Committee in December 2022. The Strategic Risk Register identifies risks that may impact upon operations and the delivery of Scotland Excel's 5-year strategy. Specific and separate operational risk management will continue to be undertaken as part of day-to-day activities such as framework management and project management.

3. Risk Management update

- 3.1 The Strategic Risk Register is maintained and reviewed regularly by the Senior Management Team (SMT) and key officers with particular expertise in certain risk areas. The register continues to be a focus for the organisation with actions being undertaken in mitigation of the risks on-going throughout the year.
- 3.2 There are currently 12 strategic risks identified within the Strategic Risk Register ranging in assessed risk score from 9 to 20. A summary of key elements in relation to each identified risk is shown in Appendix 1 to this report.
- 3.3 The on-going impact of the COVID-19 pandemic, the emerging impact of Brexit on markets and suppliers, the impact of the wars in Ukraine and the middle east, the increasing financial pressures on local government bodies, continuing recruitment difficulties, demographic challenges within Scotland and Europe and the on-going uncertainty in relation to public sector service redesign are the key influences on the November Strategic Risk Register.
- 3.4 The newest risk added to the Strategic Risk Register relates to ICT and Cyber Security. There are increasing incidences of ICT breaches across sectors resulting in catastrophic repercussions for each organisation concerned. While Scotland Excel has a range of defences already in place, along with an on-going staff training programme, these will continue to be developed and improved to

further mitigate the risk of a breach. Work will also continue to develop and implement a disaster recovery plan which will be aimed at getting the organisation up and running in as short a time as possible, should a breach occur.

- 3.5 In line with the approved Strategic Risk Strategy, an organisational action plan will run alongside the risk register. On completion of each action, the resultant mitigation will be added to the Current Risk Controls area of each risk template and will be taken into consideration at the next review meeting when assessing the Residual Risk Score.
- 3.6 The Strategic Risks with the highest residual risk score (20) relate to Supply Chain Resilience (SXL005-22/23) and, Political, Legislative and Policy Change (SXL003-23/24). The risk in relation to Supply Chain Resilience has been assessed at 20 at the past 4 review meetings due to the continuing uncertainty and market volatility post Brexit, post pandemic, in light of growing demographic challenges in Scotland and Europe and, in light of the continuing wars in Ukraine and the middle east.
- 3.7 The residual risk score in relation to Political, Legislative and Policy Change was amended upwards at the last risk review meeting to reflect increasing uncertainty across the Scottish and UK political environment, the pending general election in 2024/25 and policy changes at the Scottish Government in relation to management fee charges on category A frameworks.
- 3.8 Residual risk scores of Managing Growth and Diversity (SXL002-23/24), Reputational Risk (SXL004-23/24) and Meeting Member and Stakeholder Expectations (SXL008-23/24) were also amended upwards at the recent risk review meeting to reflect on-going issues in relation to the contract delivery plan and the emerging challenge of identifying sector wide savings to member authorities.
- 3.9 While most identified risks have maintained their current residual score, one has been assessed downwards; Redesign of Scottish Public Services (SXL011-23/24) in light of the slow progress being made in relation to creation of the NCS and the signing of the Verity House Agreement between COSLA and the Scottish Government.
- 3.10 In relation to those risks remaining unchanged following the recent review, it was decided that external factors affecting each risk had not changed and that existing controls were sufficient to maintain residual risk at current levels.
- 3.11 Following review of external factors, the Scotland Excel Risk Register as at November 2023 is shown in Appendix 1.
- 3.12 A risk workshop on how Scotland Excel identifies, manages and reports on various areas of risk was delivered in November 2023 with a re-run of the workshop available to members of the Joint Committee in January 2024.

4. Recommendation

Members are invited to note the Strategic Risk Register and provide any feedback in relation to any of the risks identified.

Strategic Risk Register

November 2023

Professional – Respectful – Courageous - Integrity

Background

This Strategic Risk Register has been developed using the revised methodology set out in the Strategic Risk Strategy for managing strategic risks that may impact upon operations and the delivery of Scotland Excel's 5-year strategy. Specific and separate operational risk management will continue to be undertaken as part of operational activities such as framework management and project management.

Risk Management

Risk is a quantifiable level of exposure to the threat of an event or action that could adversely affect Scotland Excel's ability to achieve its strategic goals successfully. The task of management is to respond to these risks effectively to maximise the likelihood of Scotland Excel achieving its objectives and ensuring the best use of resources. Scotland Excel uses its risk management methodology to systematically identify, record, monitor and report risks to committee to enable the organisation to meet its objectives and to plan actions to mitigate risks.

Strategic Risk Register Review Schedule

Scotland Excel reports its strategic risk register to the Exec Sub Committee and Joint Committee on a 6 monthly basis.

The Scotland Excel Strategic Risk Register will be reviewed internally by the Senior Management Team (SMT) and other key officers as scheduled below:

Table 1: Strategic Risk Register Review Schedule

Document Control	
Review Dates:	May 2023
Joint Committee	June 2023
Review Dates:	August 2023
Review Dates:	November 2023
Joint Committee	December 2023
Review Dates:	March 2024

Ranked Strategic Risk Register

Table 2 summarises risks identified within the Scotland Excel Risk Register and orders them according to their Residual Risk Score as of November 2023. The Residual Risk Score represents the assessed risk score taking into consideration all risk controls and mitigations in place in relation to that specific risk on that date.

Table 2: Risk – Highest to Lowest Risk Score, November 2023

Risk Ref.	Risk Title	Residual Risk Score
SXL005 - 23/24	Supply Chain Resilience	20
SXL003 - 23/24	Political, Legislative and Policy Change	20
SXL006 - 23/24	Staff Recruitment and Retention	16
SXL012 - 23/24	ICT and Cyber Security	16
SXL002 - 23/24	Managing Growth and Diversity	16
SXL004 - 23/24	Reputational Risk	16
SXL008 - 23/24	Meeting Member and Stakeholder Expectations	16
SXL001 - 23/24	Organisational Sustainability	15
SXL011 - 23/24	Redesign of Scottish Public Services	12
SXL010 - 23/24	National Emergency Including Pandemic	12
SXL009 - 23/24	Environmental Impact and Climate Change	12
SXL007 - 23/24	Corporate Social Responsibility	9

Quarterly Risk Trend Movements

Table 3 charts risk score movement and trends over the past year in relation to each risk identified within the Scotland Excel Risk Register.

Table 3: Quarterly Risk Trend Movements

Risk Ref.	Risk Title	Period				Trend
		Q1 23	Q2 23	Q3 22	Q4 23	
SXL005 - 23/24	Supply Chain Resilience	20	20	20	-	↔
SXL003 - 23/24	Political, Legislative and Policy Change	16	16	20	-	↑
SXL006 - 23/24	Staff Recruitment and Retention	16	16	16	-	↔
SXL012 - 23/24	ICT and Cyber Security	16	16	16	-	↔
SXL002 - 23/24	Managing Growth and Diversity	12	12	16	-	↑
SXL004 - 23/24	Reputational Risk	12	12	16	-	↑
SXL008 - 23/24	Meeting Member and Stakeholder Expectations	12	12	16	-	↑
SXL001 - 23/24	Organisational Sustainability	15	15	15	-	↔
SXL011 - 23/24	Redesign of Scottish Public Services	16	16	12	-	↓
SXL010 - 23/24	National Emergency Including Pandemic	12	12	12	-	↔
SXL009 - 23/24	Environmental Impact and Climate Change	12	12	12	-	↔
SXL007 - 23/24	Corporate Social Responsibility	9	9	9	-	↔

Consolidated Risk Matrix

Diagram 1 sets out the position of Scotland Excel Strategic Risks in the context of their likelihood of occurring and potential impact.

Diagram 1: Consolidated Risk Matrix (November 2023)

Impact	5			SXL001		
	4			SXL009 SXL011	SXL002 SXL004 SXL006 SXL008 SXL012	SXL003 SXL005
	3			SXL007	SXL010	
	2					
	1					
		1	2	3	4	5
		Likelihood				

Strategic Risk Register

SXL001 – 23/24	Organisational Sustainability
SXL002 – 23/24	Managing Growth and Diversity
SXL003 – 23/24	Political, Legislative and Policy Change
SXL004 – 23/24	Reputational Risk
SXL005 – 23/24	Supply Chain Resilience
SXL006 – 23/24	Staff Recruitment and Retention
SXL007 – 23/24	Corporate Social Responsibility
SXL008 – 23/24	Meeting Member and Stakeholder Expectations
SXL009 – 23/24	Environmental Impact and Climate Change
SXL010 – 23/24	National Emergency Including Pandemic
SXL011 – 23/24	Redesign of Scottish Public Services
SXL012 – 23/24	ICT and Cyber Security

Alignment with 5-Year Strategy Goals

Whilst all strategic risks have been reviewed and developed in line with Scotland Excel's 5-year strategy, Table 4 identifies key risks that may affect the achievement of each strategic objective.

Table 4: Alignment With 5-Year Strategy Goals

Reference	Risk	Risk Score
Goal 1 - Journey towards a net zero Scotland by 2045.		
SXL003 - 23/24	Political, Legislative and Policy Change	20
SXL009 - 23/24	Environmental Impact and Climate Change	12
Goal 2 - Drive for efficiency to support the financial sustainability of public services.		
SXL012 - 23/24	ICT and Cyber Security	16
SXL001 - 23/24	Organisational Sustainability	15
SXL004 - 23/24	Reputational Risk	16
SXL002 - 23/24	Managing Growth and Diversity	16
SXL008 - 23/24	Meeting Member and Stakeholder Expectations	16
Goal 3 - Community wellbeing with equal access to services, economic development and fair work jobs across Scotland.		
SXL011 - 23/24	Redesign of Scottish Public Services	12
SXL007 - 23/24	Corporate Social Responsibility	9
Goal 4 - Development of resilient supply chains that maximise opportunities for Scottish businesses and the third sector.		
SXL005 - 23/24	Supply Chain Resilience	20
SXL010 - 23/24	National Emergency Including Pandemic	12
Goal 5 - Advancement of skills to deliver Scotland's economic transformation.		
SXL006 - 23/24	Staff Recruitment and Retention	16

Appendix 1: Strategic Risk Scoring Methodology and Definitions

Scotland Excel uses a robust methodology to manage its strategic risks. The methodology is derived from prior risk management experience and after consulting risk management experts within the public sector.

The risk template utilised in Appendix 2 provides a summary of the risk and its associated information. Each risk is defined in a statement, context provided, and an owner assigned. Any controls implemented to mitigate the risk will be updated on a quarterly basis if required.

When a risk is identified, the team will consider the likelihood and impact of the risk. Each will be assigned a score of 1-5 with 5 as the maximum. Both numbers are multiplied to get the original evaluated risk score. This number will not change throughout the life of the risk.

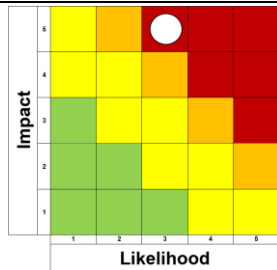

On a periodic basis, the risk will be reviewed, and any required adjustments will be made to the likelihood, impact, and residual risk score. This is the key metric of risk based on the control measures undertaken to reduce any impact from the risk. The residual risk score will be monitored each quarter and the direction of travel provided between the current and previous quarters.

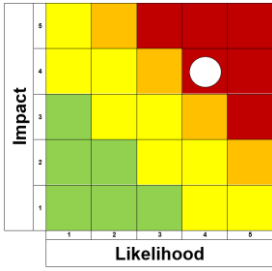

Appendix 2 presents identified Strategic Risks in the Scotland Excel risk template format. An explanation of each element of the risk template is shown in Table 5.

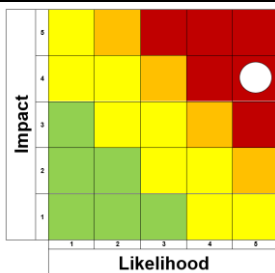

Table 5: Descriptions of Risk Template Elements

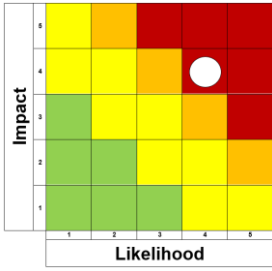

Element	Description
Reference	Unique risk identifier and risk title
Context	Context of identified risk
Risk Statement	Description of identified risk
Risk Owner	Executive team risk owner
Current Risk Controls	Specific risk controls currently in place
Risk Score	Risk assessment detail
Likelihood	How likely is it that the risk occurs (1-5)
Impact	Impact on SXL if the risk occurs (1-5)
Evaluation	Likelihood * Impact = Evaluation Score
Trend	Evaluation of movement over past 4 periods
Residual	Current Residual Risk Evaluation after Controls

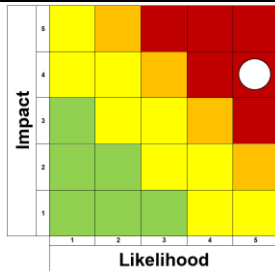
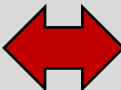
Appendix 2: Scotland Excel Risk Register (November 2023)

Organisational Sustainability				
Reference	SXL001-23/24			<div>Risk Matrix Position</div> 
Owner	JW			
Original Evaluated Risk Score				
Likelihood	Impact	Evaluation	Trend	
4	4	16		
Residual Risk Score				
Likelihood	Impact	Residual		
3	5	15		
Context				
As a membership organisation, Scotland Excel must constantly evidence its value to members and stakeholders during challenging financial, environmental, and socio-economic times. Organisational sustainability depends on meeting and exceeding member and stakeholder expectations.				
Risk Statement				
<p>Risks caused by the membership nature of Scotland Excel include:</p> <ul style="list-style-type: none">• Failure to maintain excellent customer service and satisfaction levels across membership.• Failure to clearly evidence the Value of Scotland Excel and meet expectations of members.• Failure to meet varying and expanding expectations and requirements of members. <p>Risks associated with continuous public sector financial pressures:</p> <ul style="list-style-type: none">• Reduced utilisation of Scotland Excel frameworks.• Reluctance of members to increase requisition fees in light of challenging financial environment.• Reduced real terms operational budget impacting existing service delivery.• Failure to diversify and generate financial income from alternate sources to reduce financial reliance on membership requisition/fees.				
Current Risk Controls				
<ul style="list-style-type: none">• Continuing focus on delivering and evidencing Core Value for all member Councils and Associate Members.• Continuing development of Sectoral Savings Options for Councils and Associate members.• Creation of Scotland Excel Savings Team to identify Sectoral Savings Opportunities for Local Authority Members.• On-going development of projects offering new services and increased benefits for stakeholders.• Identification of new opportunities to provide additional chargeable services based on customer demand.• Ongoing robust market testing of all new shared service propositions.• Ongoing robust business model is in place for all new services.• Regular engagement with Chief Execs, Finance Directors, Corporate Procurement Leads and Elected Members demonstrating the value added by Scotland Excel.• Segmentation of Scotland Excel Frameworks				

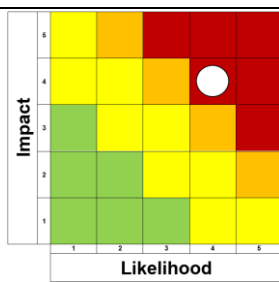

Managing Growth and Diversity				
Reference	SXL002-23/24			<div>Risk Matrix Position</div> 
Owner	SB			
Original Evaluated Risk Score				
Likelihood	Impact	Evaluation	Trend	
3	4	12		
Residual Risk Score				
Likelihood	Impact	Residual		
4	4	16		
Context				
Changing and competing demands from members require Scotland Excel to grow and diversify its framework portfolio and services within a changing financial, environmental, social and political environment.				
Risk Statement				
<p>Potential barriers to the diversification of Scotland Excel's framework portfolio and services include:</p> <ul style="list-style-type: none">Financial, legal and other restrictions impacting ability to evolve framework and service offering.Failure to recruit and retain staff with expertise required to deliver member requirements and grow the organisation.Failure to source suppliers with capability, capacity and expertise required to deliver member demands.Failure to identify and manage emerging opportunities and threats to organisation. <p>Risks caused by failure of Scotland Excel to diversify its framework portfolio and services include:</p> <ul style="list-style-type: none">Negative reputational impact and reduced confidence in the organisation.Inability to clearly evidence the value of Scotland Excel to members.Reduced utilisation of Scotland Excel's framework portfolio by councils and associate membersReduced ability to generate income out with member requisition and associate member fees.				
Current Risk Controls				
<ul style="list-style-type: none">Stakeholder engagement will continue to be used to identify market development and project opportunities.People Strategy and workforce planning tools used to ensure that Scotland Excel has staff with relevant expertise to deliver and grow a quality service offering.Ongoing development and identification of non-requisition income streams.Approval and implementation of Scotland Excel Carbon Net Zero Strategy.Measures such as fixed-term contracts and council placements ensure that the Scotland Excel workforce can adapt to changing demands of members.Development and implementation of diversified workforce training to ensure that Scotland Excel staff have relevant expertise to deliver and grow service offering.Regular engagement with Chief Execs, Finance Directors, Corporate Procurement Leads and Elected Members demonstrating the value added by Scotland Excel.Creation of Scotland Excel Savings Team to identify Sectoral Savings Opportunities for Local Authority Members.Segmentation of Scotland Excel Frameworks				

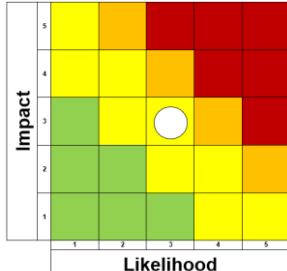
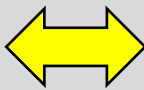
Political, Legislative and Policy Change				
Reference	SXL003-23/24			<div>Risk Matrix Position</div> 
Owner	SB			
Original Evaluated Risk Score				
Likelihood	Impact	Evaluation	Trend	
4	4	16		
Residual Risk Score				
Likelihood	Impact	Residual		
5	4	20		
Context				
Political, Legislative and Policy changes at local, national, UK and international levels impact Scotland Excel operations and practice.				
Risk Statement				
<p>Challenges caused by political change may include:</p> <ul style="list-style-type: none">• Brexit impacting delivery of Scotland Excel frameworks and suppliers.• Increasing focus on Carbon Net Zero issues which Scotland Excel must respond to.• Conflict around the world impacting supply chains across Scotland Excel frameworks.• Changes in political direction causing changes to procurement guidelines.• Changes in political direction causing changes to local government policy in Scotland. <p>Challenges caused by legislative changes may include:</p> <ul style="list-style-type: none">• Changes to procurement guidelines and best practice impacting framework development and relevance.• Changes to legislation impacting framework utilisation, for example: food standards, care guidance, building standards.• Changes to environmental objectives impacting supplier resilience and framework development. <p>Challenges caused by policy changes may include:</p> <ul style="list-style-type: none">• Local policy changes such as community wealth building, budget allocation, school meal menus and capital expenditure plans impact utilisation of Scotland Excel frameworks.• Requirement for Scotland Excel to continuously adapt their frameworks to adhere to policy changes.• Requirement for Scotland Excel to deliver against competing policy priorities.• Centralisation and commercialisation of services impacting the demand for Scotland Excel services.				
Current Risk Controls				
<ul style="list-style-type: none">• An effective and properly resourced public affairs strategy is in place.• Effective research, engagement, partnership working and briefings ensuring the organisation is aware of and able to respond to challenges and opportunities in the external environment.• Active participation by the organisation in various groups and boards influencing policy developments.• Active participation by the organisation in collaborative procurement opportunities.• Active engagement with the Scottish Government to influence and support policy development.• Development of Business Intelligence function in Scotland Excel to give early warning of pending change and support future development.• Monitoring of outcomes of The Procurement Reform (Scotland) Act 2014 on public procurement, response to reform approved by Scotland Excel's Executive Sub Committee.				

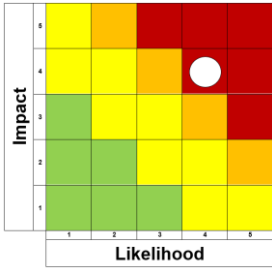

Reputational Risk				
Reference	SXL004-23/24			<div>Risk Matrix Position</div> 
Owner	JW			
Original Evaluated Risk Score				
Likelihood	Impact	Evaluation	Trend	
2	4	8		
Residual Risk Score				
Likelihood	Impact	Residual		
4	4	16		
Context				
Negative publicity caused by a service issue or failure damages the organisational reputation of Scotland Excel and may adversely impact the reputation of members and stakeholders.				
Risk Statement				
Reputational damage may adversely impact: <ul style="list-style-type: none">Scotland Excel's ability to recruit staff and retain members.Utilisation of Scotland Excel's framework portfolio by member organisations.Scotland Excel's ability to recruit and retain staff.Supplier participation in Scotland Excel frameworks.Ability to attract new projects and meet funding requirements.Scotland Excel's ability to meet conflicting demands of stakeholders.Success/Uptake of Scotland Excel savings projects.Confidence in Scotland Excel's ability to deliver its Social Care portfolio.				
Current Risk Controls				
<ul style="list-style-type: none">Clear processes and procedures in relation to potential media issues are in place.Pro-active monitoring of press coverage carried out by Marketing Team and wider organisation.Pro-active and robust engagement with press organisations to ensure positive relationships and coverage.Development and maintenance of easier to use and accessible corporate website.Organisational promotion of corporate values to ensure individuals, teams and the organisation operates in line with its Values.Ongoing and pro-active engagement with members and suppliers to develop constructive relationships.Delivery of periodic events and enhanced marketing campaigns in support of recruitment.Ongoing support of 'Meet the Buyer' events across Scotland.Ongoing marketing campaigns in support of project delivery, The Academy, savings and frameworks.Development and implementation of Value Project aimed at communicating the wider value of Scotland Excel to its members and stakeholders.Creation of Scotland Excel Savings Team to identify Sectoral Savings Opportunities for Local Authority Members.Supported Business and Construction events to be hosted by Scotland Excel.Attendance and presentation at sectoral events such as Procurex, CIPFA, COSLA and Solace conferences.Segmentation of Scotland Excel Frameworks				

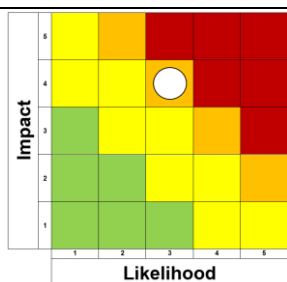

Supply Chain Resilience				
Reference	SXL005-23/24			<div>Risk Matrix Position</div> 
Owner	HC			
Original Evaluated Risk Score				
Likelihood	Impact	Evaluation	Trend	
3	4	12		
Residual Risk Score				
Likelihood	Impact	Residual		
5	4	20		
Context				
<p>Suppliers on Scotland Excel frameworks are required to navigate changeable and increasingly challenging supply chains circumstances. These challenges include high energy costs, inflation, recruitment and resourcing barriers, policy changes and maintaining positive employee relations.</p> <p>Suppliers are increasingly required to innovate or resource more efficient and environmentally aware products, services and materials to meet the changing demands of market.</p> <p>Failure of a service provider, or breakdown within the supply chain of a Scotland Excel framework could have significant implications for service provision within member council areas.</p>				
Risk Statement				
<p>Financial and socio-economic factors impacting the resilience of Scotland Excel framework suppliers include:</p> <ul style="list-style-type: none">National emergencies i.e., Covid pandemic.Strikes and recruitment challenges.Rising energy costs.International conflict.Policy changes including Brexit.Technological failures and challenges.The impact of demographic change on utilisation of Scotland Excel frameworks. <p>Environmental and carbon net zero factors impacting the resilience of Scotland Excel framework suppliers include:</p> <ul style="list-style-type: none">Disruption caused by Climate Change.Demand for environmentally aware products outstripping supply across framework.Failure to develop and provide environmentally aware product/service options.Seasonal changes impacting both the supply and demand for social care services. <p>Impacts of supplier failure on Scotland Excel include:</p> <ul style="list-style-type: none">The failure to deliver goods and services to customers through frameworks resulting in reduced confidence in Scotland Excel.Negative reputational damage to Scotland Excel.Reduction in member confidence in the resilience of Scotland Excel frameworks.				
Current Risk Controls				
<ul style="list-style-type: none">Robust processes for monitoring financial stability of suppliers are carried out prior to award and throughout the life of a contract.Utilisation of external advice as required and a tailored approach for high-risk contracts is in place.Specific measures are in place to meet the management of Social Care contracts and these key areas of risk.“Step-in Right” within relevant and appropriate social care contracts maintained.				

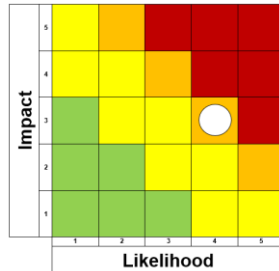

- Participation in multi-sector groups aimed at supporting provider sustainability and supply chain development.
- Robust Market Analysis Strategy practiced across procurement categories.
- Frameworks are established with lotting structures developed to provide variety and capacity for each local authority area, providing resilience in local supply chains.
- Scotland Excel monitors and reviews key supply chains across its frameworks and distributes quarterly supply chain resilience reports to customers.
- Development and implementation of Carbon Net Zero strategy.
- Roll out of Sustainable Procurement training across procurement teams.
- On-going monitoring of factors affecting suppliers and issue of quarterly “Scotland Excel Supply Chain Intelligence Report”.
- Agreement of 6% fee for National Care Home Contract.
- Segmentation of Scotland Excel Frameworks

Staff Recruitment and Retention				
Reference	SXL006-23/24			<div>Risk Matrix Position</div> 
Owner	SB			
Original Evaluated Risk Score				
Likelihood	Impact	Evaluation	Trend	
3	3	9		
Residual Risk Score				
Likelihood	Impact	Residual		
4	4	16		
Context				
Failure to recruit and retain staff of suitable skill, quality, and experience may negatively impact Scotland Excel's ability to deliver its operating plan, five-year strategy and meet increasing customer expectations.				
Risk Statement				
Factors impacting Scotland Excel's ability to recruit and retain staff include: <ul style="list-style-type: none">• High demand in the competitive public sector market for experienced procurement staff.• Demographic changes including a reducing workforce population impacting ability to recruit staff and, aging population impacting staff retention as more staff approach retirement age.• Changing expectations in relation to hybrid working.• Scotland Excel's terms and conditions of employment and salary scales must be kept in line with local authority guidelines limiting flexibility within the recruitment and retention process.• Staff turnover adversely impacting service delivery and increasing costs in relation to recruitment.• Employment market uncertainty about the procurement profession adversely impacts Scotland Excel's ability to recruit staff.• Language used in job advertisements impacting Scotland Excel's ability to recruit social care professionals.				
Current Risk Controls				
<ul style="list-style-type: none">• People Strategy and workforce planning tools (recruitment, PDP etc.) are used to ensure that Scotland Excel staff have the appropriate mix of skills and experience to deliver and grow a quality service.• Recruitment and retention processes constantly reviewed and updated.• PDP process reviewed and updated in consultation with Scotland Excel staff.• Delivery of periodic events and enhanced marketing campaigns in support of recruitment.• Investors in People Gold accreditation achieved and maintained.• Staff turnover figures collated and presented to SMT on a regular basis.• Ongoing investment in staff learning and development programme.• Development and implementation of a successful graduate training programme.• Participation in relevant graduate apprenticeship opportunities• Participation in relevant modern apprenticeship opportunities.• Development and implementation of a Scotland Excel Employee Journey procedure.• Broad range of flexible working options and patterns available to staff.• Extensive range of employee benefits available to staff.• Development and implementation of Recruitment Strategy.				

Corporate Social Responsibility				
Reference	SXL007-23/24			<div>Risk Matrix Position</div> 
Owner	HC			
Original Evaluated Risk Score				
Likelihood	Impact	Evaluation	Trend	
2	3	6		
Residual Risk Score				
Likelihood	Impact	Residual		
3	3	9		
Context				
The growing importance of corporate social responsibility among members and stakeholders requires Scotland Excel to evidence contribution to this shared priority across their framework portfolio and operational services.				
Risk Statement				
Risks associated with evolving corporate social responsibility commitments include: <ul style="list-style-type: none">Underutilisation of Scotland Excel frameworks due to failure to promote, include and deliver community benefits.Challenges exist relating to how to deliver Community Benefits within a financially challenging environment.Reputational damage and reduced utilisation of Scotland Excel's frameworks due to failure to promote ethical sourcing of products and suppliers across portfolio supply chains.Reputational damage caused by failure to ensure that Scotland Excel delivers Community Benefits in its day-to-day operations.Scotland Excel's ability to recruit and retain staff and members being negatively impacted by failure to evidence measures taken to deliver corporate social responsibility.				
Current Risk Controls				
<ul style="list-style-type: none">Management and Reporting of Community Benefits developed and embedded within established reporting cycle.Community benefit requirements issued to suppliers at tender stage. Active promotion of community benefits is delivered through contract management.Living Wage Employer accreditation secured and promoted across stakeholders and framework suppliers.Workforce elements and living wage considerations are built into each procurement exercise at strategy stage.Ethical sourcing strategies provided by suppliers as part of the tender process.Staff have become mentors for children in schools under MCR Pathways.Partnership with Founders 4 Schools supporting CV writing, mock interviews etc.Incorporation of "Fair Work First" into Scotland Excel frameworks.Establishment of Scotland Excel Employee Forum which carries out an annual programme of charitable activities.Participation in relevant modern apprenticeship / graduate apprenticeship opportunities.Delivery of Community Wealth Building Workshops.Hosting of Supported Business event.Segmentation of Scotland Excel Frameworks				

Meeting Member and Stakeholder Expectations				
Reference	SXL008-23/24			<div>Risk Matrix Position</div> 
Owner	SB			
Original Evaluated Risk Score				
Likelihood	Impact	Evaluation	Trend	
2	4	8		
Residual Risk Score				
Likelihood	Impact	Residual		
4	4	16		
Context				
As a membership organisation it is important for Scotland Excel to meet the varying and competing political, social, environmental, and financial expectations of its members.				
Risk Statement				
<p>Risks associated with changing stakeholder and member expectations include:</p> <ul style="list-style-type: none">• Loss of confidence in Scotland Excel due to failure to meet the expectations of members and stakeholders.• Challenges exist relating to how meet stakeholder expectations within a financially challenging environment.• Failure to perform and meet delivery targets in line with member and stakeholder expectations.• Failure to ensure appropriate mechanisms are in place to support operational performance and adaptability.• Insufficient resource available to Scotland Excel to meet evolving member and stakeholder expectations.• Failure to clearly evidence the value of Scotland Excel and meet expectations of members.				
Current Risk Controls				
<ul style="list-style-type: none">• Continuing focus on delivering and evidencing core value for all member Councils and Associate Members.• Continuing development of Sectoral Savings Options for Councils and Associate members.• Approved 5-year strategy and one-year operating plan in place addressing current member expectations.• Regular operating plan updates given to Executive Sub Committee to ensure robust governance.• Regular financial period review and reporting across core and projects.• Regular infrastructure reviews undertaken to support operational delivery in line with member and stakeholder expectations.• Ongoing development of services in response to changing member and stakeholder demands.• Creation of Scotland Excel Savings Team to identify Sectoral Savings Opportunities for Local Authority Members.• Development of Business Intelligence Strategy.• Attendance and presentation at sectoral events such as Procurex, CIPFA, COSLA and Solace conferences.• Segmentation of Scotland Excel Frameworks				

Environmental Impact and Climate Change				
Reference	SXL009-23/24			<div>Risk Matrix Position</div> 
Owner	JW			
Original Evaluated Risk Score				
Likelihood	Impact	Evaluation	Trend	
2	3	6		
Residual Risk Score				
Likelihood	Impact	Residual		
3	4	12		
Context				
<p>Members and stakeholders demand best value contracts that support their aspirations to achieve net zero carbon emissions and tackle climate change.</p> <p>Scotland Excel must demonstrate how their own operations are driving down emissions and reducing environmental impact.</p>				
Risk Statement				
<p>An ineffective environmental response from Scotland Excel may result in:</p> <ul style="list-style-type: none">• Organisational activity having an adverse impact on the environment.• Current and future frameworks and services having an adverse impact on the environment.• Failure to maximise influence and impact on environmentally friendly public service delivery.• Measurement and reporting of environmental performance that is not representative of true impact on the environment.• Failure to deliver services to member organisations.				
Current Risk Controls				
<ul style="list-style-type: none">• Review and ongoing adoption of environmentally aware operating practices within Scotland Excel.• Ongoing review of Scotland Excel frameworks and their impact on the environment.<ul style="list-style-type: none">○ Requirement for Environmental Policy, ISO certification or equivalent for access to certain frameworks.○ Actions in relation to reducing carbon footprint scored in assessment for certain frameworks.○ Information in relation to environmental practices and plans requested across all applicable frameworks.○ Sustainability testing carried out as appropriate.• Launching of Next Zero Strategy Team.• Exploration of options linked to accurate carbon measurement.• Ongoing training of Scotland Excel staff on environmental impact and climate change issues.• Segmentation of Scotland Excel Frameworks				

National Emergency Including Pandemic				
Reference	SXL0010-23/24			<div>Risk Matrix Position</div> 
Owner	JW			
Original Evaluated Risk Score				
Likelihood	Impact	Evaluation	Trend	
5	5	25		
Residual Risk Score				
Likelihood	Impact	Residual		
4	3	12		

Context

A National Emergency or Pandemic being declared by the Scottish Government and/or the UK Government will impact the day-to-day operations of Scotland Excel.

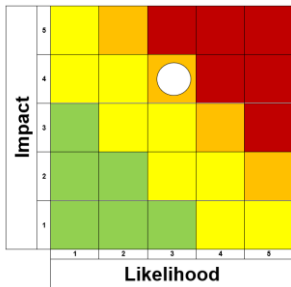

Risk Statement

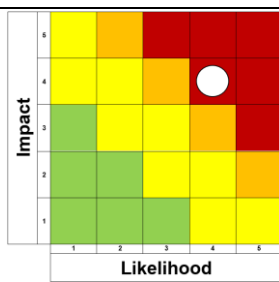
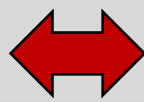
A National Emergency or Pandemic may result in:

- Impeded ability of Scotland Excel to deliver services to members and stakeholders.
- Reputational damage to Scotland Excel caused by failure to deliver services to and stakeholders.
- Negative impact on health and wellbeing of Scotland Excel employees.
- Failure to offer flexible working arrangements limiting organisational ability to adapt service delivery and operational processes following/during National Emergency or Pandemic.
- Failure to ensure supply chain resilience in case of National Emergency or Pandemic impacting the supply of goods and services through Scotland Excel frameworks impacting organisational reputation, member confidence and customer satisfaction levels.
- Impacts specific to social care/NHS – pressure on services.

Current Risk Controls

- Hybrid and ICT working arrangements are flexible allowing easy adaptability in case of National Emergency or Pandemic.
- ICT and Business Continuity Strategy and Plan in development.
- Employee support mechanisms (Occupational Health, Time to Talk, Mental Health First Aiders etc.) remain in place during flexible working scenarios.
- Access to a range of video communication software allows business meetings to take place online and ensures employees living alone or experiencing difficulties can be supported.
- Governance of the organisation can be maintained in line with governing documents.
- Framework nature of managed contracts ensure minimum dependence on single suppliers.
- Adaptability of organisational resources ensures flexibility in the allocation of resources to meet demand and changing priorities. E.g., PPE and Food during Covid pandemic.
- Review of framework contract terms and conditions every 2 years.
- Issuing quarterly Scotland Excel Supply Chain Intelligence Report.

Redesign of Scottish Public Services				
Reference	SXL0011-23/24			<div>Risk Matrix Position</div> 
Owner	HC			
Original Evaluated Risk Score				
Likelihood	Impact	Evaluation	Trend	
5	4	20		
Residual Risk Score				
Likelihood	Impact	Residual		
3	4	12		
Context				
Redesign of public services may adversely impact the ongoing operations, framework delivery and future service development plans of Scotland Excel.				
Risk Statement				
Redesign of Scottish Public Sector services may: <ul style="list-style-type: none">• Require Scotland Excel to adapt their current service offering to members.• Broaden the risk of under-utilisation of Scotland Excel frameworks and services.• Create conflict between national and local priorities complicating framework development.• Adversely impact the spend across a broad range of Scotland Excel frameworks.• Potentially impact the financial viability of Scotland Excel through recalculation of requisition requirements.• Adversely impact Scotland Excel's position as a centre of excellence for procurement.				
Current Risk Controls				
<ul style="list-style-type: none">• On-going liaison with key organisational stakeholders in relation to public service delivery.• Participation in key Scottish Government working groups relating to public service redesign.• Supplier and customer trust and utilisation of existing Scotland Excel frameworks.• Consultation with key stakeholders in relation to Parliamentary Process and responding to the Call for Views and co-design for the National Care Service (NCS).• Development of Scotland Excel Partnership Working Strategy.• Continued monitoring of implication of The Verity House Agreement on the delivery of public services.				

ICT and Cyber Security				
Reference	SXL0012-23/24			<div>Risk Matrix Position</div> 
Owner	SB			
Original Evaluated Risk Score				
Likelihood	Impact	Evaluation	Trend	
5	5	25		
Residual Risk Score				
Likelihood	Impact	Residual		
4	4	16		
Context				
<p>Scotland Excel is fully dependent on ICT to deliver its services to members. There has been an increase in both attempted and successful cyber-attacks across sectors which have been accelerated by socio-economic developments such as the introduction of hybrid working and conflict around the world. The growing threat of cyber-attacks to organisations requires preventative and mitigating cyber security measures to be implemented.</p>				
Risk Statement				
<p>Ineffective cyber security measures may result in:</p> <ul style="list-style-type: none">System or infrastructure failures impacting on the ability of the organisation to deliver services with resultant impacts on performance.Financial loss to Scotland Excel and its customers.Knock-on threat to the cyber security of member organisations and the public sector.Loss of control of confidential and commercially sensitive data impacting organisational reputation and member confidenceIncreased costs in relation to cyber security.				
Current Risk Controls				
<ul style="list-style-type: none">BitLocker encryption is enabled on all Scotland Excel computers.Conditional access policies are applied to limit access to Scotland Excel's cloud-based network via Renfrewshire Council's network, through which Scotland Excel's computers connect to the internet.Mobile Device Management (MDM) is carried out using MS Intune to support secure access and remote wiping of corporate data via personal/corporate mobiles.SPAM filtering is employed on Scotland Excel's MS Exchange server.Email authentication methods (SPF, DKIM) have been enabled to help prevent spam and spoofing.Regular manual back-ups taken of essential cloud-based data i.e., website, SQL databases.Regular cybersecurity training and simulated phishing attacks are carried out using the KnowBe4 Security Awareness Training platform.Cyber Security communications and guidance are regularly communicated to all Scotland Excel staff.Phish Alert add-in for Outlook is installed on all user devices to enable the quick and easy reporting of suspicious emails which can be analysed and deleted by IT to prevent future exposure.Automated back-ups in place for all Scotland Excel cloud-based Virtual Machines (servers)				

Scotland Excel

To: Joint Committee

On: 8 December 2023

**Report by:
The Clerk**

Membership of Scotland Excel Chief Executive Officers Management Group

1. Summary

- 1.1 The purpose of this report is to seek approval for the membership of Scotland Excel's Chief Executive Officers Management Group (CEOMG), a key governance body for the organisation and which has been part of Scotland Excel's governance since its inception in 2008.
- 1.2 The CEOMG comprises six Chief Executives from the member authorities of Scotland Excel. The Chief Executive of Renfrewshire Council is a standing member of the group due to Renfrewshire Council being the lead authority for Scotland Excel. The other five members of the Group are appointed annually by the Scotland Excel Joint Committee although membership can be renewed.
- 1.3 The procedures for the CEOMG state that:
 - 12.2 To assist the Joint Committee to make appointments, the Group shall seek annual nominations for membership from Solace Scotland and shall prepare a report on these nominations for consideration by the Joint Committee.
- 1.4 The Chief Executive of Scotland Excel submitted a report to the meeting of the Solace Scotland Branch on 24 November 2023 relative to membership of the CEOMG, as Cleland Sneddon, Chief Executive of South Lanarkshire Council, would be retiring in January 2024. At that meeting, Solace nominated David Robertson, Chief Executive of Scottish Borders Council, as a member of the CEOMG, replacing Cleland.

1.5 Current members of the CEOMG have confirmed their membership of the group for a further year and Solace has approved these nominations for a further year. This allows for continuity in the strategic direction for Scotland Excel.

1.6 It is proposed that the CEOMG membership be as detailed below until December 2024:

Angela Scott	Aberdeen City Council
David Robertson	Scottish Borders Council
Greg Colgan	Dundee City Council
Eddie Fraser	East Ayrshire Council
Annemarie O'Donnell	Glasgow City Council
Alan Russell	Renfrewshire Council

1.6 Alan Russell chairs meetings of the CEOMG in line with the CEOMG procedures.

2. Recommendations

2.1 That the membership of the CEOMG, as detailed in paragraph 1.5, be agreed until December 2024; and

2.2 That it be noted that Alan Russell will chair meetings of the CEOMG.

Scotland Excel

To: Joint Committee

On: 8 December 2023

**Report by:
The Clerk**

Meetings of Scotland Excel Joint Committee in 2024

1. Summary

- 1.1 The purpose of this report is to seek approval for the proposed dates for meetings of the Scotland Excel Joint Committee in 2024.
- 1.2 In terms of Scotland Excel's Procedural Standing Orders:-
 5. The Joint Committee shall meet not less than two times in each calendar year. The dates, times and places for ordinary meetings of the Joint Committee shall be decided by the Joint Committee.
 6. A special meeting of the Joint Committee may be called at any time:
 - (a) by the Convener or Vice-Convener; or
 - (b) if at least one quarter of the total number of members require a meeting in writing specifying the business to be transacted.

Any special meeting shall be held within 14 days from the date when the Clerk receives a written request and at the time and place specified by the Clerk in consultation with the Convener.
- 1.3 The Joint Committee normally meets in June of each year to approve the draft accounts for Scotland Excel and also in November or December of each year to approve the budget. It is considered at this time that all of the business that requires to be transacted by the Joint Committee in 2024 can be dealt with at the two meetings.
- 1.4 The Executive Sub-committee, at its meeting held on 17 November 2023, decided meeting dates for 2024 and agreed that, if required, the Sub-committee would meet on 21 June and 6 December 2024, prior to meetings of the Joint Committee.

- 1.5 Currently, all Scotland Excel meetings are being held remotely using the Microsoft Teams platform and it is proposed that the Joint Committee continue to meet remotely using the Microsoft Teams platform.

2. Recommendations

- 2.1 That meetings of Scotland Excel Joint Committee be held remotely using the Microsoft Teams platform at 10.45 am on 21 June and 6 December 2024.