

Minute of Meeting Scotland Excel Executive Sub-committee

Date	Time	Venue
Friday, 19 May 2023	09:30	Remote using Microsoft Teams Platform,

Present

Councillor David Keating (Aberdeenshire Council); Councillor Kenny Macleod (Comhairle Nan Eilean Siar); Councillor Altany Craik (Fife 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); Councillor Dennis Leask (Shetland Islands Council); Councillor Peter Henderson (South Ayrshire 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 Richard and M Mitchell, both Strategic Programme Managers, L Campbell, Customer Services Manager, L Muir, Category Manager, S Christie, Commercial Programme Manager, C Richardson, Senior Procurement Specialist, LA Campbell, Academy Tutor, S Roberts, Project & Accounts Manager, N Hyde, Programme Manager, K Forrest, Office Manager and H Wood and R Baird, both Graduate Trainees (all Scotland Excel) and C McCourt, Head of Finance & Procurement (for items 1 to 6 only), A McMahon, Chief Auditor (for items 1 to 4 only), L Mitchell, Managing Solicitor (Contracts & Conveyancing), E Currie, Senior Committee Services Officer, K O'Neill, Assistant Democratic Services Officer and T McGowan, Senior Accountancy Assistant (all Renfrewshire Council).

Declarations of Interest

There were no declarations of interest 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 21 April 2023.

DECIDED: That the Minute be approved.

2 **Revenue Budget Monitoring Report to 31 March 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 2022 to 31 March 2023.

The report intimated that at the end of financial year 2022/23, Scotland Excel had generated a small overspend of £0.002 million in its core activities and an increase of £0.270 million in committed project reserves and that this was after a contribution from projects to core services of £0.253 million. Further detail was provided in section 3 of the report.

The report advised that the unaudited annual accounts for the year would be presented to the meeting of the Joint Committee on 16 June 2023.

Appendix 1 to the report provided an analysis of the actual spend at year-end for projects along with a summary of movement in the project reserves.

DECIDED: That the report be noted.

3 **Internal Audit Engagement - Workforce Planning Arrangements**

There was submitted a report by the Chief Auditor, Renfrewshire Council, relative to Internal Audit's report summary on workforce planning arrangements.

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 Sub-committee. 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 summary for the internal audit review of workforce planning arrangements, completed in December 2022, was appended to the report and detailed the overall assurance rating, the number of recommendations in each category and the detailed committee summary for the engagement.

DECIDED: That the summary for the Internal Audit engagement of workforce planning arrangements be noted.

4 **Internal Audit Annual Report 2022/23**

There was submitted a report by the Chief Auditor, Renfrewshire Council, relative to the Internal Audit Annual Report on Scotland Excel 2022/23.

The report intimated that the Public Sector Internal Audit Standards required that the Chief Auditor prepare an annual report on the internal audit activity's purpose, authority and responsibility as well as performance relative to its plan. The report must also provide an audit opinion on the overall adequacy and effectiveness of the internal control environment of the audited body.

The Annual Report for Scotland Excel formed the appendix to the report and outlined the role of internal audit, the performance of the internal audit team, the main findings from the internal audit work undertaken in 2022/23 and contained an audit assurance statement.

DECIDED: That the Internal Audit Annual Report 2022/23 be noted.

Sederunt

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

5 **Contract for Approval: Property Maintenance and Refurbishment**

There was submitted a report by the Chief Executive of Scotland Excel relative to the award of a first-generation national framework for property maintenance and refurbishment services for a period of two years from the commencement date, with an option to extend for up to a further 24-month period. It was noted that subject to approval and completion of a standstill period, it was intended that the framework would commence in June 2023.

The report intimated that the framework would provide members with a mechanism to procure a range of property maintenance and refurbishment services and would complement Scotland Excel's existing construction portfolio.

The report summarised the outcome of the procurement process for this national framework arrangement which had been divided into 15 lots and then subdivided by 12 geographical regions, as detailed in tables 1 and 2 of the report.

The report advised that the framework had been advertised with an estimated spend of £300 million over the maximum four-year term of the framework.

Tender responses had been received from 101 suppliers and Appendix 2 to the report provided a summary of the offers received. The report advised that two tenderers were deemed non-compliant and advised that their offers would not be considered further. Both tenderers were non-compliant for the lot and regions they tendered for as they failed to submit a required element of the commercial submission in accordance with the published tender. All non-compliant offers were detailed in Appendices 2 and 3 of the report.

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 scoring achieved by each bidder for each lot and region. Appendix 3 also detailed the lot specific regions where no offers had been received.

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-contractor framework arrangement be awarded to 88 suppliers across the 15 lots and respective geographic regions, 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. 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 one of the recommended tenderers had recently changed their company name and that all references to "Bell Group UK Limited" would now be "Bell Global Property Services (UK) Limited".

DECIDED:

(a) That the award of the multi-contractor framework for property maintenance and refurbishment, as detailed in Appendix 3 to the report, be approved; and

(b) That it be noted that one of the recommended tenderers had recently changed their company name and that all references to "Bell Group UK Limited" would now be "Bell Global Property Services (UK) Limited".

6 Request for Associate Membership: Robert Gordon University

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

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

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

7 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, and it was intended that a further six frameworks would be developed and added to the portfolio in the coming year. In addition, 22 frameworks would be renewed during 2023/24 and a further 12 of these frameworks had extension options that were available to be exercised in 2023/24, with 3 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 1.70%, which was slightly below the forecast range. This figure did not include the additional benefit to members for each framework via the indexation model which provided data on how the framework pricing compared to market indices relevant to the commodity being sourced. This was provided to ensure that Scotland Excel was able to manage pricing in volatile markets ensuring a favourable commercial outcome for members.

A summary of spend and forecast savings per council for the period January to December 2022 was detailed in Appendix 5 to the report, with an average forecast efficiency of circa 1.18%.

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

DECIDED: That the progress made to date be noted.

Sederunt

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

8 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 for 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 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 commitments contained within the operating plan 2022/23 be noted.

Sederunt

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

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 risks 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.

10 Date of Next Meeting

The Convener advised that the next meeting of the Executive Sub-committee scheduled to be held on 16 June 2023 would be cancelled due to lack of substantive business. Further that the next meeting of the Sub-committee would be held remotely on MS teams at 9.30 am on 18 August 2023.

DECIDED:

(a) That it be noted that the meeting of the Executive Sub-committee scheduled to be held on 16 June 2023 would be cancelled due to lack of substantive business; and

(b) That it be noted that the next meeting of the Sub-committee would be held remotely on MS teams at 9.30 am on 18 August 2023.