

Notice of Meeting and Agenda Scotland Excel Executive Sub-committee

Date	Time	Venue
Friday, 18 November 2022	09:30	Remotely by MS Teams,

MARK CONAGHAN
Clerk

Membership

Councillor (Aberdeenshire Council); Councillor Brenda Durno (Angus Council); Councillor Mandy Watt (City of Edinburgh Council); Councillor Kenny Macleod (Comhairle Nan Eilean Siar); Councillor Carolyne Wilson (Dumfries & Galloway Council); Councillor Altany Craik (Fife Council); Councillor Ruairi Kelly (Glasgow City Council); Councillor Derek Loudon (Highland Council); Councillor Christina Larsen (North Ayrshire Council); Councillor Gary Robinson (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).

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

Further Information

For further information, please either email democratic-services@renfrewshire.gov.uk or telephone 0141 618 7111.

Items of business

Apologies

Apologies from members.

Declarations of Interest

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

- | | | |
|-----------|---|----------------|
| 1 | Minute | 5 - 10 |
| | Minute of meeting of the Executive Sub-committee held on 21 October 2022. | |
| 2 | Chief Executive's Update Report to Chief Executive Officers Management Group (CEOMG) - November 2022 | 11 - 26 |
| | Report by Chief Executive of Scotland Excel. | |
| 3 | Draft Revenue Estimates 2023/24 | 27 - 34 |
| | Joint report by Treasurer and Chief Executive of Scotland Excel. | |
| 4 | Annual Audit Report on the Annual Accounts 2021/22 | |
| | Report by Treasurer. (not available - copy to follow). | |
| 5 | Contract for Approval: Supply and Delivery of First Aid Materials | 35 - 48 |
| | Report by Chief Executive of Scotland Excel. | |
| 6 | Request for Associate Membership: Perth College UHI | 49 - 50 |
| | Report by Chief Executive of Scotland Excel. | |
| 7 | Draft Corporate Strategy 2023/28 | 51 - 78 |
| | Report by Chief Executive of Scotland Excel. | |
| 8 | Draft Operating Plan for April 2023 to March 2024 | 79 - 88 |
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| 9 | Care Services Update | 89 - 92 |
| | Report by Chief Executive of Scotland Excel. | |
| 10 | Meetings of Scotland Excel Executive Sub-committee in 2023 | 93 - 94 |
| | Report by Clerk. | |

11 Date of Next Meeting

Note that the next meeting of the Executive Sub-committee will be held at 9.30 am on 9 December 2022.



Minute of Meeting Scotland Excel Executive Sub-committee

Date	Time	Venue
Friday, 21 October 2022	09:30	Remotely by MS Teams,

Present

Councillor Alastair Forsyth (Aberdeenshire Council); Councillor Brenda Durno (Angus Council); Councillor Carolyne Wilson (Dumfries & Galloway Council); Councillor Altany Craik (Fife Council); Councillor Ruairi Kelly (Glasgow City Council); Councillor Derek Loudon (Highland Council); Councillor Christina Larsen (North Ayrshire Council); Councillor Gary Robinson (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, S Brannagan, Head of Customer & Business Services, M Mitchell, Strategic Procurement Manager, M Robertson, Marketing & Communications Manager, G Sutherland, Assistant Category Manager, I Calder, Project & Account Manager, E Hay, Strategic Programme Manager, N French, Corporate Services Assistant, and C Mills, Graduate (all Scotland Excel); and C McCourt, Head of Finance & Business Services, L Mitchell, Managing Solicitor (Contracts & Conveyancing) and E Currie, Senior Committee Services Officer (all Renfrewshire Council).

Apologies

Councillor Mandy Watt (City of Edinburgh Council) and Councillor Kenny Macleod (Comhairle Nan Eilean Siar).

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 16 September 2022.

DECIDED: That the Minute be approved.

Sederunt

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

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 16 September 2022.

The report intimated that at the end of period 6, Scotland Excel was projecting an overspend position of £16,000 by year-end in its core activities and a planned £33,000 increase in committed project reserves by year-end. It was noted that both core and projects budgets would be monitored closely over the remainder of the financial year, targeting a break-even position for core operations by March 2023. 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 2022/23 and included a summary of movement in both the revenue reserve and the project reserves.

DECIDED: That the report be noted.

3(a) **Contract for Approval: Building Construction Consultancy**

There was submitted a report by the Chief Executive of Scotland Excel relative to the award of the first national framework for building construction consultancy 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, the framework was intended to commence around 1 December 2022.

The framework would provide members with a mechanism to procure services relating to buildings and their surrounding grounds. The report advised that, following delivery of Scotland Excel's New Build Residential Construction (NBRC) framework in 2019, there had been growing demand to deliver a consultancy framework to support the NBRC framework. Scotland Excel operated frameworks for other building construction works such as demolition, asbestos removal and energy efficiency contractors which this framework would also support.

The report summarised the outcome of the procurement process for this national framework which had been divided into 14 lots, as detailed in table 1 of the report. All lots were sub-divided by eight regions, as detailed in table 2 of the report, and it was noted that suppliers could opt to offer for one, some or all regions.

The report advised that the framework had been advertised with an estimated spend of £100 million over the maximum four-year period and Appendix 1 to the report detailed the participation and spend summary of those participating in the framework.

Tender responses had been received from 137 suppliers and Appendix 2 to the report provided a summary of the offers received. Suppliers who were deemed non-compliant for all lots tendered for were advised that their offers would not be considered further. One supplier was non-compliant as they rejected the advertised terms and conditions, and one supplier was non-compliant as they failed to submit a required element of their commercial submission.

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.

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 94 suppliers across the 14 lots, as outlined in Appendix 3 to the report.

Appendix 4 to 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, the framework had been classified as class B in terms of risk and spend, as detailed in Appendix 5 to the report.

DECIDED: That the award of the multi-supplier framework for building construction consultancy services, as detailed in Appendix 3 to the report, be approved.

Sederunt

Councillors Durno and Henderson joined the meeting during consideration of the following item of business.

3(b) Contract for Approval: Supply and Delivery of Street Lighting Materials

There was submitted a report by the Chief Executive of Scotland Excel relative to the fourth-generation framework for the supply and delivery of street lighting materials.

The Convener proposed that this report be withdrawn and this was agreed unanimously.

DECIDED: That the report be withdrawn.

3(c) Flexible Framework for Social Care Agency Workers: Revised Report

Under reference to item 3 of the Minute of the meeting of this Sub-committee held on 16 September 2022, there was submitted a report by the Chief Executive of Scotland Excel relative to the flexible framework for social care agency workers.

The report intimated that following approval of this flexible framework, an issue had been identified pertaining to one provider, SRS Partnership Limited, who had submitted offers for lot 1 (care roles) and lot 3 (ancillary roles). The report considered

at the meeting on 16 September 2022 should have detailed that the supplier's offer for lot 3 was non-compliant and would therefore not be recommended for award.

This update report advised that there were no changes to the recommended providers, however, the appendices containing information on those recommended for award required to be updated. The report further advised that in relation to Appendix 2, where the double asterisk was in place for SRS Partnership Limited, the note should state (recommended for part-award (lot 1) and is non-compliant (lot 3)) and that in relation to Appendix 3, where the double asterisk was in place for SRS Partnership Limited, the note should state (recommended for part-award (lot 1) and is non-compliant (lot 3)) and SRS should appear under lot 3 (same as for other non-compliant tenderers) with 'N/C' in the total column. Amended appendices 2 and 3 were appended to the report.

DECIDED: That the updated appendices 2 and 3, attached to the report, be approved.

3(d) **Contract for Approval: Outdoor Play and Sports Facilities Framework: Revised Report**

Under reference to item 4(b) of the Minute of the meeting of this Sub-committee held on 19 August 2022, there was submitted a report by the Chief Executive of Scotland Excel relative to the renewal framework for outdoor play and sports facilities for the period 1 August 2022 to 31 July 2024, with the option to extend for up to two 12 months. It was noted that subject to approval and completion of a standstill period, the flexible framework agreement was intended to commence on or around 1 December 2022.

The report intimated that following approval of this framework, a change was required to the recommendations for lot 6, as detailed in section 5 of the report.

The framework would provide members with a mechanism to procure goods, services and works relating to outdoor play areas, including outdoor parks, gyms and learning areas, multi-use games areas, wheeled sports areas and artificial surfaces.

The report summarised the outcome of the procurement process for the framework which had been divided into 11 lots, as detailed in table 1 of the report. It was noted that lots 7, 8, 9 and 10 had been subdivided by 5 regions and that tenderers could opt to offer for one, some or all regions; that lot 11 had been split into four product groups and that tenderers could opt to offer for one, some or all product groupings; and that for lots 1, 2, 3, 4 and 6, councils would only be able to award contracts under the framework using mini-competitions.

The report advised that the framework had been advertised with an estimated spend of £60 million over the maximum four-year period and that all 32 councils would participate in the framework as detailed in Appendix 1 to the report. The report advised that Advanced Procurement for Universities and Colleges, the NHS and the Scottish Government had confirmed participation in the framework.

Tender responses had been received from 37 tenderers and Appendix 2 to the report provided a summary of the offers received.

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 tenderer for each lot and regions and product groupings, where applicable.

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 30 suppliers across the 11 lots, as outlined in Appendix 3 to the report.

The report noted that, following the standstill period relative to the original recommendations, a concern had been raised regarding the value on which capacity of existing recommended bidders to undertake the anticipated work in lot 6 was based. Having reviewed matters on that basis, Scotland Excel determined that it was appropriate to revise its original recommendations for lot 6 to include an additional recommended bidder. The additional bidder was considered suitable for recommendation and ensured that there was sufficient choice and scope for members. This update was shown in Appendix 3 to the report for lot 6. All other recommendations detailed in the report approved on 19 August 2022 were unchanged.

Appendix 4 to 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, the framework had been classified as class C in terms of risk and spend, as detailed in Appendix 4 to the report.

DECIDED:

(a) That the award of the multi-contractor framework for outdoor play and sports facilities, as detailed in Appendix 3 to the report, be approved; and

(b) That it be noted that this superseded the decision of the Executive Sub-committee of 19 August 2022.

4 Request for Associate Membership: Glasgow Caledonian University

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

5 Update on the Contract Delivery Plan

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

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

The report highlighted that, at any given point, there were around 70 frameworks in the Scotland Excel portfolio. At present, three further frameworks were being developed to be added to the portfolio in the coming year and that 26 of these frameworks would

be completed before 30 June 2023. A further 23 of these frameworks had extension options that were available to be exercised in 2022/23, with 19 of these extensions already approved.

The estimated forecast value of the Scotland Excel framework portfolio would be approximately £2 billion. It was noted that overall, efficiencies created by frameworks awarded so far during 2022/23 were benchmarked at 2.09%, which was within the forecast range. The report noted that this figure did not include the additional cost management measures in place 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 to ensure a favourable position for members.

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 the construction, corporate, ICT and social care teams. A 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. This would mean that some existing frameworks within related markets were being considered for merger and some lower value frameworks would not be renewed.

A summary of spend and forecast savings per council for the period July 2021 and June 2022 was detailed in Appendix 5 to the report, with an average forecast efficiency of circa 1.44%.

DECIDED: That the progress made to date 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 18 November 2022.

Scotland Excel

To: Executive Sub-Committee

On: 18 November 2022

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

Chief Executive's Update Report to Chief Executive Officers Management Group (CEOMG) – November 2022

1. Summary

The purpose of this report is to share the Chief Executive's Update Report which was issued to Council Chief Executives at the CEOMG on 9 November 2022.

2. Background

The Scotland Excel CEOMG meets quarterly. As part of the regular governance process the Chief Executive provides an update on the work of Scotland Excel. Following discussions with the Scotland Excel Convener, it was agreed that this report – and any future reports – will be shared with members of the Scotland Excel Executive Subcommittee following the CEOMG meeting. The report shown at Appendix 1 provided an update to the CEOMG for the period between August 2022 and October 2022.

3. Recommendations

Members are asked to note the report.

Scotland Excel

To: Chief Executive Officers Management Group

On: 9 November 2022

Chief Executive's Update Report

1. Introduction

The purpose of this report is to provide the group with an update on key developments within Scotland Excel since the last meeting of the Chief Executive Officers Management Group on 17 August 2022.

2. Summary

Since the group last met there have been a number of developments:

3. Framework Portfolio

3.1 Corporate Services (including Digital)

ICT and Education Team

Technology Enabled Care Goods is currently in development, with publication scheduled by the end of November and award/mobilisation from March 2023.

The framework development activity for the Provision of a National Shared Alarm Receiving Centre (ARC) Solution continues, with the tender release anticipated by mid November. This has been a challenging exercise, but it is hoped that some of the delays in the schedule can be recovered to enable award recommendations to be made to the Executive Sub Committee in February. The framework for the Security Operation Centre will follow the ARC project as soon as the contract terms and conditions have been concluded.

In conjunction with the Local Government Digital Office (LGDO), an aggregated procurement exercise for Microsoft 365 for councils is under development. In the first instance this will support those councils with license renewal requirements towards the end of the year, and will continue throughout 2023 and beyond.

Online School Payments – an issue has arisen with a call-off by a Councils that has highlighted some issues with the technical response provided by one of the suppliers. We will be engaging with that supplier to find out what the issues are and how they intend to fix them.

SEEMiS – A number of procurement projects will be undertaken for SEEMiS over the next quarter including staff resourcing, Data Centre consolidation and Office 365 licensing.

Corporate Developments

Food inflation remains an area of concern and has now reached 14.5% in the 12 months to September 2022 according to Government data from the Office for National Statistics. This is markedly higher than overall inflation which is sitting at 10.1%. Food is now the second biggest contributor to inflation, overtaking transport this month. Increasing food prices continue to be driven by a multitude of factors including high input costs (such as energy, fertiliser and carbon dioxide) and the war in Ukraine.

The next generation Scotland Excel Frameworks for Janitorial Products, Fresh Meats, Cooked Meats and Fresh Fish and Audio Visual Equipment are in the final stages of development and with tender documentation due to be published on Public Contract Scotland – Tender during the month of November. These frameworks are due to go live in March and April 2023.

The framework for First Aid Materials is currently being evaluated and will be presented to the Executive Sub Committee in November 2022. Tenders for Fire Safety Equipment and Commercial Catering Equipment are being developed and will be published before the end of 2022. Prior Information Notices have been issued through Public Contracts Scotland for various operational supplies tender opportunities including Bottled Gas and Road Signage.

3.2 Care Services

Adult and Older Peoples Care

3.2.1 National Care Home Contract (NCHC)

The Redesign process for the NCHC is now underway. This collaborative process involves the Scottish Government, Local Government, COSLA, Provider Representatives, Unions, Care Inspectorate, Healthcare Improvement Scotland, Carers Groups, Independent Advocacy, Care Home Providers and Care Workers.

There have been delays in the process as provider representatives shared the care home sector's financial pressures. The focus now is on identifying the specifics of the challenges.

The NCHC annual negotiations were also due to begin, however this too has been delayed due to the current pressures and an agreement to focus on what financial solutions could be offered at this time.

Scotland Excel is conducting discussions with the Scottish Government in relation to the current cost pressures that care homes are experiencing and to offer advice on the contract in relation to additional practice and legislations such as vitamin D supplements for residents and the implementation of Anne's Law.

There are areas of the Redesign work that can continue, to agree a contract in principle that the current signatories of the NCHC can review toward the end of the negotiations period.

All new guidance and proposed legislation is being included to ensure it meets the changing demands of this sector.

The main themes of the Redesign have been on residents at the centre of the contract with a model built on sustainability and workforce, and exploring the possibility of whether the regulatory boundaries of the sector can adapt sufficiently. Scotland Excel has been invited to discuss the NCHC at a Scottish Government led four-nations meeting

3.2.2 Care Homes for Adults with Learning Disabilities Including Autism

This framework is due to expire on 16th September 2023 and the development of the new framework has begun. A survey has been issued to all local authorities to establish further improvements and best practice. A User Intelligence Group meeting, scheduled to take place on 18th November 2022, will help inform the strategy and advise any operational requirements going forward. There are currently 25 local authorities utilising the framework with an annual spend of approximately £21M.

3.2.3 Residential Rehabilitation

This 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 initial market research and analysis phase has concluded and options for national commissioning and the implementation phase of the project are being discussed with the Scottish Government.

The market research phase included questionnaires to existing and potential service providers and to Alcohol and Drug Partnerships(ADPs), and investigating models in other parts of the UK. Indicative spend on residential rehabilitation placements during 2021/22 is approximately £3M based on quarterly reports by ADPs to Public Health Scotland. The spend for 2022/23 is anticipated to increase as part of grant funding provided to ADPs for residential rehabilitation by the Scottish Government.

3.2.4 Care and Support

The framework has 138 providers and 439 services following the last reopening in April 2022. To date 12 of the 23 Participating Councils are utilising the framework and there is ongoing work with a further three councils intending to purchase from the framework. A re-opening consultation exercise is currently under consideration in response to a further three Councils seeking inclusion. A Prior Information Notice has been issued to the provider market to establish the level of interest.

3.2.5 Social Care Agency Workers

The 3rd generation framework is due to commence early November 2022. The key aim of the flexible framework is to increase the geographical coverage for purchasers, and to reduce the reliance on off-framework suppliers to meet the requirements as well as providing consistency for purchasers in regard to standard terms and conditions and the fees paid.

Children's Services

3.2.6 Children's Residential Care & Education

Scotland Excel proceeded to award the Children's Residential and Education, including Short Breaks, Services flexible framework in September and the framework went live on 1st October. The framework had 39 providers and 280 services recommended for award and allows for new entrants during its lifetime; interest has already been expressed by several providers that are keen to join the framework once it reopens.

The renewal framework reflects the feedback received from providers and councils to create a streamlined process that reduces the administrative burden on providers whilst increasing the information sharing and transparency around services and fees. The renewal framework also features continuing care services, which reflects the policy direction of supporting children and young people in placements over a longer time period, where it is appropriate to do so.

Scotland Excel will continue to mobilise the framework over the coming months, ensuring that providers and councils have access to all relevant framework information. This includes an interactive Service Directory for councils that features increased functionality including linking the service information to real-time Care Inspectorate grades. This aims to support commissioners with their decision making, and provide detailed information in a user-friendly format.

3.2.7 £500 Special Recognition Payment Project

A Special Recognition Payment (SRP) for eligible staff is being administered by Scotland Excel on behalf of the Northern Ireland Department of Health. Two portals set up to receive submissions closed on 31st July 2022. Whilst applicants are approx. 20% of the estimated number, this would be in line with the experience of administering the Scotland £500 payment. It is estimated that support for applicants will continue until early December 2022.

3.3 Construction Transport and Environment

3.3.1 Transport

The transport portfolio has included renewals of Salt for Winter Maintenance, Roadstone, Tyres and the supply of Heavy Vehicles. New development work has delivered a framework for Electric Vehicle Charging Infrastructure and a consultation on merging equipment requirements from our Light and Heavy Plant and Grounds Maintenance frameworks has started.

Roads Maintenance Materials is also to be renewed before the end of this financial year and will be combined with Construction Materials, a new framework which consolidates a range of materials sourced through the network of builders merchants.

3.3.2 Outdoor Play and Sports Facilities

This framework was extended using provisions made in the legislation, to bridge a gap in timings between the previous framework expiring and the next generation being awarded. A late request for a review of capability and capacity assumptions in the framework recommendations led to a delay in the award of this framework, with the standstill period re-starting in early November.

3.3.3 Building Construction Consultancy

This framework will provide members with a mechanism to procure services relating to buildings and their surrounding grounds. Following the delivery of Scotland Excel's New Build Residential Construction framework in 2019, there has been a growing demand for a consultancy framework. The framework will also facilitate other building construction works, such as demolition, asbestos removal and energy efficiency measures in properties.

The framework was developed to provide a route to market for professional services across a range of disciplines, with a lotting structure designed to ensure smaller and local businesses were able to compete.

3.3.4 Property Maintenance and Repair

There has been a long term need for a collaborative approach to working with contractors specialising in maintenance of residential and non-residential properties in the public sector. This framework is a first generation with lots design to allow commercial offers to be made under the national schedules of rates for this type of work. This simplifies the pricing for both clients and contractors, making the framework easier for both to operate.

3.3.5 Construction Materials

Previous updates on this framework have highlighted the intention to merge the procurement mechanisms for five related areas of spend. This work continues with consultation on the structure of the framework providing further options for consideration.

The Contract Strategy for this framework is in development and tender documents will be issued later this year.

3.4 Contract Delivery Plan Update

There are 72 current frameworks in the Scotland Excel contract portfolio, with 3 new frameworks to be developed and added to the portfolio. 26 of these frameworks are to be renewed before 30 June 2023. A further 23 of the frameworks on the current portfolio have extension options that are available to be exercised in 2022/2023, with 19 of these extensions already being approved. Overall, efficiencies delivered to date in 2022/2023 are 2.09%, which is within the forecast range. This efficiencies figure will continue to be monitored throughout 2022/2023.

The following contracts have been approved at Executive Sub Committee since Aug 2022:

3.4.1 Supply and Delivery of Roadstone Materials

This framework covers a range of coated, uncoated and recycled roadstone, as well as ready mixed concrete to support the requirements of councils' road departments. Given current market conditions and analysis including our indexation model, it was anticipated that an increase for roadstone materials was likely, and benchmarking has confirmed an average increase of around 1.97%. This is representative of the ongoing challenging market conditions faced by suppliers over the course of the last year. Analysis of our Indexation model, which predicts framework performance against market movement, demonstrates that our current framework pricing was approx. 6% below the market. When this is considered with the 1.97% increase, it is forecast that there will be an average of 4% cost avoidance against current market pricing.

3.4.2 Salt for Winter Road Maintenance

This framework covers a full range of salt and de-icing equipment and accessories including bulk and bagged rock salt, marine salt and treated salt to allow councils to deliver various public services. Given current market conditions and analysis including our indexation model, it was anticipated that an increase for salt products was likely, and benchmarking has confirmed an average increase of around 7.98%. Analysis of our indexation model suggests that the current framework costs are around 8% lower than the market price. When this is considered with the 7.98% increase, we would therefore recommend the new framework is approved with a neutral savings position.

3.4.3 Provision and Delivery of Washroom Solution and Sanitary Products

This framework will provide councils and associate members with a mechanism to procure a range of products and services including sanitary waste disposal, nappy waste disposal, sanitisers, air fresheners, sharps disposal, and medical waste disposal. An "on-loan" provision is also included for certain equipment, which is free of charge to Scotland Excel members, and also a second lot for sanitary products to support the Scottish Government's commitment to promote

dignity to women in educational establishments by providing free sanitary wear. The projected average saving is 0.38% which equates to an estimated total saving of approximately £24,000 per annum across all councils based on current forecast spend levels. Although the saving is slight, given the market movement including surging energy prices, fuel pricing and elevated oil and gas prices this is seen as a positive outcome. It should also be noted that the current framework contract is currently operating 20% under market conditions as detailed in the contract indexation report. This would represent a cost avoidance of approximately £1.2m against the estimated annual spend figure. This saving is in addition to the conducted benchmarking exercise and is a result of tight contract management procedures.

3.4.4 Building Construction Consultancy

This framework will provide members with a mechanism to procure services relating to buildings and their surrounding grounds. Following the delivery of Scotland Excel's New Build Residential Construction (NBRC) framework in 2019, there has been a growing demand to deliver a consultancy framework to support the NBRC framework. Scotland Excel operates frameworks for other building construction works, such as demolition, asbestos removal and energy efficiency contractors which this framework will also support. Due to the lack of comparable data, Scotland Excel did not benchmark the framework with councils' arrangements. An alternative approach of benchmarked costs against those on Scotland Excel's Engineering and Technical Consultancy Framework, a similar consultancy framework supporting another construction sector was used. The Engineering and Technical Consultancy Framework tendered in October 2020, demonstrated 3.7% average savings for councils, and despite high inflation between then and now, the Building Construction Consultancy rates have seen a minimal rise. This indicates that the Building Construction Consultancy Framework pricing is highly competitive.

3.5 Supply Chain Disruption

Since the first Coronavirus pandemic lockdown in March 2020, supply chain insecurity and associated financial pressures have been challenging.

Global economic and geopolitical factors are affecting supply chains, the most prominent being:

- Invasion of Ukraine; disruption to goods available from Ukraine
- Sanctions on Russia and Russian owed entities; ceasing supply from that area
- UK Exit from the European Union
- Coronavirus pandemic; production and logistics disruption
- Climate; wetter and hotter growing seasons disrupting crop cycles
- Disease; Avian Flu impact on poultry and eggs and agricultural pests on timber and crops for food

These factors mean there is significant complexity to manage in our supply chains, and many factors to take into consideration when managing costs and availability of supply. Notably, energy cost impacts, currency fluctuations and transport and logistics disruption are all additional costs affecting all types of public spend.

Scotland Excel has produced detailed, commodity focused analysis to our membership on these issues and the mitigating actions available through collaborative responses to the markets. These reports will continue to be provided throughout 2023 and the learning applied to contract and supplier management work, as well as to shaping framework renewals.

4. National Care Service (NCS) Bill Consultation

Following publication of the National Care Service Bill for the delivery of social care, social work and community health in Scotland on 20 June 2022, a call for views was initiated under Stage 1 of the parliamentary process for consideration by the Health, Social Care and Sport Committee, supported by other committees.

Scotland Excel submitted a response to this consultation on 31 August 2022 ([scotland-excel-ncs-consultation-response.pdf](#)). The response confirms Scotland Excel's support for the overarching aspirations of the Bill and its commitment to continuing to work in partnership to support improvement, and highlights concerns that the context of the current commissioning landscape and the contribution of good commissioning and improvement activity have not been fully recognised.

Scotland Excel attended the first NCS Forum on 3rd October, will participate in the Stakeholder Register where appropriate and has been invited to participate in the Adult Social Care Working Group on Ethical Commissioning on 16th November.

Early conversations have taken place with Scottish Government to consider unique and specialist workstreams which Scotland Excel are best placed to review. The scope of any work is not fully defined.

An invitation to attend the Health, Social Care and Sport Committee Meeting: 29 November 2022 has been accepted and planning is underway to prepare for questioning by the committee.

5. Scotland Excel 5 Year Strategy

Scotland Excel has been working throughout 2022 to create its new 5-year strategy. This has involved extensive stakeholder consultation including stakeholders within local government and beyond.

The strategy revolves around 5 goals for the organisation:

- Journey towards a net zero Scotland
- Support the financial sustainability of local public services
- Community wellbeing
- Resilient supply chains that maximise opportunities for Scottish businesses and the third sector
- Advancement of skills to deliver Scotland's economic transformation

The new strategy will be taken to the December Joint Committee for approval.

6. Savings Opportunities – A National approach to new opportunities

Throughout the history of Scotland Excel, opportunities to make savings and change patterns of buying have been provided to our membership. There has been a mixed response to this approach, with some members fully or partially implementing opportunities. Further good practice has arisen from working with framework suppliers but there has been limited collaboration in this regard.

The need to assess and maximise the potential for savings and efficiency in respect of all external and third party spend has never been greater. A national, collaborative approach to identifying and defining a methodology for achieving savings is therefore timely.

For the first tranche of strategic savings opportunities, Scotland Excel has identified eight areas in which savings can be achieved. Each of these have been developed with a short-term gain, and more detail on what is available to members with medium and long-term commitment to the changes required to access the saving.

7. The Academy

The Academy has 1,424 registered learners accessing content on our Moodle platform, with 132 learners participating in 8 accredited cohorts - four in procurement, two in leadership & management, one in project management and one in business analysis and innovation. There are also two hybrid procurement and leadership & management development programmes spanning five NHS health boards.

Nine accredited programmes are planned - three in procurement, three in leadership & management, two in project management and one in business analysis and innovation.

The Academy continues to deliver the Scottish Government procurement and commercial training framework across our public-sector. To date:

- 315 people attending 23 workshops to date.
- 5 open workshops are scheduled
- 12 closed (restricted to an organisation) workshops are scheduled.

Local Authorities continue to have a high uptake in utilising the framework.

The Academy recently delivered a taster session for the new serious organised crime programme of which 200 people participated. The first 2-day course is due to run in November with further dates scheduled for early next year.

Other suites of programme which are currently being designed and/or delivered include:

- a delegated procurement programme for Dumfries and Galloway council.
- a procurement and project management programme for Aberdeen Corporate Procurement Shared Service.
- a contract management programme for the Highland Council.

Academy Future Opportunities

We are currently exploring opportunities in response to our customers' requests for lower priced, shorter duration programmes and will consult with our community on the following:

- a scope of work with the SQA to ensure we can offer fit for purpose development programmes at significantly lower price points.
- Opportunity to develop new procurement programmes that will be co-branded by the Academy and the Scottish Government Property and Procurement Directorate fully align to the national procurement development framework.
- The creation of a new Graduate Apprenticeship (GA) programme in Procurement and Supply Chain Management with the purpose of offering a free degree development programme for our customers. We are currently exploring funding for the GA through the apprenticeship levy in collaboration with Development Scotland.
- Training to address gaps across the procurement community

8. Projects Update

8.1 Dumfries and Galloway Council

The programme of work within Dumfries and Galloway Council continues with the aim of improving control and visibility of procurement spend by restricting delegations to services for a period to give time for a full improvement programme to be delivered. Training sessions are in development for staff who have Delegated Procurement Authority to enhance skills and raise awareness of procurement within the organisation. These are due to commence over the coming weeks and will complement training sessions previously held with the council Elected Members and other Senior Stakeholders. Scotland Excel continues to support the Council on their Community Wealth Building journey and attended and exhibited at a Meet the Buyer South event in Selkirk on 4th October.

8.2 South Lanarkshire Council

The transformation programme with South Lanarkshire Council is now 11 months into the first year and progressing well. Phase 1 and Phase 2 projects have been approved and in the process of being implemented and savings realised. Phase 3 and Phase 4 projects will be presented during November 2022 and January 2023 respectively.

The target set at the start of the programme for savings in initial part of year one; 2022/23 was £300,000 and in year two and part year three was £500,000 each year.

To date, CMT at South Lanarkshire Council have approved projects which exceed year one and year two savings target, with a programme of projects identified for delivery in 2023/24 and 2023/25.

8.3 Stirling Council

With the programme entering its final few weeks work has focused on handing over the outcomes of the programme in the most sustainable way to best enable the team to thrive in the coming years.

Within the Community Wealth Building workstream, planning is underway for a series of thematic or spend area specific events in the coming months. One event early in the new year will be focused on local housing and facilities management suppliers, and supply chain opportunities. Another event based around Climate Change and Sustainability will take place shortly afterwards. These will be followed with an annual event in summer 2023 similar to the format of the launch event held earlier this year, and it's intended that this becomes an annual Community Wealth Building event.

Work continues around the future team structure, which the development framework activity will help to support, along with career and succession planning with a paper submitted outlining recommendations for the structure and ongoing support of the team to enable it to grow its influence and strive for continued success in the coming years.

8.4 East Renfrewshire Council

Work has recommenced on year three of the project and the focus is on developing a Community Wealth Building programme. Scotland Excel is working with the Council's Chief Procurement Officer and the new Assistant Economic Development Manager to develop this. Initial activity will focus on data set analysis and the planning of a workshop for key stakeholders. This workshop, due to take place in November, will be based around developing a shared understanding of local procurement, identifying opportunities to boost economic wellbeing in the area, as well as highlighting current good practice, challenges, and possible constraints on local procurement activity.

8.5 Flexible Procurement Services

The flexible procurement team continues to deliver for several Council and associate member clients, delivering a variety of procurement exercises and related activity on their behalf. The team is also working with several new clients as there continues to be a growth in demand for Flexible Procurement Services, in particular where organisations have procurement resource or expertise gaps.

The team has undertaken a structured marketing campaign which includes campaign letters, case studies and a brochure. The first two case studies have been released with a third in the works. The case studies highlight the way our members use the resource and the results achieved when making use of the flexible procurement services.

8.6 City Property Glasgow (Investments) LLP

City Property Glasgow (Investments) LLP continues to engage with Scotland Excel as their 'Procurement Partner' with a number of tenders having been prepared covering the waste streams from the Blochairn Food Market in the city. The tenders for Wood Waste and Cardboard Waste were run using the Scotland Excel Recyclable and Residual Waste framework and these are now completed and awarded.

The next sourcing requirement to be conducted for the waste streams is for support to engage with a consultancy around the market operations. In addition to this a tender is being prepared for a facilities maintenance contractor to provide services in an office location on the outskirts of Glasgow City Centre. The route to market will use a Crown Commercial Services framework and is expected to be completed before the end of 2022.

8.7 Improvement Service

Scotland Excel has provided support to the Improvement Service and Scottish Government for the development of a procurement process for employability services. The Flexible Dynamic Purchasing System (DPS) has now been established and councils are able to utilise it to publish tenders to relevant participants. The DPS also allows for new applicants to apply and join at any time during its lifetime, supporting changes in the market. The DPS will run alongside local commissioning arrangements and provisions and is intended to complement local contractual or procurement arrangements and therefore is not a mandatory route to market.

8.8 Community Wealth Building

Scotland Excel continues to work with Scottish Government and Local Authority partners, focussing on the 'Progressive Procurement' Community Wealth Building (CWB) pillar. A Community Wealth Building Toolkit, designed to provide a repeatable model to share with councils in support of their CWB journeys, has been created and published on the Scotland Excel Academy.

A workshop is being developed for East Renfrewshire council's key stakeholders and will take place in November. The workshop is designed to help develop a shared understanding of local procurement, identify opportunities to boost economic wellbeing in their area, as well as highlighting current good practice, challenges, and possible constraints on local procurement activity. Scotland Excel will present on the topic of Community Wealth Building at Procurex Scotland on 27th October and at a future Heads of Procurement event.

9. Climate Change

Scotland Excel is focused on bringing forward options for responsible sourcing in support of the Scottish Government's target to cut greenhouse gas emissions to net-zero by 2045.

Procurement teams continue to review all opportunities for lowering the emissions associated with the framework portfolio. New products, supplier innovation and logistics management all form part of the offering in the majority of our frameworks. Throughout 2022 the partnership work with other public agencies, the manufacturing base and Scottish Government has been built into the developing strategies for new frameworks as well as supplier development and management work.

At an organisational level Scotland Excel has prioritised the development of a Net Zero Strategy which will sit alongside the objectives set out in the 5-year Strategy from 2023 onwards. By making specific commitments about the way we do business, organise our activities and complete our procurement work we will strengthen the awareness of our teams and our members, increasing our overall impact.

10. Associate Membership including new Members

There have been Eight new associate members since the last CEOMG:

Caledonian MacBrayne
Dovetail Enterprises 1993 Ltd
Eden Court Highlands
Ferguson Marine Ltd
Hebridean Housing Partnership Ltd
Partick Housing Association Ltd
Provanhall Housing Association Ltd
Southside Housing Association Ltd

The total number of associate members of Scotland Excel currently stands at 144 for this reporting period. Since the last reporting period, Scotland Excel has added new housing association members keen to use the energy efficiency contract and to take advantage of the new property maintenance and refurbishment contract when it goes live early next year. Scotland Excel has a new 'supported business' associate member this period and are currently engaging with other third sector businesses for possible membership.

11. GO Awards

We were extremely proud to have our energy efficiency contractors (EEC) framework and our work in community wealth building, recognised at the Scottish GO Awards 2022 ceremony on 27 October.

The EEC framework won the Collaborative Procurement Initiative Award and our project to improve local capability and economic growth through community wealth building, was the winner of the Supply Chain Diversity Award.

We have an excellent track record at the Scottish GO awards, which celebrate excellence in public procurement.

Collaboration was at the very heart of the EEC framework development. This framework took collaboration to a new level by reaching out beyond our existing

stakeholder group and engaging experts, thought leaders and policy developers, to ensure an innovative approach to contract development.

This extensive level of collaboration continued after the framework was awarded with our Energy Efficiency Conference and Expo 'Building a Net Zero Scotland' which took place in Edinburgh in May this year.

Our community wealth building project was rooted in advancing the 'progressive procurement' pillar of Scotland's community wealth building agenda.

It was a pathfinder project, focused on four sample councils to help them further drive the ethos of 'grow local' within their local supply base. Another key outcome was creation of a toolkit for other councils and other public bodies to use, to strengthen local supply chains.

Scotland Excel

To: Executive Sub-Committee

On: 18 November 2022

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

Draft Revenue Estimates 2023/24

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 2023/24 along with indicative planning figures for 2024/25 and 2025/26.

2. Recommendations

- 2.1 It is recommended that members:

- note the Revenue Estimates of Scotland Excel for the financial year 2023/24 as shown in Table 1 of Appendix 1.
- note the requisitions from constituent authorities detailed in Appendix 2; and
- note the indicative estimates for 2024/25 and 2025/26.

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 and proposed requisitions for 2023/24 and outline an indicative projected position for 2024/25 and 2025/26. 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, following a prolonged period of change, arising from the UK's exit from the EU, the impact and now recovery from the COVID-19 pandemic, global supply chain issues following the invasion of Ukraine and increasingly volatile economic conditions, with very high current levels of inflation. These factors have influenced the revenue budget estimates for 2023/24, 2024/25 and 2025/26 contained within this report. Indeed, figures

presented for 2024/25 and 2025/26 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 the level of requisition required, and also to develop strategic savings opportunities for member authorities, to ensure that best value continues to be achieved through Scotland Excel.
- 3.4 Scotland Excel has provided an update on the proposed requisition increase to a number of stakeholder groups including the Society of Local Authority Chief Executives (SOLACE), the Chief Executive Officers Management Group (CEOMG), Procurement Improvement Programme (PiP) Steering group (procurement managers) and the Chartered Institute of Public Finance and Accountancy (CIPFA) Directors of Finance forum. Whilst the need for a requisition increase has been recognised by stakeholders, the challenging financial landscape was also clearly articulated.

4. Budget Assumptions

- 4.1 The expenditure budget is based on the following assumptions:
- 4.2 An estimated budget provision of 3% in relation to a pay award for 2023/24 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 2024/25 and 2025/26. These are estimates only, used to provide indicative figures for 2024/25 and 2025/26 and should be considered alongside the continuing economic uncertainty. It should be noted that the 2022/23 pay award (5%) has been included in 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 5% pay award for 2022/23), adjustment has been made to reflect the revised staffing structure currently in place within Scotland Excel and, as in previous years, there is a staffing turnover assumption of 5%. Revised Employers

National Insurance figures have also been incorporated in all employee cost figures, removing the Social Care NI Levy from future years.

- **Property Costs** – no inflationary element applied.
- **Transport Costs** – no inflationary element applied.
- **Transfer Payments** – as the Apprenticeship Levy directly relates to employee costs, this has been increased in line.
- **Supplies and Services** – the budget has been reduced to reflect the transfer of the cost of additional legal support from Renfrewshire Council to Support Costs, as this is now included within the Service Level Agreement (SLA) annual charge for services. This additional legal support is required due the size and increasing complexity of the Scotland Excel framework portfolio.
- **Support Costs** – budget has been increased to reflect the increased costs in relation to the Service Level Agreement (SLA) with Renfrewshire Council, which now includes additional legal costs, as noted above. This is the first increase in SLA costs in 3 years and reflects an inflationary increase in staffing costs in the delivery of services and also the changing mix of services being provided.

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

- **Council Requisitions** – At the Joint Committee in December 2021, members noted an indicative 3% increase in requisition for 2023/24 and this has now been applied (see also section 7 below).
- **Associate Income** – The budget has been amended to reflect pre-COVID estimates previously noted by the Joint Committee.
- **Income from Projects** – Includes anticipated income from several Projects, including Flexible Procurement Services, Consultancy Services 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 2023/24 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 2023/24, 2024/25 and 2025/26 is also presented in section 5 below.

4.6 In total, estimated non-requisition income for 2023/24 totals £1,061k representing 21% of operating costs for the year. This level of non-requisition income is estimated to continue into 2024/25 and 2025/26.

- 4.7 The current projected outturn position for 2022/23 is a break-even position for Core activities. Income and expenditure continues to be monitored closely throughout the financial year and reported regularly to the Executive Sub-Committee.

5. Income from Projects

- 5.1 **New Build Housing** – Income provision from the New Build project (£0k) reflects the continuing challenging environment within the construction sector, along with increased resource requirements for the ongoing development of the next generation New Build framework, which will be launched during 2024/25. No contribution from the New Build framework explains the projected reduction in Income from Projects figure for 2023/24; however, it is anticipated that the New Build framework will contribute to Income from Projects from 2024/25 onwards.

- 5.2 **Consultancy Services** – Income provision from Consultancy projects has been projected at £218k for 2023/24, reflecting the confirmed consultancy project portfolio at time of writing, and the growing market utilisation of the Flexible Procurement options being offered by Scotland Excel.

These 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.

- 5.3 **Learning and Development (Academy)** – Income provision from the Scotland Excel Academy for 2023/24 has been projected at £30k to reflect the continuing journey back to pre-pandemic activity levels. Transition from a high quality face-to-face, longer-term learning experience to an online environment continues to present challenges for the Academy; however, it is forecast to achieve its target contribution of £30k for 2022/23.

- 5.4 Overall, income from New Build Housing (£0k), Consultancy (£218k) and the Scotland Excel Academy (£30k) will contribute £248k to core operating costs recorded under Income from Projects.

- 5.5 **Rebates** – Income provision from Rebates for 2023/24 has been projected at £583k. This projection reflects the increasing number of Scotland Excel frameworks anticipating a rebate on activity during 2023/24 and the possible impact on framework spend levels due to the current challenging economic environment.

Income from Rebates for Scotland Excel depends entirely on expenditure levels made through its frameworks. During the COVID-19 and Brexit periods, expenditure levels across Scotland Excel frameworks have varied significantly

from pre-pandemic/pre-Brexit levels. Expenditure through some frameworks has reduced (e.g., Construction, Building Supplies), while others have experienced an increase in expenditure (e.g., Janitorial Supplies).

Estimated framework spend for 2023/24, 2024/25 and 2025/26 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 monitor expenditure levels across all its frameworks to ensure that forecast Rebate levels continue to be achievable, and will report any significant variation on budget to the Executive Sub-Committee.

6. Financial Overview

- 6.1 As outlined above, the financial outlook in the short and medium-term continues to be characterised by economic and operational uncertainty. At this point, areas of financial risk for the Joint Committee include: the uncertain and ongoing impact of both the COVID-19 pandemic and Brexit on Scottish Government funding allocations; increasing levels of inflation and cost of living and, the current volatility across the UK economy.
- 6.2 Members will be aware that a new funding model was approved at the June 2018 Joint Committee, which sees 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 the organisation, which requires to be appropriately mitigated through a prudent level of reserves.
- 6.3 It is estimated that Core uncommitted reserves will amount to £246k at the end of the 2022/23 financial year, which represents 5.0% of anticipated operating income in the year. This balance will be held to protect against any unforeseen costs that may arise as a result of the current levels of economic uncertainty. The minimum level of uncommitted reserves balance recommended by the Treasurer is 5%.
- 6.3 The information provided in Appendix 1 outlines the forecast year-end financial position for 2022/23, the proposed operating budget for 2023/24 and indicative figures for 2024/25 and 2025/26. The funding streams, as set out within the Funding Model Review approved by members at the June 2018 Joint Committee, have been incorporated into these estimates, making allowance where appropriate for the current economic uncertainty. These include the use of Associate income and income that is expected to be earned and generated by Projects during 2023/24. A 3% requisition increase has therefore been

recommended for financial year 2023/24 in line with the indicative figure noted by the Joint Committee in December 2021.

- 6.4 Indicative figures have been included within the paper for financial years 2024/25 and 2025/26 and propose a 3% increase in requisition in both years to address anticipated inflationary cost pressures. It should be noted, however, that this currently results in a projected deficit at the end of each of these years. These figures presented for 2024/25 and 2025/26 are indicative only; however, and Scotland Excel will continue to closely monitor operating costs across future years with a view to mitigating this position.
- 6.5 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 2023/24 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.

7. 2023/24 Member Authority Requisitions

- 7.1 An increase of 3% has been recommended for 2023/24 for member authority requisitions, as detailed in Appendix 2 of this report. As per the Minute of Agreement, member requisitions are calculated by aggregating a fixed annual membership fee, which is 20% of requisition total, with the remainder based on each member council's population as a proportion of total member population. For 2023/24, population numbers have been sourced from the 2021 mid-year population estimates published by the National Records of Scotland. It should be noted that the requisitions outlined do not include amounts payable by councils in relation to the National Care Home Contract.
- 7.2 In addition to member authority requisitions for 2023/24, Appendix 2 also details the estimated savings and estimated cost avoidance accrued by member authorities during 2021/22. Joint Committee representatives and all local authorities will receive their annual value reports during December 2022 detailing savings, cost avoidance, rebates and other member benefits.
- 7.3 Any future events that may materially affect these finances will be the subject of a report to the Joint Committee in December.
- 7.4 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	2022/23 Approved Budget £000	2022/23 Forecast Outturn £000	2023/24 Proposed Budget £000	2024/25 Indicative Budget £000	2025/26 Indicative Budget £000
Core Activity					
Employee Costs	4,096	4,075	4,207	4,435	4,598
Property Costs	217	216	217	217	217
Transport Costs	20	10	20	20	20
Supplies and Services	311	308	291	291	291
Transfer Payments	16	15	22	22	23
Support Costs	272	272	303	310	316
Total Core Operating Costs	4,932	4,896	5,060	5,295	5,465
Council Requisitions	(3,883)	(3,883)	(3,999)	(4,119)	(4,243)
Associate Income	(220)	(203)	(230)	(240)	(240)
Income from Projects	(286)	(267)	(248)	(298)	(293)
Rebates	(543)	(543)	(583)	(578)	(578)
Total Core Operating Income	(4,932)	(4,896)	(5,060)	(5,235)	(5,354)
Core Operating Deficit/(Surplus)	0	0	0	60	111
Uncommitted Reserves					
Opening Balance at 1 April	246	246	246	246	186
Use of Reserves	0	0	0	(60)	(111)
Closing Balance at 31 March	246	246	246	186	75
% of Operating Income	5.0%	5.0%	4.9%	3.6%	1.4%

Table 2	£000	£000	£000
Project Activity			
Employee Costs	1,416	1,607	1,534
Transport Costs	4	3	3
Supplies and Services	10	41	59
Transfer Payments	5	8	7
Support Costs	501	311	843
Total Project Costs	1,936	1,970	2,446
Income from Projects	(2,111)	(2,261)	(2,868)
Project Deficit / (Surplus)	(175)	(291)	(422)
Transfer to Core	286	258	248
Transfer from Project Reserves	111	(33)	(174)
Project Reserves			
Opening Balance at 1 April	1,096	1,096	1,129
Use of Reserves	(111)	33	174
Closing Balance at 31 March	985	1,129	1,303
% of Operating Income	46.7%	49.9%	45.4%

Appendix 2

Member Requisitions 2023/24 & Savings Achieved 2021/22

Requisition by Authority	2022/23	2023/24	Savings Achieved 2021/22	Cost Avoidance 2021/22	Savings + Cost Avoidance
Aberdeen City	£154,289	£157,769	£522,792	£117,900	£640,692
Aberdeenshire	£172,791	£178,354	£196,183	£117,900	£314,083
Angus	£90,340	£92,786	£93,178	£117,900	£211,078
Argyll and Bute	£73,094	£75,330	£207,863	£117,900	£325,763
City of Edinburgh	£322,741	£332,351	£570,882	£117,900	£688,782
Clackmannanshire	£53,574	£55,083	£177,811	£117,900	£295,711
Dumfries and Galloway	£108,910	£111,859	£239,499	£117,900	£357,399
Dundee City	£109,171	£111,234	£266,678	£117,900	£384,578
East Ayrshire	£93,643	£96,230	£321,538	£117,900	£439,438
East Dunbartonshire	£86,041	£88,571	£162,844	£117,900	£280,744
East Lothian	£85,160	£88,967	£259,424	£117,900	£377,324
East Renfrewshire	£78,587	£81,378	£336,691	£117,900	£454,591
Falkirk	£115,750	£118,812	£858,024	£117,900	£975,924
Fife	£236,667	£243,764	£592,699	£117,900	£710,599
Glasgow City	£384,257	£395,787	£766,389	£117,900	£884,289
Highland	£158,361	£163,975	£29,493	£117,900	£147,393
Inverclyde	£68,506	£69,772	£299,656	£117,900	£417,556
Midlothian	£76,841	£80,269	£91,297	£117,900	£209,197
Moray	£78,752	£81,279	£77,661	£117,900	£195,561
Na h-Eileanan Siar	£39,462	£40,547	£68,568	£117,900	£186,468
North Ayrshire	£100,881	£103,352	£408,192	£117,900	£526,092
North Lanarkshire	£218,370	£224,305	£419,396	£117,900	£537,296
Orkney Islands	£36,932	£38,153	-£3,588	£117,900	£114,312
Perth and Kinross	£110,667	£114,789	£264,809	£117,900	£382,709
Renfrewshire	£126,104	£130,044	£411,142	£117,900	£529,042
Scottish Borders	£89,947	£92,727	-£8,223	£117,900	£109,677
Shetland Islands	£37,301	£38,387	-£5,213	£117,900	£112,687
South Ayrshire	£88,298	£90,643	£121,884	£117,900	£239,784
South Lanarkshire	£206,520	£213,347	£389,087	£117,900	£506,987
Stirling	£77,836	£79,562	£127,725	£117,900	£245,625
West Dunbartonshire	£74,834	£76,246	£553,062	£117,900	£670,962
West Lothian	£128,379	£133,337	£513,863	£117,900	£631,763
	£3,883,006	£3,999,008	£9,331,306	£3,772,800	£13,104,106

Cost Avoidance 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.

Scotland Excel

To: Executive Sub-Committee

On: 18 November 2022

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

Tender: Supply and Delivery of First Aid Materials

Schedule: 1022

Period: 09 January 2023 until 08 January 2026 with the option to extend for a period of up to 12 months until 08 January 2027

1. Introduction and Background

This recommendation is for the award of the second-generation renewal framework for the Supply and Delivery of First Aid Materials.

This framework has been developed by the Operational Supplies and Services Team with a streamlined approach with key stakeholders, which has resulted in shorter procurement cycles and a more flexible approach to stakeholder engagement. This improves the outcomes for councils by reducing resource pressure on councils, consolidating demand and provides new collaborative procurement opportunities.

This framework will provide councils and other participating bodies with a mechanism to follow the Health and Safety (First-Aid) Regulations 1981 and to procure a range of first aid materials for the workplace and the community. The framework will include, but is not limited to, first aid kits, gloves, ice & heat packs, wipes & tissues, hand sanitiser & soap, dressings & plasters, and other associated products.

This proposed framework will be for a period of three years from 9 January 2023 until 8 January 2026 with the option to extend for a period of up to 12 months until 8 January 2027.

This report summarises the outcome of the procurement process for this national framework arrangement and presents recommendations for award.

2. Scope, Participation and Spend

As part of the strategy development, the commercial user intelligence group steering group (CUIG-SG) endorsed the inclusion of two lots as summarised in Table 1.

Table 1: Lotting Structure

Lot Number	Description of sections	Estimated %age of Spend
Lot 1	First Aid Materials & Associated Products	80%
Lot 2	Automated External Defibrillators (AEDs)	20%

The lot structure remains unchanged from the previous generation with a greater emphasis on the products listed within Lot 1.

As detailed in Appendix 1, 32 councils have confirmed their intention to participate in this framework, with all councils included in the advertised contract notice.

The framework was advertised at a total value of £1.5 million per annum, which equates to an estimated spend of £6 million over the maximum 4-year term of the framework. This advertised spend allows for increased participation from councils and associate members not currently utilising the framework.

3. Procurement Process

A Prior Information Notice (PIN) was published on 15 July 2022 which resulted in expressions of interest from 26 companies. A number of supplier engagement meetings were held on the basis of Regulation 41 (Preliminary Market Consultation) of the Public Contracts (Scotland) Regulations 2015 to understand the current marketplace, inform the supply base of Scotland Excel's intentions and to generate interest from Small to Medium Sized Enterprises (SMEs).

Thereafter, the Contract Notice was published via the Find A Tender and Public Contracts Scotland (PCS) portal on 22 September 2022, with the tender documentation being immediately available via the Public Contracts Scotland Tender (PCS-T) system. The tender exercise was conducted and concluded in accordance with the law and procedures currently in force.

As a matter of best practice and to ensure that the framework aligned with councils' requirements, a programme of consultation was conducted to understand their service requirements, the technical aspects of these services and their current purchasing practices and the future requirements that could be covered by this framework. This information was used to generate the specifications and selection/award criteria.

Scotland Excel has taken cognisance of the current situation relative to the Coronavirus pandemic. Balancing the current situation with the need to provide a route to market for councils to obtain first aid materials, Scotland Excel has determined to proceed with the tender exercise to establish the above framework. Scotland Excel has carefully monitored the situation throughout the period of the tender exercise and determined it was appropriate to undertake this renewal tender exercise and recommend the establishment of this framework.

The procurement exercise followed an open tender procedure to encourage maximum competition and participation. All suppliers were evaluated against the advertised selection criteria using the Single Procurement Document (SPD), and the stated award criteria of:

1. Technical 20%
2. Commercial 80%

Within the technical section, bidders were required to evidence their knowledge and experience by responding to a series of technical areas which are detailed within table 2 below:

Table 2: Technical Criteria

Description	Weighting
Fair Work First	5
Community Benefits	5
Contract Management and Customer Service	5
Sustainability	5
Total score	20

The commercial section of the tender was worth 80 points. Points were awarded in the commercial section based on comparison of all offers received, whilst accounting for the tenderer's response to the commercial award criteria. In both lots, tenders were evaluated on the basis of a 'basket of goods'. Tenderers required to submit a price for at least 80% of the goods listed within the schedule of offer(s), otherwise their offers would have been deemed non-compliant and removed from the evaluation process.

Following a full evaluation of all compliant offers, scoring was completed in accordance with the published tender evaluation methodology, and a score was calculated for each tenderer

4. Report on Offers Received

The tender document was downloaded by 31 organisations, with 8 tender responses received by the specified closing date and time. A summary of all offers received is provided in Appendix 2.

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

5. Recommendations

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

The 3 recommended suppliers offer best value and represent a mix of small, medium and large organisations. By taking an inclusive approach this will provide members with a greater offering.

The range of suppliers recommended provides coverage for all awarding framework lots and competitive options for all participating bodies as well as offering a degree of choice and capacity.

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

6. Benefits

Savings

Scotland Excel has conducted a benchmarking exercise comparing current costs against the costs submitted within the renewal tender. The result of this benchmarking is listed in Appendix 1. The projected average saving across all councils is 4.5%, which equates to an estimated total saving of approximately £41k per annum based on current forecast spend levels. In addition, analysis of our indexation model shows that the current framework costs are around 10% lower than the marketplace.

Price Stability

The framework applies 12 months fixed pricing to all lots. Thereafter, all requests for price increases will be evaluated according to the Terms and Conditions of the framework and require to be supported by documentary evidence.

Rebate

A rebate of 0.5% payable to Scotland Excel will be applied to framework spend above £100,000 (excluding the initial £100,000) and will be calculated based upon all framework spend with the supplier reported through management information returns.

Sustainability

Within the technical section of the tender, Scotland Excel included a sustainability related method statement, which included questions on the following:

- Waste
- Transportation
- Supply Chain

Responses received as part of the tender exercise are summarised, below:

One supplier requires that all supplier delivery vehicles are Fleet Operator Recognition Scheme (FORS) accredited and compliant with low emission zones (LEZ). In January 2022 they switched their pallet haulier to a company that has a progressive climate programme.

One supplier's premises is built on a brownfield site, meaning the building is highly insulated, low on fuel consumption, has an eco-heat air source and a rainwater harvesting system used to function their waste system.

Further responses included lowering carbon emissions from delivery vehicles through automatic consolidation of shipments, at the request of customers, reducing the frequency of deliveries and by picking up shipments from suppliers on return journeys to prevent extra deliveries and "empty running".

Scotland Excel will continue to monitor any changes in legislation that may affect the framework during its lifetime and will work with successful suppliers and councils to implement these.

Community Benefits

Scotland Excel is committed to maximising community benefits delivery for our members. Suppliers were asked to commit to the delivery of community benefit initiatives, against pre-agreed spend thresholds outlined within the community benefits method statement. These aim to be reflective of the National Indicators outlined within the Scottish Government's National Performance framework, and their underlying vision and goals. Councils will accrue 'community benefit points' based on their level of spend with a supplier. These 'points' correlate to a negotiable benefit that the council can elect to receive at any given point throughout the lifetime of the framework. Of the recommended suppliers, all 3 have committed to delivering these benefits. Scotland Excel will continue to engage with all appointed suppliers to drive maximum adoption and delivery of community benefits where appropriate

Within the published tender documents, suppliers were given a list of indicative community benefits that could be agreed with councils. Examples of these are:

- employability workshop or events in schools, college or community groups
- sponsorship of local sports teams and community events
- donations of products and vouchers
- recruitment of full-time employees

Scotland Excel will monitor delivery of these commitments during the lifetime of the framework, and this will also be reported through ongoing contract management returns. Results reported on community benefits will be disseminated to councils on a 6 monthly basis.

Fair Work First including the Real Living Wage

Scotland Excel and its members are committed to the delivery of high-quality public services and recognise that this is dependent on a workforce that is well-rewarded, well-motivated, well-led, has access to appropriate opportunities for training and skills development, are diverse and is engaged in decision making. Within the technical section of the tender, bidders were assessed on their approach to fair work practices and payment of the Real Living Wage to their workforce. Of the 3 recommended bidders, all pay the Real Living Wage, with 1 supplier being accredited, as detailed in Appendix 4 - List of Recommended Suppliers with Living Wage Status.

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

7. Contract Mobilisation and Management

As part of the mobilisation process, all suppliers will be offered a contract mobilisation meeting to outline the operation of the framework, including roles and responsibilities, management information and community benefit commitments. Both suppliers and participating members will be issued with a mobilisation pack containing all required details to utilise the framework.

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

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

8. Summary

This second-generation framework for the Supply and Delivery of First Aid Materials continues to maximise collaboration, promote added value and deliver best value. A range of benefits can be reported in relation to savings, price stability, sustainability and community benefits.

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

Appendix 1 – Participation, Spend and Savings Summary

Supply and Delivery of First Aid Materials 1022

Member Name	Participation in Contract	Participation Entry Date	Estimated Annual Spend (£)	Source of Spend Data	Indexation (%)	% Estimated Forecast Savings	Estimated Annual Savings (£)	Basis of Savings Calculation
Aberdeen City Council	Yes	09 January 2023	£0	Suppliers MI	10%	4.5%	£0	Benchmarked Current Framework
Aberdeenshire Council	Yes	09 January 2023	£404	Suppliers MI	10%	4.5%	£18	Benchmarked Current Framework
Angus Council	Yes	09 January 2023	£12,541	Suppliers MI	10%	4.5%	£564	Benchmarked Current Framework
Argyll & Bute Council	Yes	09 January 2023	£24,122	Suppliers MI	10%	4.5%	£1,085	Benchmarked Current Framework
City of Edinburgh Council	Yes	09 January 2023	£17,991	Suppliers MI	10%	4.5%	£810	Benchmarked Current Framework
Clackmannanshire Council	Yes	09 January 2023	£100	Suppliers MI	10%	4.5%	£5	Benchmarked Current Framework
Comhairle nan Eilean Siar	Yes	09 January 2023	£18,435	Suppliers MI	10%	4.5%	£830	Benchmarked Current Framework
Dumfries & Galloway Council	Yes	09 January 2023	£8,610	Suppliers MI	10%	4.5%	£387	Benchmarked Current Framework
Dundee City Council	Yes	09 January 2023	£42,566	Suppliers MI	10%	4.5%	£1,915	Benchmarked Current Framework
East Ayrshire Council	Yes	09 January 2023	£59,634	Suppliers MI	10%	4.5%	£2,684	Benchmarked Current Framework
East Dunbartonshire Council	Yes	09 January 2023	£26,615	Suppliers MI	10%	4.5%	£1,198	Benchmarked Current Framework
East Lothian Council	Yes	09 January 2023	£29,685	Suppliers MI	10%	4.5%	£1,336	Benchmarked Current Framework
East Renfrewshire Council	Yes	09 January 2023	£71,223	Suppliers MI	10%	4.5%	£3,205	Benchmarked Current Framework
Falkirk Council	Yes	09 January 2023	£15,956	Suppliers MI	10%	4.5%	£718	Benchmarked Current Framework
Fife Council	Yes	09 January 2023	£777	Suppliers MI	10%	4.5%	£35	Benchmarked Current Framework
Glasgow City Council	Yes	09 January 2023	£174,720	Suppliers MI	10%	4.5%	£7,862	Benchmarked Current Framework
Highland Council	Yes	09 January 2023	£2,221	Suppliers MI	10%	4.5%	£100	Benchmarked Current Framework
Inverclyde Council	Yes	09 January 2023	£46,536	Suppliers MI	10%	4.5%	£2,094	Benchmarked Current Framework
Midlothian Council	Yes	09 January 2023	£337	Suppliers MI	10%	4.5%	£15	Benchmarked Current Framework
Moray Council	Yes	09 January 2023	£6,312	Suppliers MI	10%	4.5%	£284	Benchmarked Current Framework
North Ayrshire Council	Yes	09 January 2023	£13,555	Suppliers MI	10%	4.5%	£610	Benchmarked Current Framework
North Lanarkshire Council	Yes	09 January 2023	£67,915	Suppliers MI	10%	4.5%	£3,056	Benchmarked Current Framework
Orkney Islands Council	Yes	09 January 2023	£0	Suppliers MI	10%	4.5%	£0	Benchmarked Current Framework
Perth & Kinross Council	Yes	09 January 2023	£16,612	Suppliers MI	10%	4.5%	£748	Benchmarked Current Framework
Renfrewshire Council	Yes	09 January 2023	£16,924	Suppliers MI	10%	4.5%	£762	Benchmarked Current Framework
Scottish Borders Council	Yes	09 January 2023	£9,737	Suppliers MI	10%	4.5%	£438	Benchmarked Current Framework
Shetland Islands Council	Yes	09 January 2023	£0	Suppliers MI	10%	4.5%	£0	Benchmarked Current Framework
South Ayrshire Council	Yes	09 January 2023	£16,637	Suppliers MI	10%	4.5%	£749	Benchmarked Current Framework
South Lanarkshire Council	Yes	09 January 2023	£51,706	Suppliers MI	10%	4.5%	£2,327	Benchmarked Current Framework
Stirling Council	Yes	09 January 2023	£1,679	Suppliers MI	10%	4.5%	£76	Benchmarked Current Framework
Tayside Contracts	Yes	09 January 2023	£2,596	Suppliers MI	10%	4.5%	£117	Benchmarked Current Framework
West Dunbartonshire Council	Yes	09 January 2023	£77,094	Suppliers MI	10%	4.5%	£3,469	Benchmarked Current Framework
West Lothian Council	Yes	09 January 2023	£51,670	Suppliers MI	10%	4.5%	£2,325	Benchmarked Current Framework
Totals			£884,910					
Associate Members	Yes	09 January 2023	£18,429	Suppliers MI	10%	4.5%	£829	Benchmarked Current Framework
Totals			£903,339				£40,650	

Appendix 2 – List of Tenderers with SME Status

Appendix 2 details: all organisations who submitted a valid offer as part of the tender process, their SME status, location and the lots for which they have bid.

This appendix should comprise of one table, detailing all tenderers in alphabetical order, as is shown below:

Tenderer's Name	SME Status	Location	Lots Tendered	Lots Awarded
Aero Healthcare Ltd	Small	Horsham	1 & 2	1 & 2
Arco Limited	Large	Hull	1 & 2	1
Boyd Group (Scotland) Limited	Small	Dumfries, Dumfries & Galloway	1	N/A
Crest Medical Limited t/a Wallace Cameron International	Medium	Warrington	1 & 2	N/A
Fast-Aid Products Limited	Small	Loanhead, Midlothian	1	1
Pro Health Solutions Ltd	Micro	Altrincham	2	N/A
Reliance Medical Ltd	Medium	Stoke-on-Trent	1 & 2	N/A
Scientific Laboratory Supplies Limited	Large	Yorkshire	1	N/A

Appendix 3 - Scoring and Recommendations

Appendix 3 shows the final score each tenderer received for each lot.

Lot 1 – First Aid Materials & Associated Products		
Tenderer	Score	Award: Yes/No
Fast-Aid Products Limited	98.75	Yes
Arco Limited	96.73	Yes
Aero Healthcare Ltd	90.11	Yes
Crest Medical Limited t/a Wallace Cameron International	73.19	No
Scientific Laboratory Supplies Limited	72.95	No
Boyd Group (Scotland) Limited	71.79	No
Reliance Medical Ltd	71.45	No

Lot 2 – Automated External Defibrillators (AEDs)		
Tenderer	Score	Award: Yes/ No
Aero Healthcare Ltd	98.75	Yes
Crest Medical Limited t/a Wallace Cameron International	70.51	No
Reliance Medical Ltd	69.17	No
Pro Health Solutions Ltd	66.00	No
Arco Limited	64.31	No

Appendix 4 – List of Suppliers with Living Wage Status at Point of Tender

Supplier	Accredited	Progress towards accreditation	Committed to gaining accreditation over the first 2 years of framework	Not accredited but pay Real Living Wage	Neither accredited nor paying Real Living Wage but commit to paying within the initial 2 years	Neither accredited nor paying Real Living Wage
Aero Healthcare Ltd	X					
Arco Limited				X		
Fast-Aid Products Limited				X		

Appendix 5 – Segmentation classifications

1022 Supply and Delivery of First Aid Materials is classified as class D.

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

Class A

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

Class B

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

Class C

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

Class D

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

Class E

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

Scotland Excel

To: Executive Sub-Committee

On: 18 November 2022

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

Request for Associate Membership of Scotland Excel by Perth College UHI

1. Background

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

Organisations apply to Scotland Excel for Associate Membership to allow them to access the frameworks for goods and services which are in place for our members. Associates do not have the opportunity to influence the future contract delivery schedule which is reserved for the full local authority members.

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

2. Organisation Background

- 2.1 Perth College UHI provides further education and higher education in the city of Perth, Scotland. It is part of the university of the Highlands and Islands partnership.
- 2.2 Perth College UHI is an accredited real living wage employer.

3. Associate Membership Process

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

satisfactory validation checks have been completed in relation to this application.

- 3.2 Scotland Excel monitors all requests from applicants to become associate members to ensure that any legal requirements are met. In this case, The Board of Management of Perth College UHI can be recommended for associate membership access in accordance with the Local Authorities (Goods and Services) Act 1970 section 1 (1B)(b).

- 3.3 Fees are determined in a number of ways:

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

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

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

4. Recommendations

- 4.1 It is recommended to committee that The Board of Management of Perth College UHI application to join Scotland Excel as an associate member be approved, with no annual fee as part of the reciprocal agreement and subject to the agreement document.

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Scotland Excel

To: Executive Sub-Committee

On: 18 November 2022

Report by:

Chief Executive of Scotland Excel

Draft Corporate Strategy 2023-28

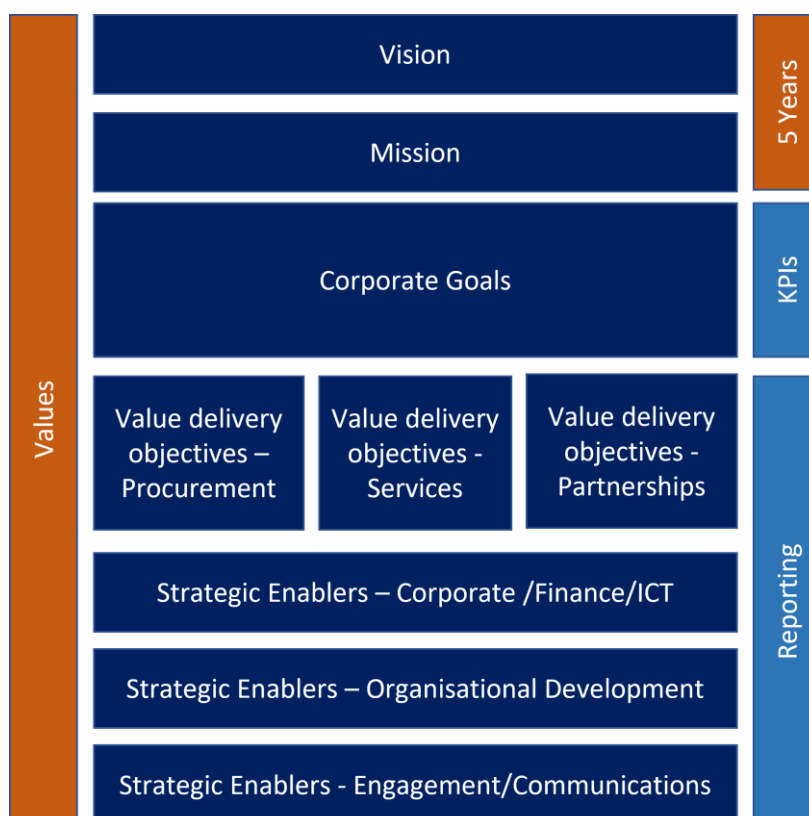
1. Purpose of the report

In June 2021, Scotland Excel's Joint Committee approved a five-year corporate strategy for the organisation. As this strategy period will end on 31 March 2023, the organisation has been working on the development of a new corporate strategy which will be presented to the Joint Committee in December 2022.

The purpose of this report is to provide the Executive Sub-Committee with an opportunity to review the proposed corporate strategy in advance of its submission to the Joint Committee.

2. Strategic planning process

Scotland Excel follows a robust strategic planning process to develop its corporate strategy and operating plans as illustrated by the graphic below:



The future vision of the organisation is supported by a mission statement based on business capabilities. Five corporate goals have been developed to reflect the key priorities of local authorities:

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

All these goals influence the strategic commitments made by Scotland Excel to ensure that the delivery of procurement and commissioning, services, and partnerships meet the requirements and expectations of members. Delivery is supported by strategic enablers – key business activities that ensure the successful implementation of the strategy. All aspects of the strategy are underpinned by corporate values shared by all of our staff – professional, respectful, courageous and integrity.

Annual operating plans will be developed to provide more detailed information on the actions and activities that Scotland Excel will undertake each year to deliver the strategy. This approach ensures the flexibility to develop and implement appropriate plans to meet the corporate goals within a changing public sector landscape.

3. Strategic direction 2023-18

The new corporate strategy builds on the progress made by Scotland Excel over the past five years, and was developed in close consultation with local authority stakeholders and Scotland Excel staff. It responds to financial challenges facing local government and the wider public sector, while recognising other key social, economic and environment drivers that are important nationally and locally – climate change, community wellbeing, supply chain resilience, and skills development

4. Monitoring and reporting

As with the previous strategy and operating plans, progress reports will be produced quarterly to track Scotland Excel's performance. Half yearly and annual will be submitted to Joint Committee meetings in December and June, with reports for the interim quarters submitted to the Executive Sub-Committee. A set of Key Performance Indicators (KPIs) which measure our performance against the five corporate goals will be developed, and we will report against these indicators on annual basis.

5. Recommendation

The members of the Executive Sub-Committee are invited to review and comment on the proposed Corporate Strategy 2023-28 in advance of its submission to the Joint Committee in December.



Corporate Strategy

01 April 2023 – 31 March 2028

Foreword

In May 2022, following the local council elections, I was delighted to have the opportunity to act as Convener of Scotland Excel for a second term.

Coming from a procurement background, I already understood the value that can be delivered through a professional and strategic approach to sourcing and contract delivery. However, during my first five years as Convener, I came to truly understand just how valuable the work of Scotland Excel is for our sector.

Scotland Excel has worked hard over the years to dispel the myth that procurement is only about savings and efficiencies. Every framework developed by the organisation is underpinned by a strategic sourcing strategy that considers the impact of the procurement across National Outcomes, as well as the ways in which it can support local policies and priorities for social value and economic development.

Since 2013, Scotland Excel has incorporated community benefits into frameworks which have generated 1,650 jobs, 367 apprenticeships, almost 73,000 hours of work experience, and over £3m for local causes.

There are more than 600 Scottish suppliers, contractors and care providers on Scotland Excel frameworks, representing over 60% of the total number and almost 65% of total spend. Around 81% of these are SMEs. Scotland Excel encourages suppliers to pay the Real Living Wage to their employees, and 86% have confirmed that they do.

Of course, the past few years have brought unprecedented challenges for both the public and private sectors, and I was proud of how quicky and effectively the organisation responded to the Covid-19 pandemic.

With an almost seamless transfer to remote working, Scotland Excel was immediately on hand to support members with regular news and bulletins about the impact on procurement, as well as help them source essential goods for managing the pandemic. Contract delivery plans were adapted to recognise the difficulties faced by suppliers bidding for frameworks while many of their staff were on furlough.

I was particularly impressed by Scotland Excel's offer of temporary free associate membership to all eligible public sector and third sector organisations to help them during the pandemic. As many of these organisations work in partnership with local government, or provide services on their behalf, this initiative signified a genuinely holistic approach to supporting communities at this time.

Despite the challenges of the past few years, there is much to celebrate in what Scotland Excel has achieved. Ground-breaking frameworks such as new build residential housing, energy efficiency contractors, and electric vehicle charging infrastructure provide an effective route to market for services that help us create a better built environment for our communities, while supporting our journey towards net zero.

A new framework for care and support services facilitates the commissioning of personalised services for those who need them, while ongoing work with a wide range of stakeholders to refresh the national care home contract will demonstrate its value regardless of any future changes to the delivery of care.

Other services, including the Academy, have gone from strength-to-strength over the past five years. As well as making an important contribution towards Scotland Excel's funding, these initiatives play an essential role in leading the sector towards a culture of best practice.

It is important that we attract the best people to a career in public procurement. We must equip new entrants and existing professionals with the skills they need so that procurement becomes an integral part of the solution to the challenges we are facing. The Academy plays a part in achieving this ambition, as does the recent Graduate Trainee programme established within Scotland Excel.

I began this foreword by saying that procurement is not just about savings and efficiencies. However, it is an unavoidable fact that public sector finances are under the greatest pressure experienced for decades. Our new strategy recognises this and, while our local priorities will always influence our choices, we must be open to change in how we manage procurement at a national level.

As we present our strategy for the next five years, I urge you all to continue working together with Scotland Excel to ensure that we leverage the collaborative power of procurement to help us overcome our challenges, now and in the future.

Cllr John Shaw
Renfrewshire Council, and
Convener of Scotland Excel's Joint Committee

Introduction

When we developed our 2018-23 corporate strategy, we set out to support our local government members with the financial challenges they were facing at a time of growing demand for services.

Who could have foreseen that the years covered by that strategy would encompass a global pandemic which has been one of the most significant events in most of our lifetimes? Along with health and other public services, local authorities were at the frontline keeping the country safe and functioning at this difficult time. I applaud each and every one of our local government and other public sector colleagues for their contribution.

As our country returns to a 'new normal' after the pandemic, our sector is facing a raft of challenges, old and new, affecting the delivery of public services. Many factors are playing a part – global materials shortages, labour market disruption, rising energy prices, and double-digit inflation to name but a few. Developing a five-year strategy to support our members has not been an easy task when seismic and shifting change is happening all around us.

However, there will always be a role for procurement to play in meeting public sector challenges. Following extensive engagement with our stakeholders, we have focused our strategy on the key areas facing local government and the wider public sector – climate change, financial pressures, community wellbeing, supply chain resilience, and skills development.

These goals are often linked in ways that present a conundrum for our members. For example, reducing the impact of climate change is an urgent priority, not just for Scotland but for the planet, however greener procurement options often require investment. The same can be said for supporting our communities through local economic development where the options to buy locally may come at a cost.

Councils are facing some particular issues that we must recognise as part of our strategy. Financial pressures have never been greater. Indeed, we are hearing that for many local services it may be a question of survival rather than sustainability. In addition, plans for a National Care Service, while laudable in its objectives to improve care services, could threaten the overall viability of councils who may lose around a third of their budgets and staff.

In developing this strategy, we recognise that there will be difficult choices facing our members as they balance affordability with other drivers such as carbon reduction and community wealth-building. These decisions will be made based on local priorities, and we remain committed to incorporating a full range of social, economic and environmental benefits within our frameworks. We will offer as much

clarity as possible on the value of these benefits to help our members reach their conclusions.

Almost fifteen years have now passed since Scotland Excel was established as the centre of procurement expertise for local government. Our organisation has evolved significantly since 2008 to align with the requirements of members, and we will continue to do so. I believe our longevity is in itself a significant measure of our success, and it is our whole-hearted commitment to delivering value for our members that has underpinned our achievements.

Whatever the next five years may bring, the pandemic has shown us that solutions can be found when we collaborate and work together. On this positive note, I wish you all well and look forward to continuing to work towards our shared goals of delivering affordable public services for thriving communities.

Julie Welsh
Chief Executive, Scotland Excel

Context

When we set out on our journey to develop a new corporate strategy, we asked some of the most senior people in local government for the views on what the next five years might bring for councils and the wider public sector. Their responses were unequivocal – the sector is facing unprecedented challenges, and financial constraints alone are unlike anything experienced for decades.

Many factors have influenced the current environment – recovery from the Covid-19 pandemic, issues around Brexit, global shortages, rising inflation and interest rates, and the war in Ukraine. These are macro-environmental factors that we cannot influence or change, yet we must respond to their impact if current levels of public services are to be sustained, or even survive.

In May 2022, the Scottish Government published its first Spending Review since 2011, covering the period until the end of the current parliamentary session in 2025-26. During this time, the block grant for Scotland from the UK government is unlikely to increase significantly, which places considerable constraints on the funding available for Scottish public sector organisations.

According to an analysis by the Fraser of Allander Institute (FAI), the Spending Review implies that the local government funding will decrease by at least 7% in real terms to 2026-27. Sustaining the delivery of high-quality public services in the face of budget cuts would be demanding at any time but, with so many additional factors in play, the challenges are enormous.

In October 2021, the Scottish Government set out an ambitious strategy to address inequality, make progress towards a wellbeing economy, and accelerate inclusive person-centred public services. Similar goals appear within Scotland's National Strategy for Economic Transformation, published by the government in March 2022, which presents a vision of *“a wellbeing economy: a society that is thriving across economic, social and environmental dimensions, and that delivers prosperity for all Scotland's people and places.”*

While realising these strategies would undoubtedly benefit Scotland in the longer term, there is likely to be significant change and investment required at a national and local level to achieve these aims. As well as direct costs to deliver the public services which support the strategy goals, there may be other indirect financial pressures. For example, encouraging businesses to reduce inequality through better wages, working conditions and fair work, may lead to increased costs which are passed on to public sector organisations buying from these companies.

Other areas of policy and legislation are likely to impact costs. Scotland's climate change legislation has set a target date for net zero emissions of all greenhouse

gases by 2045, with interim targets in place for 2030. While there is significant investment in initiatives that support carbon reduction, for example energy efficiency measures in buildings, costs such as the purchase of electric vehicles directly impact budgets. Low carbon and carbon neutral procurement options are rarely the cheapest.

While public sector organisations can play an important part in creating a circular economy, there is still much work to be done to make this a reality. Procurement frameworks have included refurbishment and reuse options for some years, but the materials, manufacturing and distribution infrastructure is not yet in place to allow significant traction.

Local government is also facing one of the biggest changes to its remit for many years. Plans for a National Care Service (NCS) could see social work and social care services for adults, children and justice move from local authorities to local care boards which report directly to the Scottish Government. This has the potential to reduce the local government workforce and budget by a third, with a resulting loss of economies of scale which may seriously impact other local services.

The NCS plans also have implications for the national procurement and commissioning work that has been undertaken by Scotland Excel for more than a decade. Since 2012, we have developed unique expertise in creating national policy-driven arrangements which can be used to commission person-centred care services at a local level.

These arrangements focus on quality of service and transparency of cost to support planning and budgeting; they are not price or savings driven. At the time of writing, NCS plans propose that this work will be undertaken by local care boards which may well lead to cost disparity across different regions. It may also require care providers, many of which are small third sector organisations, to submit multiple proposals or bids to different boards.

Our strategy

While our strategy places the financial challenges of our members at its heart, we have also based it around principles that lead to a greener, wealthier and fairer Scotland – net zero, community wellbeing, supply chain opportunities and skills development.

While we expect significant and ongoing change to be a feature of the next five years, a strategic approach to public procurement is a proven driver of social, economic and environmental benefits. We believe that this strategy offers us the flexibility to adapt what we do to support our members, while adhering to the core principles that bring benefits to our communities. Our actions will be reflected within our annual operating plans.

Nevertheless, when it comes to procurement, it is clear that difficult choices will need to be made balance affordability with other benefits. Seventeen years have now passed since the McClelland Review of Public Procurement in Scotland was published. Now may be the time to revisit how we structure and deliver procurement across the public sector, and Scotland Excel is open to considering any changes that make procurement even more valuable for our members.

Strategy Map

Corporate Values
Professional • Respectful • Courageous • Integrity

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.

Our Corporate Goals

Scotland Excel has set five overarching corporate goals for this strategy which will permeate all of the activities we undertake to deliver against our commitments in procurement and commissioning, services, and partnerships.

These goals reflect the key strategic challenges and opportunities that our members are facing. Through our experience, expertise, innovation, and collaboration, we will create and deliver solutions which provide value to our members across these areas:

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

Scotland Excel has engaged extensively with stakeholders to validate these corporate goals and understand their significance to our members. Our delivery of this strategy will be underpinned by our corporate values shared by all our people – professional, respectful, courageous and integrity.

We will develop and implement a set of Key Performance Indicators (KPIs) which measure our performance against these goals, and we will report against these indicators as part of our annual operating plans.

Value delivery: procurement & commissioning

Scotland Excel has an established portfolio of over 70 frameworks with an annual value of £2bn. Adopting a sustainable procurement approach, we consider the social, economic and environmental impact of our frameworks, including the ways in which they can support the delivery of Scotland's National Outcomes.

Progress to date

Over the past five years, new framework developments have focused mainly on complex, high spend areas within construction and care. Our award-winning new build residential housing framework was launched in August 2019 to provide a quick and efficient route to market for councils and housing associations building new affordable homes.

Suppliers to the new build framework are required to advertise any sub-contracting work locally and, as a result, 58 percent of total spend has reached local contractors. For any work order exceeding £1m, suppliers commit to engaging with supported businesses or social enterprises, ensuring an inclusive approach to the delivery of community benefits.

Within our care portfolio, a ground-breaking flexible framework for adult care and support services was launched in April 2020. This is used by local health and social care partnerships to commission personalised services for those who need support to live at home. As a flexible framework, it reopens regularly to admit new providers and services which encourages innovation and increases choice for service users. Payment of the Real Living Wage to care workers is embedded within the terms and reflected in fees to support the sustainability of the care sector.

Scotland's net zero ambitions have had a significant influence on the development of our portfolio. In June 2021, we launched a waste composition analysis framework in partnership with Zero Waste Scotland to help councils provide consistent data on what households throw away. The data is used to inform climate change policy and decision-making at a national and local level.

In February 2022, the second generation of our energy efficiency contractors framework was released. Councils and housing associations can use the framework to source an extensive range of innovative energy efficiency measures that cut carbon emissions, tackle fuel poverty and create warmer homes. Scotland Excel worked closely with ESP, the sector skills agency, to embed skills development within the framework and ensure that the supply chain is equipped to deal with new technologies.

The last five years have not been without their challenges, particularly during the Covid-19 pandemic. We were proud to be able to help our members source essential goods, such as personal protective equipment (PPE) and hand sanitiser, through ongoing monitoring of stock levels. We are now continuing to monitor and, where possible, mitigate the impact of other significant global factors which are affecting the availability and price of many commodities.

Our strategic approach

Over the coming five years, we will continue to develop, deliver and manage procurement solutions which provide an effective and efficient route for our members to procure goods and services to support public services.

We will help our members with their drive towards financial efficiency by developing and implementing a range of commercially focused initiatives to increase the savings they derive through frameworks. Working with key suppliers, we will seek opportunities to improve pricing by reviewing core product lists and reduce costs through streamlined distribution methods.

We will review our approach to contract delivery to increase member visibility of forthcoming frameworks, and encourage wider participation in framework development to maximise usage and deliver benefits for all members. We will continue to work closely with members to help them optimise their use of existing frameworks to maximise savings.

We will continue to promote frameworks which help our members to implement their climate change policies, and consider any new framework opportunities that can support their net zero journey. We will also work with suppliers, partners and members to identify opportunities to reduce the carbon footprint of our existing contract portfolio.

Our frameworks will deliver additional value for communities through tendering and supply chain opportunities for local suppliers, community benefits, and skills development. We will continue to encourage suppliers to pay the Real Living Wage, and ensure that the Scottish Government's minimum rate of pay for social care workers is reflected in the fees paid to care providers on our adult care frameworks.

We will continue to monitor and respond to national policy and legislation that impacts our frameworks, ensuring that we have a seat at the table to share our expertise and represent our members when procurement is central to policy delivery. In particular, we will engage with the Scottish Government's plans for a National Care

Service, ensuring that the impact of any changes to the procurement and commissioning of care services is fully understood.

Our commitments

Collaborative procurement is a powerful tool for delivering best value for the public money spent by our members on goods and services to deliver frontline services. As the financial challenges facing our members increases, we believe that more can be achieved through new approaches and better collaboration.

Scotland Excel is already exploring a number of pathways towards increased savings and efficiency. One of the foundations of this work is to increase member participation in our frameworks as there is a direct correlation between the number of frameworks used and the value generated by collaborating through Scotland Excel.

To support this, we will undertake a review of our approach to contract delivery and engage with stakeholders to better understand the barriers to participation. Where members have their own contracts, we provide greater visibility of forthcoming collaborative developments and encourage their involvement. As well as maximising volumes to improve pricing, this approach increases efficiency by eliminating duplication across the sector, and ensures that public procurement professionals are focused on areas where they can add most value.

Scotland Excel develops multi-supplier, multi-lot frameworks designed to offer members the flexibility and choice to meet local needs, for example through working with SME suppliers in their area to support economic development. However, we believe there are some areas where a national approach could offer significantly greater value.

Where products are largely undifferentiated and framework suppliers tend to be larger UK or international companies, for example washroom products, we believe there is an opportunity to rationalise core product lists and focus supply to achieve better pricing and higher rebates. A national approach to the distribution of these products could also reduce costs and carbon impact. Local businesses can still be involved in the supply chain as demonstrated by frameworks such as frozen food.

We will ensure that resources, systems and processes are strengthened within Scotland Excel to underpin these new approaches. Improvements to data management and reporting are already ongoing, and we will review our contract management and key supplier activities to ensure that we can identify and act upon all opportunities to optimise contract performance and maximise commercial value.

We will continue to deliver new and next generation frameworks, applying our existing expertise and working with partners to help shape markets and encourage innovation. We will focus our efforts where the greatest value can be delivered for members, for example where our frameworks support core local industries such as construction, or help to increase the efficiency of public services through digital delivery.

Scotland's climate change legislation sets a target date for net zero emissions of all greenhouse gases by 2045, with an interim target of 70% reduction by 2030. Our new sustainable procurement and net zero strategies will support our members with this journey by encouraging participation in frameworks such as energy efficiency contractors and electric vehicle charging infrastructure.

Framework renewals for new build residential housing and construction materials will support the design and build of homes that reduce carbon emissions. Across our full portfolio, we will continue to encourage suppliers to implement carbon reducing initiatives, for example through product innovations, recycling, and improved logistics. We are considering options for measuring the carbon impact of our frameworks, and will support the implementation of a national or sectoral solution for measurement.

Climate change is just one of many legislative and policy drivers embedded in our frameworks. Other diverse examples include incorporating 'Good Food Nation' goals within our food contracts, supporting payment of the Scottish Welfare Fund through our domestic furniture and furnishings framework, and deterring the involvement of serious and organised crime within public procurement.

In particular, our care frameworks embed a range of policies and guidance which support a human-rights based approach to the delivery of person-centred care services. Plans for a National Care Service, announced by the Scottish Government in 2021, will have a significant impact on the social care landscape and the local government sector in particular.

Scotland Excel is committed to engaging positively and constructively with the government to share our expertise in national procurement and commissioning, ensuring that the advances made over more than ten years are considered within their plans. In the meantime, we will continue to develop and deliver national arrangements which support the commissioning of person-centred care services at a local level.

Value delivery: services

Since the introduction of national Procurement Capability Assessments (PCAs) in 2009, Scotland Excel has introduced a range of services to help members strengthen their procurement teams. Sector-wide procurement improvement projects have enhanced key areas of practice, while learning and development programmes have enriched the skills and knowledge of practitioners.

Progress to date

Over the past five years, in addition to our sector-wide projects and activities, we have delivered successful consultancy projects for individual councils, ranging from major procurement transformation programmes through to focused support for policy areas such as early-learning expansion.

Larger consultancy projects have been designed around proven change modules which expand the knowledge and skills of the council procurement teams while embedding sustainable improvements to procurement practice and performance. Some projects have additionally involved the delivery of ambitious savings targets.

We have also delivered successful projects for a number of associate members from across the public sector, including council arms-length external organisations (ALEOs), universities, health trusts and housing associations. Resources for these projects are fully funded by the associate member, and they make a valuable contribution to the core operational costs of Scotland Excel.

Since the pandemic, many members have experienced resourcing challenges within their procurement teams. In 2021, we launched a new flexible procurement service which provides cost-effective procurement support, tailored to specific requirements. This can range from taking full ownership of specific procurement projects to providing additional resource to work within teams. The service offers significant advantages over other temporary resourcing options, and is proving popular with members.

Scotland Excel has also delivered several projects funded by the Scottish Government which have benefited our members. In 2021, we launched a community wealth-building pathfinder project with four councils. As a result, a community wealth-building toolkit has now been published on the Scotland Excel Academy website and is available as a model for all councils to use to support their own journey.

The Scotland Excel Academy has made significant progress over the past five years. The team responded quickly to the challenge posed by the pandemic lockdown by

taking accredited programmes online, ensuring that participants could complete their qualifications without interruption.

To provide ongoing learning opportunities during the pandemic, the Academy launched 'Stay Connected', a programme of free online seminars covering a variety of procurement and business topics. The programme now forms part of the Academy's core offering, and more than 1,200 delegates have participated in sessions.

In January 2022, as a result of our successful bid to deliver the Scottish Government's procurement and commercial training framework, the Academy launched a programme of short courses for procurement practitioners. The programme has been welcomed by members as a cost-effective skills development route for existing practitioners and new entrants to the profession.

We also received funding from the Scottish Government to develop a new course to help procurement professionals identify and manage risks arising from the involvement of serious and organised groups in public sector tendering. This course was launched at a free seminar in October 2022 attended by more than 200 delegates.

Our strategic approach

Over the next five years, we will continue to provide a core range of procurement capability services for our members including benchmarking performance through Procurement & Commercial Improvement Programme (PCIP) assessments, sector-wide change projects, account management support, online seminars, and our long-established annual conference.

We will continue to develop and deliver a range of additional cost-effective service options including transformation programmes, consultancy and flexible procurement for our members, reinvesting surpluses into core services to minimise the financial impact of inflationary costs on member requisitions.

We implement plans to grow our membership and explore new markets in ways that provide benefits to all of our members. For example, increased framework usage by new members can achieve better pricing, and associate membership can help third sector organisations providing services to our members reduce their costs. To support this growth, we will carefully examine the benefits and risks of implementing alternative business models.

The Scotland Excel Academy will continue to evolve based on the training needs of our sector. We will consider all options to support the development of public sector

procurement talent, from new entrants to seasoned professionals, including accredited learning, short courses, graduate programmes, and apprenticeships.

We will review our accredited learning and development portfolio, and explore options for developing new approaches which reduce costs for learners and/or provide additional scope to tailor content for the Scottish public sector. In developing these programmes, we will consider the knowledge and skills required by our members to ensure that procurement activities support the delivery of Scotland's National Outcomes.

The Academy will continue to deliver short courses in essential procurement skills through the Scottish Government's procurement and commercial training framework. We will seek to expand our own programmes of free and low-cost training options across a range of key business disciplines that are required by procurement practitioners and other public sector professionals.

Our commitments

With local government and other public sector bodies facing unprecedented challenges, Scotland Excel remains committed to developing solutions that help our members secure affordable frontline services.

While it is too early to say what our future services may look like, it is clear that there may need to be some bold thinking and radical change in how we deliver procurement at a national and local level. As the centre of expertise, we will lead the sector in evaluating options, and will be guided by our members as to what is appropriate for them at a local level.

We will implement our new Academy strategy developed in close consultation with stakeholders to ensure that they are fully designed around their skills needs. We will continue to work with the Scottish Government to develop new co-branded procurement programmes aligned to the national procurement development framework, and which respond to identified skills gaps across the procurement community.

We will also develop and implement procurement training programmes for key sectors, such as construction and care, to improve the knowledge and skills of buyers involved in the specification, purchase and delivery of these high value projects and services.

In response to member requests for alternative accredited learning programmes, we will continue our work with the Scottish Qualifications Authority (SQA) to develop

programmes which offer high quality, tailored learning opportunities at significantly lower price points than other professional qualifications.

We will explore opportunities to build a pipeline of public procurement talent. As well as considering our own Graduate Programme as a pathway for developing new entrants to the sector, we will work with Skills Development Scotland on the potential for a new Graduate Apprenticeship(GA) programme in Procurement and Supply Chain Management. If implemented, this initiative would offer a free degree development programme to members funded through the Apprenticeship Levy.

Value delivery: partnerships

Partnerships have played a significant role in the work of Scotland Excel since it was established in 2008. As the centre of procurement expertise for local government, Scotland Excel works closely with the Scottish Government Property and Procurement Directorate (SPPD), NHS National Services Scotland (NSS), and Advanced Procurement for Universities and Colleges (APUC) to lead best practice in public procurement.

Over the past five years, Scotland Excel has also worked across other Scottish Government directorates on a range of policy areas including housing, social care, economic development and school meals. In each case, our work has supported the implementation of policies that are delivered at a local level. Examples include:

- A new build residential housing framework which provides an effective route to market for councils and housing associations developing homes through the Scottish Government's Affordable Housing Supply Programme.
- Guidance and templates to help local authorities and providers prepare for the Scottish Government's expansion of early learning and childcare provision.
- The development and delivery of a pathfinder project to help councils harness the power of 'progressive procurement' as a pillar of community wealth-building initiatives.

We have delivered significant value to members through working with fellow local government organisations. Our partnership with the Improvement Service has led to the development of an award-winning qualification in project management, as well as a procurement solution for the 'No one left behind' employability services which transferred fully to local government in 2022.

As the procurement partner for the Digital Office for Local Government, we have been a key player in the Scotland's Asset Management Platform (STAMP) programme, a repository of all the ICT systems used within local government. The intelligence provided by the programme will identify opportunities for harmonising platforms which can be sourced through collaborative procurement.

In 2021, we established a working group with Scottish Enterprise to explore opportunities for joining up public sector demand with investment in Scotland's businesses. A number of projects are in development including low carbon building, heating and materials innovations, and clean energy vehicles. The remit of the group has expanded to areas such as food production, and discussion are currently

underway with manufacturers and distributors on opportunities to increase the production of Scottish chicken.

We have also looked beyond Scotland to UK partnerships to secure best value for our members. For example, through working with Crown Commercial Services (CCS), we have been able to access better pricing for vehicles while continuing to provide support to our members using this framework. This approach has also released procurement resources to focus on the development of new frameworks.

Our strategic approach

We will continue grow and develop our work with SPPD and the other sectoral centres of procurement expertise, NSS and APUC, to develop public procurement strategies, policies and tools. We will take an active role in the implementation of 'A plan for the future', a cross-sector programme to strengthen the role of procurement as an enabler to economic recovery.

We will build on our relationships with other directorates across the Scottish Government where there is a direct link with policy areas that impact our members, for example local government and housing, economic development, care, education and climate change. We will continue to share our expertise with government colleagues to ensure the role of procurement in delivering policy, and the views of our members, are understood.

We will seek to strengthen our existing relationships with the Convention of Scottish Local Authorities (COSLA) and the local government directors of finance group of the Chartered Institute of Public Finance and Accountancy (CIPFA) in Scotland to integrate the link between procurement, finance and policy. We will continue to engage regularly with Solace Scotland to ensure that our activities remain aligned to strategic priorities within local government.

We will continue work in partnership with other local government shared service organisations, such as the Improvement Service, Supplier Development Programme, and the Digital Office for Scottish Local Government, using our joint expertise to deliver frameworks and services for our council members.

We will advance our work with Scottish Enterprise, and other partners involved in economic development on a regional or industry basis, to identify and develop opportunities to join up public sector demand with business innovation and investment. We will continue to work closely with existing partners such as Zero Waste Scotland and Built Environment -Smarter Transformation (BE-ST) on initiatives to minimise

the carbon impact of our frameworks and explore opportunities to support a circular economy.

To drive the implementation of Scotland Excel's new Academy strategy, and support the development of additional learning programmes, we will strengthen our relationship with Skills Development Scotland and other education partners.

We will consider opportunities arising from working in partnership with organisations in other UK nations. While our work will continue to be designed around the needs of the Scottish public sector landscape, there are often benefits to working with UK colleagues to access contract arrangements and share best practice.

Our commitments

The role of partnerships is becoming ever more integrated with the delivery of frameworks and services, which in turn delivers additional value for our members. To support this, we will develop and implement a partnership strategy to plan and prioritise engagement activity which maximises the value of our relationships for members.

Using our established tools for stakeholder mapping, we have refreshed our view of our stakeholder landscape to form the basis of the new strategy. Within this, we will set out objectives and plans for key partner relationships, assigns ownership, and prioritise activities that support the delivery of our five-year strategy. Our stakeholder map and engagement plans will be reviewed annually and updated as required to reflect any changes in our environment.

The table below provides an overview of the key external organisations that will appear within our strategy. Others may be included as the strategy is developed.

Scotland Excel & cross-category	Scottish Government Convention of Scottish Local Authorities (COSLA) CIPFA Scotland Local Government Directors of Finance Group Solace Scotland Improvement Service Supplier Development Programme Digital Office for Local Government NHS National Services Scotland (NSS) Advanced Procurement for Universities and Colleges (APUC) Zero Waste Scotland Scottish Enterprise (and regional enterprise organisations) Association for Public Service Excellence (APSE) Scotland
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	BASE Scotland Crown Commercial Services (CCS)
Construction, Transport & Environment	Built Environment - Smarter Transformation (BE-ST) Transport Scotland
Social care	The Promise Coalition of Care Providers Scotland (CCPS) Scottish Care
Corporate, Education & ICT	Assist FM Soil Association SEEMiS
Scotland Excel Academy	Skills Development Scotland Scottish Qualifications Authority (SQA) Chartered Institute of Procurement & Supply (CIPS) Chartered Management Institute (CMI)

This is not an exhaustive list and, as well as the key partners listed above, we will continue to maintain an appropriate level of relationship with a myriad of other organisations, for example service-specific local government interest groups, chambers of commerce, and universities.

We are committed to strengthening relationships with charities, social enterprises and supported businesses through the implementation of our third sector engagement strategy. We have a proven track record of working with the third sector to encourage participation in our frameworks and supply chains, and we believe we can support a holistic approach to community wealth-building by helping third-sector organisations reduce their costs through associate membership.

Strategic enablers

Scotland Excel has embedded a culture of continuous improvement since we were established in 2008. Over the years, we have ensured that our business operations continually evolve to reflect changing priorities and provide an efficient and effective platform for delivering our services to members.

As part of this strategy, we have considered what we need to develop, implement or improve within our business over the next five years to ensure that we can deliver the commitments we have made across procurement and commissioning, services and partnerships for our members.

Corporate, finance & ICT

Over the past five years, we have implemented a financial model which reduces our reliance on membership fees through income generation from projects, associate membership, the Academy, and rebates.

To support future income and growth, we will explore the benefits and risks of introducing alternative business models which enable us to offer new services and approach new markets where there is demand for our expertise. We will undertake this work alongside a new approach to risk management which supports the implementation of this strategy and enables us to identify and respond quickly to changes in our environment.

We will continue to develop and deliver robust monitoring and management of finances including income forecasting. This will encompass enhanced processes and systems for monitoring framework rebates due to Scotland Excel and its members, to ensure that the financial return on all spend is maximised.

We will complete ongoing improvements to our data capture and management capabilities to support the delivery of new approaches to savings and efficiency. This will form the basis of a new business intelligence strategy and plan which will ensure all of our staff are equipped with robust data analysis skills, and provide enhanced reporting for members.

We will respond to the changes in working life initiated by the pandemic. We will develop office and facilities plans which support hybrid working by providing cost-effective and flexible working space and resources for our staff which fully support onsite and remote business operations. In line with our net zero commitments, we seek opportunities to reduce our organisation's carbon footprint.

We will develop a new five-year ICT strategy and plan to support these new ways of working, with cyber security remaining a priority for everything we do. In particular, we will explore new platforms and systems to support the digital delivery of our services to members, such as online learning and member engagement.

Organisational development

In 2022, we achieved Gold Standard Investors in People (IiP) accreditation and launched a new People Strategy to ensure that all of our staff are effectively skilled and able to fulfil their potential. We will continue to implement this strategy alongside the recommendations of our IiP report to provide clear direction and motivation for staff.

We will develop and deliver succession planning to support career development and ensure the organisation has a steady pipeline of talent at all levels. We will champion a culture of performance management to underpin the delivery of effective and efficient service, ensuring that staff across the organisation are equipped with the skills required to provide value to our customers, now and in the future.

The wellbeing of our people will continue to be at the heart of all of our organisational development plans. We will continue to develop and deliver an employee journey that supports the recruitment and retention of talented staff, always ensuring they have a voice through our staff engagement forum and other platforms. We will grow and develop our Mental Health Promise to offer care and advice to staff who need support.

Engagement & communication

As a membership organisation, stakeholder engagement and communication has always formed a core part of what we do to ensure that our services are providing value.

To support the delivery of our strategy, we will embed the consistent use of stakeholder engagement tools across the organisation, and deliver targeted plans to increase engagement with elected members and other senior stakeholders. We will also review how we engage with procurement and service stakeholders during contract development to support contract usage and increase satisfaction.

We will continue to provide representation and advocacy for members on key policy areas linked to procurement. We will take an active role in conversations with partners and stakeholders on net zero and other national themes, ensuring that our expertise is recognised and the voice of our members is heard.

We will continue to develop and deliver marketing and communications activities which enhance member engagement and support income generation from new and existing services. Market and competitor insight will inform our business plans, income forecasts and marketing campaigns. We will refresh our and public affairs plans to reflect a changing political and economic environment to increase the influence of our organisation within an evolving landscape.

Scotland Excel

To: Executive Sub-Committee

On: 18 November 2022

Report by:

Chief Executive of Scotland Excel

Draft Operating Plan for April 2023 – March 2024

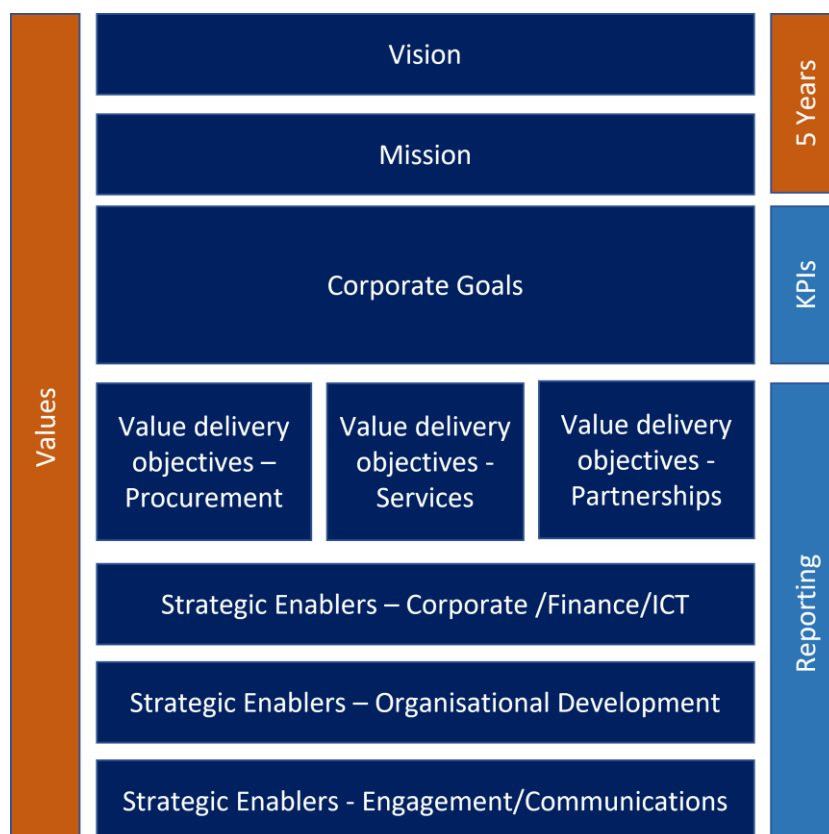
1. Purpose of the report

In December 2022, Scotland Excel will submit a new five-year strategy to the joint committee for approval. The strategy is supported by an annual operating plan which provides more detailed information on the actions and activities that Scotland Excel will undertake each year to deliver the strategy.

The purpose of this report is to provide the Executive Sub-Committee with an opportunity to review the proposed operating plan for 2023-24 in advance of its submission to the Joint Committee.

2. Strategic Planning Process

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








The annual operating plan contains the actions and activities that Scotland Excel will undertake each year, and are linked directly to the strategic commitments for procurement and commissioning, services and partnerships, as well as the strategic enablers which relate to key business activities that support the strategy. The actions and activities within the operating plan are cascaded to all staff through an annual Personal Development Plan (PDP).

3. Reporting methodology

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. Half yearly and annual reports are also submitted to Joint Committee meetings.

The reports summarise the progress made against operating plan commitments 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

A set of Key Performance Indicators (KPIs) which measure our performance against the five corporate goals within the strategy will be developed, and we will report against these indicators on annual basis.

4. Recommendation

The members of the Executive Sub-Committee are invited to review and comment on the proposed Operating Plan 2023-24 in advance of its submission to the Joint Committee in December.



Operating Plan

01 April 2023 – 31 March 2024

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 almost 150 associate members from across the public and third sector.

Scotland Excel has an established portfolio of over 70 frameworks with an annual value of £2bn. Adopting a sustainable procurement approach, we consider the social, economic and environmental impact of all of our frameworks. In recent years, we strengthened our portfolio with complex, high spend frameworks within construction and care. Scotland's net zero ambitions have had a significant influence on our portfolio.

In addition, we provide a range of services to help members strengthen their procurement teams. Sector wide procurement improvement projects have enhanced key areas of practice, while learning and development programmes have enriched the skills and knowledge of practitioners. We also offer bespoke consultancy projects for members.

Partnerships are becoming more and more important to the delivery of value for our members. We work with a broad range of stakeholders across national and local government, enterprise and industry, and education to develop frameworks, services and solutions 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

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

This document records the actions we will take from April 2023 - March 2024 to deliver the first year of our strategy and lay solid foundations for its achievement. Reports are issued quarterly to record our progress against these actions.

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 will continue to develop, deliver and manage procurement solutions which provide an effective and efficient route for our members to procure goods and services to support public services. We will help our members with their drive towards financial efficiency by developing and implementing a range of commercially focused initiatives to reduce their expenditure on frameworks.

We will continue to support our members with their net zero journey and identify opportunities to reduce the carbon footprint of our existing contract portfolio. Our frameworks will deliver additional value for communities through supply chain opportunities for local suppliers, community benefits, and skills development, and we will continue to monitor and respond to national policy and legislation that impacts our frameworks.

Actions

- Implement refreshed category strategies to inform the development of contract delivery plans and market shaping activities.
- Review and refresh Scotland Excel's approach to contract delivery planning, extending the visibility of the decision-making and delivery process over a longer timeframe.
- Review and refresh 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 develop and deliver savings projects to maximise the commercial value returned to members through optimal use of our frameworks.
- Continue to support local economic development through identifying and promoting supply chain opportunities for Scottish businesses.
- 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.
- Continue to embed additional social value for communities within frameworks including community benefits, skills development, and payment of the Real Living Wage.
- Monitor, respond to, and report on national policy changes that affect Scotland Excel's procurement portfolio, including the National Care Service, contributing to policy discussions where appropriate.

Value delivery: services

Over the next five years, we will continue to provide core range of procurement capability services for our members, as well as additional cost-effective service options including transformation programmes, consultancy and flexible procurement. We will remain open to developing any new services, or approaching new markets, where there is demand for our expertise.

The Scotland Excel Academy will continue to evolve based on the training needs of our sector. We will consider all options to support the development of public sector procurement talent, from new entrants to seasoned professionals, including accredited learning, short courses, graduate programmes, and apprenticeships.

Action
<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">• Continue to grow and develop procurement capability projects, initiative and services for members including support for the next tranche of Procurement & Commercial Capability Services (PCIPs).
<ul style="list-style-type: none">• Implement Scotland Excel's business development strategy to increase demand for services and grow associate membership.
<ul style="list-style-type: none">• Develop and implement plans to deliver Scotland Excel's new Academy strategy, based on a sector training needs analysis and recognising member requirements for affordable training options.
<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

Value delivery: partnerships

The role of partnerships is becoming ever more integrated with the delivery of frameworks and services, which in turn delivers additional value for our members. The actions we will take in the first-year operating plan will create the foundations for many of the commitments we have made within our strategy.

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 build and 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">Implement Scotland Excel's third sector engagement strategy in support of local community wealth-building, helping them to reduce costs through associate membership where appropriate.
<ul style="list-style-type: none">Continue to build relationships with education and academic partners to support the delivery of Scotland Excel's new Academy strategy.

Strategic enablers

As part of this strategy, we have considered what we need to develop, implement or improve within our business over the next five years to ensure that we can deliver the commitments we have made across procurement and commissioning, services and partnerships for our members.

Business Area	Action
Corporate, Finance & ICT	<ul style="list-style-type: none"> • Provide legal and financial support for exploring new business model options.
	<ul style="list-style-type: none"> • Develop a tool for monitoring and managing all rebates due from Scotland Excel frameworks.
	<ul style="list-style-type: none"> • Monitor the effectiveness of Scotland Excel's hybrid working policy, proposing improvements which will benefit customers and staff.
	<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"> • Continue to strengthen Scotland Excel's data management and reporting capability across a range of value measurements.
	<ul style="list-style-type: none"> • Consider options for a future business intelligence strategy.
	<ul style="list-style-type: none"> • Consider options for reducing Scotland Excel's carbon footprint
Organisational Development	<ul style="list-style-type: none"> • Implement Scotland Excel's people strategy and Investors in People plan by embedding personal development plans that supports organisational performance and individual career goals.
	<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"> • Build on Scotland Excel's commitment to training, ensuring all staff have the opportunity to acquire the skills required for the delivery of the new five-year strategy such as commercial acumen and climate change literacy.
	<ul style="list-style-type: none"> • Continue to develop and improve resources which support recruitment, induction and retention through a seamless and supportive employee journey.

	<ul style="list-style-type: none"> Research and explore options for developing an employment and training strategy that supports new entrants to public procurement.
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: Executive Sub-Committee

On: 18 November 2022

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

Care Services Update

1. Introduction

This purpose of this report is to provide an update on key developments undertaken by Scotland Excel's Social Care Team.

2. Adult and Older Peoples Care

2.1 National Care Home Contract (NCHC)

The redesign process for the NCHC is now underway. This collaborative process involves the Scottish Government, Local Government, COSLA, Provider Representatives, Trade Unions, Care Inspectorate, Healthcare Improvement Scotland, Carers Groups, Independent Advocacy, Care Home Providers and Care Workers.

The NCHC annual negotiations were also due to begin, however this was delayed due to the current pressures and an agreement to focus on what financial solutions could be offered at this time. The negotiations have now resumed for the placement costs for 2023/24

Scotland Excel is conducting discussions with the Scottish Government in relation to the current cost pressures that care homes are experiencing and, to offer advice on the contract in relation to additional practice and legislations such as vitamin D supplements for residents and the implementation of Anne's Law*.

There are areas of the redesign work that can continue, in order to agree a contract in principle that the current signatories of the NCHC can review towards the end of the negotiations period.

All new guidance and proposed legislation are being included to ensure that the contract continues to meet the changing demands of this sector.

The main themes of the redesign have been to ensure that residents focus remains at the centre of the contract, with a model built around sustainability and workforce development and inclusion of the possibility to explore whether the regulatory boundaries of the sector can adapt sufficiently.

Scotland Excel has been invited to discuss the NCHC at a Scottish Government led four-nations meeting

**<https://www.gov.scot/news/new-health-and-social-care-standards-for-care-homes/>*

2.2 Care Homes for Adults with Learning Disabilities Including Autism

This framework is due to expire on 16th September 2023 and the development of the new framework has begun. A survey has been issued to all local authorities to establish further improvements and best practice. A User Intelligence Group (UIG) meeting, scheduled to take place on 18th November 2022, will help inform the strategy and advise any operational requirements going forward. There are currently 25 local authorities utilising the framework with an annual spend of approximately £21M.

2.3 Residential Rehabilitation

This 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 initial market research and analysis phase has concluded and options for national commissioning, and the implementation phase of the project, are being discussed with the Scottish Government.

The market research phase included questionnaires to existing and potential service providers and to Alcohol and Drug Partnerships (ADPs), and investigating models in other parts of the UK. Indicative spend on residential rehabilitation placements during 2021/22 is approximately £3M based on quarterly reports by ADPs to Public Health Scotland. The spend for 2022/23 is anticipated to increase as part of grant funding provided to ADPs for residential rehabilitation by the Scottish Government.

2.4 Care and Support

The framework has 138 providers and 439 services following the last reopening in April 2022. To date 12 of the 23 participating Councils are utilising the framework and there is ongoing work with a further three councils intending to purchase from the framework. A re-opening consultation exercise is currently under consideration in response to a further request by three Councils seeking inclusion. A Prior Information Notice has been issued to the market to establish the level of interest.

2.5 Social Care Agency Workers

The 3rd generation framework is due to commence. The key aim of the flexible framework is to increase the geographical coverage for purchasers, and to reduce the reliance on off-framework suppliers to meet the requirements as well as providing consistency for purchasers in regard to standard terms and conditions and the fees paid.

3. Children's Services

3.1 Children's Residential Care & Education

Scotland Excel proceeded to award the Children's Residential and Education, including Short Breaks, Services flexible framework in September and the framework went live on 1st October. The framework had 39 providers and 280 services recommended for award and allows for new entrants during its lifetime; interest has already been expressed by several providers that are keen to join the framework once it reopens.

The renewal framework reflects the feedback received from providers and councils to create a streamlined process that reduces the administrative burden on providers whilst increasing the information sharing and transparency around services and fees. The renewal framework also

features continuing care services, which reflects the policy direction of supporting children and young people in placements over a longer time period, where it is appropriate to do so.

Scotland Excel will continue to mobilise the framework over the coming months, ensuring that providers and councils have access to all relevant framework information. This includes an interactive Service Directory for councils that features increased functionality including linking the service information to real-time Care Inspectorate grades. This aims to support commissioners with their decision making and provide detailed information in a user-friendly format.

3.2 £500 Special Recognition Payment Project

Commissioned by the Northern Ireland Department of Health, a Special Recognition Payment (SRP) for eligible staff is being administered by Scotland Excel. Two portals set up to receive submissions closed on 31st July 2022. Whilst applicants are approx. 20% of the estimated number, this would be in line with the experience of administering the Scotland £500 payment. It is estimated that support for applicants will continue until early December 2022.

4. National Care Service (NCS) Bill Consultation

Following publication of the National Care Service Bill for the delivery of social care, social work and community health in Scotland on 20 June 2022, a call for views was initiated under Stage 1 of the parliamentary process for consideration by the Health, Social Care and Sport Committee, supported by other committees.

Scotland Excel submitted a response to this consultation on 31 August 2022 ([scotland-excel-ncs-consultation-response.pdf](#)). The response confirms Scotland Excel's support for the overarching aspirations of the Bill and its commitment to continuing to work in partnership to support improvement, and highlights concerns that the context of the current commissioning landscape and the contribution of good commissioning and improvement activity have not been fully recognised.

Scotland Excel attended the first NCS Forum on 3rd October, will participate in the Stakeholder Register where appropriate and has been invited to participate in the Adult Social Care Working Group on Ethical Commissioning on 16th November.

Early conversations have taken place with Scottish Government to consider unique and specialist workstreams which Scotland Excel are best placed to review. The scope of any work is not fully defined.

An invitation to attend the Health, Social Care and Sport Committee Meeting: 29 November 2022 has been accepted and planning is underway to prepare for questioning by the committee.

5. Recommendation

Members are invited to note the progress made to date.

Scotland Excel

To: Executive Sub-committee

On: 18 November 2022

**Report by:
The Clerk**

Meetings of Scotland Excel Executive Sub-committee in 2023

1. Summary

- 1.1 The purpose of this report is to seek approval for the proposed dates for meetings of the Scotland Excel Executive Sub-committee in 2023.
- 1.2 In terms of Scotland Excel's Procedural Standing Orders:-
 - 42(a). The Executive Sub-committee shall meet not less than four times in every calendar year. The time, dates and venues for all subsequent meetings will be approved by the Executive Sub-committee.
- 1.3 One of the main functions of the Executive Sub-committee is to consider reports on the award of contracts being let on behalf of Scotland Excel, therefore, the dates for the Executive Sub-committee meetings require to be fixed by referral to the planned award dates for these contracts. It is expected that all contract awards planned for 2023 can be accommodated within the timetable of meetings detailed in this report.
- 1.4 Currently, all Scotland Excel meetings are being held remotely using the Microsoft Teams platform and the arrangements for these meetings has been working well. In light of this it is proposed that the Sub-committee continue to meet remotely using the Microsoft Teams platform

2. Recommendations

- 2.1 That, if required, meetings of Scotland Excel Executive Sub-committee be held on 27 January, 17 February, 17 March, 21 April, 19 May, 18 August, 15 September, 20 October and 17 November 2023 and that where these meetings were being held remotely, they commence at 9.30 am and where they were being held within a venue, they commence at 10.45am;
- 2.2 That, if required, meetings of Scotland Excel Executive Sub-committee be held on 16 June and 8 December 2023, prior to meetings of the Joint Committee and that where these meetings were being held remotely, they commence at 9.30 am and where they were being held within a venue they commence at 9.45 am; and

- 2.3 That it be agreed that the Sub-committee continue to meet remotely and that this continue to be reviewed to take into account public health advice and guidance.