

Minute of Meeting Scotland Excel Chief Executive Officers Management Group

Date	Time	Venue
Monday, 07 November 2016	14:30	Scotland Excel Meeting Room 1, Renfrewshire House, Cotton Street, Paisley

PRESENT

A O'Donnell, Chief Executive (City of Glasgow Council); J Whyte, Chief Executive (West Dunbartonshire Council); and S Ritchie, Director of Corporate and Housing Services (Falkirk Council).

BY VIDEOLINK

J Orr, Head of Customer and Support Services (Argyll & Bute Council) and C Innes, Head of Commercial and Procurement Services (Aberdeen City Council).

IN ATTENDANCE

J Welsh, Director, H Carr Head of Strategic Procurement, S Brannagan, Head of Customer and Business Services and A Richmond Senior Procurement Manager (all Scotland Excel); V Andrews, Executive Director (South Ayrshire Council); and K Graham, Head of Corporate Governance and E Currie, Senior Committee Services Officer (both Renfrewshire Council).

APOLOGIES

S Black, Chief Executive (Renfrewshire Council); M Pitcaithly, Chief Executive (Falkirk Council); A Scott, Chief Executive (Aberdeen City Council); and C Sneddon, Chief Executive (Argyll & Bute Council).

APPOINTMENT OF CHAIR

In the absence of the Chair, J Whyte, the Chair's nominee, chaired the meeting.

1 **PRESENTATION: COLLABORATIVE PROCUREMENT LANDSCAPE**

H Carr delivered a presentation to the group covering Scotland Excel's portfolio growth by category; Scotland Excel's category growth as a percentage of the overall value; local government sector spend under collaboration 2012/16; public procurement in Scotland 2016 and national, sectoral and local contracts.

The group discussed the points raised during the presentation

DECIDED:

(a) That the presentation be noted; and

(b) That a presentation on the collaborative procurement landscape be delivered to this group on an annual basis.

2 **SMALL VALUE CONTRACTS TEAM**

There was submitted a report by the Director of Scotland Excel which provided an update on the previously presented proposal regarding the value that Scotland Excel could deliver to its members through the introduction of a small value procurement service. The proposal, if approved, would be implemented in fiscal 2017/18 for a period of four years.

The report intimated that as part of a review of funding operations in 2015, Scotland Excel had considered the use of procurement rebates as a possible funding mechanism. Following discussion with stakeholders it was felt that existing rebates currently received by members should be left untouched.

Subsequent to this agreement, Scotland Excel had recently implemented a framework for groceries with a new rebate attached and the report sought to utilise this new rebate, not currently utilised by members, to fund a new service based around low value procurement opportunities. The initial proposal sought to return cash to members to provide a degree of requisition mitigation however, extensive consultation resulted in a request for a value proposition rather than a cash return. In terms of Scotland Excel's requisition for 2016/17 it was proposed that this would remain static. Appendix 1 to the report detailed the indicative source of rebates by council based on historical spend patterns.

The report detailed the operating model of the delivery team and the benefits across three areas of cost avoidance, resources and contractual savings.

DECIDED: That the report be noted and that presentation of this proposal to the December meeting of the Joint Committee be supported.

3(a) **PROCUREMENT OF SOCIAL CARE SERVICES PROPOSAL**

There was submitted a report by the Director of Scotland Excel relative to a proposal submitted to the Scottish Government setting out the business case for interim financial investment to expand Scotland Excel's social care procurement shared service.

The report intimated that funding of £350K over the next two years would allow Scotland Excel to deliver an ambitious work programme that would ensure procurement played its part in supporting the Scottish Government's flagship reform of health and social care. Scotland Excel had identified two areas of significant public sector expenditure, adult supported living and care at home, which would benefit from a collaborative approach to developing and implementing procurement strategies.

Within three months of securing investment, Scotland Excel would agree a full project plan with the Scottish Government including expenditure, timescales and deliverables. In parallel with this, Scotland Excel would undertake a recruitment exercise to ensure a suitably qualified team was in place to resource the programme.

It was noted that the Director of Scotland Excel would be discussing this matter with Derek Mackay MSP, Cabinet Secretary for Finance and the Constitution, and the group would receive an update following these discussions.

It was proposed that the Director of Scotland Excel discuss this proposal with the Integrated Joint Board Chief Officers Network and this was agreed.

DECIDED:

(a) That the proposal be noted;

(b) That it be noted that the Director of Scotland Excel would discuss this business case with Derek Mackay MSP, Cabinet Secretary for Finance and the Constitution; and

(c) That the Director of Scotland Excel also discuss this business case with the Integrated Joint Board Chief Officers Network.

3(b) AFFORDABLE HOUSING PROCURMENT PROPOSAL

There was submitted a report by the Director of Scotland Excel providing details of a proposal submitted to the Scottish Government regarding the role Scotland Excel could play in delivering the Scottish Government's aspirations within the Affordable Housing Supply Programme (AHSP). Funding of £412K was sought for a two-year pilot programme to develop capability, implement policy and identify financial savings.

The report intimated that the wider public sector had benefited from significant investment and focus in procurement reform since publication of the Review of Public Procurement in Scotland – Report and Recommendations in 2006. The affordable housing sector had not been part of this national transformation programme. The Scottish Government, as part of the AHSP, had committed to delivering at least 50,000 affordable homes by March 2021, backed by over £3 billion of investment. The sector would therefore be required to undertake considerable procurement activity in relation to the programme.

Within three months of securing investment, Scotland Excel would agree a full project plan with the Scottish Government including expenditure, timescales and deliverables. In parallel with this, Scotland Excel would undertake a recruitment exercise to ensure a suitably qualified team was in place to resource the

programme.

DECIDED: That the proposal be noted and that regular update reports be submitted to future meetings of this group.

3(c) SEEMIS PROPOSAL

There was submitted a report by the Director of Scotland Excel relative to a proposal submitted to SEEMiS Group LLP to provide a high level overview of the benefits associated with SEEMiS partnering Scotland Excel to pursue the delivery of a solution which would support an expanded operating model, a key enabler of which would be the implementation of a robust strategic sourcing model.

The report intimated that SEEMiS Group LLP delivered an integrated national education management information system for Scottish local government in education establishments and headquarters and associated supporting organisations such as SQA and ScotXed. It offered a complete solution that spanned all the essential requirements of an education management information system geared to the needs of Scottish local authorities.

Since 2014 a challenging programme had been undertaken to review and stabilise SEEMiS's product offerings. Whilst the products were now relatively stable it was clear that the current SEEMiS solution would become increasingly less fit for purpose over the next three to five years.

It was noted that a significant number of assumptions had been made developing the proposal outlined in the report and as such further detailed planning would be required to identify and forecast relevant project management milestones. Prior to the commencement of the procurement process Scotland Excel would prepare a project plan and risk matrix..

DECIDED:

(a) That the proposal be noted and that regular update reports be submitted to future meetings of this group; and

(b) That the Director of Scotland Excel discuss this proposal with the Local Government Digital Transformation Board.

3(d) CROWN COMMERCIAL SERVICES PROPOSAL

There was submitted a report by the Director of Scotland Excel providing details of a proposal to work collaboratively with Crown Commercial Service as a partner in the adoption of their light vehicle procurement framework to replace the current Scotland Excel 0612 Cars & Light Commercial Vehicles framework for the purchase of cars and light commercial vehicles upon its expiry on 31 May 2017.

The report intimated that as councils had an ongoing requirement to procure light vehicles beyond May 2017 there were two basic viable procurement options open to Scotland Excel being (i) Scotland Excel conduct a vehicles procurement exercise independently, or (ii) Scotland Excel work collaboratively with a public sector procurement partner of choice, Crown Commercial Services. The proposal for a partnership approach with Crown Commercial Services had been unanimously agreed, in principle, at a User Intelligence Group meeting held on 12 September 2016.

Scotland Excel would agree a full project plan with the Fleet User Intelligence Group and Crown Commercial Services by holding a UIG in 2017, including agreement on estimated future framework, end user training timescales/requirements and overall framework service level/contact management agreements.

DECIDED: That the report be noted and that regular updates be provided to this group.

4 **CARE UPDATE**

A Richmond gave a verbal update relative to the position of the care contracts.

DECIDED: That a report on this matter be issued to members of this group.

5 **ASSOCIATE MEMBERSHIP STRATEGY**

There was submitted a report relative to Scotland Excel's Associate Membership Strategy.

S Brannagan delivered a presentation to the group relative to the strategic direction on Associate Membership of Scotland Excel

DECIDED:

(a) That the presentation and strategy be noted;

(b) That the strategic direction and recommendations for operating Associate Membership of Scotland Excel, as detailed in the strategy, be continued; and

(c) That details of Associate Members be submitted to this group quarterly.

6 **SUSTAINABLE PROCUREMENT STRATEGY**

There was submitted a report by the Director of Scotland Excel relative to a sustainable procurement strategy setting out how Scotland Excel intended to ensure that its regulated procurements, as defined by the Procurement Reform (Scotland) Act 2014, would be carried out in compliance with the sustainable procurement duty.

DECIDED: That the report be noted.

7 **ANY OTHER BUSINESS**

SOLACE MEETINGS

DECIDED: That cascade notes of meetings of this group be tabled at SOLACE meetings to ensure that all 32 local authorities were aware of matters discussed.

JOINT COMMITTEE

DECIDED: That this group be advised of items of business to be considered by the Joint Committee.

COSLA

DECIDED: That the Director of Scotland Excel update members of this group in relation to her discussions with COSLA.

8 DATE OF NEXT MEETING

DECIDED: That it be noted that the next meeting of this group would be held at 10.00 am on 20 February 2017 in Scotland Excel Meeting Room 1, Renfrewshire House.