

Minute of Meeting Scotland Excel Chief Executive Officers Management Group

Date	Time	Venue
Monday, 26 February 2018	10:00	Scotland Excel Meeting Room 1, Renfrewshire House, Cotton Street, Paisley

Present

Sandra Black, Chief Executive (Renfrewshire Council); Joyce White, Chief Executive (West Dunbartonshire Council) and Cleland Sneddon, Chief Executive, (Argyll & Bute Council).

By Telephone

Angela Scott, Chief Executive (Aberdeen City Council) and Stuart Ritchie, Director of Corporate and Housing Services (Falkirk Council).

Chair

Sandra Black, Chair, presided.

In Attendance

J Welsh, Director, H Carr Head of Strategic Procurement, S Brannagan, Head of Customer and Business Services, A Richmond, Senior Procurement Manager, J McKerrall, Category Manager (Construction), I McNaught, Customer Development Manager (for items 5, 6, 7, 8 and 9 only) and J Thomson, Business Change Project Manager (all Scotland Excel); and E Currie, Senior Committee Services Officer (Renfrewshire Council).

Order of Business

The Chair intimated that to facilitate the conduct of the meeting, item 5 of the agenda would be considered after item 3 of the agenda.

Apologies

Annemarie O'Donnell, Chief Executive (Glasgow City Council) and Mary Pitcaithly, Chief Executive (Falkirk Council).

1 Minute of the Chief Executive Officers Management Group

There was submitted the Minute of the meeting of the Chief Executive Officers Management Group held on 6 November 2017.

DECIDED: That the Minute be approved.

2 Update from Joint Committee - Governance and Funding

The Director of Scotland Excel advised that the Chief Executive Officers Management Group, the Executive Sub-committee and the Joint Committee had been consulted on initial options for the future constitutional/governance structure of Scotland Excel.

Four possible options had been identified being, maintaining the current model; widening the powers available under the current model; adding a trading company to the current or amended model; and converting the current model into an arm's length external organisation ("ALEO") of Scotland Excel's local authority members with a trading subsidiary. As a result of the consultation carried out Scotland Excel had concentrated further investigation on the first, second and third models.

Further work was now underway investigating options two and three and Scotland Excel were in discussion with legal colleagues in Renfrewshire Council around amending the terms and conditions and the Minute of Agreement of Scotland Excel Joint Committee.

It was proposed that the Director of Scotland Excel contact the Director of Finance & Resources, Renfrewshire Council to make arrangements for this matter to be raised at a future meeting of the CIPFA Directors of Finance and that Joyce White, Chief Executive, West Dunbartonshire Council raise this matter at the next meeting of the SOLACE office bearers with a view to it being discussed at the SOLACE meeting in April 2018. This was agreed.

DECIDED:

(a) That the up-to-date position be noted;

(b) That the Director of Scotland Excel contact the Director of Finance & Resources, Renfrewshire Council to make arrangements for this matter to be raised at a future meeting of the CIPFA Directors of Finance; and

(c) That Joyce White, Chief Executive, West Dunbartonshire Council raise this matter at the next meeting of the SOLACE office bearers with a view to it being discussed at the SOLACE meeting in April 2018.

3 New Build Housing Project

There was submitted a report by the Director of Scotland Excel providing an update on the proposal for Scotland Excel to take forward a national new-build housing framework to support local authorities meet their targets in relation to provision of affordable housing. The Category Manager (Construction) gave a presentation on the contents of the report.

The Scottish Government had set a target to deliver at least 50,000 homes by 2021, backed by over £3 billion in funding and it was anticipated that to meet future demand

for affordable housing across Scotland there would be an ongoing need for a national framework solution. A national procurement approach would generate significant operational efficiencies particularly around developing technical specifications; mitigate potential bottlenecks within the procurement process and facilitate monitoring and reporting of additional benefits delivered through the new build programme, including social value.

In order to pursue a national framework, Scotland Excel would require one-off project funding of £500,000. All future contract management and re-tendering costs were built into the proposed rebate model so that the project was self-funding in the long term.

Scotland Excel had shared two possible models to enable local authorities to fund the initial project start-up costs, model 1 was based on the standard Scotland Excel funding model based on population size and model 2 was based on participating local authorities funding an equal share of the costs. Local authorities had been requested to confirm their interest and preferred funding model option by 22 February 2018.

Frameworks established would include a 0.5% supplier rebate and Scotland Excel would retain the operating costs associated with the contract management and future re-tendering of the framework with the remaining rebate amount being distributed amongst those initial funders. Scotland Excel believed the remaining rebate amount had the potential to reflect a significant return on investment for those initial funders with a rebate amount of at least £930,000 anticipated following the first year of activity.

It was proposed that Scotland Excel contact all councils requesting that they confirm their interest in participating in this framework and their preferred funding model options advising that all councils would be named on the framework to allow participation moving forward but that only those councils providing the initial funding would benefit from the rebate. This was agreed.

DECIDED:

(a) That the report and presentation be noted; and

(b) That Scotland Excel contact all councils requesting that they confirm their interest in participating in this framework and their preferred funding model options advising that all councils would be named on the framework to allow participation moving forward but that only those councils providing the initial funding would benefit from the rebate.

4 Care Update

The Senior Procurement Manager gave a presentation to the group on care home services for older people and adult care services.

In relation to care home services for older people, the presentation included information on contract management activities; the structure of the cost of care calculator; the procurement strategy and the benefits of the Scottish Care Home Framework.

Angela Scott intimated that she would share information on Aberdeen City Council's experiences and learning around the recent closure of a care home together with details of the work done with the Care Inspectorate and the work the Care Inspectorate did with national banks. It was proposed that the Director of Scotland Excel obtain this information from Angela Scott. This was agreed.

In relation to adult care services, the presentation included information on the options being considered around supported living and care at home around whether this should be one framework or two and the benefits and perceived risks of a national framework.

It was noted that no cost comparison had been undertaken in relation to in-house delivery of care at home services. It was proposed that Scotland Excel undertake work on the differential between in-house delivery and that outsourced in the West Dunbartonshire Council area and that this information be presented to a future meeting of the group. This was agreed.

DECIDED:

(a) That the presentation and progress made be noted;

(b) That the Director of Scotland Excel contact Angel Scott, Chief Executive, Aberdeen City Council, to obtain information in relation to Aberdeen City Council's experiences and learning around the recent closure of a care home together with details of the work done with the Care Inspectorate and the work the Care Inspectorate did with national banks; and

(c) That Scotland Excel undertake work on the differential between the cost of in-house delivery and that outsourced in the West Dunbartonshire Council area and that this information be presented to a future meeting of the group.

5 Procurement and Commercial Improvement Programme (PCIP) Update

The Customer Service Manager gave a presentation to the group in relation to PCIP which included information on the correlation between council spend and PCIP score which provided opportunities for collaborating and sharing practice; PCIP outcomes projects; and collaborative practice.

The presentation also included information on a proposal to evolve PCIP to a more focused route, which would be discussed with the Scottish Government. It was noted that it would be proposed to the Scottish Government that those councils scoring 55% or less in the more focused route or those councils increasing by two bands or more would require to undertake the full PCIP assessment. It was proposed that the Director of Scotland Excel also suggest to the Scottish Government that councils undertake the full PCIP assessment every five-years. This was agreed.

It was noted that councils had to complete their second PCIP by June 2019. Scotland Excel would undertake an exercise whereby the eight councils with the lowest PCIP score would undertake the proposed focused route PCIP assessment rather than the full PCIP assessment.

DECIDED:

(a) That the presentation be noted; and

(b) That the Director of Scotland Excel also suggest to the Scottish Government that councils undertake the full PCIP assessment every five-years.

6 Contract and Supplier Management in Local Government

The Business Change Project Manager gave a presentation to the group on contract and supplier management in local government. The presentation included information on why a CSM Improvement Strategy for the sector was needed with particular reference to savings and improvements, consistent underperformance and effective co-ordination; evidence, intelligence gathering and horizon scanning; the five strands of Scotland Excel's three-year strategy, being effective models and resources; leadership and culture; ICT systems; skills and practice; and collaboration; and the next steps which included establishing governance, early priorities and project scoping and quarterly reviews.

DECIDED: That the presentation be noted.

7 Directors Update

There was submitted a report by the Director of Scotland Excel providing an update on key developments within Scotland Excel since the last meeting of this group held on 6 November 2017.

The report detailed information in relation to LGDT; the Scottish Government projects on affordable housing and social care – adult supported living and care at home; operational services and supplies; the Scotland Excel Academy; contracts approved by the Executive Sub-committee since November 2017; an update on new associate members; Scotland Excel receiving The Commercial Partnership Award at the Scottish Public Service Awards in December 2017; and Scotland Excel's 10th anniversary in April 2018.

DECIDED: That the report be noted.

8 AOB

There were no other items of business.

DECIDED: That it be noted that there were no other items of business for consideration.

9 Meeting Schedule - 2018

DECIDED: That meetings of the group be held at 10.00 am on 21 May, 27 August and 19 November 2018 in Scotland Excel Meeting Room 1, Renfrewshire House, Cotton Street, Paisley.