

Scotland Excel

To: Executive Sub-Committee

On: 19 May 2023

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

Update on the Contract Delivery Plan

1. Progress to Date

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

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

At any given point there are around 70 frameworks in the Scotland Excel contract portfolio. It is intended that 6 further frameworks will be developed and added to the portfolio in the coming year. In addition, 22 frameworks are to be renewed during 2023/2024 (Appendix 1).

A further 12 of the frameworks on the current portfolio have extension options that are available to be exercised in 2023/ 2024, with 3 of these extensions already being approved (Appendix 3).

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

Overall, efficiencies created by frameworks awarded so far during 2023/2024 are benchmarked at 1.70%, which is slightly below the forecast range. This figure does not include the additional benefit to members for each framework via the indexation model. The indexation model provides data on how the framework pricing compares to market indices relevant to the commodity being sourced; This enables Scotland Excel to manage pricing in volatile markets, ensuring a favorable commercial outcome for members.

As noted in the paper presented to Executive Sub Committee in April 2023, an update to Scotland Excel's methodology for calculating efficiencies is now being embedded. This additional data will support councils to interpret the value achieved through working collaboratively across the local government sector. The Commercial UIG (User Intelligence Group) Steering Group has been consulted on this change and engagement with relevant stakeholders will continue as the methodology develops. Future Contract Delivery Plan updates will reflect any new methodology agreed.

A summary of spend and forecast savings per council between January 2022 and December 2022 can be found in Appendix 5, with an average forecast efficiency of c.1.18%. As indicated above, the revised efficiency reporting methodology previously presented has not yet been fully implemented, and therefore not reflected in Appendix 5.

In addition to the activity detailed in Appendices 1 - 4, Scotland Excel is exploring the benefits of further collaborative procurement across high spend, critical service areas in the construction, corporate, ICT and social care. To create capacity to add new activities to the portfolio and support strategically significant areas of spend, a consolidation of the existing portfolio is underway. This means some existing frameworks within related markets are being considered for merging and some lower value frameworks will not be renewed.

Social Care

The **Residential Rehabilitation** project was commissioned by the Scottish Government with the remit of researching and developing national approaches for commissioning of alcohol and drug residential rehabilitation. Scotland Excel is engaging with a range of stakeholders including the Scottish Government, people with lived experience and families, providers and support services and Alcohol and Drug Partnerships across Scotland to inform development of the framework. The Procurement Strategy was formally approved at the Contract Steering Group on the 12 April 2023.

The Adult Social Care Uplift and Price/Fee review continues to be the focus for contract supplier management activities for the **Care and Support** and **Care Homes for Adults with Learning Disabilities Including Autism** flexible frameworks. The framework providers have received the Scottish Government Adult Social Care (ASC) Uplift with the revised price schedules and the mandated weightings applied.

The framework providers having received updated pricing schedules can also request a price review for the business overheads (not in the scope of the ASC Uplift) by 19 April 2023. Analysis of the data is still at an early stage. A significant number of providers have submitted increases in excess of 7% which are unlikely to be accepted. Of the services for which information has been provided, 167 services will be asked to clarify and explain their increases for Care and Support and 26 care home services in Care Homes for Adults with Learning Disability.

The **Social Care Agency Workers** flexible framework is at contract and supplier management stage and a programme of User Intelligence Groups and Supplier Meetings is in place for the effective operational management of the lifetime of the framework and best practice learning.

There is currently uncertainty over the continuation of **National Care Home Contract (NCHC)** in its current form. The care home sector representatives informed the negotiating team that the final weekly rate increase had been rejected by the sector. At present, with the agreement of all parties, there is an interim increase in place to ensure that the adult social care workforce receive the Scottish Government funded pay rates. The care home sector is making representation to the Scottish Government requesting more money for the sector. It is unclear at this time what the sector's

intentions will be in relation to the NCHC should that representation fail to secure extra funding.

Scotland Excel continues to discuss the presenting risks and the management of potential risk in this area with COSLA and scenario planning is underway. Part of this planning will explore an options appraisal on alternatives to the current NCHC.

Scotland Excel continues to mobilise the **Children's Residential and Education, including Short Breaks, Services** flexible framework that went live on 1st October. This includes reviewing and streamlining the management information process and requirements for the framework. This process is now live and has received positive feedback. In addition, the fee uplift process for 23/24 fees is currently underway and Scotland Excel is working with a range of stakeholders regarding this.

Scotland Excel is engaging with stakeholders regarding the renewal contracts for **Secure Care Services**. The current contracts have been extended to 30th March 2024, however due to increased policy change in this area, work is underway relating to the next generation contracts, to ensure these are fit for purpose and meet the needs of children and young people.

Further meetings regarding "Reimagining Secure Care" are planned for Summer and Autumn this year, and Scotland Excel will be involved in these to provide a view on how this work interacts with commissioning and procurement. These will be hosted by the Children & Young People's Centre for Justice (CYCJ). CYCJ has been appointed by Scottish Government to lead this work, specifically:

"'Reimagining Secure Care' as part of the 'Reimagining Justice Service' is designed to combine views, knowledge, and experiences of all stakeholders involved to create a comprehensive understanding of what will be effective, meaningful and sustainable for secure care services to meet the needs of all children and young people who are deprived of their liberty on welfare or justice grounds, from the Children's Hearing System or through Courts."

Scotland Excel will continue to engage with this work and ensure contract renewal work is aligned with this.

Construction, Transport and Environmental Services

The **Electric Vehicle Charging Infrastructure (EVCI)** framework provides members with a mechanism to procure a range of works, products and services, to supply, install and maintain electric vehicle charging equipment and associated items.

Following the mobilisation, enquiries and projects have coming through the framework.

Feedback from our membership indicates that each authority is taking time to consider their strategic approach to installations, with some looking at the possibility of implementing concession contracts which are currently out with the scope of the current framework.

Discussions currently underway with Glasgow University, East Ayrshire, East Dunbartonshire, and Edinburgh City Council regarding future call offs.

The **Energy Efficiency Contractors (EEC)** framework provides members with a pathway to upgrade Scotland's existing housing stock (~660,000 homes) and buildings, with innovative energy efficiency measures to reduce carbon output and household bills.

Framework usage continues to grow with 51 projects now awarded across 10 local authorities and 3 housing associations. There are several other projects in the pipeline which will generate further spend through the framework in the coming months.

Further engagement is planned with our membership as part of contract management meetings to understand internal strategies and plan for works being delivered, to inform how the framework will be utilised to enable our members to achieve their objectives.

Scotland Excel continues to work in collaboration with the Scottish Government and other agency partners to explore innovative carbon reduction measures that can be used to deliver projects and to continue to drive quality skills within the sector.

The **Building Construction Consultancy** framework is now live. A full suite of guidance documents has been developed and shared through an introductory session, delivered to councils, associate members and several other partner organisations anticipated to use the framework. Several of those have started using the framework to engage consultants for third party support.

Several frameworks are currently under development:

The consolidated **Construction Materials** framework brings six mature goods-based frameworks together, creating efficiencies for stakeholder groups. By harmonising tendering and contract management milestones this approach brings greater efficiency for both suppliers and end users. Once awarded, this framework will enable a range of sustainable procurement outcomes, including the sourcing of alternative construction materials. Development work is ongoing to finalise the procurement strategy and related tender documentation. The tender will be released this summer.

The evaluation of the first-generation **Property Maintenance and Refurbishment** framework is now complete. There has been a high level of interest in the arrangement with the tender approaching the final stages of recommendations and award stage. Once live, this framework will provide a route to market for a broad range of repair, maintenance, and refurbishment services.

The strategy and evaluation methodology for the **Grounds and Plant Equipment framework** have been concluded and approved. A final review of the tender documents is underway, in preparation for tender publication. It is anticipated this tender opportunity will be published in May 2023, with the framework operational in Autumn 2023.

Street Lighting Materials was prepared for submission to the Executive Sub Committee but was subject to judicial interruption. An abandonment notice, in line with

regulations 85(7) and (8) of the Public Contracts (Scotland) Regulations 2015, was published to all tenderers, through the PCS-T message board facility, for this tender exercise. Following the abandonment of the previous tender exercise, development of revised tender documents and specifications continues for the renewal of Street Lighting Materials framework.

The strategies for the second generations of both the **New Build Residential Construction Framework** and **Security Services and Cash Collection Framework** are now concluded and the preparation of both sets of tender documents is underway. Through the published Prior Information Notice (PIN), a range of engagement is underway with both stakeholder groups to inform the approach, with revised scope and terms being developed as appropriate.

The tender development of **Asbestos related Works and Services** framework is nearing its final stages before being released to the market.

Development work continues on a new framework for the provision of services for Scottish local authorities and the Scottish Government related to **Local Heat and Energy Efficiency Strategies (LHEES)**, heat network zoning and Local Area Energy Planning (LAEP). Work is underway with the technical panel to define the specifications and tender requirements.

Corporate, ICT and Operational Supplies and Services

Food inflation rose to 19.1% in April 2023 compared to the March rate of 18.3%. The food service price index (FPI) has dropped to 20.6% down from a record high of 22.9% in December 2022. Both indices are much higher than general inflation, which is currently at 10.1%. The rise in inflation follows national food shortages and accompanies the fastest rise in food prices in 45 years. Although the rate of increase is expected to slow, supplier food prices will continue to increase during the coming year.

The next generation frameworks for **Audio Visual** and **Fresh Meats, Cooked Meats & Fresh Fish** went live in April 2023. The second-generation framework for **Commercial Catering Equipment** was approved by the Executive Sub Committee in April and is due to go live in June 2023.

A prior information notice has been published through Public Contracts Scotland for the second-generation framework for **Supply and Delivery of Fresh Bread, Rolls and Bakery Products**. Market engagement and strategy development is underway with the new framework expected to go live in October 2023.

The Operational Supplies and Services Team (OSS) have published Prior information notices through Public Contracts Scotland for upcoming tenders including **Bottled Gas, Fire Safety Equipment, Signage, Cleaning Equipment and Civic Supplies** (Previously known as **Alcoholic Beverages**). Initial development is also underway for the tender relating to **Sheriff Officer Services**.

The ICT team continues to develop the tender documents for **Technology Enabled Care** frameworks. The **National Shared Digital ARC** project has experienced some delays in tender release, due to the complex nature of terms and conditions and cyber security requirements. This tender is currently being evaluated, and award recommendations will be presented to the Executive Sub Committee upon completion.

The team is engaged in several projects with the Scottish Local Government Digital Office. These projects include **Office 365**, **Security Operation Centre** and the **Scottish Technology Asset Management Platform (STAMP)** which is a central repository of data on ICT and digital solutions being used across local government. Work continues to onboard colleagues from Local Government.

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

2. Conclusion

Members are invited to note the progress made to date.

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

Service	Estimated Annual Collaborative Contract Opportunity	Activity	Original Forecast Date	Previous Forecast Date	Delivered Date	Latest Forecast Date if Different	Forecast Savings Range	Delivered Savings Forecast	Comments
Contracts Approved since April 2023									
2023/24 Executive Sub Committees									
Commercial Catering Equipment	£4,000,000.00	Renew	Oct-22	Mar-23	Apr-23	Apr-23	2%-4%	-13.80%	Approved by Executive Sub Committee April 2023
May 2023 Executive Sub Committee									
Property Maintenance and Refurbishment	75,000,000	New Contract	Dec-22	Apr-23		May-23	2%-4%		Tender returned; evaluation complete.
June 2023 Executive Sub Committee									
National Shared Digital Alarm Receiving Centre	1,000,000	New Contract	Aug-22	Dec-22		TBC	2%-4%		Tender returned, progressing through evaluation.
August 2023 Executive Sub Committee									
Fire Safety Products	£2,500,000.00	Renew	Apr-23	Feb-23		Aug-23	2%-4%		Strategy approved, Tender under development
Civic Supplies (OSS)	£1,250,000.00	Renew	Renew	Aug-23		Aug-23	2%-4%		Prior Information Notice Issued. Evaluation Methodology Under Development
Security Services and Cash Collection	£15,000,000.00	Renew	Jun-23			Aug-23	2%-4%		Strategy approved; tender documents being prepared.
Technology Enabled Care Goods	£9,000,000.00	Renew	Dec-22	Dec-22		Aug-23	2%-4%		Prior Information Notice Issued. Evaluation Methodology Under Development
Bread and Rolls	£1,500,000.00	Renew	Oct-23			Aug-23	2%-4%		Pending
Street Lighting Materials	£15,000,000.00	Renew	Aug-22	May-23		Aug-23	2%-4%		Street Lighting Materials was prepared for submission to committee but was subject to judicial interruption. An abandonment notice, in line with regulations 85(7) and (8) of the Public Contracts (Scotland) Regulations 2015, was published to all tenderers, through the PCS-T message board facility, for this tender exercise. Revised tendering documents and specifications being prepared for re-tender.
Grounds and Plant Equipment	£5,000,000.00	Renew	Mar-23	Jun-23		Aug-23	2%-4%		Development consolidates Grounds Maintenance Equipment and Light & Heavy Plant frameworks

Service	Estimated Annual Collaborative Contract Opportunity	Activity	Original Forecast Date	Previous Forecast Date	Delivered Date	Latest Forecast Date if Different	Forecast Savings Range	Delivered Savings Forecast	Comments
September 2023 Executive Sub Committee									
Road Signage	£1,250,000.00	Renew	Nov-22			TBC	2%-4%		Prior Information Notice Issued. Evaluation Methodology Under Development
Cleaning Equipment	£2,000,000.00	Renew	Mar-23			TBC	2%-4%		Prior Information Notice Issued. Evaluation Methodology Under Development
LHEES (Local Heat and Energy Efficiency Strategies)	1,000,000	New Contract	Sep-23			Sep-23	0%		New Development - for the provision of services for Scottish local authorities and the Scottish Government related to Local Heat and Energy Efficiency Strategies (LHEES), heat network zoning and Local Area Energy Planning (LAEP).
Construction Materials	£70,000,000.00	Renew	Apr-23	Jun-23		Sep-23	2%-4%		Strategy UIG held, tender documents being prepared.
Asbestos related works and services	£7,000,000.00	Renew	Jul-23			Sep-23	2%-4%		Strategy approved; tender documents being prepared.
October 2023 Executive Sub Committee									
Sheriff Officers	£1,100,000.00	Renew	Nov-23			Oct-23	2%-4%		Pending
Residential Rehabilitation and Detoxification (Alcohol and Drugs) Services	TBC	New Contract	Oct-23			Oct-23	n/a		Pending

Service	Estimated Annual Collaborative Contract Opportunity	Activity	Original Forecast Date	Previous Forecast Date	Delivered Date	Latest Forecast Date if Different	Forecast Savings Range	Delivered Savings Forecast	Comments
Future 2023/24 Executive Sub Committee									
New Build Residential Construction	£375,000,000.00	Renew	Jun-23			Dec-23	2%-4%		Strategy approved; tender documents being prepared.
Care Homes for Adults With Learning Disabilities Including Autism	£26,500,000.00	Renew	Oct-23			TBC	n/a		Pending
Care and Support	£140,000,000.00	Renew	Mar-24				n/a		Pending
Bottled Gas	£2,000,000.00	Renew	Nov-21	Not being renewed		TBC	2% - 4%		Decision not to renew reviewed and will now be retendered. Prior Information Notice Issued July 2022. Strategy under development
Community Meals	£4,000,000.00	Renew	Aug-23				2% - 4%		Market and UIG engagement underway
Secure Care	£17,500,000.00	Renew	Mar-24				n/a		Early market, UIG and policy team engagement underway
Vehicle Parts	£12,000,000.00	Renew	Feb-24				2% - 4%		Framework Renewal
Waste Disposal Equipment	£1,250,000.00	Renew	Feb-24				2% - 4%		Framework Renewal
Fresh Fruit and Vegetables	£2,000,000.00	Renew	Feb-24				2% - 4%		Pending
PPE (Supported Business)	TBC	New Contract	TBC				2% - 4%		Pending
Security Operating Centre	TBC	New Contract	Nov-22			TBC	2%-4%		Pending

Appendix 2 – Flexible Contracts

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

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

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

Contracts which are shaded have been approved for extension

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

Contract Description	Est Annual Value	Contract Description	Est Annual Value
Waste Composition Analysis	£750,000	Social Care Case Management Solutions	£7,000,000
Fostering and Continuing Care	£34,000,000	Vehicle Purchase RM6060	£10,000,000
Salt	£17,500,000	Supply Teacher Booking System	£300,000
Engineering and Technical Consultancy	£17,125,000	Roadstone	£25,000,000
Energy Efficiency Contractors	£200,000,000	Recycle and Refuse Containers	£12,500,000
Tyres for Vehicles and Plant	£6,500,000	Education and Office Furniture	£8,000,000
Frozen Foods	£25,000,000	Milk	£8,000,000
Online School Payments	£2,000,000	Building Construction Consultancy	£25,000,000
Pest Control	£1,000,000	Outdoor Play	£15,000,000
Fresh Meats	£10,000,000	Janitorial	£12,000,000
Washroom Solutions	£6,000,000	PPE	£15,000,000
Audio Visual	£9,000,000	First Aid	£2,000,000
Water Coolers	£1,000,000	Repair and Maintenance of Catering Equipment	£1,500,000
Library Books	£14,000,000	Digital Publications	£1,000,000

Appendix 5 – Expenditure summary per Council: January 2022 – December 2022

Member Organisation	Actual Spend	Forecast Spend	Variance	% of Total Actual Spend	Estimated Saving	% Saving
Aberdeen City Council	£47,323,080	£29,609,593	159.8%	6.45%	£863,144	1.82%
South Lanarkshire Council	£42,840,406	£66,110,403	64.8%	5.84%	£184,298	0.43%
Aberdeenshire Council	£41,946,766	£33,850,612	123.9%	5.72%	£359,091	0.86%
Fife Council	£40,786,724	£107,899,795	37.8%	5.56%	£416,953	1.02%
North Lanarkshire Council	£39,997,008	£49,519,495	80.8%	5.45%	£685,396	1.71%
Glasgow City Council	£39,547,875	£44,957,626	88.0%	5.39%	£635,337	1.61%
The City of Edinburgh Council	£39,310,041	£42,804,819	91.8%	5.36%	£344,855	0.88%
Associate Members	£34,110,246	£65,353,407	52.2%	4.65%	£651,921	1.91%
West Lothian Council	£34,019,277	£22,334,148	152.3%	4.64%	£446,445	1.31%
Falkirk Council	£29,402,025	£44,546,398	66.0%	4.01%	£640,604	2.18%
North Ayrshire Council	£25,179,870	£45,819,167	55.0%	3.43%	£441,369	1.75%
The Highland Council	£24,416,643	£21,227,299	115.0%	3.33%	-£29,531	-0.12%
East Renfrewshire Council	£24,122,267	£10,463,568	230.5%	3.29%	£213,363	0.88%
Renfrewshire Council	£23,311,472	£38,861,868	60.0%	3.18%	£369,829	1.59%
West Dunbartonshire Council	£22,957,301	£26,036,842	88.2%	3.13%	£341,906	1.49%
East Dunbartonshire Council	£22,429,196	£9,520,742	235.6%	3.06%	£113,066	0.50%
Dumfries and Galloway Council	£21,003,203	£10,086,536	208.2%	2.86%	£93,986	0.45%
Dundee City Council	£18,902,759	£25,526,991	74.1%	2.58%	£234,465	1.24%
South Ayrshire Council	£14,538,595	£15,028,955	96.7%	1.98%	£113,122	0.78%
East Lothian Council	£14,412,826	£12,677,958	113.7%	1.97%	£246,406	1.71%
Scottish Borders Council	£13,557,657	£11,950,905	113.4%	1.85%	-£8,277	-0.06%
Stirling Council	£12,835,384	£8,408,459	152.6%	1.75%	£56,012	0.44%
Inverclyde Council	£12,699,615	£7,274,586	174.6%	1.73%	£262,882	2.07%
Perth and Kinross Council	£12,187,521	£10,731,778	113.6%	1.66%	£209,948	1.72%
East Ayrshire Council	£12,008,031	£10,820,331	111.0%	1.64%	£340,344	2.83%
Tayside Contracts	£11,507,456	£7,764,724	148.2%	1.57%	-£1,284	-0.01%
The Moray Council	£10,438,197	£30,354,182	34.4%	1.42%	£28,631	0.27%
Midlothian Council	£9,875,491	£9,216,136	107.2%	1.35%	£54,243	0.55%
Angus Council	£9,851,960	£22,461,048	43.9%	1.34%	£81,623	0.83%
Clackmannanshire Council	£9,818,156	£11,526,116	85.2%	1.34%	£132,294	1.35%
Argyll and Bute Council	£9,691,963	£8,867,825	109.3%	1.32%	£107,037	1.10%
Orkney Islands Council	£3,398,515	£1,404,530	242.0%	0.46%	-£12,862	-0.38%
Shetland Islands Council	£2,951,034	£2,017,195	146.3%	0.40%	-£26,282	-0.89%
Comhairle nan Eilean Siar	£1,984,500	£3,177,094	62.5%	0.27%	£42,118	2.12%
Total	£733,363,063	£868,211,131	84.5%	100.00%	£8,632,456	1.18%