SCOTLAND EXCEL

Notice of Meeting and Agenda
Scotland Excel Executive Sub-committee

Date	Time	Venue
Friday, 17 March 2023	09:30	Remote using Microsoft Teams Platform,

MARK CONAGHAN
Clerk

Membership

Councillor David Keating (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 Louden (Highland Council); Councillor Christina Larsen (North Ayrshire Council); Councillor Michael McPake (North Lanarkshire Council); Councillor John Shaw (Renfrewshire Council); Councillor Dennis Leask (Shetland Islands Council); Councillor Peter Henderson (South Ayrshire Council); and Councillor Walter Brogan (South Lanarkshire Council).

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

Further Information - online meetings only

This meeting is on-line only but is a meeting which is open to members of the public by prior arrangement. A copy of the agenda and reports for this meeting will be available for inspection prior to the meeting at the Customer Service Centre, Renfrewshire House, Cotton Street, Paisley and online at http://renfrewshire.cmis.uk.com/renfrewshire/CouncilandBoards.aspx

For further information, please email democratic-services@renfrewshire.gov.uk

Members of the Press and Public - contact details

Members of the press and public wishing to attend the meeting should contact democratic-services@renfrewshire.gov.uk to allow the necessary arrangements to be made.

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.

9 **Date of Next Meeting**

Minute of Meeting
Scotland Excel Executive Sub-committee

Date	Time	Venue
Friday, 17 February 2023	09:30	Remote using Microsoft Teams Platform,

Present

Councillor David Keating (Aberdeenshire Council); Councillor Brenda Durno (Angus Council); Councillor Kenny Macleod (Comhairle Nan Eilean Siar); Councillor Carolyne Wilson (Dumfries & Galloway Council); Councillor Altany Craik (Fife Council); Councillor Derek Louden (Highland Council); Councillor Christina Larsen (North Ayrshire Council); Councillor Michael McPake (North Lanarkshire Council); Councillor John Shaw (Renfrewshire Council); Councillor Peter Henderson (South Ayrshire Council) and Councillor Walter Brogan (South Lanarkshire Council).

Chair

Councillor Shaw, Convener, presided.

In Attendance

J Welsh, Chief Executive, H Carr, Director of Strategic Procurement, S Brannagan, Director of Customer & Business Services, M Robertson, Marketing & Communications Manager, L Muir, Category Manager, J Kenney, Senior Procurement Specialist, E Hay, M Mitchell and L Richard, all Strategic Programme Managers, L Jones, Senior Business Services Specialist, S Christie, Commercial Programme Manager, K Forrest, Office Manager, L Mooney, Senior Communications Specialist, L Crosbie and L O'Neill, both Assistant Procurement Specialists and N Howie, Procurement Co-ordinator (all Scotland Excel); and L Mitchell, Managing Solicitor (Contracts & Conveyancing) and R Devine, Senior Committee Services Officer (both Renfrewshire Council).

Apology

Councillor Ruairi Kelly (Glasgow City Council).

Declarations of Interest

There were no declarations of interest intimated prior to the commencement of the meeting.

1 **Minute**

There was submitted the Minute of the meeting of the Executive Sub-committee held on 27 January 2023.

In relation to item 3(b) of the Minute, Contract for Approval: Building Construction Consultancy, members were advised that the resubmission of amended appendices was required to reflect the specific details of the evaluation outcome and had no impact on the overall outcome or recommended bidders. The changes to Appendix 2 were to correct the award recommendations made in October 2022 and reflected the evaluation outcome including Savills (UK) Limited as unsuccessful for all regions in lot 14. The changes to appendices 2 and 3 also corrected minor clerical errors to the "Lots/Regions Tendered" column ensuring consistent naming of bidders and correction of one score for one bidder in lot 2 region 1C. These changes were highlighted in the appendices which would be circulated following this meeting.

DECIDED:

(a) That the Minute be approved; and

(b) That the update provided in relation to item 3(b) of the Minute, Contract for Approval: Building Construction Consultancy, be noted.

2 **Operating Plan Update 2022/23**

There was submitted a report by the Chief Executive of Scotland Excel relative to operating plan activity for the period to 31 December 2022. A copy of the operating plan for 2022/23 was appended to the report.

The report intimated that an operating plan, covering the period from 1 April 2022 to 31 March 2023, had been approved at the meeting of the Scotland Excel Joint Committee held on 10 December 2021.

The report highlighted that, as at the end of December 2022, 31 operating plan commitments were progressing in line with plans and were indicated as green; two commitments were progressing slower than anticipated and were indicated as amber; and one commitment had not yet started and was indicated as white.

The report noted that progress reports were produced quarterly to track Scotland Excel's activity against operating plan commitments and at the end of each quarter reports were submitted to the Executive Sub-committee with the most recent quarterly report being submitted to the Joint Committee with recent updates noted.

DECIDED: That Scotland Excel's progress in delivering the commitments contained within the operating plan 2022/23 be noted.

Sederunt

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

3 **Contract for Approval: Supply and Distribution of Fresh Meats, Cooked Meats and Fresh Fish**

There was submitted a report by the Chief Executive of Scotland Excel relative to the award of a fourth-generation renewal framework for the supply and distribution of fresh meats, cooked meats and fresh fish for a period of four years from 1 April 2023 until 31 March 2027. It was noted that subject to approval and completion of a standstill period, it was anticipated that the framework agreement would commence on 1 April 2023.

The framework would provide members with a mechanism to procure a range of fresh goods including, but not limited to, beef, lamb, pork, poultry, prepared products, cooked meats and fresh fish.

The report summarised the outcome of the procurement process for this national framework which had been divided into four lots, as detailed in table 1 of the report. It was noted that in a bid to promote and encourage participation from suppliers, 42 geographical sub lots had been applied within the 'ability to service' section of the tender. Suppliers recommended for award would be by geographical sub lot area and theses were fixed for the framework duration. Scotland Excel had engaged with Scotland Food and Drink, the Soil Association, Quality Meats Scotland and the National Farmers Union Scotland to encourage participation from local suppliers.

The report advised that the framework had been advertised at a total value of £10 million per annum and Appendix 1 to the report detailed the participation and spend summary of those participating in the framework.

Tender responses had been received from eight suppliers 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 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 eight suppliers across the four lots for the related geographical areas, 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 supply and distribution of fresh meats, cooked meats and fresh fish, as detailed in Appendix 3 to the report, be approved.

4 Request for Associate Membership: Glen Oaks Housing Association Limited

There was submitted a report by the Chief Executive of Scotland Excel advising that Glen Oaks Housing Association Limited 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 Glen Oaks Housing Association Limited to become an associate member of Scotland Excel, with an annual membership fee of £2,022, 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 a progress 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 contract portfolio. It was intended that a further five frameworks would be developed and added to the portfolio in the coming year and that 20 of these frameworks would be completed during 2022/23. A further 17 of these frameworks had extension options that were available to be exercised in 2022/23, with 13 of these extensions already approved.

The report noted that the estimated forecast value of the Scotland Excel framework portfolio was approximately £2 billion and that overall, efficiencies created by frameworks awarded so far during 2022/23 were benchmarked at 1.73%, which was slightly below the forecast range. 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 and 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. Consolidation of the existing markets was currently underway in order to create capacity to add new activities to the portfolio and support strategically significant areas of spend, with some existing frameworks within related markets being considered for merger and some lower value frameworks not being renewed.

A summary of spend and forecast savings per council for the period October 2021 and September 2022 was detailed in Appendix 5 to the report, with an average forecast efficiency of circa 1.27%.

DECIDED: That the progress made to date be noted.

Sederunt

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

6 **Associate Member Overview**

There was submitted a report by the Chief Executive of Scotland Excel providing an overview of the Scotland Excel associate membership programme.

The report intimated that there were five main groups of associate membership, being housing associations, Council's arm's length organisations (ALEOs), transport partnerships, organisation utilising the reciprocal arrangements (Scottish Government and education) and other bodies and Appendix 1 to the report detailed the breakdown of associate members per group.

The report advised that in June 2018, the Joint Committee approved associate membership expansion as part of the income strategy and in December 2018, the Joint Committee approved a continued focus and the creation of a dedicated associates team. It was noted that between April 2017 and April 2019, associate membership growth mainly came from housing associations as a result of participation in the Procurement Commercial Improvement Programme (PCIP), the Scottish Government affordable housing project. However, the expansion of the contract portfolio, the growth of additional services and the appetite for greater collaboration since the Covid pandemic had significantly increased the membership for Scottish Government bodies, ALEO's and Universities and Colleges over the last two years and brought membership to the current level of over 140 associate members.

The growth of associate membership since the last report in January 2021 was detailed in figure 1 of the report; the income breakdown of associate members by sector as at January 2023 was detailed in figure 2 of the report; the current fee split of associate members was detailed in figure 4 of the report; and the associate members income growth for 2013 to 2022 was detailed in figure 5 of the report.

The report noted that Scotland Excel encouraged and promoted a number of organisational fair work polices and that approximately 90% of associate members were Living Wage employers; that within the last 12 months, associate members had spent £40 million through Scotland Excel frameworks which benefited core members with the enhanced buying power providing additional services in local communities; that with the launch of the Continuous Improvement Programme for Procurement (CIPP) in December 2022, the associate team would be conducting assessments for housing associations which required to meet Scottish Government conditions on the housing grant funding application; that the associate team would seek to increase growth in third sector associate membership; and that Scotland Excel would continue to review spend levels of associate members to ensure that fees reflected usage.

DECIDED: That the progress made regarding the ongoing work with associate members be noted and that members encourage suitable organisations to apply for membership.

7 **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 17 March 2023.

SCOTLAND EXCEL

Scotland Excel

To: Executive Sub-Committee

On: 17 March 2023

Report by:
Chief Executive of Scotland Excel

Chief Executive's Update Report to Chief Executive Officers Management Group (CEOMG) – March 2023

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 16 March 2023.

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 November 2022 and February 2023

3. Recommendations

Members are asked to note the report.

Scotland Excel

To: **Chief Executive Officers Management Group**

On: **16 March 2023**

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 (CEOMG) on 9 November 2022.

2. Summary

Since the group last met the SXL team has focused on identifying and demonstrating the value that Scotland Excel brings to councils and associate members. In August 2022 the CEOMG approved the launch of a project that would explore additional value added for members by the wide range of activities carried out by Scotland Excel. This update includes an outline of the project and some detail on the progress made with that work.

The update also provides detail on the portfolio of frameworks and contractual solutions offered by Scotland Excel, the project-based work carried out in partnership with other public bodies and the development of associate membership.

3. Framework Portfolio

3.1 Corporate Services (including Digital)

ICT Team
There continues to be an interest from councils in the Supply Teacher Booking solution and it is expected that at least 3 more councils will contract for this offering in the next few months. One council is also actively investigating using the Social Care Case Management Solution to replace its current solution. In addition to this, Scotland Excel still supports SEEMIS, the Digital Assurance Board and the Enterprise Architecture Board.

Corporate, Education and Operational Supplies & Services Developments
Although overall inflation has started to fall, food inflation is still rising. The World Bank is predicting that global food prices will decrease by 5% in 2023, stabilising at that level (which is still considerably high) in 2024 which could have a knock-on impact in the UK. There are some other signs of improvement such as wholesale gas prices decreasing by 50% since the peak in Summer 2022. However, the

Government's Energy Bill Relief Scheme for business is being scaled back in the spring which may lead to retailers increasing food prices for citizens. Furthermore, labour shortages in the food industry look set to continue in 2023.

The next generation Audio Visual equipment framework is due to go live in April 2023. This tender is currently being evaluated and recommendations will be presented at the March Executive Sub Committee meeting.

A contract notice has been published for Commercial Catering Equipment with tender documentation available through the Public Contracts Scotland Tender website. This tender is due to close in February, with evaluation taking place during February and March and recommendations due to be presented at the April Executive Sub Committee meeting.

Prior information notices have been issued through Public Contracts Scotland for upcoming tenders including Bottled Gas, Fire Safety Equipment, Signage and Cleaning Equipment. Initial development is also underway for tenders relating to Alcoholic Beverages and Sheriff Officers.

3.2   <u>Care Services - Adult and Older Peoples Care</u>

National Care Service (NCS) Update
On 29 November 2022 Scotland Excel attended the Health, Social Care and Sport Committee meeting to give evidence on the subject of ethical commissioning and procurement. Scottish Care, CCPS, Glasgow HSCP and Aberdeen City IJB were also in attendance.

The early conversations with Scottish Government to consider unique and specialist workstreams - which Scotland Excel may be best placed to deliver - have been paused until early in the new financial year 23/24. A meeting has been set up with the 'Once for Scotland' policy team in the National Care Service programme to provide clarity around the arrangements Scotland Excel have in place across the broad social care portfolio.

The Key Stakeholder Reference Group, of which Scotland Excel is a member, has had two further meetings to provide updates and opportunity for questions to the Deputy Director, Social Care and National Care Service Development. January's meeting focused on the Chief Designer who outlined the methodology for Co-Design and the ongoing work to support those with lived experience wishing to participate in the development of the NCS.

National Care Home Contract (NCHC)
The signatories to the NCHC have determined, with the steering group's agreement, that an update of the current NCHC to incorporate current practice and legislation is required. This would allow for a review of the cost model ensuring it would reflect current costs to meet practice demands.

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Once the cost model is reviewed, a further process of collaboration will be necessary to redesign the NCHC to reflect the changes required within the care home sector and meet future need.

Scotland Excel has attended two Care Home Assurance and Viability sub-group meetings which occur on a monthly basis and reports directly to the SCSWRG (Social Care and Social Work National Response Group SCSWRG, which replaces The Scottish Government's Adult Social Care Gold Command structure)

This sub-group is reserved for public sector members only as the independent sector has representation at the SCSWRG. The sub-group is not a decision making body but acts in an advisory role to identify, escalate and recommend responses to emerging issues and risks. The group also supports the development of early warning systems to identify emerging viability issues.

Care Homes for Adults with Learning Disabilities Including Autism
A User Intelligence Group meeting was held on 18 January 2023 and was well attended. The survey issued to local authorities is complete and the results shared with the group. A number of local authorities have requested the scope of the framework be expanded to cover other adult social care groups. Any new developments require an opportunity assessment to establish the timescale and resources required for purchasers and Scotland Excel, should the scope of the framework be expanded.

This framework is due to expire on 16 September 2023.

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 Scotland Excel is now moving on to development of a national framework agreement for residential rehabilitation services (including detoxification services).

The proposed national framework agreement is anticipated to cover publicly funded placements across Scotland commissioned by Health and Social Care Partnerships and through Alcohol and Drug Partnerships. The focus will be on the quality of services and agreed requirements. The anticipated timescales are to establish a framework during 2023. The initial development work will include engagement with a range of stakeholders including people with lived experience of services.

Care and Support
During 2022, consultation with commissioners and providers sought views on the opportunities and risks of re-opening the framework. This framework is due to expire April 2024.

On 26 January 2023 feedback was shared during the User Intelligence Group meeting and covered the following key points: timescale and resources for purchasers', providers and Scotland Excel to deliver a successful re-opening whilst developing a 2nd generation framework. Directing time and resource to develop the next generation were pivotal to the final decision not to re-open the

framework. Scotland Excel will continue to support the current operation of the framework through User Intelligence Groups, and stakeholder meetings until 31 March 2024

Social Care Agency Workers
In January 2023, following a procurement exercise, Scotland Excel established the third-generation flexible framework agreement for the provision of trained and vetted Social Care Agency Workers in a variety of social care settings. A total of 34 Suppliers were awarded to the framework across 3 Lots and 17 Regional Sub-lots, which reflect an increase in the number of participating suppliers. A User Intelligence Group took place on 8 February 2023 and supplier sessions are scheduled on 10 and 16 February 2023 to mobilise the framework.

3.3 Children's Services

Children's Residential Care & Education
The Children's Residential and Education (including short breaks) flexible framework went live on 1st October 2022. The 23/24 fee review process for the framework is currently underway with analysis of all submissions currently being undertaken. The process incorporated lessons learnt from previous years and a revised template used to collect requests and evidence. Stakeholders will be updated on progress regularly.

The management information process for the framework is under revision and streamlined to reduce the burden on providers and ensure relevant information is captured on a regular basis. This revised approach has been informed by feedback from both the UIG and providers. Further engagement with the UIG and providers will inform this new approach and agree an annual survey or management information request to providers, for more detailed and qualitative framework, service and wider landscape information.

Secure Care
An initial meeting regarding "Reimagining Secure Care" has been held between Scotland Excel and 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 provide regular updates as required.

3.4 Construction Transport and Environment

Transport
The User Intelligence Group (UIG), meeting in October agreed the proposal to merge and consolidate Grounds Maintenance Equipment and Light and Heavy Plant into one framework which will be advertised as Grounds and Plant Equipment. Work

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with the technical UIG team is underway to finalise the specifications, examine and revise the lotting and commercial structures.

An exercise for the creation of an updated framework for Street Lighting Materials was carried out in 2022 but prior to submission to the Executive Sub Committee 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. Revised tendering documents and specifications are currently being prepared for re-tender. The UIG for this commodity group has been canvassed for views on how this revised model should be structured.

The newly formed framework for Building Construction Consultancy has been presented to the Executive Sub Committee and is progressing to award.

The consolidated Construction Materials framework brings six mature goods-based frameworks together, creating efficiencies for stakeholder groups. By harmonising tendering and contract management milestones, once awarded, this framework will enable a range of sustainable procurement outcomes. Development work is ongoing to finalise the procurement strategy and related tender documentation.

The evaluation of the first-generation Property Maintenance and Refurbishment framework is at an advanced stage. There has been a high level of interest in the arrangement with the tender soon entering recommendations and award stage. Once live, this framework will provide a route to market for a broad range of repair, maintenance, and refurbishment services. This significantly enhances the portfolio of contracts to support estates management.

The strategy for the second-generation New Build Residential Construction Framework is nearing conclusion as attention turns to preparation of the tender documents. Through the published Prior Information Notice (PIN), a range of engagement is underway with our diverse stakeholder group to inform refinements to our offering, with revised scope and terms being developed as appropriate.

Asbestos related Works and Services strategy has now been approved and tender development is underway following engagement with the User Intelligence Group (UIG) on a refined evaluation methodology. Security Services and Cash Collection has entered pre-strategy with the next generation of the framework scheduled for late 2023.

Development work has commenced 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). This framework will complement the existing Energy Efficiency Contractors (EEC) framework which provides members with a pathway to upgrade Scotland's existing housing stock (c.660,000 homes) and buildings, with innovative energy efficiency measures to reduce carbon output and household bills.

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In collaboration with the Supply Chain Development Programme at the Scottish Government and Scottish Enterprise, forecasting on heat pump demand in Scotland is developing through engagement with Energy Efficiency Contractors (EEC) users. The aim of this work is to understand the public procurement opportunities which may provide potential to strengthen Scottish manufacturing capability.

4.   Contract Delivery Plan Update

At any given point there are around 70 frameworks in the Scotland Excel contract portfolio, with 5 further frameworks to be developed and added in the coming year. 20 of these frameworks are to be renewed during 2022/2023. A further 17 of the frameworks on the current portfolio have extension options that are available to be exercised in 2022/2023, with 13 of these extensions already being approved. Overall, efficiencies delivered to date in 2022/2023 are 1.73%. This efficiencies figure will continue to be monitored throughout 2022/2023.

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

4.1   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 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. 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.

4.2   Supply and Delivery of Janitorial Products

This framework provides councils with a mechanism to procure a range of janitorial products including, but not limited to, paper-towels, cleaning chemicals, hand-soap, refuse sacks, cleaning equipment such as mops & buckets.   The projected average saving across all councils is 4%, which equates to an estimated total saving of approximately £641k per annum based on current forecast spend levels. It should also be noted that the current framework contract is currently operating 12% under market conditions therefore achieving an accumulative saving of 16%.

5.   Enhancing Value

A programme of improvement work was approved by CEOMG in August 2022. Assessment of the required change has recommended that six key elements of ongoing development are brought together into a transformation programme.

These six work streams are the Savings Opportunities project, a revised approach to rebate collection, recording of Cost Avoidance, enhancement of the value brought by Scotland Excel's Indexation approach, the new Net Zero Strategy and Supply Chain management.

Highlights on these work streams are set out below with the most notable focus in the preceding quarter being on Savings.

5.1   Savings Opportunities

This work stream seeks to embed a collaborative approach to identifying recurring savings.   Mechanisms that can be applied to a range of commodities and frameworks have been identified.   These include reducing the costs associated with supplier logistics through revised delivery patterns and benchmarking current product preferences with those offered at more favourable pricing.

Exploration of alternative payment methods and the efficiencies these could bring to financial transactions as well as the processes to maximise income available to customers from rebates as continued through this period.

Further to considering measures that can be applied broadly, a focused review of a small number of frameworks has been undertaken. These are Vehicle Parts, Janitorial Products, Washroom Solutions and the group of frameworks that comprise the Food portfolio.

A presentation on the progress made in these eight areas will be shared with the February meeting of CEOMG. Several councils have begun pilots to test and refine the proposed approach to implementing the changes to achieve recurring savings.

5.2   Climate Change and Net Zero Strategy

Scotland Excel has brought together plans and objectives to support the response of members to the climate emergency in a Net Zero strategy. The strategy will be discussed CEOMG at the February 2023 meeting and will subsequently be presented to the Executive Sub-Committee in March 2023.

Implementation of the strategy is an Operating Plan objective for 2023/24.   The strategy outlines a range of activities, including those that will strengthen the organisational focus on reducing the carbon impact of internal operations as well as those arising from the use of frameworks.

5.3   Supply Chain Disruption

Scotland Excel has been providing market condition reports to members for some time; originally these were intended to help councils prepare for the impact of the UK leaving the EU. Since then, understanding the economic and geo-political factors that impact on performance and commercials of our contractual arrangements has grown in importance as instability and low predictability has become the norm.

Resources have been dedicated to collating relevant information quarterly and publishing a detailed report on factors relevant to members. The most recent of these reports was issued in January, the next is scheduled for April.

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Within the transformation programme there is recognition that some general activities will also benefit from improvement measures to strengthen the offering Scotland Excel makes to members. Since early 2020 Scotland Excel has experienced a substantial change to the composition of the workforce. Around 60% of post holders are either new to the role held, or to the organisation. Coupled with the shift to remote and hybrid working practices there is a clear need for rapid implementation of new ways of working to safeguard Scotland Excel's performance. While there is an ongoing focus on this, the transformation programme will also identify processes that will benefit from greater standardisation, further automation and additional safeguards to ensure accuracy.

6.   **The Academy**

The Academy has 1,814 registered learners accessing content on the Moodle platform, with 105 learners participating in 7 accredited cohorts - one in procurement, two in leadership & management, two in project management and two in business analysis and innovation.

There are also two hybrid procurement and leadership & management development programmes spanning five NHS health boards.

Ten accredited programmes are planned - three in procurement, three in leadership & management, three 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:

- 546 people attending 38 workshops to date.
- 10 open workshops are scheduled
- 22 closed (restricted to an organisation) workshops are scheduled.

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

Following our DETER Serious organised crime taster session of which 200 people attended, we have successfully run the first cohort and intend to run a second cohort in spring 2023.

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
With regards to our customers' requests for lower priced, shorter duration programmes as set out in the previous update – noted below:

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- 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

Data has been analysed from the community consultation and the findings will be presented to the Procurement Improvement Programme(PIP) steering group in February.

7. Projects Update

7.1 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 progressing with staff who have Delegated Procurement Authority to enhance skills and raise awareness of procurement within the organisation. These will complement training sessions previously held with the council Elected Members and other Senior Stakeholders.

7.2 Dundee City Council

Scotland Excel has started the first part of the delivery of a transformation programme with Dundee City Council. A head of procurement has been engaged by Scotland Excel to lead the programme and an initial action plan has been submitted to the Council for agreement.

A review of the Council's spend and contracts has commenced and potential opportunities for best value and efficiency improvements are being identified with service departments within the Council.

Community Wealth Building is a key part of Dundee City Council's transformation aspirations and several key actions have been identified to support procurement's role in the delivery process.

7.3 South Lanarkshire Council

The transformation programme within South Lanarkshire Council is now 15 months into the programme and progressing well. Phase 1, 2 and 3 projects have been approved and are in the process of being implemented and savings realised.

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Phase 4 and Phase 5 projects will be presented during February 2023 and May 2023 respectively. The target set at the start of the 2-year programme for savings was £1,300,000. To date, the Corporate Management Team at South Lanarkshire Council have approved projects which exceed the programme savings target, with a further programme of projects identified for delivery in 2023/24 and 2024/25.

7.4 Stirling Council

After completion of the two years programme in November 2022, Stirling Council requested ongoing support for 2 days a week. This is to lead a potential restructure of the team within Stirling. Work continues on Community Wealth Building objectives and looking at savings and efficiencies which could form a central part of the team's work going forward.

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.

7.5 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.

A workshop for key stakeholders was a success, generating positive feedback and a continued momentum to develop shared knowledge. We have recently met and are now working closely with the Council on specific aspects of the business. Interim targets are data analysis to identify areas of supplier opportunity, and a focus on best practice activity.

7.6 Flexible Procurement Services

The flexible procurement team continues to deliver for Councils and associate members in conducting a variety of procurement exercises and related activity on their behalf. There continues to be a growth in demand for Flexible Procurement Services, in particular where organisations have procurement resource or expertise gaps.

Due to the success and continued growing customer demand for these services, recruitment has been carried out for an additional senior procurement specialist within the team to support in delivering the pipeline of projects. Engagement with other organisations on new requests is ongoing, whilst also building our pipeline of projects and resource requirements in the short, medium, and long term.

7.7 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 latest sourcing exercise to be completed for the waste streams was to appoint a Consultant to review the whole market operations. This was a direct award to WSP Global from the Scotland Excel Engineering and Technical Consultancy Framework. There is a future requirement to appoint 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. The scope is currently being defined and a tender will be published when this is completed.

7.8 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 with East Renfrewshire council's key stakeholders took place in November and received positive feedback and a continued momentum to develop shared knowledge. 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 a Scottish Government Heads of Procurement event in February.

8. Associate Membership including new Members

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

> Glasgow Caledonian University
> Perth College UHI
> Scottish Qualifications Authority (SQA)

The total number of associate members of Scotland Excel currently stands at 144 for this reporting period. Since the last reporting period, Scottish Government has released the Affordable Housing Supply Programme process and procedures that requires all developing housing associations to participate in a programme of continuous improvement as a condition of grant. Scotland Excel delivered the last programme for the sector using the PCIP Lite tool and will offer a similar service to any housing associations looking to meet this requirement, although this be a chargeable service as the previous programme was fully funded by Scottish Government.

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9. **Supplier Awards and Annual Conference**

The Scotland Excel Conference is an annual event held with the aim of sharing good practice, encouraging solution focussed discussion and facilitating collaboration. Running for over twelve years, the event has grown and adapted to the changing environment and now reaches a broad audience, supporting public sector colleagues from an array of departments and organisations.

The dates for the Scotland Excel Conference 2023 have now been confirmed, with the event taking place on Wednesday 10th and Thursday 11th May. Following the success of last year's event, the first day of the Conference will take place online, facilitating multiple colleagues to participate from across local authorities and the wider public sector. The second day will take place in-person at the Radisson Blu Hotel in Glasgow. This will be a smaller event targeted towards Corporate Procurement Managers.

The Conference will take stock of the current operating environment; ongoing and lasting impacts of the pandemic, pressures of the return to business-as-usual activity, inflation at a 40-year high, soaring energy prices, elevated food prices, the highest interest rates in 14 years, strikes across the public sector and the push towards Net Zero, and consider how we as collective can address these challenges.

The Conference agenda will feature a roster of speakers from local authorities and public sector partners to share their knowledge, expertise and lessons learned.

In 2015, Scotland Excel launched the Supplier Excellence Awards, the first-ever awards programme to recognise the role of suppliers within public procurement. The awards identify examples of innovation and good practice being delivered by suppliers for Scotland Excel members.

Following the success of the inaugural awards, the programme has been delivered biennially, with award ceremonies held in 2018 and 2020. Due to ongoing uncertainty around events taking place during the Covid-19 pandemic, the awards scheduled for 2022 were delayed for a year. This also provided a longer eligibility period for supplier entries given than many businesses were significantly affected by the pandemic.

The Scotland Excel Supplier Excellence Awards 2023 ceremony will take place on 11 May 2023 at the Radisson Blu hotel in Glasgow. The award programme opened for entries on 18 January and will remain open until 28 February 2023. A communications campaign is underway to encourage entries including direct email and social media, and a dedicated website has been created to promote the programme and accept entries electronically.

The awards programme covers eight categories focusing on key aspects of sustainable procurement, including an award for small and third sector suppliers. Twelve judges from across local government and the wider public sector have agreed to take part, and judging is scheduled to be completed during March. A shortlist of finalists will be announced around the middle of the month.

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The awards ceremony is being planned around the highly successful blueprint created for the 2018 event. A Scottish celebrity will be engaged as host, and the Minister for Business, Trade, Tourism and Enterprise, Ivan McKee MSP, is the guest speaker. Invitations will be sent to key stakeholders in early March, and tickets are available for purchase by suppliers. Around 350 guests are expected to attend.

A range of sponsorship packages have been developed to defray the costs of the awards ceremony, and approaches are being made to potential sponsors. Ticket sales for the ceremony will also make a significant contribution to costs. A budget tracking tool has been developed to monitor expenditure and income.

The Scotland Excel Supplier Excellence Awards programme is a proven vehicle for enhancing Scotland Excel's profile, influence and reputation within the Scottish public, private and third sectors. The awards ceremony provides networking opportunities which strengthen stakeholder engagement and support growth.

SCOTLAND EXCEL

Scotland Excel

To: **Executive Sub-Committee**

On: **17 March 2023**

Report by:
Joint Report by the Treasurer and the Chief Executive

Revenue Budget Monitoring Report to 03 February 2023

1.   Summary

1.1   At the end of Period 11, Scotland Excel is projecting a breakeven position by year-end in its Core activities and a planned £0.208m increase in committed Project Reserves by year-end. Both Core and Projects budgets will continue to be monitored closely over the remainder of the financial year, targeted at maintaining a break-even position for Core operations by 31 March 2023. Further detail is provided at section 3.

2.   Recommendations

2.1   It is recommended that members note the report.

3.   Background

Core

3.1   As at 3 February 2023 (Period 11), the year-to-date net expenditure for Core was (£0.274m), comprising gross expenditure of £3.758m, less gross income of (£4.032m).

3.2   The current projection for year end 2022/23 is a breakeven position for Core. There have been no material changes to the projected variances since last reported at Period 9.

3.3   Income and expenditure will continue to be monitored throughout the financial year and all projections and assumptions will be kept under review as Scotland Excel work towards achieving a break-even position at year end.

3.4   Appendix 1 provides an analysis of the actual spend to date along with projected net expenditure for 2022/23 and includes a summary of movement in the Revenue Reserve, as well as a glossary of terms.

Projects

3.5 The year-to-date net expenditure at Period 11 for Projects was £0.159m, comprising gross expenditure of £1.375m and gross income of (£1.216m).

3.6 The projection for Projects at the end of 2022/23 is a planned increase in committed Project Reserves to £0.208m after an anticipated transfer to Core of £0.253m. The movement in full year projection from Period 9 is due to a number of factors, as follows:

- **Employee Costs:** the projected spend within Projects has decreased by £0.024m since Period 9 due to staff turnover within Projects. A recruitment campaign to fill vacancies is underway however posts are unlikely to be filled prior to financial year end.

- **Third Party Payments:** the forecast spend within Projects has decreased by £0.026m since Period 9, due to increased clarity around payments being made to accreditation bodies by the Scotland Excel Academy.

- **Income from Projects:** the additional projected over-recovery of income since Period 9 of £0.121m is due to increased clarity on forecast income for the Academy, Flexible Procurement and Rebates.

3.7 Appendix 2 provides an analysis of the actual spend to date along with projected net expenditure for 2022/23 and includes a summary of movement in the Project reserves, as well as a glossary of terms.

REVENUE BUDGET MONITORING STATEMENT 2022/23
1 April to 3 February 2023

Core Operations	Approved Budget	Year to Date Actual	Projected Full Year Actual	Projected Full Year Variance (Adverse) / Favourable	Prior Period Projection P10	Movement in Projection Adverse / (Favourable)
£000s	£000s	£000s	£000s	£000s	£000s	£000s
Employee Costs	4,098	3,397	4,074	24	4,076	(2)
Property Costs	216	0	217	(1)	216	1
Transport Costs	20	3	9	11	7	2
Supplies and Services	311	232	304	7	303	1
Transfer Payments	16	13	16	0	16	0
Support Costs	271	113	272	(1)	272	0
Gross Expenditure	**4,932**	**3,758**	**4,892**	**40**	**4,890**	**2**
Council Requisitions	(3,883)	(3,844)	(3,883)	0	(3,883)	0
Associate Income	(220)	(179)	(204)	(16)	(202)	(2)
Income from Projects	(286)	(9)	(262)	(24)	(262)	0
Rebates	(543)	0	(543)	0	(543)	0
Gross Income	**(4,932)**	**(4,032)**	**(4,892)**	**(40)**	**(4,890)**	**(2)**
Drawdown from Reserves	**0**	**(274)**	**0**	**0**	**0**	**0**

Summary of in-year Movement in Reserves	£000s
Opening Revenue Reserve at 1 April 2022	**246**
Budgeted Draw on Reserves	**0**
Projected Year-end variance	**0**
Closing Revenue Reserve at 31 March 2023	**246**
% of Operating Income	5.0%

Glossary

Employee Costs: Includes direct employee costs such as salary costs, overtime and indirect employee costs such as training, recruitment advertising

Property Costs: Includes expenses directly related to the running of premises and land, eg rates, rents and leases, utilities, contract cleaning

Transport Costs: Includes all costs associated with the provision, hire or use of transport, including travelling allowances, taxi and car hire costs and staff mileage

Supplies and Services: Includes all supplies and service expenses, such as ICT costs, and administrative costs such as stationery, postages, printing and advertising

Transfer Payments: Includes costs of payments for which no good or services are received in return e.g. Apprenticeship Levy

Support Costs: Includes central support charges e.g. Renfrewshire Council SLA and telephony recharges ('Administration Costs' in approved budget)

REVENUE BUDGET MONITORING STATEMENT 2022/23
1 April to 3 February 2023

Projects	Approved Budget	Year to Date Actual	Projected Full Year Actual	Full Year Variance (Adverse) / Favourable	Prior Period Projection	Movement in Projection Adverse / (Favourable)
£000s	£000s	£000s	£000s	£000s	£000s	£000s
Employee Costs	1,416	1,322	1,558	(142)	1,582	(24)
Transport Costs	4	0	2	2	2	0
Supplies and Services	10	48	44	(34)	36	8
Transfer Payments	5	5	5	0	7	(2)
Third Party Payments	501	0	382	119	408	(26)
Gross Expenditure	**1,936**	**1,375**	**1,991**	**(55)**	**2,035**	**(44)**
Income from Projects	(2,111)	(1,216)	(2,452)	341	(2,331)	(121)
Gross Income	**(2,111)**	**(1,216)**	**(2,452)**	**341**	**(2,331)**	**(121)**
Net Expenditure Sub-Total	**(175)**	**159**	**(461)**	**286**	**(296)**	**(165)**
Transfer to Core	**286**	**0**	**253**	**33**	**253**	**0**
Net Expenditure	**111**	**159**	**(208)**	**319**	**(43)**	**(165)**

Summary of in-year Movement in Reserves	£000s
Opening Projects Reserves at 1 April 2022	**1,113**
Budgeted Draw on Reserves	**(111)**
Projected year-end variance	**319**
Closing Project Reserves at 31 March 2023	**1,321**
% of Operating Income	53.9%

Glossary

Employee Costs: Includes direct employee costs such as salary costs, overtime and indirect employee costs such as training, recruitment advertising

Transport Costs: Includes all costs associated with the provision, hire or use of transport, including travelling allowances, taxi and car hire costs and staff mileage

Supplies and Services: Includes all supplies and service expenses, such as ICT costs, and administrative costs such as stationery, postages, printing and advertising

Transfer Payments: Includes costs of payments for which no good or services are received in return e.g. Apprenticeship Levy

Third Party Payments: Includes payments to other agencies and organisations in return for services, e.g. CMI/SQA fees

SCOTLAND EXCEL

Scotland Excel

To: **Executive Sub-Committee**

On: **17 March 2023**

Report by:
The Treasurer

Report on the Annual Audit Plan 2022/23

1.   Summary

1.1   The Annual Audit Plan 2022/23 for Scotland Excel is submitted for Members' information, prepared by the appointed external auditor, Azets. It outlines their planned activities during the audit of the 2022/23 annual accounts.

2.   Recommendations

2.1   It is recommended that the Executive Sub-Committee:

    a)   notes the Annual Audit Plan 2022/23 by Azets, as attached; and

    b)   approves the proposed audit fee of £10,510.

3.   Background

3.1   Based on its analysis of the risks facing Scotland Excel, Azets has submitted an Audit Plan that outlines its approach to the audit of the 2022/23 annual accounts. This will assess whether the accounts provide a true and fair view of the organisation's financial position, and also whether they have been prepared in accordance with proper accounting practice, i.e. the Code of Practice on Local Authority Accounting in the UK 2022/23.

3.2   The Audit Plan outlines the responsibilities of Scotland Excel and of Azets; its assessment of key challenges and risks and the approach and timetable for completion of the audit. The risks identified here are included in the audit plans of many bodies that Azets work with and their inclusion is not a reflection of any specific risk within Scotland Excel.

3.3   The statutory deadline for the approval of the audited accounts for 2022/23 is 30 September 2023 and the annual audit report is planned to be reported to the Executive Sub-Committee on 15 September 2023.

3.4   On pages 21-22 of the Audit Plan, the proposed audit fee is detailed. This is
        indicated at £10,510 for the current financial year and represents a local
        increase above the 12.5% uplift set by Audit Scotland for 2022/23.

3.5   Within the terms of the Audit Scotland appointment, local audit teams have
        discretion to vary the fee by up to 10% above the level set depending on the
        level of identified audit risk. This proposed higher fee reflects the additional
        work required in the first year of a new audit appointment.

3.6   From Azets, Senior Manager, Adrian Kolodziej will be in attendance at the
        meeting to present the Audit Plan, attached here as an appendix.

Scotland Excel

External Audit Annual Plan 2022/23

March 2023

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Introduction

Azets have been appointed by Audit Scotland as the external auditor to Scotland Excel for the period 2022/23 to 2026/27.

This document summarises the work plan for our 2022/23 external audit of Scotland Excel.

The core elements of our work include:

- An audit of the 2022/23 annual accounts and related matters;

- Consideration of the wider scope areas of public audit work as they apply to less complex bodies;

- Any other work requested by Audit Scotland.

We expect that our audit will have a similar underlying approach to that of your previous external auditor, Audit Scotland, although there are some changes to the Code of Audit Practice and auditing standards that come into effect for the first time in 2022/23, which are reflected in this document.

Adding value

All of our clients quite rightly demand of us a positive contribution to meeting their ever-changing business needs. We will add value by being constructive and forward looking, by identifying areas of improvement and by recommending and encouraging good practice. In this way we aim to promote improved standards of governance, better management and decision making and more effective use of public money.

Any comments you may have on the service we provide would be greatly appreciated. Comments can be reported directly to any member of your audit team.

Openness and transparency

This report will be published on Audit Scotland's website www.audit-scotland.gov.uk.

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Audit scope and general approach

Responsibilities of the auditor and Scotland Excel

The Code of Audit Practice outlines the responsibilities of external auditors appointed by the Accounts Commission and it is a condition of our appointment that we follow it.

Auditor responsibilities are derived from statute, International Standards on Auditing (UK) and the Ethical Standard for auditors, other professional requirements and best practice, the Code of Audit Practice and guidance from Audit Scotland.

Scotland Excel has primary responsibility for ensuring the proper financial stewardship of public funds. This includes preparing annual accounts that are in accordance with proper accounting practices. Scotland Excel is also responsible for compliance with legislation and putting arrangements in place for governance and propriety that enable it to successfully deliver its objectives.

Appendix 1 provides further detail of both our responsibilities and those of Scotland Excel.

Risk-based audit approach

We follow a risk-based approach to the audit that reflects our overall assessment of the relevant risks that apply to Scotland Excel. This ensures that our audit focuses on the areas of highest risk. Our audit planning is based on:

Discussions with senior officers	**Our understanding of the sector, its key priorities and risks**	**Attendance at the Executive Sub-Committee**
Guidance from Audit Scotland	**Discussions with Audit Scotland and other public sector auditors**	**Consideration of the work of internal audit**
Review of Scotland Excel's corporate strategies and plans	**Review of Scotland Excel's corporate risk register**	**Outcomes of prior year audits**

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Planning is a continuous process and our audit plans are updated during the course of our audit to take account of developments as they arise.

Communication with those charged with governance

Auditing standards require us to make certain communications throughout the audit to those charged with governance. These communications will be through Scotland Excel Executive Sub-Committee.

Professional standards and guidance

We perform our audit of the financial statements in accordance with International Standards on Auditing UK (ISAs (UK)), Ethical Standards, and applicable Practice Notes and other guidance issued by the Financial Reporting Council (FRC).

Partnership working

We coordinate our work with Audit Scotland, internal audit, other external auditors and relevant scrutiny bodies, recognising the increasing integration of service delivery and partnership working within the public sector.

Audit Scotland

Although we are independent of Audit Scotland and are responsible for forming our own views and opinions, we do work closely with Audit Scotland throughout the audit. This helps identify common priorities and risks, treat issues consistently across the sector, and improve audit quality and efficiency. We share information about identified risks, good practices and barriers to improvement so that lessons to be learnt and knowledge of what works can be disseminated to all relevant bodies.

Internal Audit

As part of our audit, we consider the scope and nature of internal audit work and look to minimise duplication of effort, to ensure the total audit resource to Scotland Excel is used as efficiently and effectively as possible.

Service organisations

Renfrewshire Council ("the Council") is the lead administrative authority for Scotland Excel, providing Treasurer and Clerk roles, as well as other service support, such as payroll, ICT, legal and HR. Where those services (and associated systems) have a material impact on the annual accounts we will work with the Council to understand the controls in place over the systems used in delivering these services.

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AZETS

Delivering the audit – post pandemic

Hybrid audit approach

We intend to adopt a hybrid approach to our audit which combines on-site visits with remote working; learning from the better practices developed during the pandemic.

All of our people have the equipment, technology and systems to allow them to work remotely or on-site, including secure access to all necessary data and information.

All of our staff are fully contactable by email, phone call and video-conferencing.

Meetings can be held over Skype, Microsoft Teams or by telephone.

We employ greater use of technology to examine evidence, but only where we have assessed both the sufficiency and appropriateness of the audit evidence produced.

Secure sharing of information

We use a cloud-based file sharing service that enables users to easily and securely exchange documents and provides a single repository for audit evidence.

Regular contact

During the 'fieldwork' phases of our audit, we will arrange regular catch-ups with key personnel to discuss the progress of the audit. The frequency of these meetings will be discussed and agreed with management.

Signing annual accounts

Audit Scotland recommends the electronic signing of annual accounts and uses a system called DocuSign.

Electronic signatures simplify the process of signing the accounts. Accounts can be signed using any device from any location and there is no longer a need for duplicate copies to be signed.

Approach to audit of the annual accounts

Our objective when performing an audit of the annual accounts is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement and to issue an auditor's report that includes our auditor's opinion.

As part of our general approach, we will:

- perform risk assessment procedures including updating our understanding of the entity and its environment, the financial reporting framework and system of internal control;

- review the design and implementation of key internal controls;

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- identify and assess the risks of material misstatement, whether due to fraud or error, at the financial statement level and the assertion level for classes of transaction, account balances or disclosures;

- design and perform audit procedures responsive to those risks, to obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion; and

- exercise professional judgment and maintain professional scepticism throughout the audit recognising that circumstances may exist that cause the financial statements to be materially misstated.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. We include an explanation in the auditor's report of the extent to which the audit was capable of detecting irregularities, including fraud and respective responsibilities for prevention and detection of fraud.

Key audit developments in 2022/23

Revised auditing standards[1], which come into effect from the current year, will have a significant impact on the way we perform our audit, particularly how we assess the risk of material misstatement, our approach to the audit of fraud, and the ways we ensure our audits are performed in line with regulatory requirements and to a high standard. The in-depth nature of these additional procedures, as well as updated tools and techniques that may come into scope, will also offer additional opportunity to provide insights and constructive feedback on the way Scotland Excel manages risks. Appendix 2 provides further details on the implications of these new requirements.

Materiality

We apply the concept of materiality both in planning and performing the audit, and in evaluating the effect of identified misstatements on the audit and of uncorrected

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[1] Revisions to ISA (UK) 315 on auditors' responsibility to identify and assess the risks of material misstatement in the financial statements and ISA (UK) 240 on material misstatements caused by fraud came into effect for audits of financial statements with periods commencing on or after 15 December 2021.

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misstatements. In general, misstatements, including omissions, are considered to be material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Judgments about materiality are made in the light of surrounding circumstances and are affected by our perception of the financial information needs of users of the financial statements, and by the size or nature of a misstatement, or a combination of both.

The basis for our assessment of materiality is set out in Appendix 3.

Accounting systems and internal controls

The purpose of an audit is to express an opinion on the financial statements. As part of our work, we consider certain internal controls relevant to the preparation of the financial statements such that we are able to design appropriate audit procedures. However, this work is not for the purpose of expressing an opinion on the effectiveness of internal controls.

We will report to Scotland Excel, significant deficiencies in internal controls that we identify during the audit. These matters will be limited to those which we conclude are of sufficient importance to merit being reported. The scope of our work is not designed to be an extensive review of all internal controls.

Specialised skill or knowledge required to complete the audit procedures

Our intended audit approach is to consult internally with our Technology Risk team for them to support the audit team in assessing the information technology general controls (ITGC).

Going concern

The concept of going concern applies in the public sector but in a different way to the private sector. In many public sector entities (but not all), the use of going concern basis of accounting is not a significant matter because the applicable financial reporting framework envisage that the going concern basis for accounting will apply where the entity's services will continue to be delivered by the public sector. In such cases, a material uncertainty related to going concern is unlikely to exist.

For many public sector entities, the financial sustainability of the entity is more likely to be of significant public interest that the application of the going concern basis.

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Prevention and detection of fraud or error

In order to discharge our responsibilities regarding fraud and irregularity we require any fraud or irregularity issues to be reported to us as they arise. In particular we require to be notified of all frauds which:

- Involve the misappropriation of theft of assets or cash which are facilitated by weaknesses in internal control

- Are over £5,000

We also require a historic record of instances of fraud or irregularity to be maintained and a summary to be made available to us after each year end.

Anti-money laundering

The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 impose an obligation on the Auditor General to inform the National Crime Agency (NCA) if he knows or suspects that any person has engaged in money laundering or terrorist financing. Audit Scotland has extended this responsibility to the Accounts Commission in respect of local government.

We require Scotland Excel to notify us on a timely basis of any suspected instances of money laundering so that we can inform Audit Scotland who will determine the necessary course of action.

Wider scope audit work

The special accountabilities that attach to the conduct of public business, and the use of public money, mean that public sector audits must be planned and undertaken from a wider perspective than in the private sector. This means providing assurance, not only on the financial statements, but providing audit judgements and conclusions on the appropriateness, effectiveness and impact of corporate governance and performance management arrangements and financial sustainability. Appendix 1 provides detail of the wider scope areas of public sector audit work.

The Code of Audit Practice provides for the Accounts Commission to specify an alternative audit approach where an audited body might be considered less complex due to its size and its limited financial activity.

We have concluded, based on an assessment of the nature and circumstances of Scotland Excel, that a limited wider scope audit is appropriate. Our audit will be limited to:

- A review of the Annual Governance Statement

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- Concluding on the financial sustainability of Scotland Excel and the services it delivers over the medium to longer term.

Best Value

Appointed auditors have a duty to be satisfied that local government bodies have made proper arrangements to secure best value.

Our work in respect of Scotland Excel's best value arrangements will be integrated into our audit approach, including our work on the wider scope areas as set out in this plan.

We will review Scotland Excel's governance arrangements and consider how Scotland Excel demonstrates and reports that it has Best Value arrangements in place to secure continuous improvement.

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Significant and other risks of material misstatement

Significant risks are risks that require special audit consideration and include identified risks of material misstatement that:

- our risk assessment procedures have identified as being close to the upper range of the spectrum of inherent risk due to their nature and a combination of the likelihood and potential magnitude of misstatement; or

- are required to be treated as significant risks due to requirements of ISAs (UK), for example in relation to management override of internal controls.

Significant risks at the financial statement level

The table below summarises significant risks of material misstatement identified at the financial statement level. These risks are considered to have a pervasive impact on the financial statements as a whole and potentially affect many assertions for classes of transaction, account balances and disclosures.

Identified risk of material misstatement	Audit approach
Management override of controls Management is in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Although the level of risk of management override of controls will vary from entity to entity, the risk is nevertheless present in all entities. Due to the unpredictable way in which such override could occur, it is a risk of material misstatement due to fraud and thus a significant risk. **Risk of material misstatement: Very High**	Procedures performed to mitigate risks of material misstatement in this area will include: - Documenting our understanding of the journals posting process and evaluating the design effectiveness of management controls over journals; - Analysing the journals listing and determining criteria for selecting high risk and / or unusual journals; - Testing high risk and / or unusual journals posted during the year and after the unaudited annual accounts stage back to supporting documentation for

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Identified risk of material misstatement	Audit approach
	appropriateness, corroboration and to ensure approval has been undertaken in line with Scotland Excel's journals policy;
	• Gaining an understanding of the accounting estimates and critical judgements made by management. We will challenge assumptions and consider the reasonableness and indicators of bias which could result in material misstatement due to fraud; and
	• Evaluating the rationale for any changes in accounting policies estimate or significant unusual transactions.

Significant risks at the assertion level for classes of transaction, account balances and disclosures

The table below summarises significant risks of material misstatement assertion level for classes of transaction, account balances and disclosures.

Identified risk of material misstatement	Audit approach
Fraud in revenue recognition Material misstatement due to fraudulent financial reporting relating to revenue recognition is a presumed risk in ISA 240 (The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements). The presumption is that Scotland Excel could adopt accounting policies or recognise income in such a way as to lead to a material	Procedures performed to mitigate risks of material misstatement in this area will include: • Evaluation the significant income streams and review the controls in place over accounting for revenue. • Consideration of Scotland Excel's key areas of income and obtaining evidence that income is recorded in line with appropriate accounting

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Identified risk of material misstatement	Audit approach
misstatement in the reported financial position. Given the financial pressures facing the public sector as a whole, there is an inherent fraud risk associated with the recording of income around the year end. However, we do not deem this risk to be present in requisitions received from the member authorities due to a lack of incentive and opportunity to manipulate transactions. **Inherent risk of material misstatement:** **Revenue (occurrence / completeness): High**	policies and the policies have been applied consistently across the year.
Fraud in non-pay expenditure As most public sector bodies are net expenditure bodies, the risk of fraud is more likely to occur in expenditure. There is a risk that expenditure may be misstated resulting in a material misstatement in the financial statements. Given the financial pressures facing the public sector as a whole, there is an inherent fraud risk associated with the recording of expenditure around the year end. **Inherent risk of material misstatement:** • **Non-pay expenditure (occurrence / completeness): High**	Procedures performed to mitigate risks of material misstatement in this area will include: • Evaluating the significant non-pay expenditure streams and reviewing the controls in place over accounting for expenditure. • Consideration of Scotland Excel's key areas of expenditure and obtaining evidence that expenditure is recorded in line with appropriate accounting policies and the policies have been applied consistently across the year. • Review of accruals around the year end to consider if there is any indication of understatement of balances held through consideration of accounting estimates.

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Identified risk of material misstatement	Audit approach
• **Accruals (existence / completeness): High**	
Pension asset / liability (key accounting estimate) An actuarial estimate of the pension fund asset/liability is calculated on an annual basis under IAS 19 and on a triennial funding basis by an independent firm of actuaries with specialist knowledge and experience. The estimates are based on the most up to date membership data held by the pension fund and have regard to local factors such as mortality rates and expected pay rises with other assumptions around inflation when calculating the liabilities. A significant level of estimation is required in order to determine the valuation of pension assets/liabilities. Small changes in the key assumptions (including discount rates, inflation, and mortality rates) can have a material impact on the pension asset/liability. There is a risk that the assumptions used are not appropriate. **Inherent risk of material misstatement:** **Pensions (valuation): High**	Procedures performed to mitigate risks of material misstatement in this area will include: • Review of the controls in place to ensure that the data provided from the pension fund to the actuary is complete and accurate. • Reviewing the reasonableness of the assumptions used in the calculation against other local government pension fund actuaries and other observable data. • Agreeing the disclosures in the financial statements to information provided by the actuary. • Considering the competence, capability and objectiveness of the management expert in line with ISA (UK) 500 Audit Evidence.

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Wider scope

As described previously, the Code of Audit Practice frames a significant part of our audit responsibilities. Following consideration of the size, nature and risks of Scotland Excel, the application of the full wider scope audit is judged by us not to be appropriate. Our annual audit work will therefore be restricted to:

- A review of the Annual Governance Statement

- Concluding on the financial sustainability of Scotland Excel and the services it delivers over the medium to longer term.

Our planned audit work against these two areas is risk based and proportionate. Our initial assessment builds upon our understanding of Scotland Excel's key priorities and risks, along with discussions with management and review of Scotland Excel minutes and key strategy documents.

At this stage of our audit planning process, we have identified one significant risk to the wider scope of our audit as set out in the table below.

Audit planning however is a continuous process. We will report any other identified significant risks in our annual audit report.

Financial sustainability	Audit approach
In December 2022 the Joint Committee considered its revenue budget for 2023/24 and indicative budget estimates for the subsequent two years to 2025/26. Scotland Excel is estimating a break-even position for core activities at the end of 2022/23 and uncommitted reserves level of £246k. This level of reserves represents 5% of estimated operating income and is treated as a minimum level required for unforeseen cost. The main cost driver is staff expenditure which is expected to increase over the period of the estimate by 3% each year and represents c.83% of total core activity cost. This cost is more variable for Projects, where staffing levels scale according to the level of project activity each year.	We will review Scotland Excel's arrangements for managing its financial position. Our work will include an assessment of progress made in developing financially sustainable plans which support the delivery of Scotland Excel's statutory functions and strategic objectives.

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Financial sustainability	Audit approach
The local authorities' requisitions in 2023/24 will increase by 3%, but any potential future increases beyond that year are yet to be considered and agreed. Increases of the same level for the further two years of the forecast would create a deficit position in each of these years. If the uncommitted reserves were to be used to cover the deficits the core reserves would reduce to £75k at the end of 2025/26 (or 1.4% of the operating income).	
Such a low level of core uncommitted reserves could make the financial position of Scotland Excel more difficult to manage over the short and medium term.	
There is a level of uncertainty in the above estimates due to:	
• Indirect dependence on the Scottish Government annual allocation of funding to local authorities who in turn fund Scotland Excel activities through their requisitions. The funding levels from the Scottish Government beyond 2023/24 are uncertain and impacted by wider economic factors in Scotland.	
• Unpredictability of the projects and rebates income; although Scotland Excel assumes the projects income will represent c.20% of the cost in each of the three years of the financial forecast;	
• Scotland Excels faces cost pressures, particularly in its staff cost which make up 83% of its core activities expenditure. While the most recent Bank of England's expectation is that the inflation will fall to 4% at	

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Financial sustainability	Audit approach
the calendar year-end, the current levels are still high and around 10%. Scotland Excel's medium to longer term financial planning is therefore challenging due to the wider economic environment and local government funding uncertainties. With the current estimates in place the reserves position at the end of 2025/26 will allow less flexibility when responding to any unforeseen cost.	

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Your Azets audit management team

The external audit team will be led by Gary Devlin and managed by Adrian Kolodziej.

Gary Devlin: Engagement Lead

gary.devlin@azets.co.uk

Gary is the partner in charge of our audit of Glasgow and Scotland Excel. Gary has over 20 years' experience in local government auditing and also leads our external audit appointment to Renfrewshire Council.

Adrian Kolodziej: Engagement Manager

adrian.kolodziej@azets.co.uk

Adrian will manage the delivery of the onsite work and work alongside Gary to deliver the audit engagement. Adrian has over 14 years of public sector experience performing the external audits of local authorities, central government and further education bodies.

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Audit timetable

The submission date for audited annual accounts in local government is generally set to be consistent with the date specified in the accounts regulations by which Scotland Excel is required to approve its audited accounts. The Coronavirus (Scotland) Act 2000 permitted a deferral in 2019/20 and 2020/21 to 30 November, and a temporary amendment to the accounts regulations allowed a submission date of 31 November for 2021/22. However, the submission date is returning to pre-pandemic 30 September for 2022/23.

We have set out below target months which align to the schedule of Scotland Excel meetings. We aim to meet these scheduled meetings however this will be monitored during the audit process and may require to be revised to reflect emerging issues.

Audit work/ output	Description	Target month/s	Executive Sub-Committee	Deadline
Audit plan	Audit plan setting out the scope of our audit, including key audit matters, presented to Scotland Excel.	February	17 March 2023	31 March 2023
Interim audit	Interim audit including review of accounting systems.	March - April	N/A	N/A
Final audit	Accounts presented for audit and final audit visit begins	July - September	TBC	30 September 2023
Independent Auditor's Report	This report will contain our opinion on the financial statements, the audited part of the remuneration report, annual governance statement and	September	15 September 2023	30 September 2023

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Audit work/ output	Description	Target month/s	Executive Sub-Committee	Deadline
	management commentary.			
Annual Report to Scotland Excel and the Controller of Audit	At the conclusion of each year's audit we issue an annual report setting out the nature and extent of our audit work for the year and summarise our opinions, conclusions and the significant issues arising from our work. This report pulls together all of our work under the Code of Audit Practice.	September	15 September 2023	30 September 2023

Prior to submitting our outputs, we will discuss all issues with management to confirm factual accuracy and agree a draft action plan where appropriate.

The action plans within the reports will include prioritised recommendations, responsible officers and implementation dates. We will review progress against the action plans on a regular basis.

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Audit fee

For 2022/23, the new appointment process provided Audit Scotland with a fair representation of the current audit market for each individual body with the outcome of this exercise highlighting the increasing requirements, expectations and scrutiny of the audit profession.

The quality of audit work is an essential requirement in successfully delivering a fully compliant ISA and Code of Audit Practice audit. These factors have led to above inflationary increases in the cost of audit. Whilst these increases are significant these are consistent with evidence obtained from the profession and other UK audit agencies. On setting fees, Audit Scotland has ensured that efficiencies have been fully utilised to mitigate the impact.

For the local government sector, the average fee increase is 12.5%.

Audit Scotland sets an expected audit fee that assumes the body has sound governance arrangements in place, has been operating effectively throughout the year, prepares comprehensive and accurate draft accounts and meets the agreed timetable for audit. The expected fee is reviewed by Audit Scotland each year and adjusted if necessary based on auditors' experience, new requirements, or significant changes to the audited body.

As auditors we negotiate a fee with Scotland Excel during the planning process. The fee may be varied above the expected fee level to reflect the circumstances and local risks within the body.

For 2022/23, we propose setting the audit fee at c.15% above the expected base fee level. This reflects the level of work we consider is required in the first year of the audit and our response to the key audit matters identified in this document.

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	2022/23	**2021/22**
Auditor remuneration	£24,380 (base is £21,230)	£5,460
Pooled costs	-	£570
Audit support costs	£800	£290
Sectoral cap adjustment	(£14,920)	-
Total fee	**£10,510**	**£6,320**

We will take account of the risk exposure of Scotland Excel and the management assurances in place. We assume receipt of the draft working papers at the outset of our on-site final audit visit. If the draft accounts and papers are late, or agreed management assurances are unavailable, we reserve the right to charge an additional fee for additional audit work. An additional fee will be required in relation to any other significant exercises not within our planned audit activity.

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Audit independence and objectivity

International Standard on Auditing (UK) 260 "Communication with those charged with governance" requires us to communicate on a timely basis all facts and matters that may have a bearing on our independence.

In particular, FRC's Ethical Standard stipulates that where an auditor undertakes non audit work, appropriate safeguards must be applied to reduce or eliminate any threats to independence. Azets has not been appointed by Scotland Excel to provide any non-audit services during the year.

We confirm that we comply with FRC's Ethical Standard. In our professional judgement, the audit process is independent and our objectivity has not been compromised in any way. In particular there are and have been no relationships between Azets and Scotland Excel, its members and senior management that may reasonably be thought to bear on our objectivity and independence.

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Appendix 1: Responsibilities of the Auditor and Scotland Excel

The Accounts Commission, Controller of Audit and Audit Scotland

The Accounts Commission is an independent public body. Its members are appointed by Scottish Ministers and are responsible for holding local government to account.

Under statute, the Accounts Commission appoints a Controller of Audit to consider the results of the audit of accounts, including the wider-scope responsibilities and Best Value auditing. The Controller of Audit makes reports to the Accounts Commission on matters arising from the accounts and on Best Value and acts independently of the Accounts Commission when reporting to it.

Audit Scotland is an independent statutory body that co-ordinates and supports the delivery of high-quality public sector audit in Scotland. Audit Scotland oversees the appointment and performance of auditors, provides technical support, delivers performance audit and Best Value work programmes and undertakes financial audits of public bodies.

Auditor responsibilities

Code of Audit Practice

The Code of Audit Practice (the Code) describes the high-level, principles-based purpose and scope of public audit in Scotland. The 2021 Code came into effect from 2022/23.

The Code of Audit Practice outlines the responsibilities of external auditors appointed by the Accounts Commission and it is a condition of our appointment that we follow it.

Our responsibilities

Auditor responsibilities are derived from the Code, statute, International Standards on Auditing (UK) and the Ethical Standard for auditors, other professional requirements and best practice, and guidance from Audit Scotland.

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We are responsible for the audit of the accounts and the wider-scope responsibilities explained below. We act independently in carrying out our role and in exercising professional judgement. We report to Scotland Excel and others, including Audit Scotland, on the results of our audit work.

Weaknesses or risks, including fraud and other irregularities, identified by auditors, are only those which come to our attention during our normal audit work in accordance with the Code and may not be all that exist.

Wider scope audit work

Reflecting the fact that public money is involved, public audit is planned and undertaken from a wider perspective than in the private sector.

The wider scope audit specified by the Code broadens the audit of the accounts to include additional aspects or risks in areas of financial management; financial sustainability; vision, leadership and governance; and use of resources to improve outcomes.

Financial management

Financial management means having sound budgetary processes. Audited bodies require to understand the financial environment and whether their internal controls are operating effectively.

Auditor considerations

Auditors consider whether the body has effective arrangements to secure sound financial management. This includes the strength of the financial management culture, accountability, and arrangements to prevent and detect fraud, error and other irregularities.

Financial sustainability

Financial sustainability means being able to meet the needs of the present without compromising the ability of future generations to meet their own needs.

Auditor considerations

Auditors consider the extent to which audited bodies show regard to financial sustainability. They look ahead to the medium term (two to five years) and longer term (over five years) to consider whether the body is planning effectively so it can continue to deliver services.

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Vision, leadership and governance

Audited bodies must have a clear vision and strategy, and set priorities for improvement within this vision and strategy. They work together with partners and communities to improve outcomes and foster a culture of innovation.

Auditor considerations

Auditors consider the clarity of plans to implement the vision, strategy and priorities adopted by the leaders of the audited body. Auditors also consider the effectiveness of governance arrangements for delivery, including openness and transparency of decision-making; robustness of scrutiny and shared working arrangements; and reporting of decisions and outcomes, and financial and performance information.

Use of resources to improve outcomes

Audited bodies need to make best use of their resources to meet stated outcomes and improvement objectives, through effective planning and working with strategic partners and communities. This includes demonstrating economy, efficiency and effectiveness through the use of financial and other resources, and reporting performance against outcomes.

Auditor considerations

Auditors consider the clarity of arrangements in place to ensure that resources are deployed to improve strategic outcomes, meet the needs of service users taking account of inequalities, and deliver continuous improvement in priority services.

Limited wider scope audit work

The Code of Audit Practice provides for the Accounts Commission to specify an alternative audit approach where an audited body might be considered less complex due to its size and its limited financial activity.

We have concluded, based on an assessment of the nature and circumstances of Scotland Excel, that a limited wider scope audit is appropriate. Our audit will be limited to:

- A review of the Annual Governance Statement

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- Concluding on the financial sustainability of Scotland Excel and the services it delivers over the medium to longer term.

Best Value

Appointed auditors have a duty to be satisfied that local government bodies have made proper arrangements to secure best value.

Our work in respect of Scotland Excel's best value arrangements will be integrated into our audit approach, including our work on the wider scope areas as set out in this plan.

We will review Scotland Excel's governance arrangements and consider how it demonstrates and reports that it has Best Value arrangements in place to secure continuous improvement.

Audit quality

The Auditor General and the Accounts Commission require assurance on the quality of public audit in Scotland through comprehensive audit quality arrangements that apply to all audit work and providers. The audit quality arrangements recognise the importance of audit quality to the Auditor General and the Accounts Commission and provide regular reporting on audit quality and performance.

Audit Scotland maintains and delivers an Audit Quality Framework.

The most recent audit quality report can be found at https://www.audit-scotland.gov.uk/publications/quality-of-public-audit-in-scotland-annual-report-202122

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Scotland Excel responsibilities

Scotland Excel has primary responsibility for ensuring the proper financial stewardship of public funds, compliance with relevant legislation and establishing effective arrangements for governance, propriety and regularity that enables it to successfully deliver its objectives. The features of proper financial stewardship include the following:

Area	Scotland Excel responsibilities
Corporate governance	Scotland Excel is responsible for establishing arrangements to ensure the proper conduct of its affairs including the legality of activities and transactions, and for monitoring the adequacy and effectiveness of these arrangements. Those charged with governance should be involved in monitoring these arrangements.
Financial statements and related reports	Scotland Excel has responsibility for: • preparing financial statements which give a true and fair view of its financial position and its expenditure and income, in accordance with the applicable financial reporting framework and relevant legislation; • maintaining accounting records and working papers that have been prepared to an acceptable professional standard and that support its financial statements and related reports disclosures; • ensuring the regularity of transactions, by putting in place systems of internal control to ensure that they are in accordance with the appropriate authority; and • preparing and publishing, along with the financial statements, an annual governance statement, management commentary (or equivalent) and a remuneration report in accordance with prescribed requirements. Management commentaries should be fair, balanced and understandable. Management is responsible, with the oversight of those charged with governance, for communicating relevant information to users about the entity and its financial performance, including providing adequate disclosures in accordance with the applicable financial reporting framework. The relevant information should be communicated clearly and concisely.

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Area	Scotland Excel responsibilities
	Scotland Excel is responsible for developing and implementing effective systems of internal control as well as financial, operational and compliance controls. These systems should support the achievement of its objectives and safeguard and secure value for money from the public funds at its disposal. Scotland Excel is also responsible for establishing effective and appropriate internal audit and risk-management functions.
Standards of conduct for prevention and detection of fraud and error	Scotland Excel is responsible for establishing arrangements to prevent and detect fraud, error and irregularities, bribery and corruption and also to ensure that its affairs are managed in accordance with proper standards of conduct by putting proper arrangements in place.
Financial position	Scotland Excel is responsible for putting in place proper arrangements to ensure the financial position is soundly based having regard to: • Such financial monitoring and reporting arrangements as may be specified; • Compliance with statutory financial requirements and achievement of financial targets; • Balances and reserves, including strategies about levels and their future use; • Plans to deal with uncertainty in the medium and long term; and • The impact of planned future policies and foreseeable developments on the financial position.
Best value	Scotland Excel has a specific responsibility to make arrangements to secure Best Value. Best Value is defined as continuous improvement in the performance of the body's functions. In securing Best Value, the local government body is required to maintain an appropriate balance among:

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Area	Scotland Excel responsibilities
	• The quality of its performance of its functions • The cost to the body of that performance • The cost to persons of any service provided by it for them on a wholly or partly rechargeable basis. In maintaining that balance, Scotland Excel shall have regard to: • Efficiency • Effectiveness • Economy • The need to meet the equal opportunity requirements. Scotland Excel should discharge its duties in a way which contributes to the achievement of sustainable development.

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Appendix 2: Potential impact on Scotland Excel and our audit approach following revisions to auditing standards

Revised auditing standards which come into effect from the current year, will have a significant impact on the way we perform our audit, particularly how we assess the risk of material misstatement, our approach to the audit of fraud, and the ways we ensure our audits are performed in line with regulatory requirements and to a high standard. The table below provides further detail on the implications of these new requirements.

Key change	Potential impact on Scotland Excel & our approach
Enhanced risk identification and assessment, promoting more focused auditor responses to identified risks	Management and those charged with governance may receive more up-front questions as we plan the audit and identify and assess risks of material misstatement. We may conduct planning and risk assessment procedures at a different time to ensure that our understanding is comprehensive, and that information is leveraged effectively and efficiently. To facilitate a more robust risk-assessment, we may request additional information to enhance our understanding of systems, processes and controls. For example, we may request: • a better understanding of Scotland Excel's structure and operations and how it integrates information technology (IT) • more information about Scotland Excel's processes for assessing risk and monitoring its system of internal control

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Key change	Potential impact on Scotland Excel & our approach
	• more detailed narratives about how transactions are initiated, recorded, processed and reported • policies and procedure manuals, flowcharts and other supporting documentation to validate our understanding of the information systems relevant to the preparation of the financial statements • more information to support our inherent risk assessment. This information not only informs our risk assessment but also assists us in determining an appropriate response to risks identified, including any new significant risks which require a different response.
Understanding and acting on risks associated with IT	We will be asking tailored questions and making information requests to understand the IT environment, including: • IT applications • supporting IT infrastructure • IT processes • personnel involved in the IT processes. Combined with the controls that may be needed to address the identified and assessed risks of material misstatement, this understanding may also identify existing and new risks arising from the use of IT. Therefore, we will be asking more focused questions and requesting additional information to understand the general IT controls that address such risks. For example, we may have questions in relation to general IT controls over journal entries (e.g., segregation of duties related to preparing and posting entries) to address risks arising from the use of IT. Depending on our assessment of the complexity of systems and associated risks, we may also involve additional team members, such as IT specialists.
Enhanced procedures in connection with fraud	We will be asking targeted questions as part of an enhanced approach to fraud, including discussing with Scotland Excel: • any allegations of fraud raised by employees or related parties

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Key change	Potential impact on Scotland Excel & our approach
	• the risks of material fraud, including those specific to the local government sector. Combined with other information, and any inconsistencies in responses from those charged with governance and management, we determine implications for further audit procedures. Work in connection with fraud may also now include the use of audit data analytics, or the inclusion of specialists in our engagement team to ensure we obtain sufficient appropriate audit evidence to conclude whether the financial statements are materially misstated as a result of fraud. In addition to existing communication and reporting requirements relating to irregularities and fraud, there may be further matters we report in connection with management's process for identifying and responding to the risks of fraud in the entity and our assessment of the risks of material misstatement due to fraud. These enhanced requirements may assist in the prevention and detection of material fraud, though do not provide absolute assurance that all fraud is detected or alter the fact that the primary responsibility for preventing and detecting fraud rests with Scotland Excel and management.
Enhanced requirements for exercising professional scepticism	Challenge, scepticism and the application of appropriate professional judgement are key components of our audit approach. You may receive additional inquiries if information is found that contradicts what our team has already learned in the audit or in instances where records or documents seen in the course of the audit appear to have been tampered with, or to not be authentic.
Using the right resources, in the right way, at the right time	One of our new strategic quality objectives sets out that we will strive to use the right resource, in the right way, at the right time. This may mean increasing the use of specialists (for example in relation to general IT controls) or changing the shape of the audit engagement team to ensure that we are able to provide appropriate challenge and feedback in specialist areas. This will include appropriate use of technology, including data analytics.

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Appendix 3: Materiality

Materiality is an expression of the relative significance of a matter in the context of the financial statements as a whole. A matter is material if its omission or misstatement would reasonably influence the decisions of an addressee of the auditor's report. The assessment of what is material is a matter of professional judgement and is affected by our assessment of the risk profile of the organisation and the needs of users. We review our assessment of materiality throughout the audit.

Whilst our audit procedures are designed to identify misstatements which are material to our audit opinion, we also report to Scotland Excel and management any uncorrected misstatements of lower value errors to the extent that our audit identifies these.

Materiality

Overall materiality	£148,000	Accounts materially misstated where total errors exceed this value
Performance materiality (75%)	£111,000	Work performed to capture individual errors at this level
Trivial threshold (5%)	£7,400	All errors greater than this level are reported
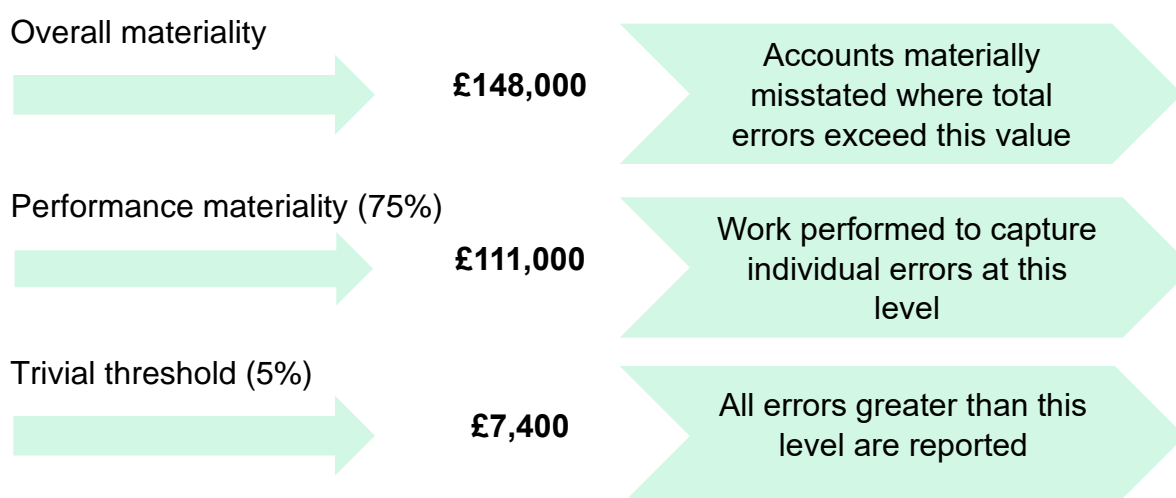
Materiality	Our assessment is made with reference to Scotland Excel's gross expenditure. We consider this to be the principal consideration for the users of the annual accounts when assessing financial performance.
	Our assessment of materiality equates to approximately 2% of Scotland Excel's gross expenditure as per the 2021/22 audited accounts.
	In performing our audit, we apply a lower level of materiality to the audit of the Remuneration Report. Our materiality is set at £5,000.

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Performance materiality	Performance materiality is the working level of materiality used throughout the audit. We use performance materiality to determine the nature, timing and extent of audit procedures carried out. We perform audit procedures on all transactions, or groups of transactions, and balances that exceed our performance materiality. This means that we perform a greater level of testing on the areas deemed to be at significant risk of material misstatement.

Performance materiality is set at a value less than overall materiality for the financial statements as a whole to reduce to an appropriately low level the probability that the aggregate of the uncorrected and undetected misstatements exceed overall materiality. |
| **Trivial misstatements** | Trivial misstatements are matters that are clearly inconsequential, whether taken individually or in aggregate and whether judged by any quantitative or qualitative criteria. |

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Scotland Excel

To: **Executive Sub-Committee**

On: **17 March 2023**

Report by
Chief Executive of Scotland Excel

Tender: **Supply, Delivery and Installation of Audio Visual Equipment**

Schedule: 08/22

Period: 03 April 2023 until 02 April 2027

1.   Introduction and Background

This recommendation is for the award of the fifth-generation renewal framework for the Supply, Delivery and Installation of Audio Visual (AV) Equipment. The current framework will expire on 31 March 2023. This proposed framework agreement will be for a period of four years from 03 April 2023 until 02 April 2027, subject to approval and completion of a standstill period.

This framework will provide councils and other participating bodies with a mechanism to procure a range of AV equipment including, but not limited to, interactive touch screens, wireless presentation systems, projectors and specialist AV equipment for people with additional support needs. Users of the framework are likely to include schools, nurseries, leisure centres, community centres, council buildings and civic centres.

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 and through consultation with the User Intelligence Group (UIG), the lotting structure will be simplified into three lots (as can be seen in Table 1: Lotting Structure). The lots for Audio Visual Solutions and Event Equipment Hire which feature on the current framework were deemed surplus to requirements by framework users.

Table 1: Lotting Structure

Lot No.	Description	Estimated % of Spend
1	Audio Visual Equipment	90%
2	Additional Support Needs	5%
3	Service, Repair and Maintenance	5%

This lotting structure recognises the current landscape of the marketplace and is designed to align closely with council requirements. The lotting strategy continues to offer opportunities for small and medium-sized enterprises (SMEs) in the marketplace.

The framework was advertised to enable access by all 32 councils in Scotland. As detailed in Appendix 1, 32 councils have confirmed their intention to participate in this framework.

Historical spend data suggests a forecast framework spend of c. £8 million per annum. However, this figure increased towards the end of pandemic due to the implementation of hybrid working/learning environments and the additional technology required to support this to c. £10.8 million. The framework was advertised at £9 million per annum to allow for any increase in spend levels by any participating councils who have had limited spend on the current framework and to also take account of:

- Potential changes in digital strategies at local and national level in Scotland.
- Continued implementation of hybrid working/learning environments and the additional technology required.
- Record levels of inflation along with rising supply chain costs (including raw materials and energy usage).

3. **Procurement Process**

A Prior Information Notice (PIN) was published on 5 September 2022 which resulted in expressions of interest from 47 companies. Several 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 SME's.

The UIG, consisting of procurement and technical representatives from the participating councils, endorsed the procurement strategy in September 2022.

Thereafter, the Contract Notice was published via the Find a Tender and Public Contracts Scotland (PCS) portal on 2 December 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.

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   30%

2. Commercial 70%

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

Table 2: Technical Criteria

Description	Weighting
Fair Work First	4
Supply Chain	4
Sustainability	6
Service Delivery and Contract Management	6
Product Support and Innovation	6
Community Benefits	4
Total score	**30**

The commercial section of the tender was worth 70 points. Points were awarded in the commercial section based on a comparison of all offers received, whilst accounting for the supplier's response to the commercial award criteria. In all lots, tenders were evaluated on the basis of a 'basket of goods'. Suppliers were required to bid for a minimum of one, any or all of the basket of goods detailed within the commercial Schedule of Offer, without penalty, in order to submit a compliant bid for any (or all) of the lots.

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

Scotland Excel took cognisance of the situation relative to the Coronavirus pandemic in considering this tender exercise. Balancing the current situation with the need to provide a route to market for councils to obtain audio visual equipment, Scotland Excel determined to proceed with the tender exercise to establish this framework. Scotland Excel has carefully monitored the situation throughout the period of the tender exercise and has determined it is appropriate to recommend the establishment of the framework as set out in this report.

4. **Report on Offers Received**

The tender document was downloaded by 44 organisations, with 13 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 all compliant offers received was completed. Appendix 3 confirms the overall scoring achieved by each supplier.

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 5 suppliers across three lots as outlined in Appendix 3.

The 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 to choose from.

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.

6. **Benefits**

Savings
Scotland Excel has conducted a benchmarking exercise comparing current pricing against the pricing submitted within the renewal tender. The result of this benchmarking is listed in Appendix 1. The projected average on cost across all councils is 0.64%, which equates to an estimated total on cost of approximately £69,000 per annum based on current forecast spend levels.

In addition, it should be noted that the current framework is operating c.20% below current market conditions based on the established market indexation

model. However, this may not be the most accurate reflection of current conditions due to the nature of the framework and the volume of non-core spend (due to the rate of change in technology as new specifications and models are released on a regular basis). This, coupled with a shift in council buying habits post-pandemic, makes maintaining a core product list more challenging.

A targeted approach will be implemented during contract management to retain control of the situation. This will include regular core product list reviews involving suppliers and councils to ensure a more realistic gauge of contract performance is achieved.

Price Stability
The framework applies 6 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 0.75% payable to Scotland Excel will be applied to annual framework spend above £500,000 per annum (excluding the initial £500,000) 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:

- The environmental impact of transportation
- Extending the life cycle of products and components
- Reducing and eliminating packaging and waste
- Disposal/Buy-Back schemes for aged equipment

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

One supplier has an initiative in place to send regenerated equipment to developing countries. The supplier has a re-usable stock scheme where they retain used AV products donated by schools and redistribute these to other schools who may be struggling financially. They also have a take-back scheme to encourage circular economy activities.

Another supplier provides 100% recycling of polystyrene (Styrofoam) which is utilised in an innovative way to manufacture picture frames. It is shredded into granules, compressed into dense blocks and provided to picture frame manufacturers who use 100% of the material to produce their frames.

One supplier carries out packaging audits on a regular basis. These audits are used to identify any products which may have excessive or unnecessary forms of primary, secondary or tertiary packaging. If excessively packaged goods are identified, they contact the manufacturer and ask them to confirm that they have made every effort to minimise the packaging they use on their products.

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 its 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. All recommended suppliers 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 event
- Sponsorship of local sports teams and community events
- Work placements for school students from Purchasing Authority area.
- Donation of IT equipment to community groups
- Recruitment of apprentices and 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 and well-led. Workers should have access to appropriate opportunities for training and skills development, are diverse and engaged in decision making.

Within the technical section of the tender, suppliers were assessed on their approach to fair work practices and payment of the Real Living Wage to their workforce. Of the 5 recommended suppliers, 4 pay the Real Living Wage, with 1 of those suppliers being accredited, as detailed in Appendix 4. The supplier who does not currently pay the Real Living Wage – SSUK Limited – have committed to paying all employees (except volunteers, apprentices and interns) the Real Living Wage within the initial two year period of the framework contract.

Scotland Excel will continue to monitor Fair Work First practices, including encouraging further uptake by suppliers committing to paying staff the Real Living Wage, during contract and supplier management activity.

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. 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 review meetings with suppliers, annual surveys, and annual user group reviews as appropriate. In order to keep core product lists and supplier e-catalogues relevant and up-to-date there will be more regular engagement with suppliers carried out in the first year of the contract. Continued compliance will then be assessed on an ongoing basis.

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

8.   Summary

This fifth-generation framework for the Supply, Delivery and Installation of Audio Visual Equipment continues to maximise collaboration, promote added value and deliver best value for customers. A range of benefits can be reported in relation to 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.

Appendix 1 – Participation, Spend and Savings Summary
0822 Supply, Delivery and Installation of Audio Visual Equipment

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	03 April 2023	£145,047	Scotland Excel Management Information	20.7%	-0.64%	-£928	Benchmark Current Contract
Aberdeenshire Council	Yes	03 April 2023	£453,243	Scotland Excel Management Information	20.7%	-0.64%	-£2,901	Benchmark Current Contract
Angus Council	Yes	03 April 2023	£947,142	Validated by Council	20.7%	-0.64%	-£6,062	Benmark Current Contract
Argyll and Bute Council	Yes	03 April 2023	£105,920	Validated by Council	20.7%	-0.64%	-£678	Benchmark Current Contract
Clackmannanshire Council	Yes	03 April 2023	£29,826	Scotland Excel Management Information	20.7%	-0.64%	-£191	Benchmark Current Contract
Comhairle Nan Eilean Siar	Yes	03 April 2023	£883	Validated by Council	20.7%	-0.64%	-£6	Benchmark Current Contract
Dumfries and Galloway Council	Yes	03 April 2023	£53,938	Scotland Excel Management Information	20.7%	-0.64%	-£345	Benchmark Current Contract
Dundee City Council	Yes	03 April 2023	£441,218	Validated by Council	20.7%	-0.64%	-£2,824	Benchmark Current Contract
East Ayrshire Council	Yes	03 April 2023	£225,430	Validated by Council	20.7%	-0.64%	-£1,443	Benmark Current Contract
East Dunbartonshire Council	Yes	03 April 2023	£60,364	Scotland Excel Management Information	20.7%	-0.64%	-£386	Benchmark Current Contract
East Lothian Council	Yes	03 April 2023	£709,022	Scotland Excel Management Information	20.7%	-0.64%	-£4,538	Benchmark Current Contract
East Renfrewshire Council	Yes	03 April 2023	£91,697	Scotland Excel Management Information	20.7%	-0.64%	-£587	Benchmark Currrent Contract
Falkirk Council	Yes	03 April 2023	£252,984	Scotland Excel Management Information	20.7%	-0.64%	-£1,619	Benchmark Current Contract
Fife Council	Yes	03 April 2023	£569,752	Scotland Excel Management Information	20.7%	-0.64%	-£3,646	Benmark Current Contract
Glasgow City Council	Yes	03 April 2023	£865,478	Validated by Council	20.7%	-0.64%	-£5,539	Benchmark Current Contract
Highland Council	Yes	03 April 2023	£394,796	Scotland Excel Management Information	20.7%	-0.64%	-£2,527	Benmark Current Contract
Inverclyde Council	Yes	03 April 2023	£705,715	Validated by Council	20.7%	-0.64%	-£4,517	Benmarck Current Contract
Midlothian Council	Yes	03 April 2023	£148,127	Validated by Council	20.7%	-0.64%	-£948	Benmlark Current Contract
North Ayrshire Council	Yes	03 April 2023	£375,254	Validated by Council	20.7%	-0.64%	-£2,402	Benmark Ayrrent Contract
North Lanarkshire Council	Yes	03 April 2023	£291,158	Scotland Excel Management Information	20.7%	-0.64%	-£1,863	Benmark Laurrent Contract
Orkney Islands	Yes	03 April 2023	£0	Scotland Excel Management Information	20.7%	-0.64%	£0	Benchmark Current Contract
Perth and Kinross Council	Yes	03 April 2023	£839,983	Validated by Council	20.7%	-0.64%	-£5,376	Benmark Current Contract
Renfrewshire Council	Yes	03 April 2023	£315,830	Scotland Excel Management Information	20.7%	-0.64%	-£2,021	Benmrek Current Contract
Scottish Borders Council	Yes	03 April 2023	£66,940	Scotland Excel Management Information	20.7%	-0.64%	-£428	Benchmark Burrent Contract
Shetland Islands Council	Yes	03 April 2023	£198,819	Validated by Council	20.7%	-0.64%	-£1,272	Benmark Current Contract
South Ayrshire Council	Yes	03 April 2023	£418,934	Scotland Excel Management Information	20.7%	-0.64%	-£2,681	Benmark Ayrrent Contract
South Lanarkshire Council	Yes	03 April 2023	£133,464	Scotland Excel Management Information	20.7%	-0.64%	-£854	Benmark Laurrent Contract
Stirling Council	Yes	03 April 2023	£189,793	Scotland Excel Management Information	20.7%	-0.64%	-£1,215	Benmark Current Contract
The City of Edinburgh Council	Yes	03 April 2023	£1,034,339	Scotland Excel Management Information	20.7%	-0.64%	-£6,620	Benmark Cirk Current Contract
The Moray Council	Yes	03 April 2023	£224,128	Validated by Council	20.7%	-0.64%	-£1,434	Benmark Moray Contract
West Dunbartonshire Council	Yes	03 April 2023	£62,239	Scotland Excel Management Information	20.7%	-0.64%	-£398	Benchmark Dunrrent Contract
West Lothian Council	Yes	03 April 2023	£322,252	Validated by Council	20.7%	-0.64%	-£2,062	Benmark Current Contract
Totals			**£10,673,716**			**-0.64%**	**-£68,312**	
Associate Members			£111,032	MI Returns	20.7%	-0.64%	-£711	Benchmark Current Contract
Totals			**£10,784,748**			**-0.6%**	**-£69,022**	

Indexation – This column confirms the difference when the relevant market indices are compared with the relevant Contract indices derived from framework specific cost drivers.

Appendix 2 – List of Suppliers with SME Status

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

Supplier's Name	SME Status	Location	Lots Tendered	Lots awarded
Audio Light Systems Limited	Small	Edinburgh	1 & 3	N/A
AVMI Kinly Ltd	Large	Sunbury-on-Thames	1, 2 & 3	1, 2 & 3
Irruptus Limited	Small	East Kilbride	1, 2 & 3	1, 2 & 3
FES Support Services Limited	Large	Stirling	1, 2 & 3	N/A
G & A Barnie Group Limited	Medium	Inverness	1	N/A
Heriot Electronics Limited	Small	Edinburgh	1 & 3	N/A
HI Audio Visual Limited	Micro	Glasgow	1 & 3	N/A
Interactiv Solutions (Scotland) Limited	Small	Wishaw	1	N/A
Learning Space Belfast Ltd	Small	Cookstown	1 & 2	2
Mediascape Ltd.	Small	Glasgow	1 & 3	1 & 3
PCL Live (Aberdeen) Limited	Micro	Aberdeen	1	N/A
SSUK Limited	Medium	Glasgow	1, 2 & 3	1, 2 & 3
Moorings Mediquip Ltd	Small	Ballymena	2 & 3	N/A

Appendix 3 - Scoring and Recommendations

Lot 1 - Audio Visual Equipment		
Supplier	**Total Score**	**Recommended for Award**
SSUK Limited	95.50	Yes
Irruptus Limited	88.89	Yes
AVMI Kinly Ltd	86.31	Yes
Mediascape Ltd.	83.96	Yes
Audio Light Systems Limited	73.23	No
Interactiv Solutions (Scotland) Limited	64.92	No
HI Audio Visual Limited	59.35	No
Learning Space Belfast Ltd	59.31	No
FES Support Services Limited	56.19	No
Heriot Electronics Limited	50.06	No
G & A Barnie Group Limited	48.39	No
PCL Live (Aberdeen) Limited	38.36	No

Lot 2 - Additional Support Needs		
Supplier	**Total Score**	**Recommended for Award**
AVMI Kinly Ltd	97.50	Yes
SSUK Limited	90.91	Yes
Irruptus Limited	88.39	Yes
Learning Space Belfast Ltd	79.57	Yes
FES Support Services Limited	53.06	No
Moorings Mediquip Ltd	47.02	No

Lot 3 - Service, Repair and Maintenance		
Supplier	**Total Score**	**Recommended for Award**
SSUK Limited	95.50	Yes
AVMI Kinly Ltd	78.56	Yes
Irruptus Limited	61.78	Yes
Mediascape Ltd.	44.83	Yes
FES Support Services Limited	34.92	No
Heriot Electronics Limited	32.08	No
Audio Light Systems Limited	30.86	No
Moorings Mediquip Ltd	27.76	No
HI Audio Visual Limited	24.88	No

Appendix 4 - List of Recommended Suppliers with Living Wage Status

Supplier	Accredited	Currently progressing through Real Living Wage accreditation process	Not accredited Real Living Wage Employer but committed to gaining accreditation over the initial 2 years of framework	Pay Real Living Wage to all employees, but not accredited	Neither accredited nor paying Real Living Wage, but do commit to pay the Real Living Wage to all employees over the initial 2 years of the framework	Neither accredited nor paying Real Living Wage
AVMI Kinly Ltd		Yes				
Irruptus Limited				Yes		
Learning Space Belfast Ltd				Yes		
Mediascape Ltd.	Yes					
SSUK Limited					Yes*	

* Over 80% of SSUK Limited's workforce are paid at least the Real Living Wage, however, entry-level positions/trainees receive the National Living Wage. They commit by 2025 that all staff will be paid the Real Living Wage and they will have gained accreditation.

Appendix 5 – Segmentation Classifications

0822 Supply, Delivery and Installation of Audio Visual Equipment 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 Contract Steering Group.

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

Scotland Excel

To: **Executive Sub-Committee**

On: **17 March 2023**

Report by:
Chief Executive of Scotland Excel

Net Zero Strategy

1. Summary

1.1 The purpose of this report is to provide the Executive Sub-Committee with detailed information on Scotland Excel's 'Net Zero Strategy'. This strategy has been developed in response to commitments made within Scotland Excel's Corporate Strategy 2023-28 and linked Operating Plan approved by Joint Committee on 9th December 2022.

1.2 This strategy will be used to support Scotland Excel member councils in the delivery of their individual and collective net zero goals linked to Scottish Government 'climate emergency' policy and legislation.

2. Background

2.1 As the Centre of Procurement Expertise for Scotland's local government sector, Scotland Excel contract arrangements are used by a wide range of council services that link to many of the key areas identified within individual council strategies aimed at tackling climate change and achieving net-zero. Key themes include energy, the built environment, transport, waste, land use and forestry, resilience, agriculture, and governance.

2.2 The Scotland Excel Corporate Strategy 2023-28 commits to a continued promotion of frameworks which help council members to implement their climate change policies and consider any new framework opportunities that can support their net zero journey. Scotland Excel will also work with suppliers, partners and members to identify opportunities to reduce the carbon footprint of the existing contract portfolio.

2.3 The Scotland Excel Operating Plan 2023-24 commits that Scotland Excel will implement actions from the net zero strategy, via a whole organisation approach, to support council members' net zero journey.

2.4 This Net Zero Strategy will ensure the Scotland Excel contract portfolio remains crucial in assisting councils and others in meeting regulatory requirements. Scotland Excel will lead by example by exploring carbon impacts of business activities can be reduced and ensure that contract arrangements continue to meet the needs of member councils.

3.0 Recommendations

3.1 Executive Sub-Committee are asked to review and approve this Net Zero Strategy, confirm that they are satisfied with its general content and direction, and acknowledge its flexibility for potential refinement as linked activities and opportunities develop during the delivery phase.

2

March 2023

Net Zero Strategy 2023–28

Contents

Foreword

This strategy has been prepared to support Scotland Excel member councils in the delivery of their commitments in relation to net zero goals linked to the Scottish Government 'climate emergency' declaration. Policy and legislation that this strategy aims to assist councils in responding to includes, the Climate Change (Duties of Public Bodies: Reporting Requirements) (Scotland) Order 2015, Scottish Climate Change Plan 2018–2032 and Climate Change Adaptation Programme 2019–2024.

As the Centre of Procurement Expertise for Scotland's local government sector, our contract arrangements are used by a wide range of council services that link to many of the key areas identified within individual council strategies as vital for successful delivery. This strategy aims to ensure Scotland Excel contract arrangements will continue to meet the needs of our member councils via the products they buy, suppliers they contract with, and services they deliver.

We have contributed with the introduction of several frameworks aligned with council net zero ambitions, including arrangements for the installation of electric vehicle charging points and energy efficiency related works. Sustainability impacts are considered as a matter of course throughout Scotland Excel's tendering activity, however there is scope for additional collaboration and linked benefits. To that purpose, Scotland Excel has, or is in the process of building, strong partnerships with relevant key organisations from across the public, private and third sectors.

Against a backdrop of increasing pressure on public spending, local authorities and all public sector organisations have a need to achieve their aims by the most cost effective means available. The collaborative model for procurement has the potential to deliver both cash and efficiency savings. Taking even the most conservative view, councils will at the very least benefit from centrally based routes to contract and supply arrangements, minimising duplication. In addition, consistency, collaborative demand, and commitment may realise savings and drive down costs on products and services as buying habits evolve.

Scotland Excel fully supports our member councils net zero ambitions and will ensure our portfolio remains crucial in assisting councils and others in meeting the regulatory requirements and will lead by example by exploring how we can reduce our own carbon footprint. We will ensure that contract and supplier management activity develops action in this area across our entire portfolio and that future tenders are designed to ensure goods and services purchased are as accessible and affordable as possible, ensuring that we remain the Scottish local government sector's procurement partner of choice.

Julie Welsh, Chief Executive

Executive Summary

This strategy has been written against a continuing need to provide Scotland Excel's member councils with best value contracts that support their aspirations to achieve net zero carbon emissions and tackle climate change, while also maximising the benefits of collaborative purchasing.

We will seek to achieve this by:-

- Broadening the type of support we offer member councils, including additional sustainability driven tender considerations, focused contract and supplier management and flexible provision of contracts, with options aligned to net zero ambitions.

- Developing cross sector value propositions within the public sector to participate in and inform future contract opportunities.

- Gathering good market intelligence for development of tendering and contract management that clearly demonstrate the benefits of joint procurement.

- Recognising the potential significance of future contracts to the wider Scottish economy and increasing input from other stakeholders.

- Identifying and pursuing innovation and collaboration across the wider portfolio of contract category areas.

- Enabling the development of relevant skills and expertise.

Scotland Excel can facilitate collaborative arrangements amongst our clients and other potential public sector partners, however there is no aspiration to seek to transfer responsibility from individual councils in pursuing their own strategies in achieving net zero.

To allow these broad achievements to be met, this strategy will be tested by presentation of the main issues to relevant potential users. Its delivery will follow the timetable and processes indicated within Appendices A and C, our delivery plans.

Part 1—Introduction And Background

1.1 Introduction

On the 28th of April 2019, Scotland's First Minister Nicola Sturgeon declared a 'climate emergency' and was soon followed by the UK Government. In October 2018 the Intergovernmental Panel on Climate Change (IPCC) published a report indicating that 'human activity' has caused global temperature to rise by 1 degree Celsius since pre-industrial times and that should there be no intervention, global temperature could increase by 1.5 degrees as soon as 2030–2052, leading to significant impacts on natural and human systems.[1] Over the course of the last five years, all United Nations Member States adopted the 17 Sustainable Development Goals[2], aimed at eradicating poverty, fighting inequalities and tackling climate change. The first ever legally binding climate agreement, the United Nations Framework Convention on Climate Change (UNFCC) Paris Agreement[3], was signed by the UK Government during 2016. It is a commitment to limit global warming to well below 2 degrees Celsius. This was further strengthened by the Glasgow Pact[4] agreed during 2021 at COP26.

The Scottish Government's Climate Change (Emissions Reduction Targets) (Scotland) Act 2019[5], aims to achieve net zero carbon emissions by 2045 and includes mandatory targets of a 70% reduction by 2030 and 90% reduction by 2040. This is supported by the Scottish Climate Change Plan 2018–2032[6] and the Climate Ready Scotland: Climate Change Adaptation Programme 2019–2024[7].

Scotland's Climate Change Plan focuses on a series of key areas and associated targets, including:

- **Electricity:** By 2032, Scotland's electricity system will be largely decarbonised. The system will be powered by high penetration renewables, with security of supply and system resilience aided by a range of flexible and responsive technologies.

- **Buildings:** By 2032, 35% of all domestic building heat will be supplied from low carbon technologies—where technically feasible—and buildings insulated to the maximum appropriate level. By 2032 70% of non-domestic buildings heat and cooling systems will be supplied using low carbon heat technologies. By 2032 improvement to building fabric will result in a 15% and 20% reduction in domestic and non-domestic heat demand.

- **Transport:** The need to buy petrol or diesel cars or vans will be phased out by 2032, low emission zones will be introduced in Scotland's cities to improve air quality and make towns and cities friendlier and safer places for cyclists and pedestrians. By 2032 freight infrastructure will feature more efficient HGVs operating from out-of-town consolidation centers. Plug-in vehicles will be commonplace with improved battery technology providing longer ranges and infrastructure will support both electric and hydrogen powered vehicles.

- **Industry:** Emissions will fall through a combination of fuel diversification, energy efficiency, heat recovery and participation in EU carbon markets.

- **Waste:** By 2035, principles of a circular economy will be established across Scotland with products designed for longer lifetimes and second-hand goods viewed as good value, mainstream options. Major industrial sectors will optimise the value of used equipment. Flaring technology will be used to manage the legacy of landfill sites, both operational and closed. By 2025, there will be a ban on biodegradable municipal waste being sent to landfill, food waste will be reduced by 33% and 70% of all waste will be recycled. By 2035 emission reductions will be delivered through a circular economy approach in the business and industry sectors.

- **Land Use, Land Use Change and Forestry:** Woodland cover will be increased from around 18% to 21% by 2032. The use of sustainably sourced wood fibre will be increased, and the construction industry will be encouraged to use timber. By 2030, 40% of Scotland's peatland will be restored.

- **Agriculture:** Nitrogen fertilizer will be used to help identify the pH of soil and farmers will be encouraged to conduct carbon audits. By 2030 there will be implementation of best practice nutrient management and application and by 2050 precision farming techniques adopting full use of technology will be commonplace.

1. Global Warming of 1.5°C—(ipcc.ch)
2. THE 17 GOALS | Sustainable Development (un.org)
3. The Paris Agreement | UNFCCC
4. The Glasgow Climate Pact—Key Outcomes from COP26 | UNFCCC
5. Climate Change (Emissions Reduction Targets) (Scotland) Act 2019 (legislation.gov.uk)
6. Climate Change Plan Third Report 2018
7. Climate Ready Scotland Second Scottish Climate Change Adaptation Programme 2019–2024

1.2 The Whole Life Cycle and Circular Procurement

A key consideration when procuring goods or services, particularly when considering carbon impact, is the 'whole life cycle' of that commodity. As detailed in the following diagram, there are essentially two impact areas: 'pre consumption and post consumption'. Both generally involve several elements. Pre-consumption typically involves resource extraction, manufacture, transport, and retail, whilst post consumption can involve waste collection, landfill, incineration and/or recycling, including remanufacturing and reuse.

```
                        Whole Life Cycle

        Pre-Consumption                 Post-Consumption
                                                              Remanufacturing

   Resource                                                   Reuse
   Extraction    Manufacture    Transport/   Waste Collection
                                Retail                        Recycling

                                             Landfill   Incineration
```
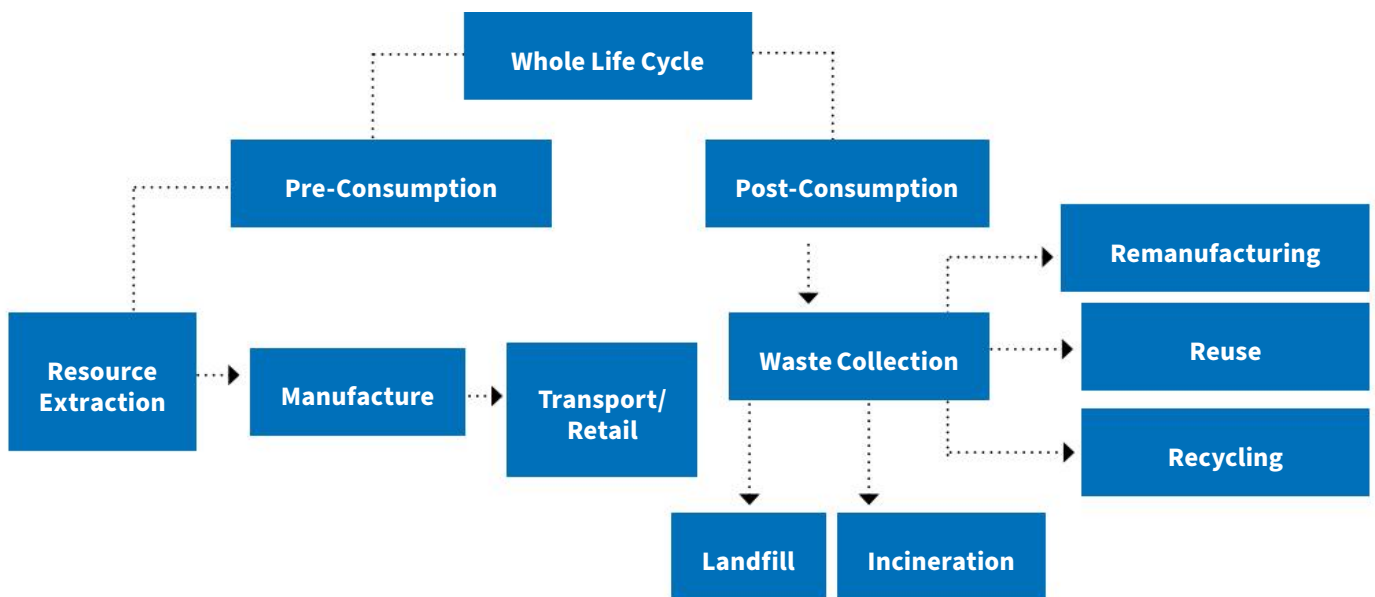
Linked to the above is circular procurement. As illustrated below, this concept considers key themes such as actual need for, recycled content of, re-useability of and recyclability of a product, as well as how recovery of material can be designed into a tender process.

Reduce	**Rethink demand specification: what is needed? Could a product be replaced with a service, could ownsership of this product be shared**
Re-Use	**If a product is needed, its use phase and end-of-life must be considered (e.g. take-back schemes).**
Recycle	**If a product cannot be re-used, ensuring that it is made of recyclable materials, and even better, made from recycled materials.**
Recover	**Can specify design for recovery in tenders, and procure the recovered products.**

Source: **Circular Procurement | Zero Waste Scotland**

From a procurement perspective, Scotland Excel will consider appropriate interventions to influence the various actions and outcomes illustrated in the above. This will be aligned to our own Sustainable Procurement Strategy and corporate goals, including delivering positive and measurable environmental benefits through our contracts.

1.3 Regulatory Framework

Following its enactment during 2015, local authorities in Scotland have been required on an annual basis to evidence their compliance with climate change duties in line with 'The Climate Change (Duties of Public Bodies: Reporting Requirements) (Scotland) Order 2015.[8]

Requirements include:

• Detail of roles and governance arrangements as to how climate change is governed within the organisation.

• Detail of how climate change action is managed and embedded, including how responsibility is allocated.

• Detail of any specific climate change mitigation and adaptation objectives contained within corporate plans (or similar).

• Reference to any formal climate change plan/strategy.

• Detail of the organisation's main priorities in relation to governance, management and strategy linked to climate change for the year ahead.

• Confirming whether the organisation has implemented the Climate Change Assessment Tool[9] or equivalent to self-assess capability/performance.

• Detail of emissions, targets, and projects relevant to climate change duties, including estimated total annual carbon savings from all projects implemented.

• Detail of anticipated carbon savings linked to projects to be implemented for the year ahead.

• Detail of arrangements the organisation has in place to manage climate related risks and actions taken to adapt, including how the organisation will review, monitor, and evaluate impacts.

• Detail of progress made in implementing policy outlined within the Scottish Climate Change Adaptation Programme.

• Detail of the organisation's main priorities relating to climate change adaptation for the year ahead.

Local authorities are also required to detail how procurement policy and activity has contributed to compliance with climate change duties.

8. The Climate Change [Duties of Public Bodies: Reporting Requirements] (Scotland) 2015
9. The Climate Change Assessment Tool

Part 2—Stakeholder Map

2.1 Who Does What

The ambitious plans set out by the Scottish Government will be delivered with the assistance of the public sector who have obligations under climate change legislation, whilst the private sector, third sector, communities, and individuals, will have a role as essential partners if targets are to be successfully met. In short, everyone in Scotland can contribute to tackling climate change.

2.2 Scottish Government

The Scottish Government has responsibility for national climate change policy and acknowledge a moral responsibility. It also recognises the need to provide certainty to business and investors, in order to seize the economic opportunities offered by the transition to low carbon technologies, products and services, with the aim of maximising opportunities with minimum disruption for households, communities, business and industry.

2.3 Local Authorities

Local Authorities will increasingly demonstrate how their own operations are driving down emissions, in part through the Climate Change [Duties of Public Bodies] legislation and will be supported by Scottish Government to ensure they contribute a critical role to the delivery of climate change related proposals. Local Authorities acknowledge the committed actions that must be taken at a local level to help reduce carbon emissions and are already well underway in developing and delivering their own strategies to tackle the key areas identified at a national level.

It is clear from published strategies that associated areas of business could benefit from a collaborative approach to procurement. Spend linked to interventions, buying decisions and choice of product or service, is likely to be of a collectively high value across all councils.

2.4 Scotland Excel

As the Centre of Procurement Expertise for Scotland's local government sector, our contract arrangements are used by a wide range of council service areas that link to many of the key areas highlighted within individual council climate change strategies. These include:

- The built environment: such as, construction, property services and facilities management.

- Transport: including vehicles, roads and road maintenance.

- Waste: including waste services and treatment of material.

- The agriculture sector: via supply of food arrangements.

- The natural environment: via provision of timber and,

- The theme of resilience, including salt for winter maintenance and engineering consultancy.

Clearly Scotland Excel has a significant part to play in supporting councils in meeting Scottish Government targets. We have already contributed with the introduction of several frameworks linked to and aligned with council climate change ambitions, including arrangements for the installation of electric vehicle charging points and energy efficiency related works.

Whilst sustainability options are considered as a matter of course throughout Scotland Excel's tendering activity, with a current contract portfolio [circa Q3 2022/23], of 69 live contracts with a combined value of more than £2billion, serviced by fourteen hundred suppliers and service providers—there is scope for additional collaboration and linked benefits.

Extensive consultation with stakeholders, providers, and service users, including council officers responsible for delivering climate change targets, will require to take place. Scotland Excel already has, or is in the process of, building strong partnerships with key organisations including: the Scottish Government; Zero Waste Scotland; the Improvement Service; and others as detailed within sections 2.5, 2.6 and 2.7 below.

This is to:

- Enable maximisation of current contracts.

- Inform the design of renewal contracts.

- Identify new areas of interest for potential future contract opportunities and influence their design.

- Encourage and enable the supply base to respond to the 'call to action' in tackling climate change.

- Ensure the Scotland Excel portfolio remains crucial in assisting councils and others in meeting the regulatory requirements placed upon them, thereby further nurturing and growing the credibility and reputation of Scotland Excel.

There is also an opportunity to lead by example. As an organisation Scotland Excel will look inwardly with a view as to how:

- It can reduce its own carbon footprint.

- Contract and supplier management can be used to develop this area across the entire portfolio.

- Future tenders can be designed to ensure goods and services purchased via Scotland Excel arrangements that can assist councils in meeting their net zero ambitions are readily accessible and as affordable as possible.

2.5 Public Sector Stakeholders

As acknowledged by Scottish Government and others, for ambitious climate change and net zero related targets to be achieved, a collective effort is required from various sectors, partners, and bodies, including the public sector. The following, although not an exhaustive list, could be described as stakeholders, in that they all have a role linked to overall policy ambitions:

- **Association for Public Service Excellence:** A not for profit association working with over 300 councils throughout the UK, hosting a network of frontline service provider areas including waste and refuse collection, parks and environmental services, environmental health, school meals, housing and building maintenance.

- **Climate Ready Clyde:** A cross-sector initiative supported by the Scottish Government and funded by fifteen member organisations including North Lanarkshire, East Renfrewshire, South Lanarkshire, Glasgow City, West Dunbartonshire, East Dunbartonshire, Inverclyde and Renfrewshire Councils.

- **ClimateXChange:** Scotland's Centre of Expertise for Climate Change, supporting the Scottish Government in developing and implementing policy for a net-zero, climate resilient future.

- **COSLA:** A council-led, cross-party organisation working on behalf of councils to focus on the challenges and opportunities they face and engaging with governments and others on policy, funding and legislation.

- **Crown Commercial Services:** The largest public sector procurement organisation in the UK available for central government and wider public sector, committed to assisting buyers in their net zero journey.

- **Improvement Service:** The national improvement organisation for local government in Scotland, working to embed and accelerate climate change action through practical programmes of support and leadership.

- **Scottish Enterprise:** Scotland's national economic development agency and a non-departmental public body of the Scottish Government. Delivering a significant, lasting effect on the Scottish economy by working with partners in the public and private sectors to find and exploit the best opportunities.

- **Scottish Environmental Protection Agency:** Regulator of a wide range of industries and organisations whose activities generate greenhouse gas emissions. SEPA work with Scottish and UK governments and other UK environmental regulators to implement and enforce national legislation that aims to reduce emissions and improve energy efficiency.

- **Scottish Forestry:** Scottish Government agency managing forests and promoting woodland creation for a wide variety of benefits including storing carbon in the form of trees.

- **Scottish Futures Trust:** The SFT are an infrastructure Centre of Expertise that does all its work in collaboration with partners across the public and private sector. Industry partners range from investors, infrastructure operators, property developers, architects and constructors, through to those involved in maintaining and enhancing Scotland's public sector buildings and assets.

- **Society of Chief Officers of Transportation in Scotland:** A strategic body comprising of transportation professionals from all 32 councils and seven regional transport partnerships. The SCOTs group's work involves improving performance and innovation in the design, delivery, and maintenance of transportation systems.

- **SOLACE:** The UK's leading membership network for public sector and local government professionals whose role includes influencing the debate about the future of public services and ensuring policy is informed by the experience and expertise of its members.

- **Sustainable Scotland Network:** Supporting public bodies in Scotland on their journey to net zero via leadership, policy, and research.

- **The Supplier Development Programme:** The SDP is a partnership of Local Authorities, Scottish Government and other public sector bodies that work together to bring free support in all aspects of tendering to Scottish based SME's.

- **The Zero Emission Social Housing Taskforce:** Convened by the Minister for Local Government, Housing and Planning, to consider and provide practical recommendations on what is required of the social housing sector to maximise the sectors' contribution to the Scottish Governments ambitious climate change targets.

- **Zero Waste Scotland:** A publicly funded organisation responsible for leading Scotland to use products and resources responsibly and providing leadership and practical support to encourage growth of the circular economy in Scotland.

2.6 Private Sector Stakeholders

- **Built Environment–Smarter Transformation:** A not for profit organisation connected to over 50,000 businesses, organisations and individuals in the built environment, helping organisations develop new products, business models and services, access funding streams, explore advanced equipment, create scalable solutions to industry challenges and enhance knowledge and skills.

- **Building Research Establishment:** An innovative group of researchers, scientists, engineers, and technicians, generating new knowledge through independent research to help ensure buildings, homes and communities are safe, efficient, productive and sustainable.

- **Building Research Solutions:** Supporting people and organisations to make their buildings environmentally friendly. Specialising in themes within the built environment, including delivering advice, decision support tools and technical papers.

- **Chartered Institute of Waste Management:** Representing 5000 individual members and 250 affiliated organisations, across the UK and overseas, CIWM supports the sectors net zero journey via the delivery of research, leadership and advocacy, training, and collaboration.

- **Environmental Services Association:** The Environmental Services Association members (including the Scottish Environmental Services Association), represent 85% of companies working within the UK waste sector. ESA activities include promoting policy for increasing recycling, decarbonising non-recyclable waste treatment, and transitioning vehicles and fuel to use zero emission sources.

- **Royal Institute of Chartered Surveyors:** A globally recognized professional body, RICS in Scotland works closely with the Scottish Government on matters relating to land, property and construction and has seven partner universities delivering a wide range of RICS-accredited courses.

- **Sustainable Procurement Ltd:** Provides services for public and private sector procurers as well as private and third sector suppliers. Services range from sustainable procurement strategy for clients, to innovation of the supply of specific products and services.

- **The Construction Industry Collective Voice:** Includes representatives from 28 professional bodies plus more than 25 additional organisations who contribute their expertise to sub-groups. CICV priorities include lobbying the Scottish Government to influence policy and to push for positive action, and to give expert focus to important sector issues including commercial, employment, planning, skills and health and safety.

2.7 Third Sector Stakeholders

- **British Association for Supported Employment**: The national umbrella group for the supported employment sector whose purpose is to support, promote and develop principles and provision for supported employment.

- **Bikeability Scotland:** A charity offering cycle training programmes and resources in various settings including local authorities.

- **Circular Communities Scotland:** Core activity primarily funded by Zero Waste Scotland, Circular Communities Scotland represent a network of 190 reuse, repair and recycling charities and social enterprises that support Scotland's Circular Economy.

- **The Reuse Network:** Supporting 120 members across the UK with the supply of products, advice, and guidance to ensure that reuse charities and social enterprises are armed with the right tools to face differing challenges presented around the country, creating a sustainable, supportive network that strives to help the poorest in society and build a brighter and better future for themselves.

Part 3—Purpose And Approach

3.1 Strategy

This strategy aims to demonstrate a clear, systematic, and well-researched approach to providing a portfolio of high-quality procurement and contract arrangements that will meet the current and future needs of our client-base.

Our transparent approach will:

- Explain the background and set the direction for net zero related interventions.

- Ensure best value through the development of new collaborative contracts (including renewals) for goods and services, linked to the activities being carried out by councils in achieving net zero targets.

- Create the opportunity for savings to be delivered across categories through efficiency gains achieved via collaboration.

- Provide local authorities with a suite of flexible frameworks (or similar) from which to call off for the supply of goods or services that assist in meeting their own internal goals.

- Respond positively to the Scottish Government's agenda on climate change, and support councils in meeting targets.

- Ensure that a suitable level of resource is allocated to achieve this strategy's aims.

- Ensure suitable systems and processes are in place to meet changing local authority demands, procurement practices and the need for good contract management.

- Provide information to support development of new business opportunities, infrastructure, development of skills and decision making.

- Provide a focus for innovation and sharing of best practice procurement.

- Actively manage client and supplier relationships to monitor performance and make the utilisation of Scotland Excel arrangements as straightforward as possible.

- Support and foster relationships with external groups, such as individual category industry groups as appropriate.

3.2 Where We Are

The Scotland Excel Corporate Strategy for 2018–2023 included a commitment about "being sustainable in everything we do". This includes delivering positive and measurable environmental benefits through our contracts. Pledges made include:

- Embedding contract specifications which drive sound environmental practices such as minimising waste within production and packaging and the appropriate use of recycled content.

- Encouraging our supply base to reduce their carbon footprint through recycling initiatives, energy efficiency measures and improved delivery logistics.

- Where appropriate ensuring whole-life costing is considered within tender evaluations.

- Leading by example by considering the environmental impact of our own procurement and business activities and implementing processes and initiatives to reduce our carbon footprint.

- Participating in the development of national sustainable procurement guidance and tools via the Scottish Government's Policy Group and Best Practice Forum, and support councils in its use.

- Taking a lead role in delivery of initiatives such as masterclasses, best practice, and knowledge sharing.

This commitment is supported by Scotland Excel's Sustainable Procurement Strategy that pledges consideration during procurement activity of environmental outcomes including:

- Improving the availability of clean air, clean water and clean streets.

- Improving the quality and safety of the built environment, protecting communities against the threat of climate change, including flooding.

- Improving and promoting biodiversity and accessibility to nature.

- Embedding and implementing relevant government environment-related strategies (e.g., reduction of environmental impacts, waste, recycling and climate change).

- Supporting our members' compliance with legislation, climate change targets and efforts to recover value from waste.

In June 2022, Scotland Excel's Joint Committee was informed that Scotland Excel intended to refresh its Sustainable Procurement Strategy. This will ensure frameworks and other business activities maximise opportunities to support carbon reduction, and continue to support the delivery of sustainability goals, including consideration of best value and whole life costing within tender evaluations. Activities will include:

- A review of the contract portfolio to identify how it can support council net zero ambitions.

- Working with external bodies to review policy impacts, low carbon innovations and changes to working practices.

- The development of a tool to calculate the level of embodied carbon within construction materials.

Key elements of tender responses currently required as part of the evaluation process across the Scotland Excel portfolio include requirements for bidders to detail fleet standards, methods to reduce carbon footprint and measures taken in relation to waste reduction.

3.3 Where We Would Like To Be: Short/Medium Term Objectives 2023–2025

Sustainability, including mitigating environmental impacts, is an area that Scotland Excel has focused upon for some time. However, to support councils in meeting stringent and ambitious climate change targets, we must increase the level of focus on the net zero agenda, particularly when considering the urgency in terms of pace within which they are required to be delivered.

Key steps will include setting our own internal goals and exploring options to maximise opportunities and ensure ongoing support via our existing arrangements, future renewals and yet to be identified new collaborative opportunities.

The impacts, mitigations and outcomes linked to net zero ambitions are applicable to all Scotland Excel contract category areas, (to varying extents depending on commodity or type of service). To successfully deliver this strategy, a whole organisation approach will be required with input from colleagues at all levels throughout the organisation, with responsibility for individual targeted deliverables assigned to appropriate senior managers.

In the short to medium term Scotland Excel intends to deliver the following:

- Commit focused and targeted net zero related outcomes, included within the Scotland Excel Corporate Strategy 2023–28, outlining how Scotland Excel will reduce its own carbon footprint.

- Support councils in delivering targets as set within each of their net zero/climate change strategies.

- Ensure regular reporting of progress and scrutiny at a senior level.

- Establish proven and robust methods of ensuring that tender exercises across the entire portfolio maximise positive impacts regarding carbon reduction.

- Ensure goods and services supplied are relevant and appropriate in supporting individual councils' pursuit of delivering net zero targets, whilst continuing to offer quality, choice, and best value.

- Develop and introduce standardised contract and supplier management actions that support carbon reduction and innovation.

- Continue to work with user intelligence groups in identifying, encouraging, and developing additional collaborative opportunities.

- Clearly signpost and encourage use of already available and relevant contract options.

- Update Scotland Excel's Sustainable Procurement Policy reflecting embedded practices.

- Review internal governance to create processes that facilitate due focus on net zero considerations within tendering activity.

- Maintain ongoing and active participation in applicable cross sector groups with a view to influencing policy and associated impacts.

- Linked to recent changes to SPD documents, implement standardised and where applicable, bespoke, minimum net zero related tender requirements across the contract portfolio.

- Support a greater level of focus on carbon reduction and embed within governance process including Contract Steering Group scrutiny.

- Measure, record and report our own carbon footprint impact, linked to business activities, with an aim to reducing via actions that may include refreshed and formalised policies on home working, virtual and in-person meetings, office space, resource use and staff travel arrangements.

- Deliver targeted and regularly refreshed training internally and externally, ensuring staff across the sector are fully aware of compliant options that can be utilised during the procurement process and lifetime of a contract arrangement to facilitate a positive impact on net zero targets and ambitions.

- Continue ongoing engagement with corporate procurement managers and other appropriate procurement colleagues within councils, ensuring clear lines of communication regarding council need and options available via Scotland Excel as our portfolio develops. Activities should include regular updates on progress of council net zero/climate change strategies, signposting to areas of interest and ultimately, a level of commitment from councils in supporting options offered by Scotland Excel.

- Progress existing and develop new relationships with suitable stakeholders from across the public and private sector.

- Spotlight good practice examples from within the supply base.

- Focus upon and include net zero considerations within appropriate events such as seminars, user intelligence groups and mobilisation sessions.

- Promote the availability of reuse and repair organisations.

- Report regularly upon Scotland Excel and this Strategy's progress to appropriate audience as it develops.

3.4 Where We Would Like To Be: Medium/Long Term Objectives 2025–2028

In the longer term, Scotland Excel aims to have incorporated all the above into normal working practices, ensuring that considerations linked to net zero are the norm as councils prepare to enter the latter stages of targeted outcomes that Scotland Excel:

- Continues to be the procurement partner of choice, offering contract options, products and services that provide a reliable and relatively straightforward route to access.

- Offers a diverse contract portfolio that caters for all council priorities and facilitates solutions, innovation and access to a supply base that positively supports councils in their net zero journey.

- Has introduced well embedded processes and procedures that ensure net zero related priorities are considered and delivered throughout the organisation within all its activities.

- Has successfully and significantly reduced its own carbon footprint linked to business activities and is in the process of encouraging suppliers appointed to our contract arrangements to reduce theirs also.

- Provides quality training, suitable for all levels of council staff and the diverse roles that they may have in relation to the procurement of goods and services.

- Maintains a suitably competent and skilled workforce within the organisation that can identify risk and opportunity associated with net zero. Supporting the talent present in councils to maximise the opportunities presented by collaboration.

- Is a respected partner across the public sector, recognised as a leader in terms of assisting in driving forward ambitions linked to net zero.

- Regularly reports and showcases examples of positive collaboration, innovation, and good practice, that are delivered via our contract arrangements to help councils meet their commitments, whilst maintaining a high level of service.

3.5 Key Drivers and Influences

Putting in place contracts that provide solutions and access to goods and services that underpin council net zero ambitions is a key driver for Scotland Excel. This will include maximisation of existing arrangements and redesign of renewal arrangements.

Identification and delivery of new collaborative opportunities is likely to follow a model of gradually increasing uptake, which has been shown to be the experience of most contract solutions put in place by Scotland Excel to date. Similarly, as net zero considerations drive towards being the norm, it is likely to be gradual in nature, as a level of behavioural change is likely to be required, supported by management structures and associated processes, in developing confidence to deliver the correct actions that will support councils in their net zero ambitions.

As this strategy is delivered, the following issues will need to be addressed:

- The level of consistency in both the strategic and operational approaches taken by councils to meet net zero ambitions.

- Ensuring any costing and funding models are capable of translation across a wide variety of approaches to delivery.

- Involvement of third parties in providing expertise, skills, and knowledge at all stages of the delivery process. This could include research, planning and design, delivery, measuring, recording, and monitoring. There must be a clear understanding of local authority requirements, including any skill gaps, to ensure that there is alignment with contract development activity.

- Explorations into the possibility of collaboration on various linked activities and awareness-raising should continue to reduce duplication of effort. Scotland Excel will continue to engage and complement existing projects whilst providing solutions for individual and groups of councils.

- Scotland Excel arrangements capacity in terms of knowledge and expertise including, consultancy, manufacturing, and ability to service (including geographically), to meet targets and contribute to shaping and creating markets.

- Continuing co-ordination with relevant stakeholders across relevant contract areas.

- Legislative change—policy at government level is largely long term, however, should policy change during delivery of targeted outcomes, the contract portfolio will have to be able to adapt accordingly.

- Identification of the best model of contracts and routes to market for related supplies and services, including frameworks or similar.

- Progress of behavioural change at all levels in a professional context that ensures due consideration to main linked themes and deliverability of prime objectives.

Section 4.1 below suggests how collaborative procurement can support in addressing these issues.

3.6 Delivery Process

Appendix A of this Strategy is an 'Activity Matrix' of actions and goals which should be referred to, and indicative timelines to take these to completion.

Appendix B details Scotland Excel's Contract Delivery Plan [circa Q4 2022/23]. Each individual contract arrangement that will be delivered will follow the Scotland Excel governance processes and will include an individual contract strategy in addition to overarching category strategy.

Appendix C is the tactical response to achieve the priorities of this Strategy including current activities and linkage to core themes.

Appendix D refers to the necessary resource to make this happen.

Part 4—Benefits, Risks And Dependencies

4.1 Benefits

The collaborative model for procurement has the potential to deliver both cash and efficiency savings for supply contracts linked to net zero ambitions. Taking the most conservative view, councils will at the very least, benefit from centrally based routes to contract and supply via Scotland Excel arrangements, minimising duplication across councils. In addition, consistency, collaborative demand and commitment may realise savings and drive down costs on products or services as council buying habits (influenced by net zero related policy) evolve.

Non-cash benefits are also likely from the following areas:

- Improved specifications based on clients' consensus needs.

- Flexibility of terms and conditions, e.g., contract life, review of pricing and the ability of councils and others to share pricing certainty.

- Review performance as current contract arrangements mature and ensure these targets or measures are reflected in new contracts.

- Risk management and transparency on probity issues.

- Efficiencies – minimal duplication of effort, leaving councils to progress towards their specific target areas and outcomes locally to best effect.

- Contracts compliant with legislation.

- Contract management facilitating continuous improvement.

4.2 Risks

An organisational risk register is maintained by Scotland Excel and individual risk registers are developed for individual contract arrangements. The risks outlined below have been identified for this Strategy and mitigation actions will be managed regularly and reported to stakeholders as appropriate.

At a high level the main areas of potential risk are market readiness, market conditions, procurement regulations and timescale for delivery. Other key risks include, level of participation and potential legislative and policy change, as well as funding concerns.

Mitigation steps within Scotland Excel's sphere of influence will take place as appropriate.

Risk Issues:

ID No.	ID	Description	Probability	Impact	P X I Result
			e.g. Very Low, Low, Medium, High, Very High		
1	Market Readiness	Whilst final policy related outcomes regarding government net zero ambitions are clear, the process and solutions available to achieve them are less obvious. There is a reasonable risk that the market place across a number of category areas may not yet be mature enough to deliver to the scale required. Specific issues may include lack of specialist skills, lack of suitable infrastructure, lack of widely available innovative technologies and lack of evidenced profitabilty in terms of attracting investment from the private sector. Negative impact may be that suitable solutions do not present themselves, cannot be created, or may only be available at inflated cost.	4	4	16
2	Market Conditions	Market conditions affecting a number of contract areas key to delivering net zero ambitions are experiencing extreme challenges at the moment linked to a combination of factors including: the cost of fuel and energy linked to the ongoing situation in Ukraine, spikes in shipping costs and demand for various materials post pandemic. In addition, there are issues relating to workforce availability in some sectors linked to Brexit, as well as ongoing concern around the overall health of the UK economy. Negative impact may range from priorities being focused elsewhere, inabilty to source suitable solutions or attract investors, and for solutions to only be available at inflated cost.	4	4	16
3	Procurement Regulations	The Regulations governing public sector spend and procurement processes, although flexible and accounting for sustainabilty related outcomes, could unintentionally be restrictive for bodies wishing to prescribe requirements specific to net zero ambitions when balanced against the need to ensure fairness and open competition, particulary when considering exclusion criteria.	4	4	16

ID No.	ID	Description	Probability	Impact	P X I Result
4	Timescales for Delivery	Although overarching government policy aims regarding net zero ambitions are relatively long term, statutory obligations have already been imposed on local authorities in Scotland, as well as a number of associated targets that are required to be achieved in the shorter term. This may result in pressure for sourcing and establishing suitable routes to market, including new contract area developments and renewals when existing arrangements expire, that may in some cases have a number of years to run. A potenital negative impact could be that councils seek to secure supplies and services from alternative routes than those available via Scotland Excel.	4	3	12
5	Legislation/ Policy Change	Change to policy or legislation affecting short, medium or longer term goals, including delay, a change in government, or associated or unintentional consequences of indirectly linked policy decisions, could have a direct impact on individual council strategies. Impacts could include the creation of uncertainty within the market place, discouraging investors and potentially resulting in contracted solutions being less effective than originally intended.	4	3	12
6	Individual Supplier Readiness	Although government policy includes elements that are statutory for public service bodies including local authorities to deliver, the same is not applicable to private sector suppliers. The ability and willingness of individual suppliers to support council ambitions relating to net zero outcomes is largely unclear, particulary when considering extended supply chains that can involve multiple companies operating throughout the globe that range in size and type. There may be a reasonable risk that suppliers may be reluctant to actively respond to tender requirements relating to net zero ambitions, may lack understanding of requirements, and actions in respect of the important role they can play. There may also be a risk that suppliers are simply unable due to financial or other restraints to evolve in line with net zero aspirations.	3	3	9

ID No.	ID	Description	Probability	Impact	P X I Result
7	Collaboration: external	Competing priorities as well as potential restrictions linked to individual governance processes may prove a challenge to cross public and private sector collaboration, particuarly when considering that net zero aims are relevant to a host of diverse category areas that are often unique in terms of priorities. There are also various collaborative groups and forums already operating within this space. As such, there may be a risk that actions are duplicated and the maximum potential benefits of collaboration are not realised.	2	3	6
8	Collaboration: internal	A whole organisation approach is required to ensure that Scotland Excel achieves it's aims in supporting councils in delivering upon their net zero targets, whilst actively adapting its own internal practices in order to contribute to the overall effort. Any interal inconsistency in terms of pace of delivery, impacted by other priorities or business related resource, could have an adverse affect.	2	3	6
9	Local Authority Participation	In a collaborative context, for associated benefits to be fully realised, participation in the design and use of contract solutions offered by Scotland Excel must be relatively high. There may be a risk that given time pressure for delivery, availability of support from other sources and inconsistency of requirements across council and contact areas, that councils may opt to contract outwith arrangements presented by Scotland Excel. Similarly, due to lack of available resource, councils may be unable to offer the level of support required in the designing and refreshing of new and current options for supply.	2	2	4
10	Funding	Local government in Scotland regularly report funding gaps and increased pressure on limited resource to delivery key frontline services. Although there may be funding available from a number of sources for specific projects within particular category areas, a potenital negative impact in terms of net zero ambitions is that monies that could be used to help deliver the associated outcomes may instead be directed to 'higher priority areas', and so reduce the demand for, or participation in, arrangements avaiable via Scotland Excel. A particular risk in driving initial progress could be that those councils that are early adopters of new technologies for example, may be exposed to higher costs, pre-commerical development.	2	2	4

4.3 Dependencies

Delivering the key benefits outlined will require active participation from all stakeholders, but most importantly from councils and their supply base.

At a council level, political and senior management engagement that is clear and confident of the sharing of business benefits should ensure there is both internal procurement and service-based recognition and support.

The supply base utilised by councils in Scotland include businesses ranging from micro in size to large multi-national companies. Their ranging ability and willingness to proactively acknowledge and contribute to the outcomes associated with net zero ambitions will be important, particularly in driving innovation and maturing markets (that in some cases may be considered embryonic in terms of affordable technologies and associated options available for supply).

Part 5—Next Steps

5.1 Delivery Plan

The appendices to this document give an overview of actions and goals which we aim to achieve over the next five years (Appendix A); current live and planned contract activity (Appendix B), and the tactics and resources needed to translate aspiration to delivery (Appendix C).

5.2 Implementation

The implementation of the suggested approach will be carried out in line with "Appendix C – Strategy Delivery Plan" to deliver on short, medium and long-term priorities. Without repeating the content of that Appendix, the following actions will be crucial in delivering success:

- Engagement with stakeholders including corporate procurement colleagues, service delivery leads and external stakeholders within the public and private sectors.
- Identification of need at both an individual and collective level across several category areas.
- Considered design of solutions that offer maximum level of flexibility, meet need, and maintain the principals of fairness and best value.
- Robust governance processes that ensure due consideration is given to the prime drivers linked to net zero ambitions and permit the level of flexibility required within the appropriate regulatory framework.
- Supportive scrutiny of decision making from appropriate peers including Scotland Excel's committee structure and contract steering group.
- Skills development to ensure staff across the organisation have a full and appropriate awareness of the core themes linked to net zero ambitions and are proficient in utilising the various options and tools available to them.
- Focused contract and supplier management aimed at ensuring the most appropriate options are maximised and encouragement of suppliers to support and progress their own commitments, linked to contract award criteria.

5.3 Monitoring

Monitoring how we deliver on this Strategy is important and on a regular basis, we will report through our established governance processes on the following key performance indicators:

- Performance against corporate strategy.
- Performance against individual category strategies.
- Contract arrangements delivered on time.
- Level of uptake/participation by council members (and associate members).
- Percentage savings achieved where applicable.
- Impact and progress linked to contract and supplier management activity.
- Level of training delivered internally and externally.
- Actions taken and positive impact on carbon reduction achieved in relation to Scotland Excel's business activities.
- Evidence of ongoing engagement with stakeholders and participation in relevant cross sector groups or similar.

As usage by our customer base increases, we should consider the following longer-term issues:

- Mid to long-term amendments to take account of common and bespoke needs and tendering experiences.
- Performance of councils and others against internal and government targets.
- Influence of procurement.
- How Scotland Excel staff expertise is developing in this area.
- Monitoring of individual contracts to add value and improve and innovate as appropriate.
- Cascade good practice examples and highlight areas for improvement.

5.4 Review of Strategy

We will have an annual strategy review process to reflect monitoring outcomes, legislative and public sector developments.

Appendix A—Activity Matrix

	Objective		Activity	Team' with Lead Responsibility	Target Date Commence	Target Date Complete (-) denotes ongoing
	Medium Term Objectives 2023–2025					
1	Commit focused and targeted net zero related outcomes included within the Scotland Excel Corporate Strategy outlining how Scotland Excel will reduce its own carbon footprint and support councils in delivering targets as set within each of their net zero/climate change strategies, ensuring regular reporting of progress and scrutiny at a senior level.	a	Review Corporate Strategy, ensure commitment referenced.	Executive and Senior Management	n/a	Completed: November 2022
1	Commit focused and targeted net zero related outcomes included within the Scotland Excel Corporate Strategy outlining how Scotland Excel will reduce its own carbon footprint and support councils in delivering targets as set within each of their net zero/climate change strategies, ensuring regular reporting of progress and scrutiny at a senior level.	b	Achieve Committee approval.	Executive and Senior Management	n/a	Completed: December 2022
2	Establish proven and robust methods of ensuring that tender exercises across the entire portfolio maximise positive impacts regarding carbon reduction, whilst ensuring that goods and services supplied are relevant and appropriate in supporting individual councils' pursuit in delivering net zero targets whilst continuing to offer quality, choice and best value. Develop and introduce standardised contract and supplier management actions that support carbon reduction and innovation, as well as continue to work with user intelligence groups in identifying, encouraging and developing additional collaborative opportunities, whilst ensuring that already available and relevant options are fully signposted and encouraged.	a	Ensure new contract opportunities (including renewals) are designed to maximise positive impacts regarding carbon reduction.	Strategic Procurement	Commence: April 2023	-

	Objective		Activity	Team' with Lead Responsibility	Target Date Commence	Target Date Complete (-) denotes ongoing
2	Establish proven and robust methods of ensuring that tender exercises across the entire portfolio maximise positive impacts regarding carbon reduction, whilst ensuring that goods and services supplied are relevant and appropriate in supporting individual councils' pursuit in delivering net zero targets whilst continuing to offer quality, choice and best value. Develop and introduce standardised contract and supplier management actions that support carbon reduction and innovation, as well as continue to work with user intelligence groups in identifying, encouraging and developing additional collaborative opportunities, whilst ensuring that already available and relevant options are fully signposted and encouraged.	b	Ensure new contract opportunities (including renewals) are designed to include products and services relevant and appropriate in supporting councils pursuit of net zero targets aligned to quality, choice and best value considerations.	Strategic Procurement	Commence: April 2023	-
2	Establish proven and robust methods of ensuring that tender exercises across the entire portfolio maximise positive impacts regarding carbon reduction, whilst ensuring that goods and services supplied are relevant and appropriate in supporting individual councils' pursuit in delivering net zero targets whilst continuing to offer quality, choice and best value. Develop and introduce standardised contract and supplier management actions that support carbon reduction and innovation, as well as continue to work with user intelligence groups in identifying, encouraging and developing additional collaborative opportunities, whilst ensuring that already available and relevant options are fully signposted and encouraged.	c	Review contract management activities to ensure inclusion of relevant contract and supplier management activities in supporting carbon reduction and associated innovation.	Strategic Procurement	Commence: April 2023	Complete: July 2023

	Objective		Activity	Team' with Lead Responsibility	Target Date Commence	Target Date Complete (-) denotes ongoing
2	Establish proven and robust methods of ensuring that tender exercises across the entire portfolio maximise positive impacts regarding carbon reduction, whilst ensuring that goods and services supplied are relevant and appropriate in supporting individual councils' pursuit in delivering net zero targets whilst continuing to offer quality, choice and best value. Develop and introduce standardised contract and supplier management actions that support carbon reduction and innovation, as well as continue to work with user intelligence groups in identifying, encouraging and developing additional collaborative opportunities, whilst ensuring that already available and relevant options are fully signposted and encouraged.	d	Liaise with user intelligence groups to ensure requirements are captured, additional needs are identified and contract opportunities are designed to align.	Strategic Procurement	Commence: April 2023	-
2	Establish proven and robust methods of ensuring that tender exercises across the entire portfolio maximise positive impacts regarding carbon reduction, whilst ensuring that goods and services supplied are relevant and appropriate in supporting individual councils' pursuit in delivering net zero targets whilst continuing to offer quality, choice and best value. Develop and introduce standardised contract and supplier management actions that support carbon reduction and innovation, as well as continue to work with user intelligence groups in identifying, encouraging and developing additional collaborative opportunities, whilst ensuring that already available and relevant options are fully signposted and encouraged.	e	Review current contract portfolio with an aim of identifying and signposting to users options already available that could support net zero ambitions or linked activities.	Strategic Procurement	Commence: April 2023	Complete: July 2023
3	Update Scotland Excel's Sustainable Procurement Policy reflecting embedded practices. Review internal governance and ensure a formalised internal governance process that facilitates due focus on net zero considerations within tendering activity. Maintain ongoing and active participation in applicable cross sector groups with a view to being aware of and where appropriate, influencing policy and associated impacts it may have. Implementation of standardised and where applicable, more bespoke minimum net zero related tender requirements across the contract portfolio linked to recent changes to SPD documents, supporting a greater level of focus on carbon reduction and embed within governance process including Contract Steering Group scrutiny.	a	Review and update Scotland Excel's Sustainable Procurement Policy.	Procurement Development	Commence: April 2023	Complete: July 2023

	Objective		Activity	Team' with Lead Responsibility	Target Date Commence	Target Date Complete (-) denotes ongoing
3	Update Scotland Excel's Sustainable Procurement Policy reflecting embedded practices. Review internal governance and ensure a formalised internal governance process that facilitates due focus on net zero considerations within tendering activity. Maintain ongoing and active participation in applicable cross sector groups with a view to being aware of and where appropriate, influencing policy and associated impacts it may have. Implementation of standardised and where applicable, more bespoke minimum net zero related tender requirements across the contract portfolio linked to recent changes to SPD documents, supporting a greater level of focus on carbon reduction and embed within governance process including Contract Steering Group scrutiny.	b	Review internal governance and amend to ensure an appropriate level of focus of net zero considerations within tendering activity.	Procurement Development	Commence: April 2023	Complete: : July 2023
3	Update Scotland Excel's Sustainable Procurement Policy reflecting embedded practices. Review internal governance and ensure a formalised internal governance process that facilitates due focus on net zero considerations within tendering activity. Maintain ongoing and active participation in applicable cross sector groups with a view to being aware of and where appropriate, influencing policy and associated impacts it may have. Implementation of standardised and where applicable, more bespoke minimum net zero related tender requirements across the contract portfolio linked to recent changes to SPD documents, supporting a greater level of focus on carbon reduction and embed within governance process including Contract Steering Group scrutiny.	c	Influence policy via participation in relevant cross sector groups.	Procurement Development	Commence: April 2023	-
4	Measure, record and report our own carbon footprint impact linked to business activities, with an aim to reducing this via actions that may include refreshed and formalised policies on home working, virtual and in-person meetings, office space and resource use, and staff travel arrangements.	a	Explore feasibility of measuring, recording and reporting Scotland Excel's carbon footprint linked to business activities.	Corporate Services	Commence: April 2023	Complete: July 2023

	Objective		Activity	Team' with Lead Responsibility	Target Date Commence	Target Date Complete (-) denotes ongoing
4	Measure, record and report our own carbon footprint impact linked to business activities, with an aim to reducing this via actions that may include refreshed and formalised policies on home working, virtual and in-person meetings, office space and resource use, and staff travel arrangements.	b	Identify and implement means to reduce Scotland Excel's carbon footprint/positively impact linked to business activities.	Corporate Services	Commence: July 2023	Complete: October 2023
4	Measure, record and report our own carbon footprint impact linked to business activities, with an aim to reducing this via actions that may include refreshed and formalised policies on home working, virtual and in-person meetings, office space and resource use, and staff travel arrangements.	c	Review, amend and/or introduce relevant internal policies linked to positive carbon related actions and business practices.	Corporate Services	Commence: October 2023	Complete: January 2024
5	Deliver targeted and regularly refreshed training internally and externally, ensuring appropriate staff across the sector are fully aware of compliant options that can be utilised during the procurement process and lifetime of a contract arrangement that can maximise a positive impact on net zero targets and ambitions.	a	Design suitable training for internal and external access.	Strategic Organisational Development	Commence: April 2023	Complete: October 2023
5	Deliver targeted and regularly refreshed training internally and externally, ensuring appropriate staff across the sector are fully aware of compliant options that can be utilised during the procurement process and lifetime of a contract arrangement that can maximise a positive impact on net zero targets and ambitions.	b	Deliver targeted training across the sector, including refresh as required.	Strategic Organisational Development	Commence: October 2023	-

	Objective		Activity	Team' with Lead Responsibility	Target Date Commence	Target Date Complete (-) denotes ongoing
6	Continue ongoing engagement with corporate procurement managers and other appropriate procurement colleagues within individual councils ensuring clear lines of communication regarding council need and options available via Scotland Excel as portfolio develops. Activities likely to include regular updates on progress of council net zero/climate change strategies, signposting to areas of interest and ultimately a level of commitment from councils to support and utilise options offered within Scotland Excel's contract portfolio linked to supporting net zero ambitions.	a	Establish and maintain two-way communication regarding progress of strategy developments and delivery, individual council need and solutions available.	Commercial and Projects	Commence: April 2023	Complete: October 2023
6	Continue ongoing engagement with corporate procurement managers and other appropriate procurement colleagues within individual councils ensuring clear lines of communication regarding council need and options available via Scotland Excel as portfolio develops. Activities likely to include regular updates on progress of council net zero/climate change strategies, signposting to areas of interest and ultimately a level of commitment from councils to support and utilise options offered within Scotland Excel's contract portfolio linked to supporting net zero ambitions.	b	Secure a level of commitment regarding participation as solutions are designed and made available.	Commercial and Projects	Commence: April 2023	-
7	Progress existing and develop new relationships with suitable stakeholders from across the public and private sector, spotlight good practice examples from within the supply base, focus upon and include net zero considerations within appropriate events such as seminars, user intelligence groups and mobilisation sessions, promote the availability of reuse and repair organisations and communicate regularly of Scotland Excel and this Strategy's progress to appropriate audience as it develops.	a	Build relationships with stakeholders from across public and private sector.	Strategic Procurement	Commence: April 2023	-
7	Progress existing and develop new relationships with suitable stakeholders from across the public and private sector, spotlight good practice examples from within the supply base, focus upon and include net zero considerations within appropriate events such as seminars, user intelligence groups and mobilisation sessions, promote the availability of reuse and repair organisations and communicate regularly of Scotland Excel and this Strategy's progress to appropriate audience as it develops.	b	Identify and share good practice examples within the supply base.	Strategic Procurement/ Marketing and Communications	Commence: April 2023	-

	Objective		Activity	Team' with Lead Responsibility	Target Date Commence	Target Date Complete (-) denotes ongoing
7	Progress existing and develop new relationships with suitable stakeholders from across the public and private sector, spotlight good practice examples from within the supply base, focus upon and include net zero considerations within appropriate events such as seminars, user intelligence groups and mobilisation sessions, promote the availability of reuse and repair organisations and communicate regularly of Scotland Excel and this Strategy's progress to appropriate audience as it develops.	c	Ensure net zero is included as an area of focus at appropriate internal and external events.	Strategic Procurement/ Marketing and Communications	Commence: April 2023	-
7	Progress existing and develop new relationships with suitable stakeholders from across the public and private sector, spotlight good practice examples from within the supply base, focus upon and include net zero considerations within appropriate events such as seminars, user intelligence groups and mobilisation sessions, promote the availability of reuse and repair organisations and communicate regularly of Scotland Excel and this Strategy's progress to appropriate audience as it develops.	d	Promote the availability of reuse and repair organisations.	Marketing and Communications	Commence: April 2023	Complete: October 2023
7	Progress existing and develop new relationships with suitable stakeholders from across the public and private sector, spotlight good practice examples from within the supply base, focus upon and include net zero considerations within appropriate events such as seminars, user intelligence groups and mobilisation sessions, promote the availability of reuse and repair organisations and communicate regularly of Scotland Excel and this Strategy's progress to appropriate audience as it develops.	e	Report progress of Strategy to appropriate audience as it develops.	Marketing and Communications	Commence: April 2024	-

	Objective		Activity	Team' with Lead Responsibility	Target Date Commence	Target Date Complete (-) denotes ongoing
Longer Term Objectives 2025-2028						
8	Continues to be the procurement partner of choice, offering contract options, products and services that provide a reliable and relatively straightforward route to access, that include requirements that help councils deliver on their net zero commitments and achieve targeted outcomes whilst maintaining a high level of frontline service delivery.	a	Activity for review on completion of medium term objectives.	Team with Lead Responsibility to be reviewed in line with activity on completion of medium term objectives.	Commence April 2025	For review
9	Offers a diverse contract portfolio that caters for all council priorities and facilitates solutions, innovation and access to a supply base that positively supports councils in their net zero journey.	a	Activity for review on completion of medium term objectives.	Team with Lead Responsibility to be reviewed in line with activity on completion of medium term objectives.	Commence April 2025	For review
10	Has introduced well embedded processes and procedures that ensure net zero related priorities are considered and delivered throughout the organisation within all of its activities.	a	Activity for review on completion of medium term objectives.	Team with Lead Responsibility to be reviewed in line with activity on completion of medium term objectives.	Commence April 2025	For review
11	Has successfully significantly reduced its own carbon footprint linked to business activities and is in the process of supporting and encouraging suppliers appointed to our contract arrangements in striving to reduce theirs also.	a	Activity for review on completion of medium term objectives.	Team with Lead Responsibility to be reviewed in line with activity on completion of medium term objectives.	Commence April 2025	For review
12	Provides quality training suitable for all levels of council staff and the diverse roles that they may have in relation to the procurement of goods and services.	a	Activity for review on completion of medium term objectives.	Team with Lead Responsibility to be reviewed in line with activity on completion of medium term objectives.	Commence April 2025	For review

	Objective	Activity		Team' with Lead Responsibility	Target Date Commence	Target Date Complete (-) denotes ongoing
13	Maintains a suitably competent and skilled workforce throughout the organisation that as a matter of course can identify risk and opportunity associated with net zero, enriching the talent present among councils in order to maximise the opportunities presented by collaboration.	a	Activity for review on completion of medium term objectives.	Team with Lead Responsibility to be reviewed in line with activity on completion of medium term objectives.	Commence April 2025	For review
14	Is respected partner across the public sector, recognised as a leader in terms of assisting in driving forward ambitions linked to net zero.	a	Activity for review on completion of medium term objectives.	Team with Lead Responsibility to be reviewed in line with activity on completion of medium term objectives.	Commence April 2025	For review
15	Regularly reports upon and showcases prime examples of positive collaboration, innovation and good practice delivered via our contract arrangements aiding councils in meeting their commitments whilst maintaining the high level of service expected.	a	Activity for review on completion of medium term objectives.	Team with Lead Responsibility to be reviewed in line with activity on completion of medium term objectives.	Commence April 2025	For review

Appendix B—Contract Delivery Plan

Contract	Estimated Annual Value	Activity	Delivered Date
Contracts approved since April 2022			
Electric Vehicle Charging Points	20,000,000	New Contract	Apr–22
Personal Protective Equipment	10,000,000	Renew	Apr–22
Library Books & Textbooks	14,000,000	Renew	Apr–22
Digital Publications and Services	1,000,000	Renew	Apr–22
Water Coolers	1,500,000	Renew	Jun–22
Repair of Catering Machines	2,000,000	Renew	Jun–22
Employability Services	20,000,000	New Contract	Jun–22
Outdoor Play and Sports Facilities	15,000,000	Renew	Oct–22
Washroom Solutions	14,000,000	Renew	Aug–22
Salt for winter maintenance	17,500,000	Renew	Oct–22
Roadstone	25,000,000	Renew	Oct–22
Children's Residential	158,300,000	Renew	Oct–22
First Aid Materials	2,000,000	Renew	Nov–22
Social Care Agency	20,000,000	Renew	Dec–22
Building Construction Consultancy	18,750,000	New Contract	Jan–23
Janitorial Products	12,000,000	Renew	Jan–23
Fresh Meats, Cooked Meats and Fresh Fish	10,000,000	Renew	Feb–23
Contracts Planned for Approval			
Property Maintenance and Refurbishment	75,000,000	New Contract	Mar–23
Audio Visual Equipment	7,500,000	Renew	Mar–23
Fire Safety Products	2,500,000	Renew	Apr–23
Commercial Catering Equipment	4,000,000	Renew	Apr–23
Technology Enabled Care Goods	9,000,000	Renew	May–23
Street Lighting Materials	15,000,000	Renew	May–23
National Shared Digital Alarm Receiving Centre	1,000,000	New Contract	TBC
Security Operating Centre	TBC	New Contract	TBC
Cleaning Equipment	2,000,000	Renew	TBC
Bottled Gas	2,000,000	Renew	TBC
Road Signage	1,250,000	Renew	TBC

Contract	Estimated Annual Value	Activity	Delivered Date
Contracts Planned for Approval (continued)			
New Build Residential Construction	375,000,000	Renew	TBC
Security Services and Cash Collection	12,500,000	Renew	TBC
Asbestos related works and services	12,000,000	Renew	TBC
Cleaning Equipment	2,000,000	Renew	TBC
Grounds and Plant Equipment	5,000,000	Renew	Jun–23
Construction Materials	70,000,000	Renew	Jun–23
Alcoholic Beverages	1,250,000	Renew	Jun–23
Bread and Rolls	1,500,000	Renew	Aug–23
LHEES (Local Heat and Energy Efficiency Strategies)	1,000,000	New Contract	Sep–23
Sheriff Officers	1,100,000	Renew	Sep–23
Care Homes for Adults with Learning Disabilities Including Autism	26,500,000	Renew	TBC
Residential Rehabilitation and Detoxification (Alcohol and Drugs) Services	TBC	New Contract	Oct–23
Care and Support	140,000,000	Renew	Mar–24
Flexible Contracts			
Care and Support	140,000,000	-	-
Social Care Agency Workers	20,000,000	-	-
Care Homes for Adults with Learning Disabilities Including Autism	26,500,000	-	-
Bikeability Scotland Training Providers	300,000	-	-
Recyclable and Residual Waste	40,000,000	-	-
Digital Telecare	4,000,000	-	-
Employability Services	20,000,000	-	-
Children's Residential	158,300,000	-	-

Contracts with extension options and contract management activity ongoing during 2022/2023

*denotes contracts that have been approved for extension

Contract	Estimated Annual Value
Boiler Maintenance	10,000,000
Grounds Maintenance Equipment	6,000,000
Groceries and Provisions	30,000,000
Fresh Fruit and Vegetables	1,500,000
Technology Enabled Care	6,300,000
Demolition Services	18,000,000
New Build Residential Construction	375,000,000
Catering Sundries*	6,000,000
Community Meals	4,000,000
Building and Timber	15,000,000
Electrical Materials	20,000,000
Plumbing and Heating Materials	22,500,000
Trade Materials	10,000,000
Secure Care Services	17,500,000
Musical Instruments*	1,750,000
Education Materials*	17,500,000
Domestic Furniture and Furnishings*	26,000,000

Contracts with no renewal or extension activity and contract management activity ongoing during 2022/2023

Contract	Estimated Annual Value
Bitumen Products	12,000,000
Waste Composition Analysis	750,000
Vehicle Parts	12,000,000
Fostering and Continuing Care	34,000,000
Organic Waste	12,000,000
Engineering and Technical Consultancy	17,125,000
Energy Efficiency Contractors	200,000,000
Tyres for Vehicles and Plant	6,500,000
Frozen Foods	25,000,000
Online School Payments	2,000,000
Security Services and Cash Collection	12,500,000
Social Care Case Management Solutions	7,000,000
Vehicle Purchase RM6060	10,000,000

Contract	Estimated Annual Value
Waste Disposal Equipment	1,250,000
Supply Teacher Booking System	300,000
Heavy Vehicles	25,000,000
Recycle and Refuse Containers	12,500,000
Education and Office Furniture	8,000,000
Milk	8,000,000
Pest Control	1,000,000

Appendix C—Strategy Delivery Plan

This is a delivery plan to allow consideration of the needs for Scotland Excel to support its public sector client base in their net zero related strategic outcomes between now and March 2028. It looks at current category area themes linked to the Scottish Governments identified target areas and common goals identified from individual council strategies.

Although in most cases themes are cross cutting across multiple categories, this plan details Scotland Excel arrangements currently available, to be illustrative of areas that have potential to be further developed in future.

Current Activity

Theme	Goal	Current Activity
Energy	Improve efficiency of public infrastructure, grow renewable energy, encourage uptake of alternative fuels, ensure affordable access to energy, and support sustainable energy projects.	Councils can currently access energy efficiency contractors, energy advice services for communities, electric vehicle charging infrastructure and products such as energy efficient street lighting
Buildings	Improve energy efficiency of building stock, support sustainable development, and ensure resilience to climate change.	Councils can currently access frameworks that include new build residential properties, building related consultancy services, retrofitting linked to energy efficiency, supply of construction related materials, property maintenance and refurbishment options, plumbing and heating materials, timber, and domestic furniture and furnishings.
Transport	Increase use of low emission vehicles, reduce carbon impact of freight and logistics and increase proportion of 'active' journeys such as walking and cycling and ensure resilience to climate change.	Councils can currently access various frameworks catering for the provision of vehicles including the purchase of heavy vehicles, adaptation options aimed at reducing vehicle emissions, hire of vehicles and plant and access to vehicle parts. In addition, councils can access a dynamic purchasing system providing 'bikeability training' that may complement longer term 'active journey' ambitions.
Waste	Make it as easy as possible to recycle and reduce food waste and increase use of repair and reuse initiatives.	A host of waste treatment related arrangements are available to councils including the provision of containers, recycling centre machinery, waste composition analysis and services for the treatment and disposal of all major material types collected by councils including the treatment of food waste. Access to repair and reuse options are available including via Scotland Excel's domestic furniture and furnishings framework.

Theme	Goal	Current Activity
Land Use and Forestry (Resilience)	Provide access to good quality space and environments, promote development of sustainable neighbourhoods, enhance biodiversity, and increase resilience to flooding and shore erosion.	In addition to building related activities such as energy efficiency, councils can currently access contracts that can assist with resilience, such as salt for winter maintenance and road maintenance materials, as well as engineering consultancy that could be used to inform land use projects, flood defences or similar.
Agriculture	Support clean growth and innovation, promote use of local sustainable produce and increase provision of food growing facilities.	Currently councils can access several food related frameworks including frozen foods, fresh and cooked meats and fish, groceries and provisions, and milk.
Governance and Process	Bring sufficient level of behavioural change that ensures net zero considerations become the norm. Support this with embedded governance and process related policy that includes scrutiny of decision making.	Scotland Excel already has in place robust policy and practices related to sustainability. Further review could have a positive impact on tender design, evaluation and contract management across the entire contract portfolio.

Development Areas

In support of the drive to net zero, Scotland Excel can lead on co-ordination of contract supply arrangements that offer viable products and services to aid member councils in achieving both their statutory duties and individual ambitions within this sphere.

Future development areas to be explored could include:

- New and innovative solutions.
- Emerging technologies.
- Markets not currently widely accessible to councils.
- Contract opportunities in relation to measuring and monitoring of carbon generation.
- Impact and progress of carbon reduction that could assist in council reporting.
- Routes to market focused on key outcomes that assisting councils in their adaptation journey.
- Steps for impact mitigation, and
- Preparation for resilience in dealing with the realities of global climate change.

Tactics for Delivery

Scotland Excel Team

A whole organisation approach is required to deliver this Strategy and will involve contributions from across the Scotland Excel team structure that, as detailed within Appendix A —Activity Matrix, will include:

- Engagement with stakeholders.
- Identification of need.
- Considered design of solutions.
- Robust governance processes.
- Supportive scrutiny of decision making.
- Skills development, and
- Focused contract and supplier management

Scotland Excel is experienced in considering sustainability issues within its tender design and evaluation process. Individual category strategies will further address net zero as a theme and detail alignment to the most appropriate core themes, including how contract options within the category can be tailored to better support councils that opt to source from them.

To progress this Strategy towards our medium to long-term objectives (as detailed within the main body of this strategy document) it will require attention from various teams and possible augmentation at some stages in the process.

Confirmation of Needs

Continued and further developed support in relation to council's net zero ambitions will need to be informed by:

- Market intelligence.
- Contract strategy.
- Ongoing contract and supplier management.
- Engagement with the local authority sector to refine contract offerings and encourage uptake.
- Broadening collaboration into other public sector/ quasi-public sector activities and ensuring that resultant identified needs are considered at contract formulation stage.
- Encouragement of local and regional supplier base.

Maintaining Flexibility

Throughout the journey to net zero, solutions and emergence of innovative products, services and technologies will likely expand or contract, in response to policy drivers and market conditions.

Where practical, consideration should be given to ensure that tendering activity provides councils with options for taking both shorter or longer-term views (dependent on the political will of the contracting body and the flexibility of the supplier).

Aggregating Expertise and Process

The benefits of proceeding through collaboration are numerous, but some of the major benefits are:

- Minimising administration for both councils and contractors.
- Market feedback providing lessons for future contracts.
- Economy of scale in gathering KPIs will reduce overall administration.
- Reduced tendering costs for suppliers (should benefit pricing levels as understanding of the process grows).
- Sharing of benefits through potential higher volume purchases being likely to generate better pricing from the market.
- Fewer procurement processes at an aggregated Scottish level allowing a shift of resources to front-line service provision for members.
- Potentially assist in the growth of new markets and encouragement of local suppliers/service providers.

Operational Resources—Delivery until 2028

Appendix D identifies a model which assumes the developments identified in the Strategy are in place and being delivered from early 2023. Dependent on breadth of service delivery required – i.e., the extent to which non-local authority engagement is made – the resource input may require to be greater, and funding sought beyond normal sources.

Appendix D—Organisational Capacity

Operating Model

Currently, Scotland Excel operates a category management model. There are six main category areas with dedicated teams specialising in contract arrangements which align with local authority service delivery models, managed under Scotland Excel's 'Strategic Procurement' team, and supported by various functions throughout the organisation, who will hold collective responsibility for delivery of this strategy [outlined in Appendix A].

The six main category areas falling under Strategic Procurement are:

- Construction
- Corporate
- ICT/Digital
- Operational Supplies and Services
- Social Care
- Transport and Environment

Other functions within the organsation that will play a key role are:

- Executive and Senior Management Team
- Procurement Development (Policy)
- Corporate Services (HR)
- Commercial and Projects
- Strategic Organisational Development (Academy)
- Marketing and Communications

Resource plan

We are fully committed to deliver against the operational and strategic objectives of this plan. As such, the activities delivered to date have been resourced accordingly, as will the delivery of medium and longer-term objectives. As activity continues in this area, including potential expansion of the contract portfolio, the resource plan will be reviewed with our collaborative partners on an ongoing basis to ensure that no constraint to effective delivery arises.

You can contact us or find out more online via the following routes:

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SCOTLAND EXCEL

Scotland Excel

To: Executive Sub-Committee

On: 17 March 2023

Report by:
Chief Executive of Scotland Excel

Scotland Excel Academy Strategy

1. Summary

1.1 The following report presents the refreshed strategy for the Scotland Excel Academy.

1.2 The proposed strategy supports member requests for lower priced and shorter duration development programmes and workshops. It covers several areas:

- Procurement – creation of two new Scottish Qualification Authority (SQA) accredited programmes and a Chartered Institute of Procurement and Supply (CIPS) exam route support package
- Graduate Apprenticeship – creation of a new graduate Apprenticeship in procurement and supply chain management
- Leadership and Management - creation of two new SQA accredited programmes
- Continuation of SQA accredited Business Analysis and Project Management programmes
- Continuation of all relevant non-accredited training

The creation of the new SQA accredited procurement programmes will enable easier recognised prior learning and facilitate learners' exemptions if they wish to pursue the new Graduate Apprenticeship.

The refreshed strategy will create a new nationally recognised procurement pathway for the public sector which is fully aligned to the Scottish national procurement development framework and the Scottish Qualification Authority

2. Background

2.1 The current Academy strategy provides a multi-disciplinary development portfolio comprising of procurement, leadership & management, project management, business analysis, decision making and innovation disciplines.

Our programmes are accredited by:

- Chartered Institute of Procurement and Supply (CIPS) - The Academy collaborated with CIPS to adapt two established procurement programmes (HND/Degree level) which have been delivered since 2017.
- Chartered Management Institute (CMI) – Since 2016, the academy has delivered leadership & management programmes at HND, Degree and Masters-levels. Since 2018, the Academy has been assessing people for the award of Chartered Manager, the highest award in the leadership & management profession.
- Scottish Qualifications Authority (SQA) – Since 2018, the academy has delivered an HND level project management programme and in 2019, the academy introduced a Degree-level business analysis, decision making and innovation programme.

The Academy also delivers a suite of unaccredited workshops including:

- One hour 'stay connected' lecture style sessions delivered since 2020
- Full or half day workshops delivered through the Scottish Government Procurement and Commercial Training Framework since 2021
- Full or half day 'Evolve' workshops which cover topics outwith the scope of the Scottish Government Procurement and Commercial Training Framework since 2023

The methodology adopted by the Academy enables people to apply learning to their work practice, delivering immediate impact at work. The Academy has also been instrumental in the creation and use of the current national procurement development framework. See Appendix 1.

2.2   Scotland Excel has implemented a new 5-year organisational strategy which aims to support members in the face of the significant changes which have occurred as a result of the pandemic and cost of living crisis. Part of the wider strategy is to ensure support for members in building capacity and capability. Over the past year Scotland Excel has consulted with our members to ensure that training needs are fully understood. The consultation approach is set out in 2.2.1 & 2.2.2.

2.2.1   Scotland Excel Conference: In May 2022, Scotland Excel consulted with Members at the Scotland Excel Conference where it was established through group discussions that there was a need to provide more cost effective and less resource intensive learning and development for members.

2.2.2   Consultation Questionnaire: In December 2022, a consultation survey was distributed to our members to ensure all had an opportunity to express their views. Members were presented with information briefs regarding the current strategy and proposed strategy. It was agreed that the Academy strategy

would progress based on the majority views from both consultations. The Consultation explored the following areas:

- Procurement:
  - Continue with classroom based CIPS or Pursue alternative new SQA accredited programmes.
  - Pursue an adapted version of the Business Management Graduate Apprenticeship or to create a new Procurement and Supply Chain Management Graduate Apprenticeship.
  - Identification of wider and specialised training needs for the community.

- Leadership and Management:
  - Continue with CMI leadership and Management Programmes or transitions to SQA Leadership and Management Programmes

The strategy proposals presented in section 3 are based on the majority views collated from both stages of the consultation.

3. Proposed Strategy

3.1 The implementation of two new Scottish public-sector Procurement Development programmes at HND and Degree-levels. The Academy will co-develop the new procurement programmes with the Scottish Government Procurement and Property Directorate - price points are estimated 52% lower and delivery time 47% shorter than current programmes.

Figure 1 illustrates the current and proposed SQA accredited procurement programmes.

	Current: CIPS Practitioner & Advanced Practitioner	Proposed: SQA Practitioner & Expert Practitioner	Proposed pathway benefit
Per Council Learner	£5,122	£2,440	£2, 682 cost reduction (52.4%)
Duration	38	20	Quicker completion time - 18 months (47.4%)

Figure 1 Current and Proposed Procurement Programme Comparison

The new procurement programmes will align with the Scottish national procurement development framework and comprise of:

- A 50 credit HND-level Procurement Practitioner programme lasting 8 months – aligned to level 3 Practitioner.
- A 60 credit Degree-level Expert Procurement programme lasting 12 months – aligned to level 4 Expert.

3

Within the scope of work for a proposed Graduate Apprenticeship in Procurement and Supply Chain Management, the Academy will collaborate with Glasgow Caledonian University to establish recognised prior learning to accommodate exemptions, within the four-year Graduate Apprenticeship honours degree from these new procurement programmes.

The new programmes and Graduate Apprenticeship combined offer a procurement focused pathway that will attract and retain people to build capacity and capability.

3.2   Due to a growing number of significant challenges, Scotland Excel will cease to deliver CIPS accredited programmes. CIPS require a minimum of 12 learners per cohort at cost of over £5000 per learner to complete practitioner and advance practitioner. Additionally significant resource is required to address changes to the CIPS syllabus.

3.3   Scotland Excel recognises that some of our members may still wish to pursue CIPS qualifications. In response, Scotland Excel will offer a CIPS Exam Route Support Package which will be free to members. This will include:

- Facilitation of support cohorts for those self-studying exams which will include sharing best practices, peer to peer learning and Q&A sessions.
- A mapping of academy offerings to CIPS topics

3.4   Additionally, the organisation will aim to scope and develop training on a range of other knowledge areas within procurement including:

- Social Care
- Construction
- Net Zero
- Serious Organised Crime
- Community Wealth Building
- Fair work Practices

Other areas may be considered, however these topics were identified as requirements throughout the consultation.

3.5   The implementation of two new SQA Leadership and Management programmes at HND and Degree-level - price points are estimated 26% lower and delivery time 50% shorter than current programmes.

Figure 2 illustrates the current and proposed leadership and management programmes.

4

	Current: CMI Leadership and Management Level5/6 PROGRAMMES	Proposed: SQA PDA in Operational Leadership and Management	Proposed pathway benefit
Per Council Learner	£1,880	£1,379	501 (26.6%)
Duration	16	8	Quicker completion time - 8 months shorter (50%)

Figure 2 Current and Proposed Leadership & Management Programme Comparison

The new leadership and management programme will align to the Scottish national procurement development framework – focusing on the People and Performance themes and comprise of:

- A 19 credit HND-level Operational Leadership and Management programme lasting 4 months – aligned to level 3 Practitioner.
- A 31 credit Degree-level Strategic Leadership and Management programme lasting 4 months - aligned to level 4 Expert.

3.6 To pursue the creation and implementation of a new Graduate Apprenticeship in Procurement and Supply Chain Management. This Graduate Apprenticeship would be free to our national community, funded through the apprenticeship levy and the Scottish Funding Council, and managed by Skills Development Scotland. It must be noted that to pursue this route, Scottish Government must make procurement a national priority.

3.7 To maintain our current delivery of SQA accredited business analysis and project management programmes.

The strategy will sustain delivery of the Professional Development Awards (PDAs) in Project Management and Business Analysis, Decision Making and Innovation – both accredited by the Scottish Qualifications Authority.

The Academy delivers these existing project management and business analysis, decision making and innovation programmes at 40% to 50% lower cost than the market value.

- **Project Management**

This programme comprises 24 credit HND-level Project Management Professional Development Award lasting 5 months.

5

- **Business Analysis, Decision Making and Innovation**

This programme comprises a 29 credit Degree-level Business Analysis, Decision Making and Innovation Professional Development Award lasting 6 months.

Both PDAs complement the procurement and leadership and management programmes, adding additional skills and expertise to enable people to deliver impact and tackle the changing needs of a complex public-sector landscape.

3.8 To maintain our free one- hour stay connected sessions.

4. Recommendations

4.1 It is recommended that members approve the new Scotland Excel Academy Strategy.

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Appendix 1   Strategy Alignment with National Procurement Development Framework

The Academy has been instrumental in the creation and use of the current national procurement development framework application, working with the Scottish Government Property and Procurement Directorate and through co-chairing the Scottish Government Professional Practice and Development Forum.

Local authority job descriptions are integrated into the application allowing people to identify their current and future development needs. The Academy's portfolio, along with other training providers, can then support public-sector peoples' development.

Figure 3 illustrates an expanded national procurement development framework where the five levels are supported by the Academy's emergent strategy.
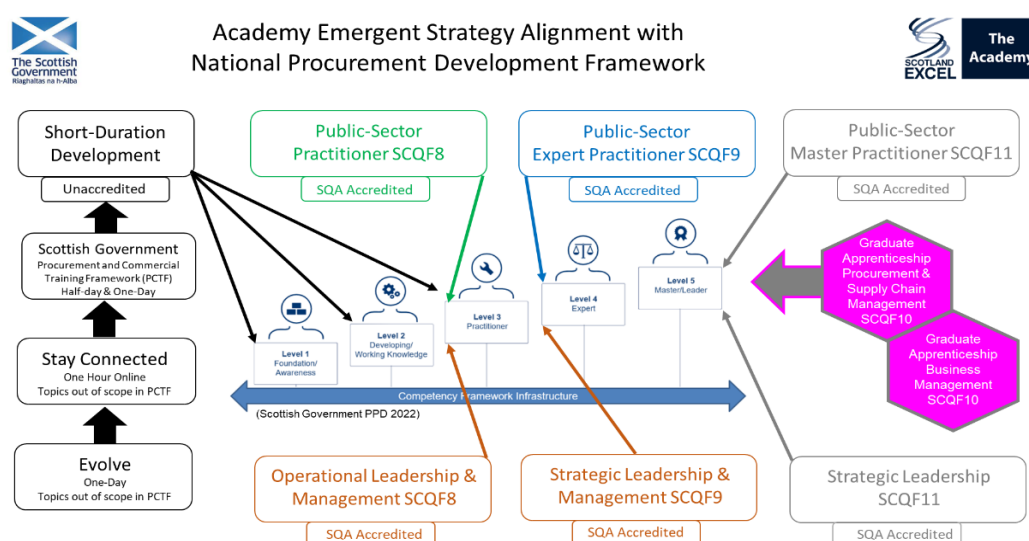
Figure 3 National Procurement Development Framework

The academy supports procurement development at levels 1 and 2 through the following pathways:

- One day Unaccredited workshops delivery through the Scottish Government Procurement and Commercial training framework (delivered since 2021)
- Free one hour stay connected lecture style session on specific procurement topics
- Evolve workshops for topics which are out of scope of the Scottish Government Procurement and Commercial training framework.

At request, workshops can be delivered at higher level through the above stated pathways.

For people development across levels 3, 4 and 5, the academy offers an accredited portfolio of multi-disciplinary structured development programmes. These

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programmes are structured and offer an in-depth development pathway typically over 4 to 12 months.

The Graduate Apprenticeship programme can be integrated into this framework as progress is made, recognising prior learning and supporting our peoples' progressive practice in an accredited, structured, cost-effective manner - over 4 years.

SCOTLAND EXCEL

Scotland Excel

To: **Executive Sub-Committee**

On: **17 March 2023**

Report by:
Chief Executive of Scotland Excel

Request for Associate Membership of Scotland Excel by
Cunninghame Housing Association Limited

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 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 Cunninghame Housing Association Limited is predominantly based in Ayrshire with a housing stock of 3,320 properties across North Ayrshire, East Ayrshire and Dumfries and Galloway. Cunninghame Housing Association Limited is committed to be one of the leading Housing Associations and Social Enterprises offering choice and opportunities for its' tenants and customers to meet their aspirations of living in quality homes in stronger communities. Cunninghame Housing Association Limited is a Registered Society (under the Co-operative and Community Benefit Societies Act 2014), a Registered Social Landlord and a Registered Scottish Charity.

2.2 Cunninghame Housing Association Limited is a 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, Cunninghame Housing Association Limited can be recommended for associate membership on the basis of the Local Authorities (Goods and Services) Act 1970 section 1 (1B)(c). Namely, that it has functions that are public in nature or engages in activities of that nature so long as the purpose or effect of access to Scotland Excel's services is to facilitate its discharge of those functions or activities.

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 Cunninghame Housing Association Limited application to join Scotland Excel as an associate member be approved, with an annual fee of £4,980 subject to the agreement document.

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SCOTLAND EXCEL

Scotland Excel

To: **Executive Sub-Committee**

On: **17 March 2023**

Report by:
Chief Executive of Scotland Excel

Request for Associate Membership of Scotland Excel by
Linthouse Housing Association Ltd

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 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 Linthouse Housing Association Ltd is located in the Govan area of Glasgow with a housing stock of 1,176 properties. Linthouse Housing Association Ltd is a community-based housing association which strives to deliver quality and affordable housing to its' tenants and to benefit the wider community in Govan. Linthouse Housing Association Ltd is a Registered Society (under the Co-operative and Community Benefit Societies Act 2014), a Registered Social Landlord, and a Registered Scottish Charity.

2.2 Linthouse Housing Association Ltd 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, Linthouse Housing Association Ltd can be recommended for associate membership on the basis of the Local Authorities (Goods and Services) Act 1970 section 1 (1B)(c). Namely, that it has functions that are public in nature or engages in activities of that nature so long as the purpose or effect of access to Scotland Excel's services is to facilitate its discharge of those functions or activities.

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 Linthouse Housing Association Ltd application to join Scotland Excel as an associate member be approved, with an annual fee of £1,764 subject to the agreement document.