

Notice of Meeting and Agenda Scotland Excel Joint Committee

Date	Time	Venue
Friday, 16 June 2023	10:45	Remotely by MS teams,

MARK CONAGHAN
Clerk

Membership

Councillor Alex McLellan and Councillor Sandra Macdonald (Aberdeen City Council); Councillor David Keating and Councillor Alastair Forsyth (Aberdeenshire Council); Councillor Brenda Durno (Angus Council); Councillor William Sinclair (Argyll and Bute Council); Councillor Adam McVey and Councillor Mandy Watt (City of Edinburgh Council); Councillor Ellen Forson (Clackmannanshire Council); Councillor Kenny Macleod (Comhairle Nan Eilean Siar); Councillor Carolyn Wilson (Dumfries and Galloway Council); Councillor Lynne Short (Dundee City Council); Councillor Stephen Canning (East Ayrshire Council); Councillor Calum Smith (East Dunbartonshire Council); Councillor John McMillan (East Lothian Council); Councillor Tony Buchanan (East Renfrewshire Council); Councillor Margaret Anslow (Falkirk Council); Councillor Altany Craik and Councillor Ross Vettrano (Fife Council); Councillor Ruairi Kelly and Councillor Rashid Hussain (Glasgow City Council); Councillor Derek Loudon and vacancy (Highland Council); Councillor Martin McCluskey (Inverclyde Council); Councillor Colin Cassidy (Midlothian Council); Councillor Neil McLennan (Moray Council); Councillor Christina Larsen (North Ayrshire Council); Councillor Michael McPake and Councillor Gary Robinson (North Lanarkshire Council); Councillor Sheila McCole (Perth and Kinross Council); Councillor John Shaw (Renfrewshire Council); Councillor Mark Rowley (Scottish Borders Council); Councillor Dennis Leask (Shetland Islands Council); Councillor Peter Henderson (South Ayrshire Council); Councillor Eileen Logan and Councillor Walter Brogan (South Lanarkshire Council); Councillor Rachel Nunn (Stirling Council); Councillor Daniel Lennie (West Dunbartonshire Council); and Councillor Anne McMillan (West Lothian Council).

Councillor 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.

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| 1 | Minute of Joint Committee | 5 - 14 |
| | Minute of meeting of the Joint Committee held on 9 December 2022. | |
| 2 | Minutes of Executive Sub-committee | 15 - 48 |
| | Minutes of meetings of the Executive Sub-committee held on 9 December 2022 and 27 January, 17 February, 17 March, 21 April and 19 May 2023. | |
| 3 | Presentation | |
| | Chief Executive of Scotland Excel. | |
| 4 | Unaudited Annual Accounts 2022/23 | 49 - 88 |
| | Report by Treasurer. | |
| 5 | Operating Plan Update 2022/23 | 89 - 102 |
| | Report by Chief Executive of Scotland Excel. | |
| 6 | Procurement Commercial Improvement Programme (PCIP) Update | 103 - 108 |
| | Report by Chief Executive. | |
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| | Report by Chief Executive of Scotland Excel. | |
| 8 | Care Update | 147 - 154 |
| | Report by Chief Executive of Scotland Excel. | |
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| | Report by Chief Executive of Scotland Excel. Covering report added to meeting documents section below following meeting. | |
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| | Report by Chief Executive of Scotland Excel. | |

11 Date of Next Meeting

Note that the next meeting of the Joint Committee will be held remotely on MS Teams at 10.45 am on 8 December 2023.



Minute of Meeting Scotland Excel Joint Committee

Date	Time	Venue
Friday, 09 December 2022	10:45	Remotely by MS Teams,

Present

Councillor Alex McLellan (Aberdeen City Council); Councillor David Keating and Councillor Alastair Forsyth (Aberdeenshire Council); Councillor Kenny Macleod (Comhairle Nan Eilean Siar); Councillor Carolyn Wilson (Dumfries and Galloway Council); Councillor Lynne Short (Dundee City Council); Councillor Stephen Canning (East Ayrshire Council); Councillor Calum Smith (East Dunbartonshire Council); Councillor Tony Buchanan (East Renfrewshire Council); Councillor Margaret Anslow (Falkirk Council); Councillor Altany Craik and Councillor Ross Vettraino (Fife Council); Councillor Rashid Hussain (Glasgow City Council); Councillor Derek Loudon (Highland Council); Councillor Martin McCluskey (Inverclyde Council); Councillor Gary Robinson (North Lanarkshire Council); Councillor Sheila McCole (Perth and Kinross Council); Councillor John Shaw (Renfrewshire Council); Councillor Mark Rowley (Scottish Borders Council); Councillor Dennis Leask (Shetland Islands Council); Councillor Peter Henderson (South Ayrshire Council); Councillor Eileen Logan and Councillor Walter Brogan (South Lanarkshire Council); Councillor Rachel Nunn (Stirling Council) and Councillor Anne McMillan (West Lothian Council).

Chair

Councillor John Shaw, Convener, presided.

In Attendance

J Welsh, Director, S Brannagan, Head of Customer & Business Services, H Carr, Head of Strategic Procurement, L Campbell, Corporate Services Manager, M Robertson, Marketing and Communications Manager, M Mitchell, Strategic Procurement Manager, S Roberts, Project & Accounts Manager, S Christie, Commercial Programme Manager, K Forrest, Office Manager, N French, Customer Services Assistant and E Fitzsimmons, Modern Apprentice (all Scotland Excel); C McCourt, Head of Finance & Business Services, L Mitchell, Managing Solicitor (Contracts & Conveyancing) and E Currie, Senior Committee Services (all Renfrewshire Council).

Apologies

Councillor Brenda Durno (Angus Council); Councillor William Sinclair (Argyll and Bute Council); Councillor Mandy Watt (City of Edinburgh Council); Councillor Ellen Forson (Clackmannanshire Council); Councillor John McMillan (East Lothian Council); Councillor Ruairi Kelly (Glasgow City Council); Councillor Douglas Bowen (Midlothian Council); Councillor Christina Larsen (North Ayrshire Council) and Councillor Michael McPake (North Lanarkshire Council).

Declarations of Interest

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

1 Minute of Joint Committee

There was submitted the Minute of the meeting of the Joint Committee held on 17 June 2022.

Councillor Vettraino intimated that he re-joined the meeting and that this had not been recorded in the Minute. It was agreed that the Minute be amended to reflect this.

DECIDED: That the Minute, as amended, be approved.

2 Minutes of Executive Sub-committee

There were submitted the Minutes of the meetings of the Executive Sub-committee held on 17 June, 19 August, 16 September, 21 October and 18 November 2022.

DECIDED: That the Minutes be approved.

Sederunt

Councillors Anslow, Henderson, McCole and McLellan joined the meeting during consideration of the following item of business.

3 Presentation

The Chief Executive of Scotland Excel gave a presentation to members providing an overview of performance in 2022 which included information on procurement and consultancy services; the projects and partnership work undertaken by Scotland Excel; the Pathfinder Project in partnership with the Scottish Government which would deliver local capability and impact on inclusive and green economic growth through a Community Wealth Building (CWB) Lens; the six project streams of data analysis, internal partner engagement, external partner engagement, grow local, public contracts Scotland, and quick quotes; the work being undertaken in connection with the Community Wealth Building Project Toolkit; the governance and benefits around associate membership of Scotland Excel; and the programmes, workshops, training and unaccredited programmes delivered through the Scotland Excel Academy.

The Chief Executive of Scotland Excel provided further detail on what Scotland Excel had delivered for member councils and partners; annual value reports which detailed the value derived by individual councils from membership of Scotland Excel; income generation; return on investment; construction, transport and environmental services; corporate, education and ICT; social care; supply chain disruption; the income strategy; the budget process which included details on the annual requisition, the 3% requisition increase with indicative 3% increase for the following two years, spend reviews and budget reporting to the Joint Committee and Executive Sub-committee; and Scotland Excel's proposed budget; and the way ahead for Scotland Excel.

DECIDED: That the presentation be noted.

Sederunt

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

4 Revenue Estimates 2023/24

There was submitted a joint report by the Treasurer and the Chief Executive of Scotland Excel relative to the revenue estimates of Scotland Excel, including the requisition of the constituent authorities for financial year 2023/24 and indicative planning figures for 2024/25 and 2025/26.

The report intimated that the annual revenue estimates process outlined the summary revenue budget position for the organisation. Appendix 1 to the report outlined the projected position and proposed requisitions for 2023/24 and an indicative projected position for 2024/25 and 2025/26. The assumptions used in developing these projections were outlined in sections 4 and 5 of the report.

The report advised that the financial environment within which Scotland Excel and its member authorities currently operated continued to be characterised by challenging public sector spending requirements following a prolonged period of change arising from the UK's exit from the EU, the impact and now recovery from the COVID-19 pandemic, global supply chain issues following the invasion of Ukraine and increasingly volatile economic conditions with very high current levels of inflation. These factors had influenced the revenue budget estimates and the report noted that the figures presented for 2024/25 and 2025/26 should be treated as indicative only and would be subject to constant review as economic conditions developed over the coming year. It was anticipated that local government in Scotland would face further challenges in relation to available resources over the coming years and, in this context, Scotland Excel would continue to seek operational efficiencies to manage its financial position flexibly in order to maintain its aim of minimising the level of requisition required and also to develop strategic savings opportunities for member authorities to ensure that best value was achieved.

The report noted that Scotland Excel had provided an update on the proposed requisition increase to a number of stakeholder groups who had recognised the need for the increase. Appendix 2 to the report detailed the member authority requisitions for 2023/24 and the savings achieved by member authorities during 2021/22.

The report provided information on the assumptions that the budget had been based on; income from projects; a financial overview for Scotland Excel and member authority requisitions for 2023/24.

DECIDED:

- (a) That the revenue estimates of Scotland Excel for the financial year 2023/24, as detailed in Table 1 of Appendix 1 to the report, be approved;
- (b) That the requisitions from constituent authorities, as detailed in Appendix 2 to the report, be approved; and
- (c) That the indicative estimates for 2024/25 and 2025/26 be noted.

5 Contract Delivery Plan Update

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 for 2022/23 the contract delivery plan had been brought back into line with pre-pandemic planning and that frameworks due for renewal during 2020/21, 2012/22 or 2022/23 were concluded as close as possible to the end of March 2023. Achieving this aim within a challenging economic environment had proved to be demanding and the impact of the economic downturn evident to Scotland Excel was detailed in the report. It was noted that these factors had driven a need for rapid improvement to some of Scotland Excel's procedures and new ways of working and that many processes would benefit from greater standardisation, further automation and additional safeguards to ensure accuracy.

The report advised that the contract delivery plan comprised new framework developments and renewals, flexible frameworks, framework extensions and frameworks with ongoing contract management only. The report highlighted that at any given point there were around 70 frameworks in the Scotland Excel contract portfolio with three further frameworks to be developed, 23 frameworks to be renewed during 2022/23 and 17 frameworks with extension options that were available to be exercised in 2022/23, with 10 of these extensions already approved. Appendices 1 to 4 to the report provided further details. The estimated forecast value of the Scotland Excel framework portfolio was approximately £2 billion.

It was noted that, overall, efficiencies created by frameworks awarded so far during 2022/23 were benchmarked at 1.70%, which was slightly below the forecast range. A summary of spend and forecast savings per Council for the period July 2021 to June 2022 was detailed in Appendix 5 to the report, with an average forecast efficiency of circa 1.44%.

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 construction, corporate ICT and social care teams. In order to create capacity to add new activities to the portfolio and support strategically significant areas of spend, a consolidation of the existing portfolio was underway with some existing frameworks within related markets being considered for merger and some lower value frameworks not being renewed.

DECIDED: That the progress made to date be noted.

Sederunt

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

6 Community Benefits and Fair Work Practices Update

There was submitted a report by the Chief Executive of Scotland Excel highlighting the community benefits delivered in the period 1 April to 30 September 2022 aligned with Scotland Excel's framework portfolio together with an update on fair work practices which would give an analysis of suppliers and providers Living Wage status.

The report intimated that Scotland Excel continually strived to be innovative in its approach to community benefits and recognised that community benefits had a considerable social, environmental and economic impact within local communities. The approach to community benefit commitments had been developed to further advance the undertakings made by suppliers and to facilitate a robust process for the collection of responses. Scotland Excel utilised the community benefit menu that had been favoured by procurement specialists when embarking on new procurement exercises and offered a focussed approach across the Scotland Excel procurement portfolio. It aimed to encourage suppliers and providers to deliver community benefits within the awarding local authority area.

The report advised that information supplied by providers had been collated to illustrate the variety and extent of community benefits delivered through Scotland Excel frameworks and this method of collection together with ongoing contract management aimed to support the delivery of commitments made by suppliers and providers at point of tender. For the return through to 30 September 2022, community benefits had been sought from suppliers and providers who had received in excess of £50,000 spend over the preceding two quarters via Scotland Excel frameworks.

Table 1 of the report provided a summary of the social value added across the portfolio since 2013. The figures were complete for the year ending on 31 March 2022. The appendix to the report detailed the accrued community benefits value by Council for the period April to September 2022.

It was noted that the next community benefits data collection, analysis and review cycle would be completed in line with the management information process to cover the period to 31 March 2023.

It was proposed that future reports include information around community benefits against spend. This was agreed.

DECIDED:

(a) That the content of the report be noted and that the ongoing practices in place to monitor delivery of community benefits and the application on fair work practices for the 2022/23 financial year be supported; and

(b) That future reports include information around community benefits against spend.

Sederunt

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

7 **Draft Corporate Strategy 2023/28**

There was submitted a report by the Chief Executive of Scotland Excel relative to the draft corporate strategy 2023/28.

The report intimated that in June 2018, the Scotland Excel Joint Committee approved a five-year corporate strategy for the organisation. As this strategy period would end on 31 March 2023, Scotland Excel had worked on the development of a new corporate strategy for 2023/28, a copy of which was appended to the report.

The report advised that Scotland Excel followed a robust strategic planning process to develop its corporate strategy and operating plans which were illustrated within the report. The future vision of the organisation was supported by a mission statement based on business capabilities with five corporate goals developed to reflect the key priorities of local authorities: journey towards a net zero Scotland; drive for efficiency to support the financial sustainability of local public services; community wellbeing with equal access to services, economic development, and fair work jobs across Scotland; resilient supply chains that maximised opportunities for Scottish businesses; and the third sector and advancement of skills to deliver Scotland's economic transformation. These goals influenced the strategic commitments made by Scotland Excel to ensure that the delivery of procurement and commissioning, services and partnerships met the requirements and expectations of members.

The report noted that annual operating plans would be developed to provide more detailed information on the actions and activities that Scotland Excel would undertake each year to deliver the strategy. The new corporate strategy builds on the progress made by Scotland Excel over the past five years and was developed in close consultation with local authority stakeholders and Scotland Excel staff. It responded to financial challenges facing local government and the wider public sector, while recognising other key social, economic and environment drivers that were important nationally and locally.

Progress on the strategic and operating reports would be produced quarterly to track Scotland Excel's performance. Half yearly and annual reports would be submitted to Joint Committee meetings in December and June, with reports for the interim quarters submitted to the Executive Sub-committee. A set of Key Performance Indicators (KPIs) which measured performance against the five corporate goals would be developed and would be reported against these indicators on an annual basis.

DECIDED: That the proposed five-year corporate strategy for 2023/28 be approved.

8 **Draft Operating Plan for April 2023 to March 2024**

There was submitted a report by the Chief Executive of Scotland Excel presenting the draft operating plan for 2023/24, a copy of which was appended to the report.

The report intimated that Scotland Excel's five-year corporate strategy for 2023/28 was supported by annual operating plans which provided more detailed information on the actions and activities that Scotland Excel would undertake each year to deliver the strategy. These were linked directly to the strategic commitments for procurement and

commissioning, services and partnerships as well as the strategic enablers which related to key business activities that supported the strategy. The actions and activities within the operating plan were cascaded to all staff through an annual personal development plan.

The report advised that progress reports would be produced quarterly to track Scotland Excel's performance and submitted to Executive Sub-committee meetings with half-yearly and annual reports being submitted to Joint Committee meetings. The reports summarised the performance made against operating plan commitments and used a 'traffic light' symbol to provide a guide of the status of each activity.

DECIDED: That the proposed operating plan for 1 April 2023 to 31 March 2024 be approved.

9 **Strategic Risk Strategy**

There was submitted a report by the Chief Executive of Scotland Excel relative to Scotland Excel's strategic risk strategy which set out the revised methodology that Scotland Excel would operate for managing identified strategic risk that might impact on operations and delivery of the organisation's five-year strategy, a copy of which was appended to the report.

The report intimated that with the introduction of a new five-year strategy, the methodology of monitoring, managing and reporting strategic risk to the Joint Committee and Executive Sub-committee had been reviewed. Currently the Scotland Excel senior management team reviewed its strategic risk, and this process would be updated to be more focussed and would be undertaken by a wider group of relevant colleagues drawn from across the organisation. It was noted that the detail within this strategy set out the legacy position, current work and proposed future operation.

The report advised that the 11 legacy risks had been updated and that a workshop would be held to explore any gaps identified which would form the basis of the first review by members. The review would also consider wider potential sectoral risks and would support members in their own risk management activities. Scotland Excel would work with members risk management colleagues to share output and gain wider sectoral insight.

It was noted that Scotland Excel would continue to report its strategic risk register to the Executive Sub-committee on a quarterly basis with a report being submitted to each meeting of the Joint Committee to provide members with a contextualised update, an updated risk profile and the latest strategic risk register.

DECIDED: That Scotland Excel's strategic risk strategy be approved.

Sederunt

Hugh Carr and Stephen Brannagan left the meeting prior to consideration of the following item of business.

10 **Review of Job Titles for the Heads of Service of Scotland Excel**

There was submitted a report by the Chief Executive of Scotland Excel seeking approval to the post titles of Head of Strategic Procurement and Head of Customer & Business Services being changed to Director of Strategic Procurement and Director of Customer & Business Services respectively.

The report intimated that the posts of Heads of Service of Scotland Excel were created when the organisation was established in 2018 and, at that time, the job titles reflected the titles of the posts in the predecessor organisation, the Authorities Buying Consortium, on which Scotland Excel's governance had been initially based. In terms of the Scheme of Delegations, the Heads of Service were authorised to exercise the operational responsibilities delegated to the Chief Executive where the Chief Executive was not available. There had been significant changes to the landscape in which Scotland Excel operated and this had demanded that the Heads of Service operated at a much more strategic level.

The report advised that the focus of the Heads of Service roles had primarily been to get the organisation set up and running effectively and the roles were now key in supporting and leading emerging policy agendas for both local and national government. The proposed revision to the job titles more accurately reflected the strategic nature of the roles and the level of stakeholder engagement and influencing required. The change in titles of the posts would not involve a regrading of the posts.

DECIDED:

(a) That it be agreed that the Heads of Service posts be retitled for the reasons set out in the report; and

(b) That it be noted that the Clerk had authority under the Scheme of Delegations to amend Scotland Excel's governance documents to reflect any agreed changes in job titles.

Sederunt

Hugh Carr and Stephen Brannagan re-joined the meeting prior to consideration of the following item of business.

11 Membership of Scotland Excel Executive Sub-committee

Under reference to item 5 of the Minute of the meeting of this Joint Committee held on 17 June 2022, there was submitted a report by the Clerk seeking approval for the continued appointment of the existing membership of the Scotland Excel Executive Sub-committee for a further period to December 2023.

The report intimated that in June 2022, the Joint Committee agreed to increase the number of members of the Sub-committee from 13 to 14 to include both the Convener and Vice Convener and the procedural standing orders had been amended to reflect that change. However, the new arrangements remained subject to the requirement that where possible, the membership of the Executive Sub-committee should reflect the geographic diversity of the constituent authorities. It was agreed at that meeting that the membership of the Executive Sub-committee should comprise elected members from Aberdeenshire Council, Angus Council, City Of Edinburgh Council, Comhairle nan Eilean Siar, Dumfries & Galloway Council, Fife Council, Glasgow City Council, Highland Council, North Ayrshire Council, North Lanarkshire Council (Vice Convener), Renfrewshire Council (Convener), South Ayrshire Council, South Lanarkshire Council and Shetland Islands Council. Further, that the membership of the Executive Sub-committee be next reviewed at the meeting of the Joint Committee in December 2022.

DECIDED:

(a) That it be agreed that the Executive Sub-committee continue to comprise of elected members from Aberdeenshire Council, Angus Council, City Of Edinburgh Council, Comhairle nan Eilean Sar, Dumfries & Galloway Council, Fife Council (Vice Convener), Glasgow City Council, Highland Council, North Ayrshire Council, North Lanarkshire Council, Renfrewshire Council (Convener), South Ayrshire Council, South Lanarkshire Council and Shetland Islands Council; and

(b) That membership of the Executive Sub-committee be next reviewed at the meeting of the Joint Committee in December 2023.

12 Membership of Scotland Excel Chief Executive Officers Management Group

There was submitted a report by the Clerk seeking approval for the membership of Scotland Excel's Chief Executive Officers Management Group (CEOMG), a key governance body for the organisation and which had been part of Scotland Excel's governance since its inception in 2008.

The report intimated that the CEOMG comprised six Chief Executives from the member authorities with the Chief Executive of Renfrewshire Council being a standing member due to Renfrewshire Council being the lead authority. The other five members of the group were appointed annually by the Joint Committee although membership could be renewed.

The report advised that at the meeting of the Joint Committee held on 10 December 2021 it was decided that the membership of the CEOMG remain as detailed in section 1.3 of the report until December 2022. Current members of the CEOMG had confirmed their membership of the group for a further year and this had been agreed by SOLACE at a meeting on 28 October 2022. The report proposed that the CEOMG membership remain as detailed in the report until December 2023 to allow for continuity in the strategic direction for Scotland Excel.

DECIDED:

(a) That the membership of the CEOMG remain as detailed in paragraph 1.3 of the report until December 2023; and

(b) That it be noted that Alan Russell would chair meetings of the CEOMG.

13 Meetings of Scotland Excel Joint Committee in 2023

There was submitted a report by the Clerk seeking approval for the proposed dates for meetings of the Scotland Excel Joint Committee in 2023.

DECIDED:

(a) That meetings of Scotland Excel Joint Committee be held at 10.45 am on 16 June and 8 December 2023; and

(b) That it be agreed that the Joint Committee continue to meet remotely using the Microsoft Teams platform.



Minute of Meeting Scotland Excel Executive Sub-committee

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

Present

Councillor David Keating (Aberdeenshire Council); Councillor Brenda Durno (Angus Council); Councillor Kenny Macleod (Comhairle Nan Eilean Siar); Councillor Carlyne Wilson (Dumfries & Galloway Council); Councillor Altany Craik (Fife Council); Councillor Derek Loudon (Highland Council); Councillor Gary Robinson (North Lanarkshire Council); Councillor John Shaw (Renfrewshire Council); Councillor Dennis Leask (Shetland Islands Council); Councillor Peter Henderson (South Ayrshire Council) and Councillor Walter Brogan (South Lanarkshire Council).

Chair

Councillor Shaw, Convener, presided.

In Attendance

J Welsh, Chief Executive, H Carr, Head of Strategic Procurement, S Brannagan, Head of Customer & Business Services, M Robertson, Marketing & Communications Manager, E Hay and M Mitchell, both Strategic Procurement Managers, L Campbell, Customer Services Manager, S Christie, Commercial Programme Manager, K Forrest, Office Manager, M Boyle, Senior Business Specialist and S Roberts, Projects & Accounts Manager (all Scotland Excel); and L Mitchell, Managing Solicitor (Contracts & Conveyancing) and E Currie, Senior Committee Services Officer (both Renfrewshire Council).

Apologies

Councillor Mandy Watt (City of Edinburgh Council); Councillor Ruairi Kelly (Glasgow City Council) and Councillor Christina Larsen (North Ayrshire 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 18 November 2022.

DECIDED: That the Minute be approved.

Sederunt

Councillor Macleod and Councillor Wilson both joined the meeting during consideration of the following item of business.

2 **Contract for Approval: Social Care Agency Workers Flexible Framework Agreement**

Under reference to item 3(c) of the Minute of the meeting of this Sub-committee held on 21 October 2022, there was submitted a report by the Chief Executive of Scotland Excel relative to the flexible framework for social care agency workers for a period of two years from the commencement date, with an option to extend for up to two twelve-month periods.

The report intimated that following approval of this flexible framework at the meeting of the Executive Sub-committee held on 16 September 2022, an issue had been identified pertaining to one provider, and at the meeting of the Executive Sub-committee held on 21 October 2022, amended appendices had been approved.

The report further intimated that prior to tenderers being notified of any outcome, discrepancies had been identified in the information recorded in Appendix 3 of the previous report and that the full array of scores had now been reviewed and verified. Following this verification, some of the scores and relative positions of tenderers had changed from those previously presented to the Sub-committee. It was noted that the overall outcome for bidders had not changed and further information was detailed in section 5 of the report.

The report advised that the report had been brought back to the Executive Sub-committee for fresh approval of the validated scores and that this superseded any previous reports. Subject to this approval, the standstill period would be commenced with the framework commencing on or around 16 January 2023.

The report advised that agency workers were individuals who were supplied by a recruitment agency to work for a third party, which in this case, was councils and associate members of Scotland Excel and that there was a need for temporary agency workers to supplement purchasers' workforces at times to cover gaps. The key objectives of the flexible framework were detailed in the report.

The flexible framework aimed to provide the scope to meet the diverse needs of purchasers by allowing the addition of new suppliers throughout the duration of the agreement, where required, which would support the continued delivery of best value and service coverage across Scotland.

The report summarised the outcome of the procurement process for the framework which had been divided into three lots, as detailed in table 1 of the report. As detailed

in the tender documents, tenderers had been recommended for appointment to each lot of the flexible framework by reference to 17 geographical regional sub-lots, as detailed in table 2 of the report, with regional sub-lot five being split into two for mainland and islands as requested by Argyll and Bute Council.

The report advised that the value of the flexible framework was approximately £80 million over the maximum four-year period. It was noted that this spend could vary significantly depending on the requirement for agency staff. Appendix 1 to the report detailed the participation of councils and associate members.

Tender responses had been received from 36 suppliers across the three lots. Two tenderers had been rejected as non-compliant bids as one tenderer failed to submit a completed 'Schedule 7 – Financial Information' and one tenderer failed at qualification stage. A further bidder had been part successful, having been successful in their offer for lot 1 and non-compliant for their offer for lot 3 and Appendix 2 to the report provided a summary of the offers received. One tenderer submitted proposals to amend the framework terms and conditions and, in the interests of transparency and equal treatment of all tenderers, the amendments were not accepted as they represented substantial change to the published terms and conditions. The tenderer subsequently accepted the framework terms.

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 subsequently validated prior to tenderers being advised of the outcome and Appendix 3 to the report confirmed the scoring achieved by each bidder for each service.

Based on the evaluation and validation exercise undertaken, and in line with the criteria and weightings set out in the report, it was recommended that 34 tenderers across the three lots be awarded to the flexible framework from its commencement, 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 C in terms of risk and spend, as detailed in Appendix 5 to the report.

DECIDED:

(a) That the award of the flexible framework for social care agency workers, as detailed in Appendix 3 to the report, be approved;

(b) That authority be delegated to the Chief Executive of Scotland Excel, or Head of Strategic Procurement in the Chief Executive's absence, to approve recommendations following the evaluation of offers received on the periodic reopening of the flexible framework, or following the consideration of formal requests from existing suppliers for the addition of new services; and

(c) That it be noted that the Executive Sub-committee would be updated on the appointment of any new suppliers to the flexible framework on an annual basis via incorporation to the annual performance report.

3 **Operating Plan Update 2022/23**

There was submitted a report by the Chief Executive of Scotland Excel relative to operating plan activity for the six-month period to 30 September 2022. A copy of the operating plan for 2022/23 was appended to the report.

The report intimated that a new 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 September 2022, 32 of the operating plan commitments were progressing in line with plans and were indicated as green; one commitment was indicated as amber; and one commitment 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 half-yearly and annual reports submitted to the Joint Committee.

The report advised that the next quarterly report, covering the period from 1 October to 31 December 2022, would be published in January 2023 and the report detailed some key activities that had taken place during this period by way of an interim update.

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

4 **Request for Associate Membership: Scottish Qualification Authority**

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

5 **Employee Supporting Attendance Report**

There was submitted a report by the Chief Executive of Scotland Excel highlighting the absence rate in the organisation and the support mechanisms implemented to support staff members.

The report intimated that the Joint Committee had agreed that Scotland Excel should work to an absence rate of below 4% and that this target aligned Scotland Excel with partner organisations, supported good practice in this area and demonstrated the ongoing commitment to absence management as a key efficiency target.

The report advised of the absence levels for the period ending 31 October 2022 and provided a breakdown of the current month, the last six months and 12 months absence figures, together with an illustration of 12 months in days and the last 12 months in percentages.

The report noted that the rate of absence across the organisation had generally been maintained at or below the 4% target. The rise in COVID-19 infections throughout the general population had been reflected in the organisation, which, together with some longer-term absences, resulted in a spike in the percentage rate to 3.5% in March 2022. The rolling six months and 12 months average absence rates had been maintained at or below 2.4%.

It was noted that, in addition to supporting members of staff absent through ill health, Scotland Excel continued to implement positive early intervention practices including working with occupational health and other support services to maintain employee attendance and to support members of staff who might be experiencing difficulties whilst remaining at work. Scotland Excel continued to support a range of interventions for staff including occupational health referral, confidential counselling services and Cognitive Behavioural Therapy and issued wellbeing emails with further information on health initiatives which could be accessed independently by all staff.

The report intimated that Scotland Excel recognised that positive mental health amongst staff members was an area that should be actively supported and encouraged and had 15 staff from across all operational areas and grades who had trained as accredited Mental Health First Aiders. A Mental Health at Work Commitment Action Plan had also been implemented and this was recognised as a comprehensive tool for adopting best practice in promoting and maintaining positive mental health within the organisation. Scotland Excel held a face-to-face staff event in September 2022 where guest speakers from external agencies presented on a number of topics designed to support staff wellbeing.

DECIDED: That the contents of the report be noted.

6 **Date of Next Meeting**

DECIDED: That it be noted that the next meeting of the Executive Sub-committee would be held remotely on MS teams at 9.30 am on 27 January 2023.

Minute of Meeting Scotland Excel Executive Sub-committee

Date	Time	Venue
Friday, 27 January 2023	09:30	Remote using Microsoft Teams Platform,

Present

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 Carlyne Wilson (Dumfries & Galloway Council); Councillor Altany Craik (Fife Council); Councillor Ruairi Kelly (Glasgow City Council); Councillor Derek Loudon (Highland Council); Councillor Michael McPake (North Lanarkshire Council); Councillor Dennis Leask (Shetland Islands Council) and Councillor Peter Henderson (South Ayrshire Council).

Chair

Councillor Craik, Vice Convener, presided.

In Attendance

J Welsh, Chief Executive, H Carr, Director of Strategic Procurement, S Brannagan, Director of Customer & Business Services, I McNaught, Strategic Organisational Manager, A McCarty, Senior Procurement Specialist, E Hay, Strategic Procurement Manager, L Campbell, Customer Services Manager, L Muir, Category Manager, G Sutherland, Assistant Category Manager, D Doonan, Assistant Procurement Specialist, P Barnes, Project and Account Manager, K Forrest, Office Manager, and L Mooney, Senior Communications Specialist (all Scotland Excel); and C McCourt, Head of Finance & Business Services, T McGowan, Senior Accountancy Assistant, L Mitchell, Managing Solicitor (Contracts & Conveyancing), L Belshaw, Democratic Services Manager and K O'Neill, Assistant Democratic Services Officer (all Renfrewshire Council).

Apologies

Councillor Christina Larsen (North Ayrshire Council), Councillor John Shaw (Renfrewshire Council) and Councillor Walter Brogan (South Lanarkshire 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 9 December 2022.

DECIDED: That the Minute be approved.

2 Revenue Budget Monitoring

There was submitted a joint revenue budget monitoring report by the Treasurer and the Chief Executive of Scotland Excel for the period 1 April to 9 December 2022.

The report intimated that at the end of period 9, Scotland Excel was projecting a breakeven position by year-end in its core activities and a planned £0.043 million increase in committed project reserves by year-end. It was noted that both core and projects budgets would be monitored closely over the remainder of the financial year, targeted at a break-even position for core operations by March 2023. Further detail was provided in section 3 of the report.

The appendices to the report provided an analysis of the actual spend to date along with projected net expenditure for 2022/23 and included a summary of movement in both the revenue reserve and the project reserves.

DECIDED: That the report be noted.

Sederunt

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

3(a) Contract for Approval: Supply and Delivery of Janitorial Products

There was submitted a report by the Chief Executive of Scotland Excel relative to the award of a renewal framework for the supply and delivery of janitorial products for a period of four years from 1 March 2023 until 28 February 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 March 2023.

The framework would provide members with a mechanism to procure a range of janitorial products including, but not limited to, paper-towels, cleaning chemicals, hand-soap, refuse sacks and cleaning equipment.

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.

The report advised that the framework had been advertised with a potential value of £14 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 20 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 12 suppliers across the four lots, as outlined in Appendix 3 to the report.

Appendix 4 to the report detailed the approach taken by suppliers in relation to fair work practices and their position on the payment of the Real Living Wage.

The report intimated that, in accordance with Scotland Excel's established contract and supplier management programme, the framework had been classified as class D 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 delivery of janitorial products, as detailed in Appendix 3 to the report, be approved.

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

Under reference to item 3(a) of the Minute of the meeting of this Sub-committee held on 21 October 2022, there was submitted a report by the Chief Executive of Scotland Excel relative to the award of the first national framework for building construction consultancy services for a period of two years from the commencement date with an option to extend for up to a further 24-month period. It was noted that subject to approval and completion of a standstill period, the framework was intended to commence around 1 December 2022.

The report intimated that following approval of this national framework at the meeting of the Executive Sub-committee held on 21 October 2022, updates were required to reflect the evaluation outcome and specific changes were required to lots 5 and 11 to correct formatting errors and these were identified in appendices 2 and 3, highlighted yellow. The Executive Sub-committee was further advised that Appendix 2 required to be amended to correct a typographical error relative to the entry for Savills (UK) Ltd such that reference to lot 14, all regions, should be removed from the "lots/regions awarded" information, as this part of their bid was not successful. The report had been brought back to the Sub-committee for fresh approval and superseded previous reports. Subject to this approval, the standstill period would be commenced with the framework commencing in February 2023.

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

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

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

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

Based on the criteria and scoring methodology set out in the tender document, a full evaluation of the compliant offers had been carried out and Appendix 3 to the report confirmed the scoring achieved by each bidder.

Based on the evaluation undertaken, and in line with the advertised criteria and weightings set out in the report, it was recommended that a multi-supplier framework arrangement be awarded to 93 suppliers across the 14 lots, as outlined in Appendix 3 to the report.

Appendix 4 to the report detailed the approach taken by suppliers in relation to fair work practices and their position on the payment of the Real Living Wage.

The report intimated that, in accordance with Scotland Excel's established contract and supplier management programme, the framework had been classified as class B in terms of risk and spend, as detailed in Appendix 5 to the report.

DECIDED:

(a) That the updated report for the award of the multi-supplier framework for building construction consultancy services, including amendments as detailed in appendices 2 and 3 to the report, be approved; and

(b) That Appendix 2, once amended, be reissued to members of Scotland Excel Executive Sub-committee.

4 Request for Associate Membership: Moray College UHI

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

5 **Overview of the Scotland Excel Academy**

There was submitted a report by the Chief Executive of Scotland Excel presenting an overview of the Scotland Excel Academy and which identified development opportunities for the future.

The report intimated that the Academy provided an award-winning multi-disciplinary development portfolio as detailed in figure 1 of the report; delivered learning which was typically 40-50% below market pricing; and spanned accredited learning, leading to a qualification, and unaccredited learning. Further detail was provided in the report.

The report advised that local authorities had requested lower cost and shorter duration development programmes and the Academy had explored a range of development programme options that would be achieved in a much quicker timeframe, remain of high academic standard, and be more cost effective for members. The new strategy would support lifelong development to ensure the right people could be hired and retained, addressing the current challenges in the labour market and aimed to offer learners a choice in the way that they become lifelong learners in the field of procurement.

The report noted that the new Academy Strategy would be based on responses to the questionnaire issued to Councils in December 2022 and would be presented to a future meeting of the Executive Sub-committee for consideration.

DECIDED:

(a) That Scotland Excel's work-based-learning Academy be noted as a core people and organisational development solution across the Scottish public-sector, providing high quality, cost-effective useful learning;

(b) That Scotland Excel provide members of the Executive Sub-committee with a login to access the Academy; and

(c) That it be agreed that members be ambassadors for the Academy, promoting the depth and breadth of its portfolio and innovative cost-effective approach to work-based learning.

Sederunt

Councillor Kelly left the meeting prior to consideration of the following item of business.

6 **Date of Next Meeting**

DECIDED: That it be noted that the next meeting of the Executive Sub-committee would be held remotely on MS teams at 9.30 am on 17 February 2023.

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 Carlyne Wilson (Dumfries & Galloway Council); Councillor Altany Craik (Fife Council); Councillor Derek Loudon (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 policies 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.

Minute of Meeting Scotland Excel Executive Sub-committee

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

Present

Councillor David Keating (Aberdeenshire Council); Councillor Kenny Macleod (Comhairle Nan Eilean Siar); Councillor Carolayne Wilson (Dumfries & Galloway Council); Councillor Altany Craik (Fife Council); Councillor Ruairi Kelly (Glasgow City Council); Councillor Derek Loudon (Highland Council); Councillor Christina Larsen (North Ayrshire Council); Councillor John Shaw (Renfrewshire Council) and Councillor Peter Henderson (South Ayrshire 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, L Richard, Strategic Programme Manager, S Christie, Commercial Programme Manager, E Campbell, Procurement Coordinator, L Campbell, Customer Services Manager, L A Campbell, Academy Tutor, G Montgomery, Category Manager, K Forrest, Office Manager, C Kirkwood, Assistant Procurement Specialist, L Mooney, Senior Communications Specialist, I Murray, Senior Housing Services Specialist, A Park and E Walker (both Graduate Trainees) (all Scotland Excel); C McCourt, Head of Finance & Business Services, L Mitchell, Managing Solicitor (Contracts & Conveyancing), T McGowan, Senior Accountancy Assistant and P Shiach, Senior Committee Services Officer (all Renfrewshire Council) and A Kolodziej, Audit Manager (Azets).

Apologies

Councillor Mandy Watt (City of Edinburgh Council), Councillor Michael McPake (North Lanarkshire Council) and Councillor Dennis Leask (Shetlands Islands 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 17 February 2023.

In relation to the Contract for Approval: Building Construction Consultancy, members were advised that during the standstill period an enquiry had been received from a partially successful bidder with regard to their technical score for lot 3. Scotland Excel had investigated the matter, the outcome of which was a revised recommendation to award the bidder to additional regions in lot 3 as set out in the amended lot 3 table which would be circulated following this meeting. This did not change the status for any other bidder, or impact on any other lot and subject to this approval the revised recommendation would be communicated via a fresh standstill prior to the award of the framework.

DECIDED:

(a) That the Minute be approved; and

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

2 Chief Executive's Update Report to Chief Executive Officers Management Group - March 2023

There was submitted a report by the Chief Executive of Scotland Excel relative to the Chief Executive's update report considered at the meeting of the Scotland Excel Chief Executive Officers Management Group (CEOMG) held on 16 March 2023.

The report intimated that the CEOMG met quarterly and that as part of the regular governance process, the Chief Executive of Scotland Excel provided an update on the work of Scotland Excel. Following discussions with the Convener, it had been agreed that future reports, be shared with members of the Scotland Excel Executive Sub-committee, following CEOMG meetings.

The report submitted to the CEOMG meeting held on 16 March 2023, which covered the period from November 2022 and February 2023, was appended to the report.

DECIDED: That the report be noted.

3 **Revenue Budget Monitoring Report to 3 February 2023**

There was submitted a joint revenue budget monitoring report by the Treasurer and the Chief Executive of Scotland Excel for the period 1 April 2022 to 3 February 2023.

The report intimated that at the end of period 11, Scotland Excel was projecting a breakeven position by year-end in its core activities and a planned £0.208 million increase in committed project reserves by year-end. It was noted that both core and projects budgets would be monitored closely over the remainder of the financial year, targeted at maintaining a break-even position for core operations by 31 March 2023. Further detail was provided in section 3 of the report.

The appendices to the report provided an analysis of the actual spend to date along with projected net expenditure for 2022/23 and included a summary of movement in both the revenue reserve and the project reserves.

DECIDED: That the report be noted.

4 **Report on the Annual Audit Plan 2022/23**

There was submitted a report by the Treasurer relative to the annual audit plan 2022/23 for Scotland Excel which outlined Azets planned activities in their audit of the 2022/23 annual accounts, a copy of which was appended to the report.

The report intimated that Azets had submitted an audit plan which outlined the approach to the audit of the 2022/23 annual accounts to assess whether the accounts provided a true and fair view of the organisation's financial position and also whether the accounts had been prepared in accordance with proper accounting practice, the Code of Practice on Local Authority Accounting in the UK 2022/23.

The audit plan outlined the responsibilities of Scotland Excel and Azets; the assessment of key challenges and risks; and the approach and timetable for completion of the audit. It was noted that the risks identified here were included in the audit plans of many bodies which Azets worked with and their inclusion was not a reflection of any specific risk within Scotland Excel.

The report advised that the statutory deadline for the approval of the audited accounts for 2022/23 was 30 September 2023 and that the annual audit report was planned to be reported to the meeting of the Executive Sub-committee scheduled to be held on 15 September 2023.

The report noted that the proposed audit fee was indicated at £10,510 for the current financial year and represented a local increase above the 12.5% uplift set by Audit Scotland for 2022/23. Within the terms of the Audit Scotland appointment, local audit teams had discretion to vary the fee by up to 10% above the level set depending on the level of identified audit risk and this proposed higher fee reflected the additional work required in the first year of a new audit appointment.

Adrian Kolodziej, Audit Manager, Azets, presented the annual audit plan to members.

DECIDED:

- (a) That Azets annual audit plan 2022/23, appended to the report, be noted; and
- (b) That the proposed audit fee for 2022/23 of £10,510 be approved.

5 **Contract for Approval: Supply, Delivery and Installation of Audio Visual Equipment**

There was submitted a report by the Chief Executive of Scotland Excel relative to the award of a fifth-generation renewal framework for the supply, delivery and installation of audio visual (AV) equipment for a period of four years from 3 April 2023 until 2 April 2027, subject to approval and completion of a standstill period.

The framework would 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, and projectors and specialist AV equipment for people with additional support needs.

The report summarised the outcome of the procurement process for this national framework which had been divided into three lots, as detailed in table 1 of the report.

The report advised that the framework had been advertised at a total value of £9 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 13 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 five suppliers across the three lots, as outlined in Appendix 3 to the report.

Appendix 4 to the report detailed the approach taken by suppliers in relation to fair work practices and their position on the payment of the Real Living Wage. The report intimated that, in accordance with Scotland Excel's established contract and supplier management programme, the framework had been classified as class D 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, delivery and installation of audio visual equipment, as detailed in Appendix 3 to the report, be approved.

6 **Net Zero Strategy**

There was submitted a report by the Chief Executive relative to Scotland Excel's 'Net Zero Strategy' which had been developed in response to commitments made within Scotland Excel's Corporate Strategy 2023/28 and linked Operating Plan approved by

the Joint Committee on 9 December 2022. A copy of the strategy was appended to the report.

The report intimated that the strategy would 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. The report noted that, as the centre for procurement expertise for Scotland's local government sector, Scotland Excel contract arrangements were used by a wide range of council services that linked to many of the key areas identified within individual council strategies aimed at tackling climate change and achieving net zero.

The report advised that Scotland Excel's Corporate Strategy 2023/28 committed to a continued promotion of frameworks to assist council members in implementing their climate change policies; Scotland Excel would also work with suppliers, partners and members to identify opportunities to reduce the carbon footprint of the existing contract portfolio; Scotland Excel's Operating Plan 2023/24 committed that Scotland Excel would implement actions from the Net Zero Strategy via a whole organisation approach to support council members' net zero journey; the Net Zero Strategy would ensure that the Scotland Excel contract portfolio remained crucial in assisting councils and others in meeting regulatory requirements; and that Scotland Excel would lead by example by exploring carbon impacts of business activities to ensure that contract arrangements continued to meet the needs of members councils.

DECIDED:

(a) That the Net Zero Strategy be approved; and

(b) That the flexibility for potential refinement as linked activities and opportunities developed during the delivery phase be noted.

7 Scotland Excel Academy Strategy

There was submitted a report by the Chief Executive of Scotland Excel relative to the refreshed strategy for the Scotland Excel Academy which supported members requests for lower priced and shorter duration development programmes and workshops covering the areas detailed in the report.

The report intimated that the refreshed strategy would create a new nationally recognised procurement pathway for the public sector which was fully aligned to the Scottish national procurement development framework and the Scottish Qualification Authority.

The report advised that the current Academy Strategy provided a multi-disciplinary development portfolio comprising procurement, leadership and management, project management, business analysis, decision making and innovation disciplines. The methodology adopted by the Academy enabled people to apply learning to their work practice, delivering immediate impact at work. It was noted that the Academy had been instrumental in the creation and use of the current national procurement development framework which formed Appendix 1 to the report.

Section 3 of the report provided further detail on the proposed Scotland Excel Academy Strategy.

DECIDED: That the new Scotland Excel Academy Strategy be approved.

8(a) **Request for Associate Membership of Scotland Excel by Cunninghame Housing Association Limited**

There was submitted a report by the Chief Executive of Scotland Excel advising that Cunninghame 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 Cunninghame Housing Association Limited to become an associate member of Scotland Excel, with an annual membership fee of £4,980, be approved, subject to completion and signing of the agreement documentation.

8(b) **Request for Associate Membership of Scotland Excel by Linthouse Housing Association Ltd**

There was submitted a report by the Chief Executive of Scotland Excel advising that Linthouse 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 Linthouse Housing Association Limited to become an associate member of Scotland Excel, with an annual membership fee of £1,764, be approved, subject to completion and signing of the agreement documentation.

9 **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 21 April 2023.

Minute of Meeting Scotland Excel Executive Sub-committee

Date	Time	Venue
Friday, 21 April 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 Carlyne Wilson (Dumfries & Galloway Council); Councillor Mandy Watt (City of Edinburgh Council); Councillor Altany Craik (Fife Council); Councillor Ruairi Kelly (Glasgow City Council); Councillor Derek Loudon (Highland Council); Councillor Christina Larsen (North Ayrshire Council); Councillor Michael McPake (North Lanarkshire Council); Councillor John Shaw (Renfrewshire Council); and Councillor Peter Henderson (South Ayrshire Council).

Chair

Councillor Shaw, Convener, presided.

In Attendance

J Welsh, Chief Executive, H Carr, Director of Strategic Procurement, L Richard, M Mitchell and E Hay, all Strategic Programme Managers, L Campbell, Customer Services Manager, L Muir, Category Manager, N Hyde, Programme Manager, K Forrest, Office Manager, M Boyle, Senior Business Specialist, M MacRitchie, Business Services Specialist, C Kirkwood, Assistant Procurement Specialist, P Barnes, Project & Account Manager and R Feckie and H Wood, both Graduate Trainees (all Scotland Excel) and L Mitchell, Managing Solicitor (Contracts & Conveyancing) and E Currie, Senior Committee Services Officer (both Renfrewshire Council).

Apologies

Councillor Dennis Leask (Shetlands Islands Council) and Councillor Walter Brogan (South Lanarkshire 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 17 March 2023.

DECIDED: That the Minute be approved.

Sederunt

Councillor Craik joined the meeting prior to consideration of the following item of business. Councillor Larsen and Councillor Keating both joined the meeting during consideration of the following item of business.

2 **Contract for Approval - Supply, Delivery and Installation of Commercial Catering Equipment**

There was submitted a report by the Chief Executive of Scotland Excel relative to the award of a second-generation renewal framework for the supply, delivery and installation of commercial catering equipment for a period of 36 months with an option to extend for a further 12 months. It was noted that subject to approval and completion of a standstill period, it was intended that the framework would commence on or around June 2023.

The report intimated that the framework would provide councils and other participating bodies with a mechanism to procure a range of gas, electric and refrigerated commercial catering equipment including, but not limited to, blast chillers, combi ovens, fridges, freezers, hot and cold holding equipment, gas ranges, mixers, dishwashers, microwaves and other associated products.

The report summarised the outcome of the procurement process for this national framework arrangement which had been divided into five lots, as detailed in table 1 of the report.

The report advised that the framework had been advertised at a total value of £1.5 million per annum, which equated to an estimated spend of £6 million over the maximum four-year term of the framework and took into account additional spend for councils to facilitate the roll-out of universal free school meals across primary 4 to 7 pupils. Appendix 1 to the report detailed the participation and spend summary of those participating in the framework.

Tender responses had been received from 16 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 five lots, as outlined in Appendix 3 to the report.

Appendix 4 to the report detailed the approach taken by suppliers in relation to fair work practices and their position on the payment of the Real Living Wage. The report intimated that, in accordance with Scotland Excel's established contract and supplier management programme, the framework had been classified as class D 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, delivery and installation of commercial catering equipment, as detailed in Appendix 3 to the report, be approved.

3(a) **Request for Associate Membership of Scotland Excel by Blochairn Housing Association Limited**

There was submitted a report by the Chief Executive of Scotland Excel advising that Blochairn 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 Blochairn Housing Association Limited to become an associate member of Scotland Excel, with an annual membership fee of £515, be approved, subject to completion and signing of the agreement documentation.

3(b) **Request for Associate Membership of Scotland Excel by Care Inspectorate**

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

3(c) **Request for Associate Membership of Scotland Excel by Right There**

There was submitted a report by the Chief Executive of Scotland Excel advising that Right There 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 Right There to become an associate member of Scotland Excel, with an annual membership fee of £550, be approved, subject to completion and signing of the agreement documentation.

4 **Employee Supporting Attendance Report**

There was submitted a report by the Chief Executive of Scotland Excel highlighting the absence rate in the organisation and the support mechanisms implemented to support staff members.

The report intimated that the Joint Committee had agreed that Scotland Excel should work to an absence rate of below 4% and that this target aligned Scotland Excel with partner organisations, supported good practice in this area and demonstrated the ongoing commitment to absence management as a key efficiency target.

The report advised of the absence levels for the 12-month period ending 28 February 2023 and provided a breakdown of the current month, the last six months and 12 months absence figures, together with an illustration of 12 months in days and the last 12 months in percentages.

The report noted that the rate of absence across the organisation had been maintained at below the 4% target. The 3.5% absence rate in March 2022, due to a rise in COVID-19 infections and long-term absences, had dropped significantly in April 2022 to 0.4% but then had climbed steadily to 1.9% in July 2022 due to a further increase in Covid related causes, an occurrence that had been reflected throughout the general population at that time. The percentage absence rate dropped significantly to 0.2% in August 2022 as Covid cases cleared. Within the reported period, an increase in long-term absences saw the percentage absence rate rise from 0.4% in September 2022 to 3.5% in December 2022. Overall, the rolling six months and 12 months average absence rates had been maintained at or below 2.5%.

It was noted that, in addition to actively supporting members of staff absent through ill health, Scotland Excel continued to implement positive early intervention practices including working with occupational health and other support services to maintain employee attendance and to support members of staff who might be experiencing difficulties whilst remaining at work. Scotland Excel continued to support a range of interventions for staff including occupational health referral, confidential counselling services and Cognitive Behavioural Therapy and issued wellbeing emails with further information on health initiatives which could be accessed independently by all staff.

The report intimated that Scotland Excel recognised that positive mental health amongst staff members was an area that should be actively supported and encouraged and, in addition to actively promoting good mental health practices and initiatives, had 15 staff from across all operational areas and grades who had trained as accredited Mental Health First Aiders. In providing this confidential opportunity to staff members, it was hoped that any personal difficulties experienced could be addressed at an early stage with appropriate signposting to professional support. Further training was planned in the coming year for those staff members wishing to become accredited Mental Health First Aiders.

Scotland Excel had also implemented a Mental Health at Work Commitment Action Plan which was recognised as a comprehensive tool for adopting best practice in promoting and maintaining positive mental health within the organisation. Also, that in starting the journey to become a Trauma-informed Organisation, Laura James, the National Trauma Lead from the Improvement Service, had presented to the whole Scotland Excel workforce at a face-to-face event on 22 March 2023. The next step for Scotland Excel would be to conduct a self-assessment exercise using the Quality Improvement Framework to be issued in Spring 2023.

DECIDED: That the contents of the report be noted.

5 **Structure of Contract Approval Reports**

The Chief Executive of Scotland Excel submitted a report relative to a revised methodology for presenting reports to the Executive Sub-committee seeking approval of award frameworks, which reflected Scotland Excel's focus on enhancing value for members. A copy of the proposed revised report was appended to the report.

The report proposed that, in relation to benchmarked contract performance when compared to market indices, future reports include the monetary impact resulting from the comparison; that in relation to contract benefits, future reports include further datasets that would evidence the impacts of benefits within frameworks (i) a calculation on cost avoidance achieved through collaboration, (ii) metrics to incorporate the measurement of carbon tonnage associated within framework goods or services, (iii) further measures as applicable to each framework; and (iv) in relation to information on suppliers recommended for award, the formatting of appendices be changed.

The report intimated that the changes proposed in the report would be introduced over the coming months as each report seeking approval for a contract award was brought to the Sub-committee and that any further proposals for changes to content would be brought back to the Sub-committee.

DECIDED: That the change to methodologies used when presenting recommendations for the award of new frameworks be approved.

6 **Date of Next Meeting**

DECIDED: That it be noted that the next meeting of the Executive Sub-committee would be held remotely on MS teams at 9.30 am on 19 May 2023.

Minute of Meeting Scotland Excel Executive Sub-committee

Date	Time	Venue
Friday, 19 May 2023	09:30	Remote using Microsoft Teams Platform,

Present

Councillor David Keating (Aberdeenshire Council); Councillor Kenny Macleod (Comhairle Nan Eilean Siar); Councillor Altany Craik (Fife Council); Councillor Ruairi Kelly (Glasgow City Council); Councillor Derek Loudon (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).

Chair

Councillor Shaw, Convener, presided.

In Attendance

J Welsh, Chief Executive, H Carr, Director of Strategic Procurement, S Brannagan, Director of Customer & Business Services, L Richard and M Mitchell, both Strategic Programme Managers, L Campbell, Customer Services Manager, L Muir, Category Manager, S Christie, Commercial Programme Manager, C Richardson, Senior Procurement Specialist, LA Campbell, Academy Tutor, S Roberts, Project & Accounts Manager, N Hyde, Programme Manager, K Forrest, Office Manager and H Wood and R Baird, both Graduate Trainees (all Scotland Excel) and C McCourt, Head of Finance & Procurement (for items 1 to 6 only), A McMahon, Chief Auditor (for items 1 to 4 only), L Mitchell, Managing Solicitor (Contracts & Conveyancing), E Currie, Senior Committee Services Officer, K O'Neill, Assistant Democratic Services Officer and T McGowan, Senior Accountancy Assistant (all Renfrewshire 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 21 April 2023.

DECIDED: That the Minute be approved.

2 **Revenue Budget Monitoring Report to 31 March 2023**

There was submitted a joint revenue budget monitoring report by the Treasurer and the Chief Executive of Scotland Excel for the period 1 April 2022 to 31 March 2023.

The report intimated that at the end of financial year 2022/23, Scotland Excel had generated a small overspend of £0.002 million in its core activities and an increase of £0.270 million in committed project reserves and that this was after a contribution from projects to core services of £0.253 million. Further detail was provided in section 3 of the report.

The report advised that the unaudited annual accounts for the year would be presented to the meeting of the Joint Committee on 16 June 2023.

Appendix 1 to the report provided an analysis of the actual spend at year-end for projects along with a summary of movement in the project reserves.

DECIDED: That the report be noted.

3 **Internal Audit Engagement - Workforce Planning Arrangements**

There was submitted a report by the Chief Auditor, Renfrewshire Council, relative to Internal Audit's report summary on workforce planning arrangements.

The report intimated that in line with the Public Sector Internal Audit Standards, Internal Audit must communicate the results of each engagement to the Executive Sub-committee. It was noted that the Chief Auditor would report summaries of completed audit engagements on the conclusion of each engagement for formal consideration by members in line with best practice.

The summary for the internal audit review of workforce planning arrangements, completed in December 2022, was appended to the report and detailed the overall assurance rating, the number of recommendations in each category and the detailed committee summary for the engagement.

DECIDED: That the summary for the Internal Audit engagement of workforce planning arrangements be noted.

4 **Internal Audit Annual Report 2022/23**

There was submitted a report by the Chief Auditor, Renfrewshire Council, relative to the Internal Audit Annual Report on Scotland Excel 2022/23.

The report intimated that the Public Sector Internal Audit Standards required that the Chief Auditor prepare an annual report on the internal audit activity's purpose, authority and responsibility as well as performance relative to its plan. The report must also provide an audit opinion on the overall adequacy and effectiveness of the internal control environment of the audited body.

The Annual Report for Scotland Excel formed the appendix to the report and outlined the role of internal audit, the performance of the internal audit team, the main findings from the internal audit work undertaken in 2022/23 and contained an audit assurance statement.

DECIDED: That the Internal Audit Annual Report 2022/23 be noted.

Sederunt

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

5 **Contract for Approval: Property Maintenance and Refurbishment**

There was submitted a report by the Chief Executive of Scotland Excel relative to the award of a first-generation national framework for property maintenance and refurbishment services for a period of two years from the commencement date, with an option to extend for up to a further 24-month period. It was noted that subject to approval and completion of a standstill period, it was intended that the framework would commence in June 2023.

The report intimated that the framework would provide members with a mechanism to procure a range of property maintenance and refurbishment services and would complement Scotland Excel's existing construction portfolio.

The report summarised the outcome of the procurement process for this national framework arrangement which had been divided into 15 lots and then subdivided by 12 geographical regions, as detailed in tables 1 and 2 of the report.

The report advised that the framework had been advertised with an estimated spend of £300 million over the maximum four-year term of the framework.

Tender responses had been received from 101 suppliers and Appendix 2 to the report provided a summary of the offers received. The report advised that two tenderers were deemed non-compliant and advised that their offers would not be considered further. Both tenderers were non-compliant for the lot and regions they tendered for as they failed to submit a required element of the commercial submission in accordance with the published tender. All non-compliant offers were detailed in Appendices 2 and 3 of the report.

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 for each lot and region. Appendix 3 also detailed the lot specific regions where no offers had been received.

Based on the evaluation undertaken, and in line with the advertised criteria and weightings set out in the report, it was recommended that a multi-contractor framework arrangement be awarded to 88 suppliers across the 15 lots and respective geographic regions, as outlined in Appendix 3 to the report.

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, in terms of risk and spend, the framework had been classified as class B.

It was noted that one of the recommended tenderers had recently changed their company name and that all references to "Bell Group UK Limited" would now be "Bell Global Property Services (UK) Limited".

DECIDED:

(a) That the award of the multi-contractor framework for property maintenance and refurbishment, as detailed in Appendix 3 to the report, be approved; and

(b) That it be noted that one of the recommended tenderers had recently changed their company name and that all references to "Bell Group UK Limited" would now be "Bell Global Property Services (UK) Limited".

6 Request for Associate Membership: Robert Gordon University

There was submitted a report by the Chief Executive of Scotland Excel advising that Robert Gordon University had submitted an application to become an associate member of Scotland Excel.

The report provided details of the organisation and the legislative position in relation to the application.

DECIDED: That the application by Robert Gordon University to become an associate member of Scotland Excel, with no annual membership fee, be approved, subject to completion and signing of the agreement documentation.

7 Update on the Contract Delivery Plan

There was submitted a report by the Chief Executive of Scotland Excel providing a progress update on the 2023/24 contract delivery plan.

The report intimated that the contract delivery plan detailed new framework developments and renewals, flexible frameworks, 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, and it was intended that a further six frameworks would be developed and added to the portfolio in the coming year. In addition, 22 frameworks would be renewed during 2023/24 and a further 12 of these frameworks had extension options that were available to be exercised in 2023/24, with 3 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 2023/24 were benchmarked at 1.70%, which was slightly below the forecast range. This figure did not include the additional benefit to members 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 ensuring a favourable commercial outcome for members.

A summary of spend and forecast savings per council for the period January to December 2022 was detailed in Appendix 5 to the report, with an average forecast efficiency of circa 1.18%.

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 construction, corporate, ICT and social care. 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.

DECIDED: That the progress made to date be noted.

Sederunt

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

8 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 1 January to 31 March 2023. 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 March 2023, 31 operating plan commitments had been completed and that three commitments remained incomplete. It was noted that work would continue on these actions and updates provided in future reports.

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 Kelly left the meeting during consideration of the following item of business.

9 Strategic Risk Register Update

There was submitted a report by the Chief Executive of Scotland Excel providing an update on the Strategic Risk Register maintained to assess threats and risks that could impact on the delivery of Scotland Excel's 5-year strategy and to identify controls that were in place to mitigate these risks. A copy of the Strategic Risk Register was appended to the report.

The report intimated that the Strategic Risk Register had been developed using methodology set out in the Strategic Risk Strategy approved by the Joint Committee in December 2022. Currently there were 12 strategic risks ranging in assessed risk score from 9 to 20 and a summary of key statistics in relation to each identified risk was detailed in the Register.

The report advised that the Strategic Risk Register was maintained and reviewed regularly by the Senior Management Team and key officers with particular expertise in certain risks areas. The Register continued to be a focus of the organisation with actions being undertaken in mitigation of the risks on-going throughout the year.

DECIDED: That the Strategic Risk Register be noted.

10 Date of Next Meeting

The Convener advised that the next meeting of the Executive Sub-committee scheduled to be held on 16 June 2023 would be cancelled due to lack of substantive business. Further that the next meeting of the Sub-committee would be held remotely on MS teams at 9.30 am on 18 August 2023.

DECIDED:

(a) That it be noted that the meeting of the Executive Sub-committee scheduled to be held on 16 June 2023 would be cancelled due to lack of substantive business; and

(b) That it be noted that the next meeting of the Sub-committee would be held remotely on MS teams at 9.30 am on 18 August 2023.

Scotland Excel

To: Joint Committee

On: 16 June 2023

**Report by:
The Treasurer**

Scotland Excel Unaudited Annual Accounts 2022/23

1. Summary

- 1.1. The Annual Accounts for the year ended 31 March 2023 will be submitted to the external auditor, Azets, in advance of the statutory deadline of 30 June 2023, and a copy is attached for members' consideration.
- 1.2. Scotland Excel's Core activities resulted in a small overspend of £1,870 in 2022/23 compared to a budgeted break-even position. Projects returned income of £269,985 over expenditure. This results in a combined balance of £268,115 being added to Usable Reserves, which are committed for use as outlined in Note 3 of the Accounts.
- 1.3. The Management Commentary (pages 1-9) within the accounts provides an overview of Scotland Excel's performance during 2022/23, along with risk information and its outlook for the future.

2. Recommendations

- 2.1. The Joint Committee is asked to:
 - (a) Note the Unaudited Annual Accounts for 2022/23; and
 - (b) Approve the Annual Governance Statement (pages 11-13).

3. Background

- 3.1. The Local Authority Accounts (Scotland) Regulations 2014 require Scotland Excel to prepare and publish a set of accounts, including an Annual Governance Statement, by 30 June each year.
- 3.2. The Unaudited Accounts are then required to be formally considered by the Joint Committee and the Annual Governance Statement should also be formally approved at this time.

- 3.3. In accordance with the Local Authority Accounts (Scotland) Regulations 2014, the Unaudited Annual Accounts will then be signed only by the Treasurer as proper officer.
- 3.4. The accounts are then subject to external audit by the appointed auditor, Azets, by 30 September. The 2022/23 Audited Annual Accounts are scheduled to be presented to the Executive Sub-Committee on 15 September 2023 for approval, after which they will be signed by the Convener, the Chief Executive and the Treasurer, in accordance with the regulations.
- 3.5. The Comprehensive Income and Expenditure Statement on page 16 shows an accounting Deficit on the Provision of Services of £832,983.
- 3.6. The Expenditure and Funding Analysis on page 19 shows how this differs from the budgetary surplus of £268,115 due to accounting adjustments for pension costs, capital charges and the statutory employee leave accrual.
- 3.7. The Balance Sheet on page 18 shows an increase in net worth of £9.843m, which is largely driven by the movement in the pension asset (pension liability in 2021/22). This is explained further in the Management Commentary within the accounts.
- 3.8. Note 3 on page 20 outlines committed and uncommitted balances on Core Operations (the Revenue Reserve) and Projects as at 31 March 2023.



Unaudited Annual Accounts 2022/23

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Management Commentary

The purpose of the Management Commentary is to present an overview of Scotland Excel's financial performance during the year 2022/23 and to help readers understand its financial position at 31 March 2023. In addition, it outlines the main risks and uncertainties facing the organisation for the financial year 2023/24 and beyond.

Structure

Scotland Excel is a Joint Committee constituted by Scottish local authorities and formed under Section 57 of the Local Government (Scotland) Act, 1973 for the purpose of regulating the joint discharge of the functions by the Constituent Authorities.

Scotland Excel is governed by three groups of stakeholders drawn from our member organisations:

The **Joint Committee** is made up of one or more Elected Members (Councillors) from each of Scotland's 32 local authorities. It meets twice a year and is responsible for the strategic direction of the organisation and for approving the annual budget and business plan.

The **Executive Sub-Committee** is a sub-group of Elected Members from the Joint Committee who meet regularly to approve contract awards and other business decisions.

The **Management Group** consists of six local authority Chief Executives ensuring delivery of Scotland Excel's overall business plan objectives and providing strategic direction across a range of operational areas.

Internally, the organisation has Executive and Senior Management Teams that run the day-to-day business of Scotland Excel. There is also an Employee Forum that facilitates employee engagement, as well as leading the organisational Health and Wellbeing programme and organising charity and social events.

Strategic Aims

The Scotland Excel 2018-23 Strategy, "Shared Vision, Shared Success", sets out how we plan to raise our game further, providing even greater support to councils and other public and third sector stakeholders. The Strategy looks forward over a period of five years to support a longer-term view of our goals and objectives and enable us to plan accordingly.

The Strategy can be found at: <https://home.scotland-excel.org.uk/about-us/our-goals/>



The current Scotland Excel Strategy Map is detailed below.

Vision			
To provide innovative, transformative solutions for local and national public services across Scotland			
Mission			
To make the most of our strategic procurement expertise and our experience of developing collaborative solutions which support better outcomes for Scotland's people and communities through early intervention and the delivery of sustainable public services			
Values			
Professional • Courageous • Respectful • Integrity			
Outcomes			
Our services shape the effective and efficient delivery of public services	Our services facilitate the delivery of national and local policy priorities	Our insight and knowledge underpins innovative solutions for our customers	Our customers receive a measurable return on investment through savings
Our expertise leads to continuous improvement in commercial performance	Our services enable positive and sustainable outcomes for people and communities	Our activities are recognised as leading the way in public procurement	Our customers are satisfied with our services and how we deliver them
Goals			
<p>1: Shaping solutions for innovative public services</p> <p>Strategic objectives:</p> <p>1.1 Deliver a programme of collaborative procurement to support early intervention and the delivery of public services</p> <p>1.2 Deliver programmes which lead and develop professional, organisational and commercial capability</p> <p>1.3 Harness the potential of digital technology and data insight to support the delivery of public services</p> <p>1.4 Use our insight and experience to shape policy and meet the challenges of future public service delivery</p>	<p>2: Being sustainable in everything we do</p> <p>Strategic objectives:</p> <p>2.1 Deliver positive and measurable social value through our contracts</p> <p>2.2 Deliver positive and measurable local impact through SME and third sector participation in our contracts</p> <p>2.3 Deliver positive and measurable environmental benefits through our contracts</p> <p>2.4 Lead and develop sustainable procurement knowledge and practice</p>	<p>3: Placing people at the heart of our business</p> <p>Strategic objectives:</p> <p>3.1 Ensure our customers continue to receive maximum value from our services</p> <p>3.2 Engage stakeholders in the delivery of effective local solutions</p> <p>3.3 Represent the collective views of stakeholders at a national level</p> <p>3.4 Implement policies which develop, empower, value and engage our workforce</p>	<p>4: Driving sustainable and scalable growth</p> <p>Strategic objectives:</p> <p>4.1 Implement a new governance model which supports scalable business growth</p> <p>4.2 Continue to maintain a robust business infrastructure to support our growth ambitions</p> <p>4.3 Use our knowledge and insight to identify new services and/or sectors which provide growth opportunities</p> <p>4.4 Explore opportunities to work with partners on the development and delivery of new business opportunities</p>

Scotland Excel conducted a comprehensive programme of consultation during 2022 with key stakeholder groups, which has informed a new 5-year strategy for the period 2023-2028. At the Joint Committee held on 9 December 2022, the draft Strategy was approved, along with an Organisational Operating Plan for 2023/24. The strategy can be found at the following link: <https://home.scotland-excel.org.uk/about-us/publications/corporate-strategy/>

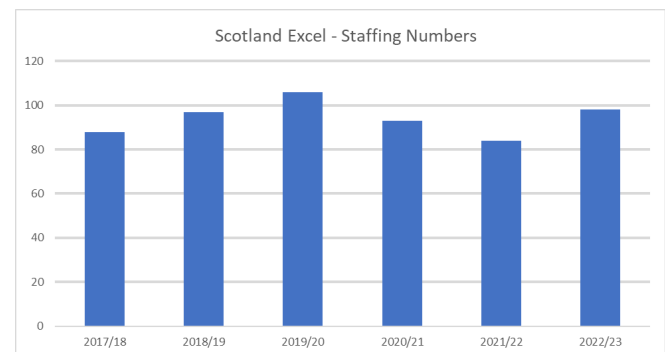


total value of the contract portfolio managed and administered by Scotland Excel to c£2bn. The graph that follows shows the rise in estimated value of the managed contract portfolio administered by Scotland Excel over the past seven years.



Following recent recruitment freezes aimed at manage resources during the pandemic, a comprehensive Workforce Development Plan, followed by a multi-media recruitment campaign, was undertaken by the organisation. This will continue in to 2023/24.

The graph below tracks Scotland Excel Staffing Numbers over the past six years.



COVID-19 Pandemic

Operational processes across the organisation were refined during the year in light of the prevailing COVID restrictions, taking into account health and safety advice from officers from the lead authority. By the end of 2022/23, required mitigations were minimal with working practices returned to close to normal.

Performance

Review of the Year

During 2022/23, Scotland Excel continued to deliver against target outcomes detailed within the organisation's "Shared Vision, Shared Success Corporate Strategy" document for 2018-23. For financial year 2022/23, Scotland Excel concluded 20 national frameworks with an overall anticipated annual value of almost £380m bringing the estimated

Key Performance Indicators

The following Infographic provides an overview of Key Performance Indicators (KPI) for the period 1 April 2021 to 31 March 2022. KPI information for 2022/23 is not yet available at time of writing.

Scotland Excel Overview

Frameworks



Suppliers



Learning & Development



Community Benefits



Framework info at Q4 21/22 | savings figure doesn't include social care service f/w's | rebates for 20/21 | L&D refers to accredited courses | Community Benefits Total = Apr 13 to Mar 22 | Living Wage is reflective of the status at point of SKL 21-22 Annual Procurement Report

Contract Rebates

The use of volume Contract Rebates within appropriate contracts was approved by Scotland Excel at the June 2018 Joint Committee. As part of internal contract governance process, the applicability of the inclusion of rebates is now standard practice within the organisation.

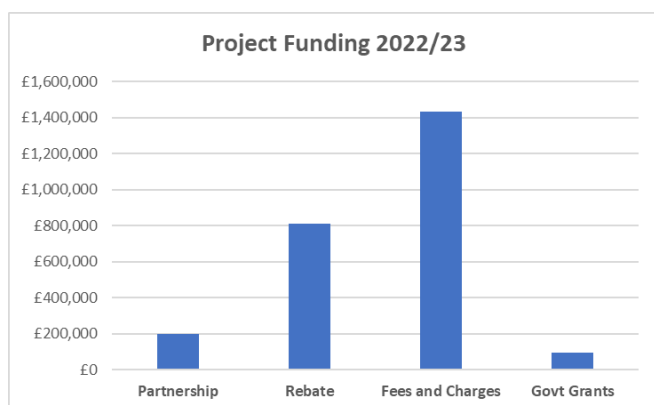
Income from Contract Rebates was budgeted within the core operating budget to deliver a contribution of £543k to core operating costs in financial year 2022/23. This figure has been achieved.

The number of Scotland Excel frameworks with built in rebates increased during 2022/23 and is set to increase during 2023/24. The contribution from Contract Rebates to core operating costs during 2023/24 is budgeted to achieve £583k.

Consultancy

During 2022/2023, Scotland Excel worked closely with a range of Public, Higher Education, Third and Government sector organisations delivering procurement-related projects and consultancy services. Projects are resourced through a range of funding models, including Scottish Government grant funding, partnership funding across a group of local authority partners, contractual rebate, and specific project fees for individual projects/services.

Sources and levels of project funding for 2022/23 are shown in the chart below.



In total, 18 projects were delivered by Scotland Excel during 2022/23, generating a turnover in excess of £2.5m and achieving a contribution to Core running costs of £262k.

The Flexible Procurement project continued to develop during 2022/23, generating an annual turnover of £365k. This project team is available for members to purchase specific procurement activity they wish to be carried out by Scotland Excel.

Members who requested additional procurement services from the Flexible Procurement Team during 2022/23 included a number of local authorities, City Property Glasgow and the Improvement Service.

Learning and Development

Scotland Excel's Virtual Learning Environment, 'The Academy' has 2020 registered learners, who can access learning and development content including workshop materials and discussion forums. Learners can also access content based on past workshops they have attended.

In addition to this, the Academy also has a public-facing source of material accessible to all. This includes scheduled courses, areas of learning, professional development and bitesize learning through our 'Stay Connected' sessions.

For our accredited programmes, which include Chartered Institute of Procurement & Supply (CIPS), Chartered Management Institute (CMI) and the Scottish Qualifications Authority (SQA), there are currently 54 learners participating in 7 accredited

cohorts. The Academy also delivers a programme of workshops under the Scottish Government Procurement and Commercial Training Framework (SGPCTF) for which a total of 1016 people have attended 64 workshops.

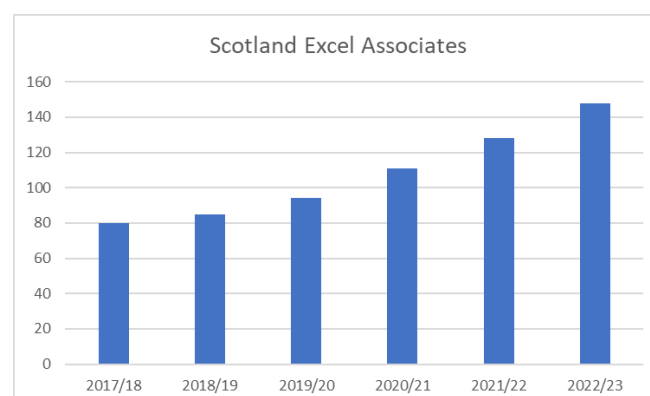
Other sessions delivered during 2022/23 include two cohorts of DETER Serious Organised Crime and two hybrid Procurement, Leadership and Management development programmes across five NHS Health Boards.

The Academy contribution to Core running costs for 2022/23 was budgeted at £30k, and this contribution was achieved.

Associate Membership Expansion

Scotland Excel continues to build its portfolio of Associate Members, which currently number 148 in total. Associate Members are made up of 26 Arm's Length External Organisations (ALEOs), who gain associate membership through their host local authority. A further 122 Associate Members are drawn from a range of sectors including Social Housing, Charitable Trusts and a number of Scottish Government Bodies.

Scotland Excel Associate Members have access to the full range of contracts and frameworks administered by Scotland Excel, along with access to the procurement expertise available within the organisation. The graph below details the growth in Associate membership for Scotland Excel over the past six years.



The budgeted income target from Associates for 2022/23 was £220k. This figure has not been achieved, with the actual contribution to Core from Associate members totaling £199k in 2022/23 (£187k in 2021/22).

New Build Housing

The uptake of the new build residential construction framework continues to be impacted by a range of factors, including recovery from the COVID-19 pandemic, the ongoing impact of Brexit, and the conflict in Ukraine. Temporary closure of construction sites, scarcity, and resultant rising prices of raw materials and reprioritisation of resources within local authorities have all contributed to a delay for new build projects. However, the new build residential framework is now actively being used across the public sector as construction sites re-open with 24 projects already awarded, and a further 28 expected to be awarded over the course of 2023/24.

Extensive engagement continues to be undertaken with contractors, members, housing associations and other key stakeholders to support effective framework use.

While the anticipated budgetary contribution from the New Build Housing framework did not fully materialise during 2022/23, a contribution to Core running costs of £21k was achieved. It is anticipated that the levels of contribution to Scotland Excel running costs will increase in future years, albeit at a slower pace than originally projected.

Primary Financial Statements

The annual accounts are prepared in accordance with the International Accounting Standards Board Framework for the Preparation and Presentation of Financial Statements as interpreted by the Code of Practice on Local Authority Accounting in the United Kingdom (the Code). Under Section 106 of the Local Government (Scotland) Act 1973, joint committees are classed as local authorities.

The annual accounts summarise the Joint Committee's transactions for the year and its year-end position at 31 March 2023. The Primary Financial Statements include the Comprehensive Income and Expenditure Statement (CIES), the Movement in Reserves Statement (MIRS) and the Balance Sheet. These statements are accompanied by Notes to the Accounts, which provide more details on the figures shown in the statements and set out the Accounting Policies adopted by the Joint Committee.

The Joint Committee does not have a bank account. Apart from petty cash, all transactions are accounted for through Renfrewshire Council as the administering authority. The cash balance at 31 March 2023 of £150 in the Balance Sheet represents petty cash held by officers of the Joint Committee.

Financial Performance

Excluding Project expenditure and income, the Joint Committee returned a net overspend in 2022/23 of £2k against a budgeted break-even position.

There were material underspends in the year within Employee Costs (£29k), due mainly to turnover within the team, and in Transport Cost (£16k), arising from less travel to meetings, training and conferences. The net result was an underspend in gross expenditure for 2022/23 of £42k.

Income from requisitions was fully recovered in the year, however Income from Projects slightly under-recovered in Core owing to the challenges within the construction industry, which resulted in the New Build Project unable to achieve its target rebate contribution.

Scotland Excel's Projects ended the year at 31 March 2023 with a surplus of income over expenditure of £270k. This balance is committed for future Project spend, as outlined in Note 3: Transfers to / from Earmarked Reserves on page 20.

The Comprehensive Income and Expenditure Statement (CIES) on page 16 summarises the total

costs of providing services and the income available to fund those services.

The difference between Employee Costs in the figure below and the figure reported in the CIES is due to accounting adjustments for pension costs (£1,042k) and accrued employee benefits £20k.

The difference between the Other Income figure below and the figure reported in the CIES is a

Government Grant of £98k and interest receivable of £1k.

The CIES also records capital charges and capital grants that affect the accounting deficit. These reporting differences are presented in Note 1: Expenditure and Funding Analysis on page 19.

	Core Budget £	Actual £	Variance £	Projects Actual £	Total Actual £
Employee Costs	4,097,809	4,069,177	28,632	1,582,772	5,651,949
Property Costs	216,490	216,500	(10)	0	216,500
Transport Costs	20,000	4,417	15,583	120	4,537
Supplies and Services	311,010	312,523	(1,513)	691,565	1,004,088
Transfer Payments	16,000	15,767	233	5,400	21,167
Support Costs	271,100	271,925	(825)	0	271,925
Total Expenditure	4,932,409	4,890,310	42,099	2,279,857	7,170,167
Requisitions from Member Authorities	(3,883,006)	(3,883,006)	0	0	(3,883,006)
Income from Projects	(286,000)	(261,800)	(24,200)	(2,451,842)	(2,713,642)
Other Income	(763,403)	(743,634)	(19,769)	(98,000)	(841,634)
Total Income	(4,932,409)	(4,888,440)	(43,969)	(2,549,842)	(7,438,282)
Net Draw on/(Contribution to) Reserves	0	1,870	(1,870)	(269,985)	(268,115)
Temporary Use of Project Balances	0	0	0	0	0
Net Draw on/(Contribution to) Reserves	0	1,870	(1,870)	(269,985)	(268,115)

The Balance Sheet at 31 March 2023

The Balance Sheet sets out the total net worth of the Joint Committee at a snapshot in time. When comparing the net worth of the Joint Committee at 31 March 2023 to that of the prior year, an overall increase in net worth of the organisation of £9.843m can be seen. This is primarily due to the increase in pension liability explained below.

Non-current assets held by the Joint Committee include IT equipment and software. Details can be found in Note 6: Intangible Assets and Note 7: Plant and Equipment on page 23.

Net Pension Position

The disclosure requirements for pension benefits under IAS19 are detailed at Note 14: Retirement Benefits on page 27.

The appointed actuaries have confirmed a net asset of £7.467m (£2.096m liability in 2021/22), an improvement of £9.563m, in their assessment of the position of the pension fund. This is attributable to many factors, such as the experience of market yields over the course of the past year. The corporate bond yield (upon which the pension discount rate is derived) has risen over the past year, which served to reduce the employer's pension obligations and led to the gain on the balance sheet.

A potential change to pension rules is outlined in Note 15: Contingent Liabilities on page 29; however, this has not been reflected in the pension liability reported in the Balance Sheet.

Reserves

Scotland Excel holds a Revenue Reserve balance that comprises an uncommitted element to mitigate the impact of future cost pressures, along with balances specifically earmarked for the future delivery of Projects. Further detail on these balances can be found in Note 3: Transfers to / from Earmarked Reserves on page 20. The closing balance of Usable Reserves at 31 March 2023 was £1.627m.













Principal Risks and Uncertainty

Scotland Excel maintains a Strategic Risk Register to assess any risk that could adversely impact on the delivery of organisational objectives, and identifies actions currently undertaken to control and mitigate

the likelihood and impact of these risks. The Strategic Risk Register is reviewed quarterly by the organisation's Senior Management Team; it is presented four times per year to the Scotland Excel Executive Sub-Committee and bi-annually to the Joint Committee.

Currently, there are 12 risks identified within the Scotland Excel Strategic Risk Register. Factors taken into consideration by Scotland Excel when reviewing the risk register over the past year include the ongoing impact of Brexit on framework suppliers; increasing recruitment challenges within the procurement sector; continuing financial uncertainty across local government; the increasing incidence of cyber-crime and growing importance of cyber security; the ongoing redesign of Scottish public services i.e. the National Care Service (NCS); and the increasing importance of corporate social responsibility, including environmental considerations within our contract strategies.

The table below summarises the Strategic Risk Register and details the residual risk score allocated to each following quarterly review.

Residual Risk Movement Over the Last 4 Periods					
Risk Name:	Assessed Residual Risk Score				4 Quarter Trend
	Q2	Q3	Q4	Q1	
Supply Chain Resilience	20	20	20	20	
Redesign of Scottish Public Services	n/a	n/a	20	16	
Political, Legislative and Policy Change	16	16	16	16	
Staff Recruitment and Retention	9	9	16	16	
ICT and Cyber Security	n/a	n/a	n/a	16	
Organisational Sustainability	15	15	15	15	
National Emergency including Pandemic	15	15	15	12	
Managing Growth and Diversity	12	12	12	12	
Reputational Risk	12	12	12	12	
Environmental Impact & Climate Change	6	6	12	12	
Meeting Member and Stakeholder Expectations	8	8	8	12	
Corporate Social Responsibility	6	6	6	9	

Outlook and Future Plans

While 2022/23 presented a range of continuing challenges for Scotland Excel, the organisation has performed well during the year, both financially and operationally. As the country and the economy recovers from the pandemic, operations within Scotland Excel continue to be delivered to a high standard. Income streams during 2022/23 have continued to develop and perform to expectations. While the sector adapts to operating within a post COVID-19, post Brexit environment, and within an ever more challenging financial environment, Scotland Excel will continue to work with its partners to ensure that ongoing service delivery requirements for public services are met and exceeded and that best value is achieved.

Conclusion

We would wish to take this opportunity to acknowledge the team effort required to produce the accounts and to record our thanks to all the staff involved for their continued hard work and support. Further information on the Annual Accounts can be obtained either by writing to: Scotland Excel, Renfrewshire House, Cotton Street, Paisley, PA1 1AR, by emailing us on: contactus@scotland-excel.org.uk, or by telephoning 0141 488 8230.

Councillor John Shaw
Convener

Alastair MacArthur
Treasurer

Julie Welsh
Chief Executive

Statement of Responsibilities for the Annual Accounts

The Joint Committee's Responsibilities

The Joint Committee is required to:

- make arrangements for the proper administration of its financial affairs and to secure that the proper officer of the Joint Committee has the responsibility for the administration of those affairs (section 95 of the Local Government (Scotland) Act 1973). The designated officer is Renfrewshire Council's Director of Finance and Resources, who is also the Treasurer of Scotland Excel;
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- ensure that the Annual Accounts are prepared in accordance with legislation (The Local Authority Accounts (Scotland) Regulations 2014), and so far as is compatible with that legislation, in accordance with proper accounting practices (section 12 of the Local Government in Scotland Act 2003);
- approve the Annual Accounts for signature.

I confirm that these Annual Accounts were approved for signature by the Joint Committee at its meeting on 16 June 2023.

Signed on behalf of Scotland Excel.

Councillor John Shaw
Convener

The Treasurer's Responsibilities

The Treasurer is responsible for the preparation of the Joint Committee's Annual Accounts in accordance with proper practices as required by legislation and as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

In preparing the Annual Accounts, the Treasurer has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with legislation; and
- complied with the local authority Accounting Code (in so far as it is compatible with legislation);

The Treasurer has also:

- kept adequate accounting records that were up to date; and
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

I certify that the financial statements give a true and fair view of the financial position of the Joint Committee at the reporting date and the transactions of the Joint Committee for the year ended 31 March 2023.

Alastair MacArthur
Treasurer

Annual Governance Statement

Scope of Responsibility

Scotland Excel's Joint Committee is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. The Joint Committee also has a statutory duty to make arrangements to secure best value under the Local Government in Scotland Act 2003. In discharging this overall responsibility, the Joint Committee's elected members and senior officers are responsible for putting in place proper arrangements for its affairs and facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

The Joint Committee's Governance Framework

The governance framework comprises the systems and processes, and culture and values, by which the Joint Committee is directed and controlled. It also describes the way it engages with, and accounts to its stakeholders.

The Joint Committee has also put in place a system of internal control designed to manage risk to a reasonable level. Internal control cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Joint Committee's policies aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The main features of our governance arrangements are summarised as follows:

- Clearly defined Procedural Standing Orders, Scheme of Delegation, Financial Regulations and Standing Orders Relating to Contracts;
- Comprehensive business planning arrangements, setting key targets and action plans designed to achieve our corporate objectives;
- Application of the Chartered Institute of Procurement and Supply, Code of Professional Ethics;
- Regular performance reporting to the Executive Sub Committee and public performance reporting through the Annual Report;
- A range of policies to regulate employee related matters, including the employee code of conduct, and disciplinary procedures;
- Arrangements to manage risk, including the Corporate Risk Register and business continuity plans;
- Clear customer complaints procedures;
- Comprehensive policies and procedures for information security;
- Arrangements supported by a range of policies and guidelines in compliance with the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption.

Within the overall control arrangements, the system of internal financial control is intended to ensure that assets are safeguarded, transactions are authorised and properly recorded, and material errors are detected and corrected. The system is based on a framework of management information, financial regulations, administrative procedures (including segregation of duties), management and supervision, and a system of delegation and accountability.

The system includes:

- Financial management is supported by comprehensive financial regulations and codes;
- Comprehensive budgeting systems, and detailed guidance for budget holders;

- Regular reviews of periodic and annual financial reports which indicate financial performance against the forecasts;
- Setting targets to measure financial and other performance;
- The preparation of regular financial reports that indicate actual expenditure against the forecasts;
- The Chief Finance Officer is the Treasurer who complies with the CIPFA Statement on the Role of The CFO in Public Services.

With Renfrewshire Council being the lead authority, all financial transactions of the Joint Committee are processed through the financial systems of the Council and are subject to the same controls and scrutiny as those of as those of Renfrewshire Council. This includes regular reviews by Renfrewshire Council's Chief Auditor.

Review of Effectiveness

Members and officers of the Joint Committee are committed to the concept of sound governance and the effective delivery of services and take into account comments made by internal and external auditors.

The effectiveness of the governance framework is reviewed annually by the Chief Executive, including the use of a self-assessment tool covering five key areas of governance:

- Service Planning and Performance Management;
- Internal Control Environment;
- Budgeting, Accounting and Financial Control;
- Risk Management and Business Continuity;
- Conflicts of Interest and whistleblowing.

This self-assessment indicated that the governance framework is being complied with in all material respects.

The Joint Committee's internal audit service is provided by the Lead Authority's Internal Auditors and operates in accordance with the Public Sector Internal Audit Standards. The Lead Authority conforms to the requirements of the CIPFA Statement on the Role of the Head of Internal Audit (2019). Internal Audit undertakes an annual programme following an assessment of risk completed during the strategic audit planning process.

The Council's Chief Auditor provides an annual report to the Joint Committee and an independent opinion on the adequacy and effectiveness of the system of internal control. The Council's Chief Auditor's annual assurance statement concluded that a reasonable level of assurance can be placed upon the adequacy and effectiveness of the Joint Committee's internal control systems. The review has not identified any significant governance issues to be reported on for 2022/23 and no actions arising for the 2021/22 governance statement that require to be reported on.

This governance framework has been in place throughout the year. Processes have been refined during the year in light of the prevailing COVID restrictions at the time, taking into account health and safety advice from officers from the lead authority. By the end of 2022/23 required mitigations were minimal and working practices were close to normal.

Assurance

In conclusion, it is our opinion that the annual review of governance together with the work of internal audit, any comments received from external audit and certification of assurance from the Chief Executive provide sufficient evidence that the principles of good governance operated effectively, and the Joint Committee complies with its governance arrangements in all material respects. Systems are in place to continually review and improve the governance and internal control environment. Future actions will be taken as necessary to maintain and further enhance the Joint Committee's governance arrangements.

Councillor John Shaw
Convener

Julie Welsh
Chief Executive

Remuneration Report

All information disclosed in the tables in this Remuneration Report will be audited by the appointed auditor, Audit Scotland. The other sections of the Remuneration Report will be reviewed by Audit Scotland to ensure that they are consistent with the financial statements.

Remuneration of elected members

The Joint Committee makes no remuneration payment to any elected member, nor does it pay any expenses, fees or allowances to elected members. Further, no recharges have been made by member authorities in relation to elected member remuneration.

Remuneration of senior employees

2021/22 Total Salary, fees and allowances £	Name	Post Held	2022/23 Total Salary, fees and allowances £
115,377	Julie Welsh	Chief Executive	120,592
95,172	Hugh Carr	Head of Strategic Procurement	99,438
95,172	Stephen Brannagan	Head of Customer & Business Services	99,438

Salary, fees and allowances includes any other payments made to or receivable by the person in connection with the termination of their employment, or, in the case of a councillor, the total of any payment made to that person in connection with their ceasing to hold office before the end of a fixed term appointment.

The Chief Executive's salary is matched to the Renfrewshire Council Chief Officer pay scale CO21.

The above tables show the relevant amounts, before tax and other deductions, due to, or receivable by, each of the persons named for the year to 31 March 2023, whether or not those amounts were actually paid to, or received by, those persons within that period.

Pension rights

Pension benefits for Joint Committee employees are provided through the Local Government Pension Scheme (LGPS). From 1 April 2015 benefits are based on career average pay. Pension benefits are based on the pay received for each year in the scheme, uplifted

by the increase in the cost of living, as measured by the appropriate index (or indices). The scheme's normal retirement age is linked to the state pension age for each member.

From 1 April 2009 a five-tier contribution system was introduced with contributions from scheme members being based on how much pay falls into each tier. This is designed to give more equality between the cost and benefits of scheme membership. Prior to 2009 contributions rates were set at 6% for all non-manual employees.

Tiered contribution rates on whole time pay 2022/23		Equivalent bandings for 2021/22
Up to £23,000	5.5%	Up to £22,300
£23,001 to £28,100	7.25%	£22,301 to £27,300
£28,101 to £38,600	8.5%	£27,301 to £37,400
£38,601 to £51,400	9.5%	£37,401 to £49,900
Over £51,401	12%	Over £49,901

If a person works part-time their contribution rate will be based on their part-time pay.

There is no automatic entitlement to a lump sum. Members may opt to give up (commute) pension for lump sum up to the limit set by the Finance Act 2004. The accrual rate guarantees a pension based on 1/49th of the pensionable pay for each year of membership, adjusted in line with the cost of living (prior to 2015 the accrual rate guaranteed a pension based on 1/60th of final pensionable salary).

The value of the accrued benefits has been calculated on the basis of the age at which the person will first become entitled to receive a full pension on

retirement without reduction on account of its payment at that age; without exercising any option to commute pension entitlement into a lump sum; and without any adjustment for the effects of future inflation.

The pension figures shown relate to the benefits that the person has accrued as a consequence of their total local government employment, not just that relating to their current post.

Name	Post Held	Accrued Pension Benefits				Pension Contributions made by Scotland Excel	
		As at 31 March 2023		Change from 31 March 2022		2022/23	2021/22
		Pension	Lump Sum	Pension	Lump Sum		
		£000	£000	£000	£000	£	£
Julie Welsh	Chief Executive	32	2	3	0	23,274	22,268
Hugh Carr	Head of Strategic Procurement	22	0	2	0	19,191	18,368
Stephen Brannagan	Head of Customer & Business Services	14	0	1	0	19,191	18,368

Remuneration of Employees

The following table gives a statement of the number of employees whose remuneration, excluding pension contributions, was in excess of £50,000 during 2022/23, in bands of £5,000. Bands not shown contain nil employees.

2021/22 Number of employees	Remuneration Band	2022/23 Number of employees
7	£50,000 - £54,999	12
1	£55,000 - £59,999	5
1	£60,000 - £64,999	3
1	£65,000 - £69,999	0
0	£70,000 - £74,999	1
2	£95,000 - £99,999	2
1	£115,000 - £119,999	0
0	£120,000 - £124,999	1

Exit packages

The Joint Committee did not agree any exit packages in either 2021/22 or 2022/23.

Councillor John Shaw
Convener

Julie Welsh
Chief Executive

Comprehensive Income and Expenditure Statement

This statement shows the accounting cost of providing services and managing the Joint Committee during the year. It includes, on an accruals basis, all of the Joint Committee's day-to-day expenses and related income. It also includes transactions measuring the value of non-current assets actually consumed during the year and the real projected value of retirement benefits earned by employees during the year. The statement shows the accounting cost in accordance with generally accepted accounting practices, rather than the cost according to the statutory regulations that specify the net expenditure that local authorities need to take into account. The required adjustments between accounting basis and funding basis under regulations are shown in the Movement in Reserves Statement.

2021/22			Note	2022/23		
Gross Expenditure £	Gross Income £	Net Expenditure £		Gross Expenditure £	Gross Income £	Net Expenditure £
6,148,176	0	6,148,176	Employee Costs	6,674,420	0	6,674,420
216,500	0	216,500	Property Costs	216,500	0	216,500
627,307	0	627,307	Supplies and Services	990,556	0	990,556
271,925	0	271,925	Support Costs	271,925	0	271,925
18,350	0	18,350	Transfer Payments	21,167	0	21,167
237	0	237	Transport Costs	4,537	0	4,537
14,921	0	14,921	Capital Charges	21,159	0	21,159
0	(2,227,301)	(2,227,301)	Income from Projects	0	(2,713,642)	(2,713,642)
0	(127,547)	(127,547)	Government Grants	0	(98,000)	(98,000)
0	(404,154)	(404,154)	Other Income	0	(742,467)	(742,467)
7,297,416	(2,759,002)	4,538,414	Cost of Services	8,200,264	(3,554,109)	4,646,156
			Financing and Investment Income and Expenditure			
0	(528)	(528)	Interest receivable	0	(1,167)	(1,167)
105,000	0	105,000	Pension interest cost 14	71,000	0	71,000
			Taxation and Non-Specific Grant Income			
0	(3,770,000)	(3,770,000)	Requisitions from Member Authorities 13	0	(3,883,006)	(3,883,006)
7,402,416	(6,529,530)	872,886	Deficit on the provision of services	8,271,264	(7,438,282)	832,983
			Other Comprehensive Income and Expenditure			
		(3,796,000)	Actuarial (Gains) or losses on pension assets and liabilities 14			(10,676,000)
		(2,923,114)	Total Comprehensive Income and Expenditure			(9,843,017)

Note that figures in brackets represent income or gains and figures without brackets represent expenditure or losses.

Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the Joint Committee, analysed into usable reserves (that is, those reserves that can be applied to fund expenditure) and unusable reserves. The surplus or deficit on the provision of services line shows the true economic cost of providing the Joint Committee's services, more details of which are shown in the Comprehensive Income and Expenditure Statement.

Movement in reserves during the year	Note	Usable Reserves £	Unusable Reserves £	Total Reserves £
Balance at 1 April 2022		(1,359,130)	2,050,637	691,507
Total Comprehensive Income and Expenditure		832,983	(10,676,000)	(9,843,017)
Adjustments between accounting basis and funding basis under regulations	5	(1,101,098)	1,101,098	0
Increase or (decrease) in year		(268,115)	(9,574,902)	(9,843,017)
Balance at 31 March 2023		(1,627,245)	(7,524,265)	(9,151,510)

Comparative movements in 2021/22	Note	Usable Reserves £	Unusable Reserves £	Total Reserves £
Balance at 1 April 2021		(1,018,619)	4,633,240	3,519,621
Total Comprehensive Income and Expenditure		872,886	(3,796,000)	(2,923,114)
Adjustments between accounting basis and funding basis under regulations	5	(1,213,397)	1,213,397	0
Increase or (decrease) in year		(340,511)	(2,582,603)	(2,923,114)
Balance at 31 March 2022		(1,359,130)	2,050,637	691,507

Balance Sheet

The balance sheet shows the value as at 31 March 2023 of the assets and liabilities recognised by the Joint Committee. The net assets of the Joint Committee (assets less liabilities) are matched by the reserves held. Reserves are reported in two categories. The first category comprises usable reserves, which are those reserves that the Joint Committee may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use. The second category of reserves comprises those that the Joint Committee is not able to use to provide services. This category includes reserves that hold unrealised gains and losses in the value of assets.

As at 31 March 2022 £		Note	As at 31 March 2023 £
95,298	Intangible Assets	6	82,332
35,102	Plant and Equipment	7	40,441
130,400	Long-term Assets		122,773
873,054	Funds held by Renfrewshire Council		814,313
699,708	Short-term Debtors and Prepayments	9	987,616
150	Cash in Hand		150
1,572,912	Current Assets		1,802,079
(298,819)	Creditors And Accruals	10	(240,342)
(298,819)	Current Liabilities		(240,342)
(2,096,000)	Pension (liability)/Asset	14	7,467,000
(2,096,000)	Long Term Liabilities		7,467,000
(691,507)	Net Assets / (Liabilities)		9,151,510
(1,359,130)	Usable Reserves	3	(1,627,245)
2,050,637	Unusable Reserves	4	(7,524,265)
691,507	Total Reserves		(9,151,510)

The unaudited accounts were issued on 16 June 2023.

Alastair MacArthur
Treasurer

Note 1: Expenditure and Funding Analysis

This statement shows how annual expenditure is used and funded from resources and provides a reconciliation of the statutory adjustments between the Joint Committee's financial performance on a funding basis and the (surplus) or deficit on the provision of service in the Comprehensive Income and Expenditure Statement.

2022/23	Net Expenditure chargeable to Scotland Excel £	Adjustments for capital £	Adjustments for pensions £	Other adjustments £	Net Expenditure in the CIES £
Employee Costs	5,651,949		1,042,000	(19,529)	6,674,420
Property Costs	216,500				216,500
Supplies and Services	1,004,088	(13,532)			990,556
Support Costs	271,925				271,925
Transfer Payments	21,167				21,167
Transport Costs	4,537				4,537
Capital Charges	0	21,159			21,159
Income from Projects	(2,713,642)				(2,713,642)
Government Grants	0			(98,000)	(98,000)
Other Income	(841,634)			99,167	(742,467)
Cost of Services	3,614,891	7,627	1,042,000	(18,362)	4,646,156
Other income and expenditure	(3,883,006)	0	71,000	(1,167)	(3,813,173)
(Surplus) or deficit on the provision of service	(268,115)	7,627	1,113,000	(19,529)	832,983

2021/22	Net Expenditure chargeable to Scotland Excel £	Adjustments for capital £	Adjustments for pensions £	Other adjustments £	Net Expenditure in the CIES £
Employee Costs	5,023,507		1,114,000	10,669	6,148,176
Premises Related Costs	216,500				216,500
Supplies & Services	627,307				627,307
Support Costs	271,925				271,925
Transfer Payments	18,351				18,350
Transport Costs	237				237
Capital Charges	31,192	(16,272)			14,921
Income from Projects	(2,227,301)				(2,227,301)
Government Grants	0			(127,547)	(127,547)
Other Income	(532,228)			128,075	(404,154)
Cost of Services	3,429,490	(16,272)	1,114,000	11,197	4,538,414
Other income and expenditure	(3,770,000)	0	105,000	(528)	(3,665,528)
(Surplus) or deficit on the provision of service	(340,510)	(16,272)	1,219,000	10,669	872,886

Note 2: Accounting Standards Issued not Adopted

The Code requires the disclosure of information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted. The following new or amended standards are adopted within the 2022/23 Code:

- IFRS 16 Leases
- Definition of Accounting Estimates (Amendments to IAS 8) issued in February 2021.
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) issued in February 2021.
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) issued in May 2021.
- Updating a Reference to the Conceptual Framework (Amendments to IFRS 3) issued in May 2020.

The Code allows implementation from 1 April 2023 and there is therefore no impact on the 2022/23 accounts.

Implementation of *IFRS 16: Leases* has been deferred to 1 April 2024 and there is therefore no impact on the 2022/23 accounts. The impact in future years from the implementation of this standard is that the value of any leased asset, along with the corresponding lease liability, will appear on the balance sheet.

Note 3: Transfers to / from Earmarked Reserves

This note sets out the amounts transferred to and from Revenue and Project balances to meet expenditure in 2022/23 and beyond.

	Balance at 1 April 2022 £	Transfers out £	Transfers in £	Balance at 31 March 2023 £
Revenue Reserve - uncommitted balance	(246,414)	1,870	0	(244,544)
COSLA Project	(21,019)	21,018	0	(1)
The Academy	(92,321)	0	(67,259)	(159,580)
Digital Transformation	(19,524)	338	0	(19,186)
Dumfries & Galloway Project	(82,081)	45,281	0	(36,800)
Early Learning and Childcare	(17,100)	0	(58,382)	(75,482)
East Lothian Project	(27,367)	44,149	0	16,782
East Renfrewshire Project	(16,652)	0	0	(16,652)
Hosted Procurement	(158,919)	0	(55,255)	(214,174)
National Care Home Contract	(62,619)	5,121	0	(57,498)
New Build Project	88,073	81,143	0	169,216
South Lanarkshire Council	(44,727)	0	(78,861)	(123,588)
Small Value Procurement	(644,850)	0	(144,597)	(789,447)
Stirling Council	(13,609)	0	(5,003)	(18,612)
Scottish Government Rehab Project	0	0	(44,339)	(44,339)
Dundee City Council	0	0	(4,751)	(4,751)
SEEMIS	0	0	(8,588)	(8,588)
Total Usable Reserves	(1,359,130)	198,920	(467,035)	(1,627,245)

	Balance at 31 March 2023 £	Committed £	Uncommitted Balance £	Note
Revenue Reserve - uncommitted balance	(244,544)	0	(244,544)	(a)
COSLA Project	(1)	(1)	0	(b)
The Academy	(159,580)	(159,580)	0	(b)
Digital Transformation	(19,186)	(19,186)	0	(b)
Dumfries & Galloway Project	(36,800)	(36,800)	0	(b)
Early Learning and Childcare	(75,482)	(75,482)	0	(b)
East Lothian Project	16,782	16,782	0	(b)
East Renfrewshire Project	(16,652)	(16,652)	0	(b)
Hosted Procurement	(214,174)	(214,174)	0	(b)
National Care Home Contract	(57,498)	(57,498)	0	(b)
New Build Project	169,216	169,216	0	(b)
South Lanarkshire	(123,588)	(123,588)	0	(b)
Small Value Procurement	(789,447)	(789,447)	0	(b)
Stirling Council	(18,612)	(18,612)	0	(b)
Scottish Government Rehab Project	(44,339)	(44,339)	0	(b)
Dundee City Council	(4,751)	(4,751)	0	(b)
SEEMIS	(8,588)	(8,588)	0	(b)
Total Usable Reserves	(1,627,245)	(1,382,701)	(244,544)	

Notes

- a) The balance on the Revenue Reserve represents 5.3% of the Cost of Services in 2022/23 (5.5% in 2021/22);
b) Balances are ring-fenced for continuing 2023/24 Project delivery.

Note 4: Unusable Reserves

Pension Reserve

The Pension Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions.

The Joint Committee accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs.

However, statutory arrangements require benefits earned to be financed, as the Joint Committee makes employer's contributions to pension funds. The debit balance on the Pension Reserve shows a shortfall in the Joint Committee's share of Strathclyde Pension Fund resources available to meet the cost of benefits earned by past and current employees. Statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

2021/22 £	Pension Reserve	2022/23 £
4,673,000	Balance as at 1 April	2,096,000
(3,796,000)	Actuarial (gains) and losses on pension assets and liabilities	(10,676,000)
1,219,000	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the CIES	1,113,000
2,096,000	Balance as at 31 March	(7,467,000)

Employee Statutory Adjustment Account

The Employee Statutory Adjustment Account absorbs the differences that would otherwise arise on revenue balances from accruing for compensated absences earned, but not taken at the end of the financial year. However, statutory arrangements, or regulations, require that the impact of such accrued expenditure on revenue balances is neutralised by transfers to or from this Account.

2021/22 £	Employee Statutory Adjustment Account	2022/23 £
74,367	Balance as at 1 April	85,036
(74,368)	Reversal of prior year accrual for short-term accumulating compensated absences	(85,036)
85,037	Accrual for short-term accumulating compensating absences at 31 March	65,507
85,036	Balance as at 31 March	65,507

Capital Adjustment Account

The Capital Adjustment Account absorbs timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. It is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the CIES and credited with the amounts set aside as finance for these costs.

2021/22 £	Capital Adjustment Account	2022/23 £
(114,127)	Balance as at 1 April	(130,399)
14,920	Charges for depreciation of non-current assets	21,159
(31,192)	Capital expenditure charged against Revenue balances	(13,532)
(130,399)	Balance as at 31 March	(122,772)

Note 5: Adjustments between Accounting Basis and Funding Basis under Regulations

The surplus for the year on the Revenue Reserve was £1,101,098 more than the deficit shown in the Comprehensive Income and Expenditure Statement. The table below gives a breakdown of the differences between the income and expenditure included in the CIES in accordance with the Code and the amounts that statute and non-statutory proper practice require the Joint Committee to debit and credit the Revenue Reserve Balance.

2022/23	Usable Reserves £	Unusable Reserves £
Adjustments primarily involving the Capital Adjustment Account:		
Charges for depreciation of non-current assets	(21,159)	21,159
Capital expenditure charged against Revenue balances	13,532	(13,532)
Adjustments primarily involving the Pension Reserve:		
Net charges made for retirement benefits in accordance with IAS19	(1,858,000)	1,858,000
Employers contributions payable to the Strathclyde Pension Fund	745,000	(745,000)
Adjustments primarily involving the Employee Statutory Adjustment Account:		
Net charges for employment short-term accumulating absences	19,529	(19,529)
Total adjustments	(1,101,098)	1,101,098

2021/22	Usable Reserves £	Unusable Reserves £
Adjustments primarily involving the Capital Adjustment Account:		
Charges for depreciation of non-current assets	(14,920)	14,920
Capital expenditure charged against Revenue balances	31,192	(31,192)
Adjustments primarily involving the Pension Reserve:		
Net charges made for retirement benefits in accordance with IAS19	(1,855,000)	1,855,000
Employers contributions payable to the Strathclyde Pension Fund	636,000	(636,000)
Adjustments primarily involving the Employee Statutory Adjustment Account:		
Net charges for employment short-term accumulating absences	(10,669)	10,669
Total adjustments	(1,213,397)	1,213,397

Note 6: Intangible Assets

2021/22 £	Software	2022/23 £
	Opening balance	
129,660	Gross carrying amounts	129,660
(21,396)	Accumulated amortisation	(34,362)
108,264	Net carrying amount at 1 April	95,298
0	Additions	0
(12,966)	Amortisation for the year	(12,966)
95,298	Net carrying amount at 31 March	82,332
	Comprising:	
129,660	Gross carrying amounts	129,660
(34,362)	Accumulated amortisation	(47,328)
95,298		82,332

Note 7: Plant and Equipment

2021/22 £	Plant and Equipment	2022/23 £
	Cost or Valuation	
23,979	Opening balance at 1 April	55,171
31,192	Additions	13,532
55,171	Gross Book Value at 31 March	68,703
	Depreciation and Impairment	
(18,115)	Accumulated depreciation at 1 April	(20,069)
(1,954)	Depreciation charge for year	(8,193)
(20,069)	Accumulated depreciation at 31 March	(28,262)
5,864	Opening Net Book Value	35,102
35,102	Closing Net Book Value	40,441

Note 8: External audit costs

2021/22 £		2022/23 £
6,320	Fees payable in respect of external audit services	10,510

Note 9: Debtors

As at 31 March 2022 £	Short-term debtors	As at 31 March 2023 £
86,234	Prepayments	108,630
613,474	Other receivable amounts	878,986
699,708	Total	987,616

Note 10: Creditors

As at 31 March 2022 £	Short-term creditors	As at 31 March 2023 £
(37,960)	Trade payables	(61,779)
(260,859)	Other payables	(178,563)
(298,819)	Total	(240,342)

Note 11: Operating Leases

The operating lease for accommodation at Renfrewshire House has been extended until 2029, with a five-year break point in 2024. Lease expenditure charged in year to the CIES was £97,000 (2021/22 £97,000).

2021/22 £	Future Minimum Lease Payments	2022/23 £
97,000	Not later than one year	97,000
388,000	Between one and five years	388,000
194,000	Later than five years	97,000
679,000	Total	582,000

Note 12: Events after the balance sheet date

The audited accounts are issued to the Joint Committee on 16 June 2023. Where events taking place before this date provided information about conditions existing at 31 March 2023, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

Events taking place after this date are not reflected in the financial statements or notes.

Note 13: Related parties

Related parties are those bodies or individuals that have the potential to control or significantly influence the Joint Committee, or to be controlled or significantly influenced by the Joint Committee. The Joint Committee is required to disclose material transactions that have occurred with related parties and the amount of any material sums due to or from related parties.

Related party relationships require to be disclosed where control exists, irrespective of whether there have been transactions between the related parties. Disclosure of this information allows readers to assess the extent to which the Joint Committee might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Joint Committee.

Elected member interests in related parties

Under the relevant Codes of Conduct, elected members and senior officials must declare any registered interests in any bodies or organisations. Each member's Register of Interest can be found by searching for an individual councillor on each of their respective Council's websites.

Elected Members and senior officers

Members of the Joint Committee and senior officers have control over Scotland Excel's financial and operating policies. They have the responsibility to adhere to a Code of Conduct, requiring them to declare an interest in matters that directly or indirectly influence, or appear to influence, their judgement or decisions taken during the course of their work. The total senior officers' remuneration allowances paid in 2022/23 is shown in the Remuneration Report on page 14.

There is no specific remuneration paid to elected members by Scotland Excel.

The Joint Committee consists of one or more representative of all 32 councils in Scotland. It meets twice a year and is responsible for the strategic direction of the organisation and for approving the annual budget and business plan.

The Executive Sub-Committee is a sub-group of elected members from the Joint Committee who meet regularly to approve contract awards and other business decisions. At 31 March 2023, it was comprised of the following councillors:

John Shaw (Convener)	Renfrewshire Council
Altany Craik (Vice)	Fife Council
David Keating	Aberdeenshire Council
Brenda Durno	Angus Council
Mandy Watt	City of Edinburgh Council
Kenny MacLeod	Comhairle nan Eilean Siar
Carolyn Wilson	Dumfries and Galloway Council
Ruairi Kelly	Glasgow City Council
Derek Loudon	Highland Council
Christina Larsen	North Ayrshire Council
Michael McPake	North Lanarkshire Council
Dennis Leask	Shetland Islands Council
Peter Henderson	South Ayrshire Council
Walter Brogan	South Lanarkshire Council

Key Related Parties – member authorities

Scotland Excel is funded principally by requisitions from all 32 local authorities in Scotland, who have contributed in the following proportions to enable the Joint Committee to carry out its objectives:

2021/22 £	Council	%	2022/23 £
149,800	Aberdeen City	4.0%	154,289
167,763	Aberdeenshire	4.4%	172,791
87,710	Angus	2.3%	90,340
70,967	Argyll and Bute	1.9%	73,094
52,013	Clackmannanshire	1.4%	53,574
105,741	Dumfries and Galloway	2.8%	108,910
105,993	Dundee City	2.8%	109,171
90,918	East Ayrshire	2.4%	93,643
83,537	East Dunbartonshire	2.2%	86,041
82,681	East Lothian	2.2%	85,160
76,300	East Renfrewshire	2.0%	78,587
313,348	City of Edinburgh	8.3%	322,741
38,313	Eilean Siar	1.0%	39,462
112,382	Falkirk	3.0%	115,750
229,780	Fife	6.1%	236,667
373,073	Glasgow City	9.9%	384,257
153,752	Highland	4.1%	158,361
66,512	Inverclyde	1.8%	68,506
74,603	Midlothian	2.0%	76,841
76,460	Moray	2.0%	78,752
97,946	North Ayrshire	2.6%	100,881
212,013	North Lanarkshire	5.6%	218,370
35,857	Orkney Islands	1.0%	36,932
107,447	Perth and Kinross	2.9%	110,667
122,434	Renfrewshire	3.2%	126,104
87,330	Scottish Borders	2.3%	89,947
36,216	Shetland Islands	1.0%	37,301
85,729	South Ayrshire	2.3%	88,298
200,511	South Lanarkshire	5.3%	206,520
75,571	Stirling	2.0%	77,836
72,657	West Dunbartonshire	1.9%	74,834
124,643	West Lothian	3.3%	128,379
3,770,000	Total	100%	3,883,006

A number of councils participated in targeted procurement projects over the course of 2022/23, as well as contributing towards participation in work related to the National Care Home Contract- (NCHC). Income received for 2022/23 was as follows:

Council	NCHC	Projects
	£	£
Aberdeen City	17,519	133,216
Aberdeenshire	0	0
Angus	4,862	20,811
Argyll and Bute	4,000	565
Clackmannanshire	2,872	140
Dumfries and Galloway	5,909	304,081
Dundee City	5,847	127,000
East Ayrshire	5,046	0
East Dunbartonshire	4,534	0
East Lothian	4,411	45,962
East Renfrewshire	4,103	813
City of Edinburgh	16,310	0
Eilean Siar	2,134	0
Falkirk	6,114	0
Fife	12,577	0
Glasgow City	19,653	2,452
Highland	0	30,502
Inverclyde	3,754	0
Midlothian	3,898	0
Moray	4,185	0
North Ayrshire	5,498	2,245
North Lanarkshire	11,694	1,730
Orkney Islands	0	130
Perth and Kinross	5,826	2,439
Renfrewshire	6,647	0
Scottish Borders	4,780	36,300
Shetland Islands	0	1,943
South Ayrshire	4,103	410
South Lanarkshire	11,079	229,350
Stirling	4,656	82,260
West Dunbartonshire	4,042	565
West Lothian	6,709	0
Total	192,762	1,022,914

Renfrewshire Council is the lead authority for Scotland Excel, providing Treasurer and Clerking services, as well as support services, such as HR, Legal and Internal Audit. Scotland Excel has a service level agreement with Renfrewshire Council that sets out how much this

support should cost each year. In 2022/23, Scotland Excel paid Renfrewshire Council £159,250 for support services (2021/22 £159,250). Scotland Excel also received £2k from Renfrewshire Council for interest earned on cash balances (reserves) held by the Council on its behalf.

There were no further material transactions between Scotland Excel and its member authorities.

Other public bodies

Strathclyde Pension Fund is the principal administrators of the post-retirement funds held on behalf of the current and former employees of Scotland Excel. Information about transactions during the year and outstanding assets and liabilities in relation to Scotland Excel's pension fund can be found in Note 14: Retirement Benefits.

Scotland Excel has a number of public bodies, including Housing Associations who are associate members and pay an annual fee to access its frameworks. In addition, a number of public bodies participated in targeted procurement projects over the course of 2022/23. Those bodies contributing a material level of income for 2022/23 were as follows:

Other Public and Associated Bodies	£
City Property Glasgow LLP	17,500
COSLA	74,944
Department of Health Northern Ireland	127,100
Forestry and Land Scotland	19,870
Link Group Ltd	14,340
NHS Greater Glasgow and Clyde	13,200
NHS Highland	8,452
River Clyde Homes	8,860
Scottish Government	10,440
Scottish Police Authority	11,940
SEEMiS Group LLP	9,088
Strathclyde Partnership for Transport	10,500
Wheatley Housing Group Limited	40,000
Total	366,234

There were no other material transactions between Scotland Excel and other public bodies.

Note 14: Retirement Benefits

As part of the terms and conditions of employment of its employees, the Joint Committee offers retirement benefits. Although these benefits will not actually be payable until employees retire, the Joint Committee has a commitment to make the payments that need to be disclosed at the time that employees earn their future entitlement.

The scheme for employees is Strathclyde Pension Fund, which is administered by Glasgow City Council. This is a funded defined benefit final salary scheme, meaning that the Joint Committee and its employees pay contributions into a fund, calculated at a level intended to balance the pension liability with investment assets.

14a: Transactions relating to retirement benefits

The cost of retirement benefits is recognised in Gross Expenditure when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge that is statutorily required to be made in the accounts is based upon pension contributions payable by the Joint Committee in the year, and an adjustment is made within the Movement in Reserves Statement to replace the cost of retirement benefits with employers' contributions.

The following transactions have been made in the accounting statements in 2022/23:

2021/22 £		2022/23 £
	Comprehensive Income & Expenditure Statement (CIES)	
1,750,000	Current service cost	1,787,000
1,750,000		1,787,000
	Financing & Investment Income & Expenditure	
105,000	Net Interest	71,000
1,855,000	Total post employment benefit charged to the Surplus or Deficit on the Provision of Services	1,858,000
	Other post employment benefit charged to the CIES	
(1,241,000)	Return on assets excluding amounts included in net interest	1,190,000
(2,555,000)	Actuarial (gains) and losses arising on changes in financial assumptions	(11,866,000)
(3,796,000)	Total Actuarial (gains) and losses	(10,676,000)
(1,941,000)	Total post employment benefit charged to the CIES	(8,818,000)
	Movement in Reserves Statement	
2,577,000	Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post employment benefits according with the Code	9,563,000
636,000	Employers Contributions paid to Strathclyde Pension Fund	745,000

Current service cost is the cost of future entitlements to pension payments to current employees.

Past service cost is the estimated increase in liabilities arising from current year decisions that relates to years of service earned prior to this year.

Net Interest is an actuarial adjustment to the inflation element in the cost of funding current and future pension obligations. This is the expected increase during the year in the present value of the Joint Committee's share of Strathclyde Pension Fund's liabilities because they are one year closer to settlement.

The net change in the pension liability is recognised in the Movement in Reserves Statement for pension payments made by the Joint Committee to the Strathclyde Pension Fund during the year. The Joint Committee is also

responsible for all pension payments relating to added years benefits it has awarded, together with related increases. In 2022/23 these amounted to £25,530 (2020/21 £22,661).

14b: Assets and liabilities in relation to retirement benefits

A reconciliation of the Joint Committee's share of the present value of Strathclyde Pension Fund's net asset is as follows:

2021/22 £000		2022/23 £000
25,995	Opening present value	25,688
1,750	Current service cost	1,787
537	Interest Cost	717
231	Contributions from employees	266
(270)	Benefits Paid	(288)
	Remeasurement (gains)/losses:	
(2,555)	Actuarial (gains)/losses arising from changes in financial assumptions	(11,866)
25,688	Balance as at 31 March	16,304

A reconciliation of the Joint Committee's share of the fair value of Strathclyde Pension Fund's assets is as follows:

2021/22 £000		2022/23 £000
21,322	Opening Fair Value	23,592
432	Interest Income	646
636	Contributions from employer	745
231	Contributions from employees	266
(270)	Benefits Paid	(288)
	Remeasurement gain/(loss):	
1,241	Return on assets excluding amounts included in net interest	(1,190)
23,592	Closing fair value of scheme assets	23,771

14c: Fund history

	2018/19 £000	2019/20 £000	2020/21 (restated) £000	2021/22 £000	2022/23 £000
Present Value of Liabilities	(19,788)	(18,074)	(25,995)	(25,688)	(16,304)
Fair value of assets	16,167	16,152	21,322	23,592	23,771
Surplus/(deficit) in the Fund	(3,621)	(1,922)	(4,673)	(2,096)	7,467

The main fund (Fund 1) of Strathclyde Pension Fund does not have an asset and liability matching (ALM) strategy.

The total liability of £7.467m has a significant impact on the net worth of the Joint Committee, as recorded in the Balance Sheet. However, any deficit on Strathclyde Pension Fund will be made good by increased contributions over the remaining working life of employees, as assessed by the Fund actuary.

14d: Impact on cashflows

An objective of the fund is to keep employer's contributions at as constant a rate as possible. The fund has agreed a strategy to achieve a funding rate of 100% in the longer term. Employers' and employees' contributions have been determined so that rates are standard across all participating employers. The rate for employer contributions is set at 19.3% for 2021/22 and 2022/23.

The total contributions expected to be made by the Joint Committee to the Strathclyde Pension Fund in the forthcoming year to 31 March 2024 is £745k.

14e: Basis for estimating assets and liabilities

The Joint Committee's share of the assets and liabilities of Strathclyde Pension Fund have been assessed on an actuarial basis using the projected unit method, which estimates the pensions that will be payable in future years dependent upon assumptions about mortality rates, salary levels and so on. The Scheme's liabilities have been assessed by Hymans Robertson, an independent firm of actuaries, and the estimates are based on the latest full valuation of the Fund at 31 March 2023. The principal assumptions used by the actuary have been:

2021/22	Mortality assumptions	2022/23
Longevity at 65 for current pensioners (years)		
19.6	Men	19.3
22.4	Women	22.2
Longevity at 65 for Future pensioners (years)		
21.0	Men	20.5
24.5	Women	24.2
Other assumptions		
3.90%	Rate of increase in salaries	3.65%
3.20%	Rate of increase in pensions	2.95%
2.70%	Rate for discounting scheme liabilities	4.75%
Take-up of option to convert annual pension into retirement lump sum:		
50.0%	Pre-April 2009 service	50.0%
75.0%	Post-April 2009 service	75.0%

The value of the pension fund liability is sensitive to the actuarial assumptions set out in the table above. The sensitivity analysis below has been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant.

Impact on Pension Scheme Liability	%	£000
0.1% decrease in Real Discount Rate	2.0%	405
1 Yr increase in member life expectancy	4.0%	652
0.1% increase in Salary Increase Rate	0.0%	48
0.1% increase in Pension Increase Rate	2.0%	363

The pension scheme's assets consist of the following categories, by proportion of the total assets held:

2021/22 £000		%	2022/23 £000
9,817	Equity instruments	44.3%	10,527
1,990	Real Estate	8.2%	1,960
11,185	Investment Funds and Unit Trusts	45.6%	10,834
600	Cash and Cash Equivalents	1.9%	450
23,592	Total	100.0%	23,771

Note 15: Contingent Liabilities

Following two court cases, including Mrs Goodwin v Department for Education, it is expected that proposed changes to public service pension schemes will be required, to ensure that surviving same-sex spouses and civil partners receive benefits equivalent to those received by the surviving spouses of opposite-sex marriages. Strathclyde Pension Fund's actuary estimates that the potential impact may be in the range of 0.1%-0.2% of gross obligations, which equates to between £25.9k and £51.8k for Scotland Excel. This estimate is not reflected in the Primary Financial Statements because the trigger event that would require recognition has not yet occurred.

Note 16: Summary of Significant Accounting Policies

A General Principles

The Annual Accounts summarise the Joint Committee's transactions for the 2022/23 financial year and its financial position as at 31 March 2023. The Joint Committee is required to prepare Annual Accounts by the Local Authority (Scotland) Regulations 2014 and section 12 of the Local Government in Scotland Act 2003 requires these accounts to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom (the Code), supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under section 12 of the 2003 Act.

The Code is issued jointly by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Local Authority (Scotland) Accounts Advisory Committee (LASAAC) and is designed to give a true and fair view of the financial performance of the Joint Committee. The accounting convention adopted in the Annual Accounts is principally historical cost, modified by the valuation of pension assets and liabilities where appropriate. The Annual Accounts have been prepared on a going concern basis.

B Accruals of Expenditure and Income

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- revenue from the sale of goods is recognised when the Joint Committee transfers the significant risks and rewards of ownership to the purchaser, and it is probable that the economic benefits or service potential associated with the transaction will flow to the Joint Committee;

- revenue from the provision of services is recognised when the Joint Committee has satisfied the performance obligation and it is probable that the economic benefits or service potential associated with the transaction will flow to the Joint Committee;
- expenditure in relation to services received (including services provided by employees) is recorded when the service is received rather than when payment is made;
- supplies are recorded as expenditure when they are consumed. Where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet;
- where income and expenditure have been recognised, but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where there is evidence that debts are unlikely to be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

C Prior Period Adjustments, Changes in Accounting Policies and Estimates, and Errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e., in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are made only when required by proper accounting practices, or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Joint Committee's financial position or financial performance. Where a change is made, it is applied retrospectively (unless otherwise stated) by

adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material misstatement or omission discovered in prior period figures are corrected retrospectively (unless otherwise stated) by adjusting opening balances and comparative amounts for the prior period.

D Contingent Liabilities

Contingent liabilities are disclosed in the accounts, but not recognised in the Balance Sheet, in circumstances where:

- an event has taken place that gives Scotland Excel a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Joint Committee; or
- a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

E Employee Benefits

Benefits payable during employment

All salaries and wages earned up to the Balance Sheet date are included in the accounts irrespective of when payment was made. An accrual is made for the cost of holiday entitlements earned, but not taken before the year end that employees may carry forward into the next financial year.

Post-employment benefits

The Joint Committee participates in the Local Government Pension Scheme (LGPS), administered by Strathclyde Pension Fund. The LGPS is accounted for as a defined benefit scheme and in accordance with International Accounting Standard 19 (IAS19) the Joint Committee has disclosed certain information concerning the assets, liabilities, income and expenditure relating to the pension scheme. IAS19

requires that an organisation must account for retirement benefits when it is committed to giving them, even if the payment will be many years into the future.

This involves the recognition in the Balance Sheet of the Joint Committee's share of the net pension asset or liability in Strathclyde Pension Fund and a pension reserve.

The liabilities of the Strathclyde Pension Fund attributable to the Joint Committee are included in the Balance Sheet on an actuarial basis using the projected unit method, i.e., an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates and projections of earnings for current employees.

Liabilities are discounted to their value at current prices using a discount rate based on the indicative rate of return on high quality corporate bonds.

The assets of the Strathclyde Pension Fund attributable to the Joint Committee are included in the Balance Sheet at their fair value, principally the bid price for quoted securities, and estimated fair value for unquoted securities.

The Comprehensive Income and Expenditure Statement (CIES) also recognises changes during the year in the pension asset or liability. Service expenditure includes pension costs based on employers' pension contributions payable and payments to pensioners in the year.

The change in the net pension liability is analysed into the following components:

- **current service cost** – the increase in liabilities as a result of years of service earned this year, allocated in the CIES to the services for which the employees worked;
- **past service cost** – the increase in liabilities arising from current year decisions whose effect relates to

years of service earned in earlier years, which is debited to the Surplus or Deficit on the Provision of Services in the CIES;

- **net interest cost on the defined benefit liability** – the change during the period in the net defined benefit liability that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the CIES. This is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability at the beginning of the period, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments;
- **return on scheme assets** – excluding amounts included in net interest on the net defined benefit liability which are charged to the Pensions Reserve as Other Comprehensive Income and Expenditure;
- **actuarial gains and losses** – changes in the net pension liability that arise because events have not coincided with assumptions made at the last actuarial valuation, or because the actuaries have updated their assumptions, which is charged to the Pensions Reserve. Actuarial gains and losses are shown within Other Comprehensive Income and Expenditure within the CIES; and
- **contributions paid to the pension fund** – cash paid as employer's contributions to the pension fund in settlement of liabilities which are not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the amount payable by the Joint Committee to be amount paid directly to pensioners in the year, not the amount calculated according to the relevant accounting standards in the CIES.

In the Movement in Reserves Statement this means that there are transfers to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

F Events after the Balance Sheet date

Events after the balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the accounts are authorised for issue.

There are two types of events:

- **Adjusting events** – those that provide evidence of conditions that existed at the end of the reporting period and the accounts are adjusted to reflect such events; and
- **Non-adjusting events** – those that are indicative of conditions that arose after the reporting period and the accounts are not adjusted. Where a category of events would have a material effect, disclosure is made in the notes of the nature of the event and its estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the accounts.

G Government Grants and other Contributions

Whether paid on account, by instalments or in arrears, government grants and third-party contributions and donations are recognised as due to the Joint Committee when there is reasonable assurance that:

- the Joint Committee will comply with the conditions attached to the payments; and
- the grants or contributions will be received.

Amounts recognised as due to the Joint Committee are not credited to the CIES until conditions attaching to the grant or contribution have been satisfied.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the CIES.

H Leases

Operating Leases: Joint Committee as Lessee

Rentals paid under operating leases are charged to the CIES as an expense of the services benefiting from use of the leased property, plant or equipment.

Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g., there is a rent-free period at the commencement of the lease). The risks and rewards of ownership remain with the lessors along with the title of the property.

I Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as plant and equipment.

Recognition

Expenditure on the acquisition, creation or enhancement of Plant and Equipment is capitalised on an accruals basis. Expenditure that merely maintains the condition of an asset (i.e., repairs and maintenance) is charged as an expense when it is incurred.

Measurement

Assets are initially measured at cost, comprising:

- the purchase price;
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating.

Plant, furniture and computer equipment costing less than £9,000 are not treated as fixed assets. This de minimis level does not apply where certain categories of these assets are grouped together and form part of an approved capital programme.

Assets are then carried in the Balance Sheet using the depreciated historical cost.

Impairment

Assets are assessed at each year-end to determine whether there is any indication that an asset may be impaired.

Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated, an impairment loss is recognised for the shortfall and the carrying amount of the asset is written down in the CIES.

Where an impairment loss is subsequently reversed, the reversal is credited to the CIES, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Disposals

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet is written off to the CIES as part of the gain or loss on disposal. Any receipts from disposals are credited to the CIES, also as part of the gain or loss on disposal (i.e., netted off against the carrying value of the asset at the time of disposal).

Depreciation

Depreciation is provided for on all Plant and Equipment assets by the allocation of their depreciable amounts over their useful lives. For ICT equipment, this is calculated on a straight-line basis over 5 years. Depreciation is not charged until the year following the purchase of an asset.

J Intangible Assets

Expenditure on non-monetary assets that do not have physical substance, but are controlled by the Joint Committee as a result of past events (e.g., software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Joint Committee.

Intangible assets are measured initially at cost. Amounts are revalued where the fair value of the assets held can be determined by reference to an active market. The depreciable amount of an intangible asset is amortised over its useful life on a straight-line basis in the CIES. Amortisation is not charged until the year following the purchase of an asset.

An asset is tested for impairment whenever there is an indication that the asset might be impaired and any losses recognised are posted in the CIES. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the CIES.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the Revenue Reserve. The gains and losses are therefore reversed out of the Revenue Reserve in the Movement in Reserves Statement and posted to the Capital Adjustment Account and a Capital Receipts Reserve. All capital expenditure is charged to the constituent authorities, meaning that the Joint Committee has no requirement to borrow. A notional capital grant is applied to the CIES in the year of spend and removed from affecting the Revenue Reserve through the Movement in Reserves Statement.

Software costing less than £9,000 is not treated as an intangible asset and is charged to the CIES. This de minimis does not apply where certain categories of assets are grouped together.

K Reserves

Reserves are classified under accounting regulations into two categories: usable reserves, which are available to spend; and unusable reserves, which are unrealised net gains or losses that have a deferred impact on the Joint Committee.

Usable Reserves

The Revenue Reserve represents surplus funds held by the Joint Committee, which are ultimately repayable to the member authorities in the same allocation proportions as the requisitions. Balances accumulated from Project activity are distributable only to participating authorities.

Unusable Reserves

Certain reserves are held to manage the accounting processes for non-current assets, retirement and employee benefits and do not represent usable resources for Scotland Excel; these reserves are explained in the Unusable Reserves note.

L Value Added Tax (VAT)

Income and expenditure exclude any amount relating to VAT, as all VAT collected is payable to HM Revenue & Customs (HMRC) and all VAT paid is recoverable from them.

Note 17: Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in Note 16, the Joint Committee has had to make certain judgements about complex transactions or those involving uncertainty about future events. Where a critical judgement has been made, this is referred to in the relevant note to the core financial statements; however, any item with the most significant effect is detailed below.

Leases

An analysis of the terms of the lease for the office accommodation at Renfrewshire House has concluded that it is an operating lease. Details can be found in Note 11: Operating Leases.

Note 18: Assumptions made about the future

The Annual Accounts contain estimated figures that are based on assumptions made by the Joint Committee about the future or that are otherwise uncertain.

Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from assumptions and estimates.

The items in the Balance Sheet at 31 March 2023 for which there is a significant risk of material adjustment in the forthcoming financial year are outlined in the table below.

Item	Uncertainties	Effect if Results differ from Assumption
Pensions Liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Joint Committee with expert advice about the assumptions to be applied.	The effects on the net pensions liability of changes in individual assumptions can be measured. For instance, a 0.1% decrease in the real discount rate assumption would result in an increase in the pension liability of £0.405m, equating to a 2% increase. The carrying value of the pension liability was £7.467m as at 31 March 2023. For further details see Note 15: Retirement Benefits.

Scotland Excel

To: Joint Committee

On: 16 June 2023

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

Operating Plan Update 2022-23**1. Summary**

- 1.1 In June 2018, Scotland Excel's Joint Committee approved a new five-year corporate strategy supported by annual operating plans.
- 1.2 In December 2021, the Joint Committee approved a new operating plan which covers the period from 01 April 2021 to 31 March 2023.
- 1.3 Reports are issued quarterly to track progress made towards the delivery of the commitments contained within the operating plan.
- 1.4 This paper presents the most recent report which covers operating plan activity between 01 January and 31 March 2023 and is the last report for the previous 5-year strategy. As such, any items not closed will be marked as red.

2. Progress since December






- 2.1 As at the end of March 2023, the end of the operating plan period, 31 operating plan commitments were complete and are indicated as black within the report.
- 2.2 Operating Plan commitments which remain incomplete have been identified in red and total 3. Work continues on all these actions and committee will be updated in future reports on progress for each.

3. Recommendations

- 3.1 The members of the Joint Committee are invited to note Scotland Excel's progress in delivering the commitments contained within the Operating Plan 2022-23.

4. Background

- 4.1 Progress reports are produced quarterly to track Scotland Excel's activity against operating plan commitments. Reports are produced at the end of each quarter and submitted to Executive Sub-Committee meetings. The most recent quarterly report is also submitted to Joint Committee meetings with recent updates noted.
- 4.2 The reports summarise the progress made against operating plan commitments and uses a 'traffic light' symbol to provide a guide to the status of each activity. This guide has been revised to include symbols to indicate projects or activities have been completed and which have not.

 W	Project or activity not yet started
 R	Project or activity is currently stalled or significantly behind schedule
 A	Project or activity is progressing at a slower pace than anticipated and/or results have been weaker than expected
 G	Project or activity is progressing in line with expected/agreed timelines and results
 B	Project or activity completed







Operating Plan

2022 – 2023

Year-end Report






Goa1 1: Shaping the delivery of innovative public services



Strategic Objective	Commitment	RAG status	Progress summary
1.1 Deliver a programme of collaborative procurement to support early intervention and the delivery of public services	<ul style="list-style-type: none"> Continue to engage with local authority and cross-sector partners to identify and deliver on collaborative procurement and supply chain opportunities 		<ul style="list-style-type: none"> Scotland Excel is continuing to participate in cross-sectoral initiatives. Examples over the past year include, working with the Scottish Government Supply Chains Development Programme, Local Heat and Energy Strategy, Round table discussions with Home Nations procurement partners and, development of the Alcohol and Drugs Residential Rehabilitation National framework.
	<ul style="list-style-type: none"> Continue to monitor, report on and, where possible, mitigate the impact of supply chain disruptions arising from the Covid-19 pandemic and Brexit 		<ul style="list-style-type: none"> Scotland Excel Supply Chain Reports were issued quarterly to stakeholders throughout the year to keep them informed of supply chain disruptions, market trends, and mitigating actions being taken by Scotland Excel. These reports will continue to be issued quarterly during 2023.
	<ul style="list-style-type: none"> Continue to drive the development of the next generation National Care Home Contract (NCHC) incorporating the use of the NCHC Cost Model © to support the delivery of affordable and sustainable social care services 		<ul style="list-style-type: none"> Given difficult market conditions, coupled with winter pressures, the collaborative re-design process for the NCHC in conjunction with representatives from key stakeholder groups is progressing slower than anticipated. The steering group is looking at a number of areas including collaborative models of commissioning, and a review of the NCHC Cost Model © calculator.
	<ul style="list-style-type: none"> Develop a strategy for the next generation new build residential framework which incorporates learnings from the current framework and findings from stakeholder engagement meetings 		<ul style="list-style-type: none"> Work to develop this strategy is continuing to progress. Net zero considerations and construction skills development will be central to the new strategy, which also recognises changes in capital borrowing costs, inflation and construction industry costs. The next quarter in 2023/24 will be critical to meeting governance gateways for timely delivery of this framework.

1.2 Deliver programmes which lead and develop professional, organisational and commercial capability	<ul style="list-style-type: none"> Continue to deliver a portfolio of accredited Academy programmes based on member and wider public sector requirements 	B	<ul style="list-style-type: none"> The Scotland Excel Academy delivered a range of accredited programmes during 2022/23 and is continuing to explore the potential to develop SQA-accredited qualifications in procurement and management as more cost-effective alternatives to those currently offered by professional bodies.
	<ul style="list-style-type: none"> Develop and deliver programmes of free and/or low-cost online workshops and events which support practitioner skills and best practice 	B	<ul style="list-style-type: none"> The Scotland Excel Academy delivered Fourteen open and thirty five closed courses as part of the Scottish Government's procurement training framework during 2022/23. Fourteen free 'Stay Connected' courses have been scheduled between February and June 2023.
	<ul style="list-style-type: none"> Develop and deliver bespoke chargeable Academy programmes requested by councils, associate members or other partners 	B	<ul style="list-style-type: none"> Bespoke Academy programmes have been provided for Dumfries & Galloway Council, Highland Council, five NHS health boards, and the Scottish Government during 2022/23.
	<ul style="list-style-type: none"> Continue to deliver chargeable consultancy and transformation programmes requested by councils, associate members or other partners 	B	<ul style="list-style-type: none"> Chargeable consultancy projects have been delivered to a range of councils during 2022/23 including Dumfries & Galloway, Dundee City, East Renfrewshire, South Lanarkshire and Stirling. Scotland Excel has been commissioned by the Scottish Government to provide support for the development of a local heat and energy strategy. The scope of this work includes market engagement and other actions to advance the National Heat Network delivery plan.
	<ul style="list-style-type: none"> Continue to develop and grow Scotland Excel's flexible procurement service to provide chargeable support which increases the capacity and/or capability of councils, associate members and other partners 	B	<ul style="list-style-type: none"> Scotland Excel's flexible procurement services have been accessed during 2022/23 by Angus, Dumfries & Galloway, Dundee City, Scottish Borders and South Lanarkshire Councils in addition to City Property, Improvement Service and Cairn Housing Association. A marketing campaign targeting Arm's Length External Organisations (ALEOs) and partner organisations is planned for early 2023/24.







<p>1.3 Harness the potential of digital technology and data insight to support the delivery of public services</p>	<ul style="list-style-type: none"> • Continue to develop Scotland Excel's ICT procurement category, providing procurement services for the Digital Office for Scottish Local Government and other partners to accelerate a collaborative approach to the adoption of digital technologies 	<p>B</p>	<ul style="list-style-type: none"> • Development continues across the category. Renewal of the Telecare framework is nearing completion and evaluation of tenders for a national shared digital Alarm Receiving Centre (ARC) is ongoing. A collaborative procurement opportunity for Microsoft Office 365 has been delivered in partnership with the Digital Office for Scottish Local Government and Crown Commercial Services.
<p>1.4 Use our insight and experience to shape policy and meet the challenges of future public service delivery</p>	<ul style="list-style-type: none"> • Continue to work with the Scottish Government and other partners to support the development and/or delivery of national policy objectives across the Scotland Excel portfolio 	<p>B</p>	<ul style="list-style-type: none"> • Scotland Excel continues to work with the Scottish Government and cross-sector partners across a range of policy areas including food, energy efficiency, transport, education, care, ethical commissioning and skills development. Following Scotland Excel's response to the Scottish Government's local food consultation, Scotland Excel has been invited to join a cross-sector working group.

Goa1 2: Being sustainable in everything we do

Strategic Objective	Commitment	RAG status	Progress summary
2.1 Deliver positive and measurable social value through our contracts and services	<ul style="list-style-type: none"> Continue to champion Fair Work principles as part of framework development and contract management, including payment of the Real Living Wage 		<ul style="list-style-type: none"> The number of Scotland Excel suppliers paying the Real Living Wage rose from 86% to 87% in 2022/23. Scotland Excel continues to be a long-standing member of the Fairworkstream Group hosted by Scottish Government.
	<ul style="list-style-type: none"> Continue to develop and deliver community benefit and supply chain initiatives which enable members to achieve direct benefits for their areas 		<ul style="list-style-type: none"> Scotland Excel has now implemented its revised approach to gathering and managing community benefits data. The new approach provides better visibility to members of the benefits due to them when they reach a threshold spend with suppliers.
2.2 Deliver positive and measurable local economic impact through SME and third sector participation in our contracts	<ul style="list-style-type: none"> Continue to engage with SME, supported business and other third sector organisations to encourage their participation in public procurement, working with partners such as the Supplier Development Programme (SDP) and Chambers of Commerce 		<ul style="list-style-type: none"> Scotland Excel has exhibited at 'Meet the Buyer' events across Scotland and had a significant presence at Procurex on 27 October. Scotland Excel also presented a Supplier Development Programme (SDP) webinar on 5th October and gave a presentation at a 'Meet The Buyer' event in Fife on 10 November.
	<ul style="list-style-type: none"> Continue to develop and deliver supply chain opportunities for SME, supported business and other third sector organisations to participate in public procurement, including joint initiatives with partners such as Scottish Enterprise 		<ul style="list-style-type: none"> Scotland Excel is continuing to work with Scottish Enterprise on initiatives to identify public sector supply chain opportunities for Scottish businesses and organisations. Key areas being considered include energy, transport, food and digital.
2.3 Deliver positive and measurable environmental benefits through our contracts	<ul style="list-style-type: none"> Refresh Scotland Excel's sustainable procurement strategy to ensure that frameworks and other business activities maximise opportunities to support carbon reduction 		<ul style="list-style-type: none"> The Scotland Excel Net Zero Strategy was approved by the Executive Sub-committee in March 2023.






	<ul style="list-style-type: none"> Promote member usage of the next generation energy efficiency contractors (EEC) and electric vehicle charging infrastructure (EVCI) frameworks to help members work towards their net-zero targets 		<ul style="list-style-type: none"> Following high-profile awareness events in May and June, Scotland Excel is continuing to meet with stakeholders from councils and housing associations to promote uptake of the Energy Efficiency Contractors (EEC) and Electric Vehicle Charging Infrastructure (EVCI) frameworks. Although the contract uptake has been slower than expected, there has been a steady increase in the number and value of projects being placed through the EEC framework, and enquiries are growing for EVCI.
2.4 Lead and develop sustainable procurement knowledge and practice	<ul style="list-style-type: none"> Continue to explore the development of progressive, sustainable learning pathways, working with educational and/or cross-sector partners to address skills gaps, support career development, and attract new entrants to procurement 		<ul style="list-style-type: none"> Scotland Excel continues to co-chair the Scottish Government's Public Procurement Development Forum which is exploring a range of initiatives including procurement skills development, alternative professional qualifications and pathways, and Graduate Apprenticeships.




Goa1 3: Placing people at the heart of our business






Strategic Objective	Commitment	RAG status	Progress summary
3.1 Ensure our customers continue to receive maximum value from our services	<ul style="list-style-type: none"> Continue to deliver Scotland Excel's account management services to demonstrate value to members and support a positive customer experience 		<ul style="list-style-type: none"> Scotland Excel's Project and Account Managers continue to provide support to council procurement teams. Annual Value Reports detailing savings and benefits were produced for each council. A sector-level report has also been published.
	<ul style="list-style-type: none"> Continue to develop and deliver stakeholder engagement plans to assess member satisfaction and identify key priorities for Scotland Excel's new five-year strategy 		<ul style="list-style-type: none"> A comprehensive stakeholder engagement plan was implemented to support the development of the new corporate strategy which was approved by the joint committee in December.
3.2 Engage stakeholders in the delivery of effective local solutions	<ul style="list-style-type: none"> Continue to develop and deliver initiatives to help members implement a progressive procurement approach which supports their community wealth-building plans 		<ul style="list-style-type: none"> Following completion of a community wealth-building (CWB) pilot programme, Scotland Excel is continuing to engage and support councils with their CWB projects. A toolkit has been produced and is available to all members on the Scotland Excel Academy website.
	<ul style="list-style-type: none"> Continue to engage directly with stakeholders, partners and service users to ensure that Scotland Excel's social care contracts meet the needs of all care groups, and align with national policy 		<ul style="list-style-type: none"> Scotland Excel continues to engage with a wide range of stakeholders across all social care contracts, including for the redesign of the national care home contract (NCHC), Adult Social Care and a range of frameworks providing support for Children
3.3 Represent the collective views of stakeholders at a national level	<ul style="list-style-type: none"> Continue to represent the views of members, customers and communities within appropriate national and/or cross-sector fora and working groups 		<ul style="list-style-type: none"> Scotland Excel is continuing to represent the local government sector across a range of national initiatives across the majority of the framework portfolio.
	<ul style="list-style-type: none"> Monitor the progress of National Care Service (NCS) proposals and continue to champion Scotland Excel's delivery of national care arrangements that support local, person-centred commissioning 		<ul style="list-style-type: none"> Scotland Excel gave evidence to the Health, Social Care & Sport Committee on the National Care Service (Scotland) Bill in November. Scotland Excel also attended the National Care Service Forum meeting in October, is taking part in the Adult Social Care Working Group on Ethical

			Commissioning and has attended a number of NCS Key Stakeholder Reference Group sessions.
3.4 Implement policies which develop, empower, value and engage our workforce	<ul style="list-style-type: none"> Continue to implement Scotland Excel's organisational development strategy and Investors in People (IiP) action plan 	B	<ul style="list-style-type: none"> Scotland Excel was awarded the Gold Standard Investors in People (IiP) accreditation in June 2022. This is the first year the organisation has achieved this award. Following on from this award, Scotland Excel launched its People Strategy for organisational development which includes a new approach to personal development, performance management and picks up key recommendations from the IiP review.
	<ul style="list-style-type: none"> Develop and implement a refreshed recruitment and retention strategy to mitigate the impact of skills shortages and/or changing attitudes in the workforce 	B	<ul style="list-style-type: none"> The on-going review of recruitment and retention policy and practice continues aimed at supporting recruitment challenges being experienced across the local government procurement landscape. A key element of this review was recruitment of eight graduate trainees all of which are now in post following a recruitment exercise in 2022. The graduate programme responds to a challenging job market for experienced public procurement practitioners and aims to fast-track new talent to the profession.

Goa1 4: Delivering sustainable and scalable growth

Strategic Objective	Commitment	RAG status	Progress summary
4.1 Implement a new governance model which supports scalable business growth	<ul style="list-style-type: none"> Continue to deliver Scotland Excel's approved funding model, including income from rebates, projects, Academy programmes and associate membership, and provide regular reports to the governance committees 		<ul style="list-style-type: none"> Organisational expenditure and income continue to be monitored closely, and reports are presented to the executive sub-committee on a regular basis. An operating budget for 2023-24 was approved by the joint committee in December 2022 which includes 21% of income generated from alternative sources to requisition.
4.2 Continue to maintain a robust business infrastructure to support our growth ambitions	<ul style="list-style-type: none"> Continue to develop a robust business environment and infrastructure that securely and effectively supports Scotland Excel's hybrid working model 		<ul style="list-style-type: none"> Scotland Excel staff are now regularly working from the office as well as at home. All office desks have been fitted with a range of equipment which can be booked according to work preference. A desk booking system is in operation accessible by all staff. A new cyber security module 'KnowB4' has been launched, with training tailored to staff knowledge and requirements aimed at mitigating risk of a cyber security breach.
	<ul style="list-style-type: none"> Continue to develop Scotland Excel's digital technology capability, harnessing data assets and emerging technology to benefit staff and customers 		<ul style="list-style-type: none"> Although good progress has been made on internal capabilities, further work on provision to customers has been slower than planned. Work is continuing to review Scotland Excel's data gathering and management processes. Business Intelligence Insights have been circulated to stakeholders utilising existing Scotland Excel data and other publicly available data aimed at getting partners to ask questions about future service provision.
4.3 Use our knowledge and insight to identify new services and/or sectors which provide growth opportunities	<ul style="list-style-type: none"> Roll out a competitor analysis model across the organisation to support the successful delivery of new and existing business opportunities 		<ul style="list-style-type: none"> The roll out of a competitor analysis model has been incorporated into Scotland Excel's value project, and is included in the operating plan for 2023/24.
	<ul style="list-style-type: none"> Continue to grow and develop Scotland Excel's associate membership programme to maximise benefits for the organisation and members 		<ul style="list-style-type: none"> Associate membership of Scotland Excel increased by 20 during 2022/23 from 128 to 148 resulting in an increase in income from fees.

	<ul style="list-style-type: none"> • Deliver a second tranche of Procurement & Commercial Improvement Programme assessments for housing associations, highlighting the community value of enhanced procurement practices and collaboration 		<p>The delayed Scottish Government announcement of a requirement for housing associations to demonstrate their procurement capability as condition of affordable homes funding had an impact on the timing of this service. Scotland Excel has launched a Continuous Improvement Programme for Procurement (CIPP) service to help them meet this requirement. A full marketing campaign to promote this new service delivered during Q4 of 22/23. By end March 2023, there has been 21 enquiries with assessments being scheduled from April 2023.</p>
4.4 Explore opportunities to work with partners on the development and delivery of new business opportunities	<ul style="list-style-type: none"> • Continue to develop and implement effective marketing and communications plans to promote Scotland Excel through traditional and social media in support of financial, policy and public affairs goals 		<ul style="list-style-type: none"> • Scotland Excel's marketing and communications team have worked closely across all Scotland Excel teams during 2022/23, promoting framework activity, associate membership and Academy training programmes. Other activities undertaken during Q4 have included organisation, promotion and delivery of the Scotland Excel Supplier Excellence Awards in May 2023.
	<ul style="list-style-type: none"> • Continue to explore and develop partnership opportunities with organisations such as Crown Commercial Services (CCS), Scottish Enterprise, Built Environment- Smarter Transformation (BE-ST), and Zero Waste Scotland (ZWS) which support the delivery of business and policy objectives 		<ul style="list-style-type: none"> • Scotland Excel is continuing to work with a range of partners on initiatives which support the delivery of business and policy objectives. The importance and value of partnership working has been recognised within Scotland Excel's new corporate strategy.

Report Key	
	Project not yet started
	Project or activity is currently stalled or significantly behind schedule
	Project or activity is progressing at a slower pace than anticipated and/or results have been weaker than expected
	Project or activity is progressing in line with expected/agreed timelines and results
	Project completed

Report issued: February 2023

Scotland Excel

To: Joint Committee

On: 16 June 2023

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

Procurement Commercial Improvement Programme (PCIP) Update

1. Introduction

This report provides an update on the status of the work undertaken by Scotland Excel to support councils with the Procurement Commercial Improvement Programme (PCIP).

2. Background

The Procurement and Commercial Improvement Programme was introduced in 2015 and is a maturity model designed to assess Scottish public sector procurement performance in a common format.

The annual assessments set out to build foundations of good public sector procurement and to signpost good practice. The assessments were demonstrably at the heart of procurement improvements across Scotland.

The PCIP is a continuation of the work undertaken by the Procurement Capability Assessment (PCA) carried out on an annual basis since 2008 until introduction of the PCIP. PCIP focuses on the policies and procedures driving procurement performance and the results they deliver.

PCIP Pulse Check is due to commence in 2023, with the offer of a new approach to further support the sector. This PCIP Pulse Check focuses on the policies and procedures driving procurement performance and, more importantly, the results they deliver. These pulse checks are undertaken with the assumption that the foundation elements identified and implemented since The McClelland report remain in place within organisations.

For PCIP Pulse Check, an assessment model has been developed which offers a reduced question set and streamlined process for organisations whilst still assessing and supporting current procurement priorities. This hybrid model allows for greater flexibility and consists of a blended question set that can be tailored by the assessing CoE to the organisation and the sectoral context.

The model consists of eleven mandatory questions and nine discretionary questions.

The questions, at the point of publication of this report, are enclosed in appendix 1. Each question has four levels that an organisation may indicate it has achieved and will be assessed on the day. The levels are:

1. Developing
2. Improving
3. Good Practice
4. Advanced

Further information on the PCIP can be obtained at the Scottish Government website: <https://www.procurementjourney.scot/pcip/pcip-overview>

3. PCIP Assessments 2023/24

Scotland Excel has worked with colleagues within Scottish Government and in conjunction with other public sector centres of expertise to consider the assessment route for 2023/24. Assessments will be undertaken between October 2023 and the end of March 2024.

Working with our own Procurement Improvement Steering Group, made up of local government procurement managers, we have discussed and agreed the route forward for the sector.

Of the thirty-two councils, eight have opted to not participate in the next tranche of assessments. Generally, these councils have made a strategic decision to focus their limited resources on more pressing matters. Irrespective of participation, all good practice and learning gathered as a result of the assessments will be shared with all members.

The eight councils are:

Angus Council
East Ayrshire Council
East Dunbartonshire Council
The Moray Council
Perth & Kinross Council
Shetland Islands Council
South Lanarkshire Council
West Dunbartonshire Council

- 3.1 A number of councils have volunteered to undertake pilot assessments over the coming months. Output from these pilot sessions will be shared with the wider community.
- 3.2 Most councils have asked for their assessments to be conducted at the end of the assessment period. To support this, Scotland Excel will assess using multiple teams and aim to undertake most assessments in February 24 and March 24. All councils who have requested this will be randomly allocated an assessment week over this period.

- 3.3 Scotland Excel will immediately undertake a series of workshops across the sector to review typical evidence and to discuss each of the mandatory questions as a group to achieve a common understanding.
- 3.4 Scotland Excel will explore the use and support of the additional voluntary questions and agree a route forward for these.
- 3.5 The sector has agreed to proceed with assessments on the understanding that council level results will not be shared beyond individual councils. Sector reporting, where possible, will be shared beyond individual councils.
- 3.6 Suitable output will be provided by Scotland Excel at a council level. Unlike previous PCIPs, there is no overall score that an organisation can compare with other organisations or sectors. Any comparisons will have to be undertaken based on the four levels indicated in section 2 above.
- 3.7 One of the main benefits of sectoral assessment is the location and signposting of good practice. This will be a key aim of this assessment cycle.

4. Recommendation

The members of the Joint Committee are invited to note Scotland Excel's progress in supporting sectoral procurement assessments and that a subsequent report on findings will be presented to the Executive Sub and Joint Committee in June 24.

Appendix 1

<p>Procurement Influence (Previously 1.2)</p> <p>What level of influence does your procurement function have over routine and major procurement activity? What does your procurement function deliver to your organisation</p>	<p>Procurement professionals set all sourcing procedures.</p> <p>Procurement procedures and national policy are being adhered to</p> <p>All influenceable spend has had Procurement input helping to deliver sustainable and wider socio-economic outcomes. Relevant support can be found here https://bit.ly/3bj05tF</p>
<p>Procurement Strategy (Previously 1.3)</p> <p>In what ways is your organisation's procurement strategy linked to your organisation's corporate strategy? Where applicable is this procurement strategy delivering the sector's strategic objectives?</p>	<p>This is to demonstrate that your procurement function:</p> <ul style="list-style-type: none"> - understand their sector environment - how they help your organisation deliver its objectives, embedding wider national ambitions, such as climate. <p>Is this procurement strategy delivering the sector's strategic objectives? e.g. demonstrating compliance using the recent sustainable procurement SPPNs (that address supply chain diversity, social impact, fair work, climate and circular economy in procurement) and the sustainable procurement tools to focus on your local priorities in a relevant and proportionate way so that the organisation has an audit trail of how they have captured and addressed the right elements at in the right projects</p>
<p>Learning & Skills: Capability (Previously 1.5)</p> <p>What does the organisation do to develop existing procurement individuals and future talent?</p>	<p>The organisation can provide evidence of what they do to develop existing procurement individuals and also future talent.</p>
<p>Risk Management (Previously 1.7)</p> <p>What is the organisation's approach to managing risk and contingency planning within procurement activity?</p> <p>Project Team agreement to stay as previous cycle.</p>	<p>The corporate level understands how procurement risks affect the organisation and manages them well</p> <p>There is a clear understanding of why a Counter Fraud Strategy (CFS) is required, with controls in place.</p>
<p>Commercial Awareness & Acumen (Previously 1.9)</p> <p>What does the organisation do to promote commercial competence and ensure it is embedded within its organisation and culture?</p>	<p>The direction of travel for procurement is that we need much more focus on commercial acumen; judgement and negotiation skills than on process & procedures. We need to keep up - Thinking commercially and spend wisely.</p> <p>This should be wider then just Procurement in L2, L3 & HPA.</p>
<p>Continuous Improvement of Procurement Activity (Previously 1.10)</p> <p>What does your organisation do to drive continuous improvement in its procurement activity?</p>	<p>The organisation measures performance. The organisation seeks to improve procurement activities, processes and procedures</p>

<p>Climate Change (New Question)</p> <p>Does your organisation embed climate and circular economy considerations into your corporate procurement strategy and delivery?</p> <p>Does your Senior Management actively measure and recognise the positive environmental impact that procurement can make in a planned, organisational approach?</p> <p>Are progress and achievements included in your organisation's annual procurement reports?</p>	<p>You and your organisation have a responsibility to understand the climate emergency agenda; to be climate/ carbon literate; and to have an appreciation of how contracting activity can support net-zero aspirations throughout the contract lifecycle, using the national tools and support available and maximising engagement with supply chains.</p>
<p>Implementation & Exit Strategies, Life Cycle Planning (Previously 2.4)</p> <p>How does your organisation use implementation plans and exit strategies efficiently?</p>	<p>Ensure new contracts will be: - successfully implemented - drive maximum benefits (timescales, uptake etc.). Show consideration has been given to the end of an agreement</p>
<p>Contract & Supplier Management (Previously 3.1)</p> <p>What does your organisation do to manage contracts and suppliers?</p>	<p>Your organisation can demonstrate: - an understanding of who your key suppliers are - how suppliers should be managed - the benefits from contract and supplier management</p> <p>With evidence of CSM being used to drive compliance with Ts & Cs and delivery of targeted outcomes – i.e. prompt payment through the supply chain; climate; etc.</p>
<p>Contractual Obligations & Additional Benefits (Previously 3.2)</p> <p>What does your organisation do to work with suppliers throughout the life of a contract?</p> <p>How do these activities: - ensure contractual obligations are met? -identify and deliver additional benefits to both parties?</p>	<p>Firstly ensure suppliers are delivering what has been agreed. Then move towards continuous improvement and partnership models to drive additional value.</p>
<p>Lessons Learned (Previously 3.5)</p> <p>What benefits have been delivered through reviewing lessons learned from procurement exercises?</p>	<p>Reviewing, collating and distributing lessons learned as part of continuous improvement.</p> <p>Lessons learned have been applied and shared across similar organisations to maximise cross sectoral benefits.</p>

Scotland Excel

To: Joint Committee

On: 16 June 2023

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

Annual Procurement Report

1. Introduction

The Procurement Reform (Scotland) Act 2014 (the Act) works alongside procurement regulations to provide a national legislative framework for sustainable public procurement.

The purpose of the Act is to support Scotland's economic growth through improved procurement practice. The Act focuses on a small number of general duties on contracting authorities regarding their procurement activities and some specific measures aimed at promoting good, transparent and consistent practice.

Since the introduction of the Act public bodies with an estimated procurement spend of £5 million or more must publish an annual procurement strategy (or a published revision of the previous strategy) and an annual procurement report. The Act sets out what, as a minimum, each annual procurement report must contain. Scotland Excel is not obligated to produce an annual report, it is prepared and submitted on a voluntary basis, providing evidence of good practice carried out through collaboration in Scotland's public sector.

The annual procurement report sets out relevant and proportionate information to provide transparency of purchasing activities in the preceding financial year. The report must be published as soon as reasonably practicable after the end of the financial year, which for Scotland Excel was 31 March 2023.

The statutory guidance on the publication of an annual procurement report states that it must address all matters contained in an organisation's procurement strategy.

2. Annual Reporting on Procurement in Scotland

The 2014 Act also requires Scottish Ministers to publish an annual report on procurement activity in Scotland. It provides a collated overview of public procurement activity and is informed by the individual annual procurement reports published by contracting authorities in Scotland.

Annual procurement reports are expected to be published no later than five months following the end of the contracting authority's financial year. For Scotland Excel this means the annual procurement report for the financial year 2022/23 should be published no later than the end of August 2023, subject to approval from this committee.

The Scotland Excel annual report will then be considered along with those of other public bodies subject to this requirement and be included in the overview when the Scottish Ministers produce the national report.

3. Legislative Requirements

The Procurement Reform (Scotland) Act 2014 lists the minimum requirements that the annual procurement report must contain, as follows:

- (a) a summary of the regulated procurements that have been completed during the year covered by the report,
- (b) a review of whether those procurements complied with the authority's procurement strategy,
- (c) the extent that any regulated procurements did not comply, a statement of how the authority intends to ensure that future regulated procurements do comply,
- (d) a summary of any community benefit requirements imposed as part of a regulated procurement that were fulfilled during the year covered by the report,
- (e) a summary of any steps taken to facilitate the involvement of supported businesses in regulated procurements during the year covered by the report,
- (f) a summary of the regulated procurements the authority expects to commence in the next two financial years,
- (g) such other information as the Scottish Ministers may by order specify

4. Scotland Excel's Annual Procurement Report

The Scotland Excel Annual Procurement Report has been prepared, meeting the requirements of the Procurement Reform (Scotland) Act 2014 and is presented to the committee as Addendum A. The presented content will be uploaded into an interactive format for publication.

5. Recommendation

Committee members are requested to note the content of this report and approve publication of the Annual Procurement Report as provided at Addendum A, and subsequently for submission to the Scottish Government by September 30th 2023.

**Scotland Excel
Annual Procurement Report
(1 April 2022 – 31 March 2023)**

Prepared May 2023

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Scotland Excel Annual Procurement Report 2022/23

1. Introduction

Scotland Excel is the Centre of Procurement Expertise for the local government sector, established in 2008. We are a non-profit shared service governed by a joint committee made up of elected representatives from Scotland's 32 local authorities.

The 32 local authorities share around 80% of the costs associated with operating Scotland Excel with the balance being generated by working with the sector, offering collaborative procurement support and commercial expertise.

Central to our operating model is the delivery of effective commercial solutions for our members. We offer a contract portfolio, with a value of c £2bn, which provides support to a wide range of local government services. Included in the portfolio solutions for social care services, construction and property management, roads, transport and fleet operations, environmental services, and a wide range of goods required for corporate and educational settings. We also provide, in partnership with SEEMiS and The Digital Office, a range of ICT services.

Contracts are developed in consultation with local government representatives, from procurement, commissioning and technical backgrounds, to ensure our services meet the needs of Scottish communities. The structure of the contractual arrangements is always designed to encourage innovation, facilitate policy delivery, support local economic priorities and enhance social value in communities.

Scotland Excel provides value to our customers by ensuring our contracts meet the duties laid down in the Procurement Reform (Scotland) Act 2014 ("the Act"). Section 18 of the Act requires public bodies that publish a procurement strategy to prepare an annual procurement report.

This annual procurement report will set out the performance of Scotland Excel against the organisational Strategy and summarise the value delivered through procurement activity. The report documents our performance against our objectives and strategic targets including those associated with Fair Work First and Community Benefit.

Scotland Excel annually publishes an operating plan linked to its 5 year strategy which sets out the strategic direction for its procurement activity and details the context in which Scotland Excel will work to ensure value for money is achieved. In addition to the overarching Strategy, Scotland Excel also works with its partners to articulate its approach to delivering an effective contract portfolio through the Sustainable Procurement Strategy and a suite of Category Strategies.

These targeted and specific approaches ensure Scotland Excel's portfolio has been developed with consideration to the wider social, economic and environmental priorities in a manner consistent the sustainable procurement duty under the Act.

Scotland Excel publishes the Annual Procurement Report via our website <http://www.scotland-excel.org.uk/>.

2. Section 1 Summary of Regulated Procurements Completed

Section 18(2) of the Procurement Reform (Scotland) Act 2014 requires organisations to include: *“a summary of the regulated Procurements that have been completed during the year covered by the report”*.

A regulated procurement is completed when the award notice is published or where the procurement process otherwise comes to an end. This includes contracts and framework agreements. Appendix 1a provides a high-level summary of the regulated procurements Scotland Excel has completed between 1 April 2022 and 31 March 2023. The appendix includes the following:

- date of award
- title of the arrangement, giving the subject matter of the procurement
- estimated annual value of the arrangement
- date from which the arrangement starts and is available for use
- end date
- names of each of the suppliers awarded a place

Scotland Excel also operates a small number of dynamic purchasing systems (DPS) and flexible frameworks which are unique in that new suppliers can apply to be added during the period of these arrangements. Appendix 1b shows suppliers appointed between 1 April 2022 and 31 March 2023. During 2022/23 there were no additional suppliers appointed to the DPS for either Bikeability Scotland Training Providers or Digital Telecare Goods.

3. Section 2 Review of Regulated Procurement Compliance

Section 17 of the Act requires all regulated procurements to be carried out in line with the organisational procurement strategy. Section 18(2) states that an annual procurement report must include *“a review of whether those procurements complied with the authority’s procurement strategy”* and *“the extent to which any regulated procurements did not comply, and a statement detailing how the organisation will ensure that future regulated procurements do comply”*.

Scotland Excel’s approach to all procurement exercises is to construct the tender documents in line with a contract strategy. These strategies are developed with the User Intelligence Group for the procurement exercise, ensuring it fulfils the requirements at point of use.

Contract Strategies also reflect and adhere to the values and principles set out in the overall Procurement Strategy. A review of each Contract Strategy is carried out as part of Scotland Excel’s established governance procedures. Throughout the Procurement Journey individual procurement exercises are reviewed, evaluated and monitored at contract steering groups before proceeding to the next stage in the procurement process.

In addition, contract strategies reflect the Scotland Excel Procurement Strategy and ensure that procurement exercises follow a journey that embeds the organisations principles, values and objectives. Templates used in each exercise ensure relevant factors are captured and recorded against each framework.

The Contract Steering Group is responsible for governance of each appointed milestone of the procurement process from contract initiation through to contract termination/expiration in line with the Governance Gateways. These Governance Gateways are designed to ensure all Regulated Procurements are carried out in a manner compliant with the Act and with the organisational goals. A summary of how this process is used operationally is presented at Appendix 2a, including a table that sets out how the process was applied to live frameworks during the financial year 2022/23 (Appendix 2b).

Scotland Excel’s approach to strategic procurement maximises the added value potential in each procurement exercise. Extensive market and stakeholder consultation establishes the most effective blend of customer need to market capacity.

Key success factors are agreed in consultation with members. Financial savings targets for each procurement exercise are projected at the strategy stage and suppliers are obliged to provide detailed spend information. Through effective contract management quantitative and qualitative aspects are monitored and reviewed.

Performance against the strategy and objectives for 2022/23 is shown at Appendix 3. This part of the report summarises the progress made against operating plan commitments and uses a ‘traffic light’ symbol to provide a guide to the status of each activity.

4. Section 3 – Community Benefits and Fair Work First Summary

Section 18(2) of the Act states that it is mandatory for an annual procurement report to include *“a summary of any community benefit requirements imposed as part of a regulated procurement that were fulfilled during the year covered by the report”*.

Community Benefits are a statutory requirement in major public contracts. Scotland Excel ask suppliers to give Community Benefit commitments at point of tender and these are monitored and reported on throughout the duration of framework agreements.

Community Benefits are a high priority, key element of Scotland Excel’s sustainable procurement ethos and delivery plan. A process for gathering and reporting Community Benefits has been in place for the past decade, reaping results that have made a positive impact at a social and economic level for its membership.

The Covid-19 pandemic had a considerable impact on Scotland Excel’s supply base. Organisations temporarily closed, operated on a skeleton staff, and focused on the delivery of key services. The impact of the arrival of Brexit added further need for suppliers to make a shift in focus, and as a result Community Benefits become more difficult to deliver and less of a priority.

As a degree of relative stability returned by 2022, Scotland Excel considered how best to recover from a downward trend in its Community Benefit results. A Sustainable Outcomes Working Group was formed and given a remit that included a review of its Community Benefits process, and to refresh it if necessary.

Overview of Refreshed Community Benefits Process

A Sustainable Outcomes Working Group formed of members from across Scotland Excel’s procurement and project and account management team was formed in December 2021. The group was tasked with reviewing the Community Benefits process and refreshing it, if necessary. Early in 2022 a review was carried out on the internal processes and means by which Community Benefits were gathered and reported. Feedback was sought from member councils and, coupled with internal reviews, a more efficient method of gathering Community Benefits results was developed. This included implementing refined reporting processes using standardised documentation and embedding guidance documentation within tender documents.

Community Benefits submissions are made on a six-monthly basis by suppliers with more than £50k spend in the previous six months of recorded management information. The six-monthly cycle is aligned with Scotland Excel’s Joint Committee schedule, at which Community Benefits are reported.

The updated data collection uses an online survey model, and the information gathered is exported, sorted and presented into a new Community Benefits Reporting Master spreadsheet, enabled the results to be viewed easily by council and/or framework.

Guidance documents have been produced for Scotland Excel staff and staff involved in Community Benefits at member organisations. These documents provide clear definitions of the roles and responsibilities of all parties involved in the process. The guidance for Members includes sections on suggested contract management activity. Both documents are available on the Scotland Excel intranet and have been distributed to all Scotland Excel members.

One notable benefit of the roll out of the new Community Benefits process has been an increase in stakeholder engagement. Several councils have contacted Scotland Excel to discuss Community Benefits, the new process and how their own engagement with suppliers has been developing. As well as this, a number of suppliers have been in touch to discuss how they might best approach delivering Community Benefits. The increase in engagement with suppliers has highlighted an opportunity to target the marketplace with the intention of educating and promoting delivery of Community Benefits to Scotland Excel's supply base via a series of online supplier awareness sessions.

The community benefits delivered via the refreshed process will continue to be routinely reported to each meeting of Scotland Excel's Joint Committee in June and December.

The information provided for the period 1st April 2022 to 31 March 2023 has been collated from those reported in December 2022 and new information gathered for the period from 1 October 2022 to 31 March 2023 and is as follows:

Total number of hours of work experience for school/college/university students	15,411
Total number of apprenticeships recruited to deliver contracts	49
Total number of work placement for adults	14
Total number of volunteering hours	3815
Total number of employees recruited to deliver the contract	296
Total monetary value of other community benefits	£783,214

Scotland Excel recognises that Community Benefits have a considerable social, environmental and economic impact within local communities and we continue to encourage and grow awareness in this regard. The following activities will take place so that Scotland Excel continues to promote and maximise the potential delivery of Community Benefits:

Supplier Awareness Sessions

Scotland Excel is to host a series of Supplier Awareness Sessions that will see suppliers from across the portfolio invited to attend Microsoft Teams events. These events will see Scotland Excel deliver a presentation on Community Benefits, the requirements and expectations that agreeing to deliver Community Benefits on a Scotland Excel framework entails, presentations by framework suppliers who provide best practice examples of a Community Benefits delivery program, and an opportunity for suppliers to make any related enquiries they may have on the topic. It is Scotland Excel's intention to run these sessions in the summer of 2023.

Member Forum

Scotland Excel is to host a Community Benefits Forum at which representatives of all members will be invited to attend. This forum will allow members to share best practice and experience and discuss any and all issues pertaining to Community Benefits. Scotland Excel is in the process of building an agenda for this event, with the intention of holding it at the Scotland Excel offices in the summer of 2023.

Contract Management

It is the responsibility of Scotland Excel contract owners to monitor framework spend and advise members and suppliers when Community Benefit spend thresholds, as described and agreed upon at the time of tender, are breached. This will allow members and suppliers to then proceed with discussing and arranging the delivery of Community Benefits. Contract owners will also ensure Community Benefits are on the agenda during framework mobilisation meetings, and at contract management meetings for the duration of the framework's lifetime. This is an ongoing contract management activity.

Fair Work First

Another important aspect of framework development is the inclusion of Fair Work practices, in August 2021 the Scottish Government updated guidance and aligned recommendations with Fair Work First policies. This saw an expansion of the guidance from five elements to seven. Fair Work First asks that businesses bidding for a public contract commit to adopting the following:

- appropriate channels for effective voice, such as trade union recognition
- investment in workforce development
- no inappropriate use of zero hours contracts
- action to tackle the gender pay gap and create a more diverse and inclusive workplace
- providing fair pay for workers (for example, [payment of the real Living Wage](#))
- offer flexible and family friendly working practices for all workers from day one of employment
- oppose the use of fire and re-hire practices.

Public bodies were asked to apply the new guidance to procurement exercises starting after 31 October 2021. In addition, on 15 October 2021 the Scottish Government published a statement in which they outlined their intention to mandate the payment of the Real Living Wage where legally possible.

Scotland Excel has included formal consideration of the payment of the Living Wage in tenders issued since early 2015. Each Contract for Approval report to Scotland Excel's Executive Sub Committee includes information on the respective position of all bidders work practices, including payment of the Real Living Wage. In February 2022 the Executive Sub Committee were invited to note an update on matters relating to the payment of the Real Living Wage in which Scotland Excel confirmed intent to seek means of improving the level of commitment suppliers make to paying the Real Living Wage and to mandate wherever legally possible.

At the close of the financial year 1031 suppliers were awarded to Scotland Excel framework agreements, of which 897 (87.0%) notified that they pay the Real Living Wage. For

frameworks awarded during 2022/23, 287 (85.7%) of suppliers notified that they pay the Real Living Wage. This is recorded in the following categories, recognising the accreditation of some suppliers and the self-assessment of others.

Accredited	Paying & Commitment to Accreditation	Paying & Progressing Accreditation	Paying but No Commitment to Accreditation	Not Paying but Commitment to Pay	Not Paying
262 (25.41%)	84 (8.15%)	53 (5.14%)	498 (48.30%)	38 (3.69%)	96 (9.31%)

Table 2: Payment of Real Living Wage

Scotland Excel continues to ensure this approach is set out within the tender process and that relevant aspects of fair work are referenced in each framework. Scotland Excel continues to monitor and encourage the implementation of fair working practices during the active period of frameworks and to work closely with suppliers to enhance performance.

5. Section 4 – Supported Businesses Summary

Section 18(2) of the Act requires organisations to summarise steps taken to facilitate the involvement of supported businesses in regulated procurement. Scotland Excel recognises that supported businesses provide a crucial contribution to the Scottish economy.

Supported businesses are defined as: *“an economic operator whose main aim is the social and professional integration of disabled or disadvantaged persons where at least 30% of the employees are disabled or disadvantaged”*. Contracts may be reserved for those businesses meeting these criteria.

At Scotland Excel the involvement of supported businesses in regulated procurements is considered at the strategy development stage. As commodity strategies are mandatory for all regulated procurements undertaken by Scotland Excel, the involvement of supported businesses is therefore considered in all regulated procurements.

Within the portfolio of contracts reviewed in 2022/23 no contracts were reserved for supported businesses. However, in line with its sustainable procurement duty and procurement strategy, all procurement exercises undertake a sustainability assessment. Due diligence in this way means evaluations are conducted to determine ways in which sustainability, including the use of supported businesses can be maximised.

We explore appropriate ways to include supported businesses in frameworks as demonstrated by the appointment Scotland's Bravest Manufacturing Company within the Roads Signage Materials Framework. During 2021 a potential opportunity was explored when tendering for Personal Protective Equipment (PPE). The market for PPE has evolved since the Coronavirus pandemic created the need for items of PPE associated with infection control. Scotland Excel aimed to offer opportunities to the widest supply base possible to ensure new entrants and smaller, more socially constituted businesses could bid. One mechanism explored was the inclusion of a lot within the framework being reserved to attract any support businesses with PPE products to offer. This approach could not be developed into a legally compliant model. A separate reserved contract alone for PPE would not have met the needs of the customer base in terms of range or volumes of products so the tender was issued without reservation.

To ensure we continue to support this developing market Scotland Excel had sought to include a reserved framework for supported businesses offering PPE products in planned procurements scheduled for 2022/23. Due to the level of interest in the renewal PPE framework delivered in 2022/23 this new development was delayed and is now listed in planned procurement for 2023/24.

Scotland Excel offers a domestic furnishing framework which supports new tenancies and welfare support for those with housing needs. In recognition of the prevalence of supported businesses operating in the domestic furniture and furnishings market Scotland Excel has listed a small number of items, within the commercial offer attachment for lot 1, which can be sourced from supported businesses. These are labelled “Supported Business” under the category column and include bedroom and living room items. These items are introduced as an opportunity to establish supply chain relations which can be developed over the lifetime of the framework.

We also work with framework suppliers to drive partnership relationships with supported businesses. The New Build Residential Construction and Energy Efficiency Contractors frameworks have clauses within them which seek the involvement in the supply chains of the awarded construction companies.

Scotland Excel understand supported businesses can make a key contribution to local impact, are vital to the Scottish economy and that they provide essential job opportunities for disabled and disadvantaged people within communities which enable them to become more independent, while also delivering a range of excellent goods and services. Scotland Excel will continue to work with councils and suppliers to promote working relationships with their local supported businesses.

6. Section 5 – Future Regulated Procurements Summary

Section 18(2) of the Act states it is mandatory that an annual procurement report must include *“a summary of the regulated procurements the authority expects to commence in the next two financial years.”*

Scotland Excel provides information on its portfolio to appropriate levels of transparency and proportionality, to encourage competition and to achieve better value for money.

Scotland Excel will continue to engage and communicate with framework users and potential suppliers. Every framework process is started with the issue of a Prior Information Notice consistently providing advance notice of future opportunities.

Scotland Excel has 39 regulated procurements due for renewal (or subject to contract extension) over the next two financial years. In addition, Scotland Excel plans to complete regulated procurements for five new contract areas in financial year 2022/23. Details of these anticipated contract requirements are shown in Appendix 5.

7. Section 6 – Additional Considerations

At Scotland Excel, we are leaders of change in the way commercial activities within the Scottish public sector are undertaken. An ongoing driver of development has been to raise the profile of procurement in the public sector.

Our vision is: To provide collaborative, innovative and transformative solutions that support social, economic and environmental wellbeing.

Our Mission is: we will make the most of our expertise and experience by leading and collaborating on solutions that support local and national aims for fairer, wealthier and greener communities.

The following principles, which were developed by staff from across the organisation, guide our approach to our work.

- Professional - We establish goals and objectives to achieve excellence and demonstrate leadership in everything we do.
- Courageous - We listen with an open mind and respond honestly and constructively.
- Respectful - We achieve the best possible outcomes through our determination, resilience and innovation.
- Integrity - We are transparent and fair in all our actions securing trust and building confidence.

Since Scotland Excel was formed in 2008 local authorities have worked with us to realise the potential of procurement and associated disciplines to shape markets, support policy priorities and ensure the delivery of sustainable services, needed in every community.

Scotland Excel services are designed to help councils meet the twin challenges of reducing budgets and growing demand. Scotland Excel and councils working jointly can maximise social, economic and environmental benefits in an efficient and collaborative manner. Working together ensures money is saved to protect front line services.

During 2023 Scotland Excel will be reviewing the relationship between strategic priorities for procurement alongside those national priorities recently published in the Public Procurement Strategy for Scotland.

Furthermore, the Scotland Excel Net Zero Strategy was approved by the Executive Sub Committee in March 2023. This was to respond to the 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. During 2023/2024 activity is ongoing to embed environmental responsible approaches into contracting activities in accord with climate and circular economy considerations.

Scotland Excel also offers an award-winning learning and development programme, and provides assessment, consultancy and improvement services to help councils transform their procurement capability.

We represent the sector at a national level on matters relating to public procurement and provide procurement support for a range of national sector initiatives.

At Scotland Excel, we are committed to demonstrating innovation and continuous improvement in everything we do. The organisation has won several awards for its work.

We also hold accreditations which reflect our commitment to best practice in procurement, organisational development and workforce matters.

CIPS Procurement Excellence Program - Standard Award - This award signifies that Scotland Excel has all the procurement governance mechanisms in place for effective supply assurance and compliance.

Investors in People (IiP) Gold accreditation - IiP is a UK government initiative, providing a best practice people management standard, and is regarded as an indication that Scotland Excel is a great employer, an outperforming place to work and has a clear commitment to sustainability.

Chartered Management Institute Approved Centre- Scotland Excel is an approved centre for the delivery and assessment of CMI leadership and management qualifications.

Living Wage - Scotland Excel is proud to be a Living Wage employer. Living wage is a voluntary hourly rate set independently and updated annually, calculated according to the basic cost of living in the UK.

Appendix 1a: Procurement Completed 1 April 2022 to 31 March 2023

Schedule No.	Award Date	Title	Total Annual Value	Start Date	End Date	Supplier Name
1120	18/04/2022	Supply Only and Supply & Distribution of Frozen Foods	£25,000,000	18/04/2022	31/03/2026	Bfs Group Ltd (T/a Bidvest Catering Supplies), Brake Bros Ltd, Downies Of Whitehills, Failte Food Service Limited, Green Gourmet Ltd, Marlow Foods Ltd T/a Quorn Foods, Shetland Freezer And Food Centre Limited, The Uk Foodhall Ltd, Unilever Uk Limited, William Yule And Son Limited, Mccain Foods (gb) Ltd, Delice De France Ltd, Tugo Food Systems Limited
0121	27/04/2022	Vehicle and Plant Hire	£15,000,000	01/05/2022	20/02/2026	Accident Repair Centre (scotland) Limited Trading As Arc Fleet Services, Acl Hire Limited, Acre Industrial Services Limited, Aebi Schmidt Uk Ltd, Akro Plant Ltd (t/a Akro Multihire), Andrews Sykes Hire Limited, Arnold Clark Finance Ltd (car & Van Rental), Brown Plant Hire Ltd, Bryson Tractors Limited, Bucher Municipal Ltd (previously Johnston Sweepers Ltd), Clee Hill Plant Ltd., Cooks Van Hire Limited, Doherty And Lafferty Ltd, Econ Engineering Ltd, FMS Vehicle Rental Ltd, Fraser C Robb Limited, GAP Group Ltd (T/A GAP Plant & Tool Hire), Hamilton Bros (engineering) Limited, Hamilton Industrial Services Ltd, Hillhouse Quarry Group Ltd, Hyndford Plant Ltd, James A. Cuthbertson, Limited, John Mcgeady Ltd, Lomond Plant Ltd, Multevo Limited Trading As Multihog Uk Limited, Mv Commercial Ltd, Nationwide Platforms Ltd, Northgate Vehicle Hire Ltd, Ravenhill Limited, Riverside Truck Rental Ltd, Robert McCarroll Ltd, Romaquip Ltd, Sweeney Plant & Vehicle Hire Ltd, Vanlee Transport, WH Malcolm Ltd, Wm Hamilton & Sons Limited, Amk Plant And Tipper Hire Limited, Dawsongroup Bus And Coach Limited, Dawsongroup Sweepers Limited, Dawsongroup Vans Limited, Dr Plant Hire Ratho Limited, Duncan Mackay And Sons Limited, G.m. Leitch Ltd, Gary Lague Plant Hire, A Partnership, Harris Vehicle Hire Ltd, Ian Hunter T/a St Boswells Mowers, Jarvie Plant Limited, Mccoll Vehicle Hire Ltd., The Multi Fuel Stove Company Limited, Peter Vardy Limited, Scotjet Limited, Sunbelt Rentals Limited, Tip Trailer Services Uk Limited, Vms (fleet Management) Limited
1221	16/05/2022	Pest Control Services and Associated Products	£1,000,000	16/05/2022	31/01/2026	Killgerm Chemicals Limited, Anderson Pest Prevention, Terminix Uk Limited, Contego Environmental Services Ltd, Horizon Environment Services Limited T/a Pestokill, Rca Pest Services Ltd T/a Pest Solutions, Rentokil Initial Uk Ltd T/a Rentokil Pest Control Uk
2119	27/05/2022	Electric Vehicle Charging Infrastructure	£20,000,000	30/05/2022	29/05/2026	Bmm Energy Solutions Ltd, Centregreat Ltd, Chargemaster Ltd T/a Bp Pulse, Connected Kerb Limited, Easy Heat Systems Ltd, Enerveo Limited, Everwarm Ltd, Jorro Ltd, Juuce Ltd T/a Eo Charging, Boyd Brothers (fauldhose) Ltd, City Electrical Factors Ltd, Edmundson Electrical Ltd, Entrust Smart Home Microgrid Ltd, Gilbarco Veeder-root Limited, Gph Builders Merchants Limited, John G. Mackintosh Limited, Liberty Charge Limited, Metric Group Ltd, Morrison Energy Services Ltd, Mp Group U K Limited, Munro Wilson Limited, Procast Energy Services Ltd, Rexel UK Ltd, Ross-shire Engineering Ltd, Saltire Facilities Management Ltd, Scottishpower Energy Retail Limited, SSUK Ltd, Story Contracting Limited, Swarco Uk Limited, Valley Group Limited, W.g.m (engineering)limited, Yunex Limited, Zaptec U.k. Ltd
0621	31/05/2022	Supply & Delivery of Personal Protective Equipment (PPE) including Pandemic Recovery Items & Workwear	£15,000,000	01/06/2022	31/05/2026	Arco Ltd, GMC Corsehill, Unico Ltd, Bunzl Greenham, Lion Safety, Cleaning and Wiping Supplies Ltd., Rexel UK Ltd, Lyreco Uk Limited, Corston Sinclair Limited, Aspire Industrial Services Limited, Stax Trade Centres plc, B.c.b. International Limited, Baca Workwear & Safety Ltd, Bgs Uk 2019 Ltd, Bluetree Design And Print Limited, Creative Activity Group Limited, D.r. Caswell Limited, Valmy Sas Ltd, Enviroclean Global Ltd, Eumar Technology Limited, Nuline Limited, Ilasco Limited, Polypak Plastene Limited, Protective Wear Supplies Ltd, The Guthrie Group Ltd, Healthy Bean Ltd, Morna Laird Ltd (t/a Mckinlay Workwear Supplies), Thomas Graham & Sons Limited, Rs Components Limited , Streamline Corporate Limited, James Boylan Safety (ni) Ltd T/a Jbs Group, Sunbelt Rentals Limited, Gibb & Beveridge (Engineering Agencies) Ltd, P. F. Cusack (tools Supplies) Ltd, Stiven Limited , Pls Medical Limited , Reliance Medical Ltd, Global Health And Safety Ltd, Solar Medical & Chemical Limited, Eurox UK (Future Garments Ltd), Pfg Brand Attraction Europe Limited, Baillieston Community Care, Jw Brown Industrial Services, A Partnership, T.R. Bonnyman, Son & Company Limited, Mi Hub Limited Trading As Alexandra

Appendix 1a continued: Procurement Completed 1 April 2022 to 31 March 2023

Schedule Number	Award Date	Title	Total Annual Value	Start Date	End Date	Supplier Name
1921	07/07/2022	Repair and Maintenance of Catering Equipment	£1,500,000	01/07/2022	30/04/2026	Fast Fixx, Clr Service And Sales Ltd, Catering Supplies And Repairs Company Ltd, Fusion Clc Limited, Lovat's Catering Engineering Services Limited T/a Lovat's Group, Scamac Catering Equipment Ltd, Merchant City Refrigeration (scotland) Ltd, C&M Environmental Ltd., Itw Ltd T/a Hobart Uk Service
0222	27/07/2022	Employability Services Flexible Dynamic Purchasing System	£20,000,000	27/07/2022	31/05/2026	Aberdeen Foyer, Access To Industry, Apex Scotland, B.r.a.g. Enterprises Limited, Board Of Management Of Dundee And Angus College, Board Of Management Of Moray College, South Lanarkshire College, Bridges Project, Brothers Of Charity Services (scotland), Building New Futures Limited, Business Development Advisers Limited, Calman Trust, Cantraybridge, Capita Business Services Ltd, Ceis Ayrshire, Cemvo Enterprises Cic, Clackmannanshire Economic Regeneration Trust Scio, Claire Maclean Illustration, Code Division Ltd, Codeclan Limited, Connect Community Trust Ltd, Community Renewal Trust, Culture & Sport Glasgow, Cyrenians, Deap Limited, Dg Training, Dcg Training Services Limited, Dimensions Training Solutions Limited, Direct Partners Limited, Donside Consultants Limited, Enable Scotland (leading The Way), Fare Scotland Ltd., Fedcap Employment Scotland Limited, First Steps Future Training Limited, Forth Valley College Of Further And Higher Education, Uk, Glasgow Chamber Of Commerce And Manufactures, Gtg Training Limited, Gp Strategies Training Limited, GTS Solutions CIC, Hi! Ambassadors Limited, Hope Amplified, Hsc Futures Ltd, Impact Arts (projects) Limited, Include Us, Ingeus Uk Limited, Inspiralba Ltd, Into Work, Inverclyde Community Development Trust, Jobs 22 Ltd, L&g Learning (scotland) Ltd, Lamh Recycle Limited, Lets Get Sporty Cic, Lowland Training Services Ltd., Maximus Uk Services Limited, Mckenzie Horn Limited, Moray Reach Out, Move On, National Schizophrenia Fellowship (scotland) T/a Support In Mind Scotland, Nc Resources Limited, New College Lanarkshire, New Start Highland, Next Generation Training Limited, Nigg Skills Academy Limited, One Parent Families Scotland, Outfit Moray, Parker Enterprise Company Ltd, Peopleplus Group Limited, Primed Talent Limited, Qualitas International Limited, Reed In Partnership Limited, Right Options Partners Ltd, Right Track Scotland Limited, Salus Occupational Health, Safety & Return To Work Services, Salvation Army Trustee Company(the), Sba Nationwide Limited, School Of Hard Knocks, Scottish Association For Mental Health, Scottish Council For Voluntary Organisations, Seol Trust, Shaw Trust Limited(the), Sinclair Wellbeing And Training Solutions Ltd, Skills Exchange Scio, Social Enterprise Academy (scotland), Southwest Arts And Music Project, St Giles Trust, Station House Media Unit, Street League, Tes Inc Limited, The Bridges Programmes, The Digital College Ltd, The Furniture Project (Stranraer) Ltd., The Growth Company Limited, The Larder West Lothian, The Lennox Partnership Limited, The People Portfolio, The Prince's Trust, The Training Team (scotland) Limited, The Volunteer Centre - The Centre For Volunteering Community Action And Employment Initiatives, The Wise Group, Training Initiatives Limited, Training For Care, Tre-life C.i.c., Triage Central Limited, Unity Enterprise, Verg Ltd, Volunteering Matters, West College Scotland, West Lothian College, Women's Business Station C.i.c., Workers' Educational Association, Working Rite, Works+, Action For Children, Barnardo's, Salvation Army Trustee Company (the) T/a The Salvation Army
0921	02/08/2022	Supply and Delivery of Library Books and Textbooks	£14,000,000	01/08/2022	31/07/2026	A.T Little & Sons (T/A Browns Books), Askew & Holts Library Services Ltd, Peters Limited, Ebsco International Inc., Scotia & Chameleon Books Ltd, Wf Howes Ltd, Ulverscroft Limited, Glowworm Books & Gifts Ltd, Waterstones Booksellers Ltd, Oxford University (T/A Oxford University Press), Kelvin Books Ltd, Bright Red Publishing Ltd, Hodder & Stoughton Limited t/a Hodder Gibson, Star Books, Blackwell
1021	28/07/2022	Supply of Digital Publications and Services	£1,000,000	01/08/2022	31/07/2026	Bolinda UK Ltd, Ebsco International Inc., Overdrive Inc., Ulverscroft Limited, Bibliotheca Limited, Wheelers Eplatform Limited
2021	01/08/2022	Supply, Delivery, Installation and Maintenance of Water Coolers and Associated Consumables	£1,000,000	01/08/2022	06/07/2026	Eden Springs Uk Ltd, Waterlogic Gb Limited, Zip Heaters (uk) Ltd T/a Zip Water (uk) Ltd, Aquaid Franchising Ltd (t/a Aquaid Glasgow), Total Refreshment Solutions Ltd T/a Alba Water, Excel Vending Ltd

Appendix 1a continued: Procurement Completed 1 April 2022 to 31 March 2023

Schedule Number	Award Date	Title	Total Annual Value	Start Date	End Date	Supplier Name
1121	30/11/2022	Children's Residential Care and Education, including Short Break, Services Flexible Framework Agreement	£158,500,000	01/10/2022	30/09/2028	Abbeyfield Lodge Limited, Aberdeen Association Of Social Services (trading As Vsa), Aberlour Child Care Trust, Action For Children Services Limited, Applied Care And Development Limited, Archway (Respite Care & Housing) Limited, Aspire Scotland Limited, Aspris (troupe House) Limited, Camphill Rudolf Steiner Schools Limited, Capability Scotland, Care Visions Group Limited, Clearview Care Limited, Crannoch Residential Child Care Resource Ltd, Crossreach (the Operating Name For The Church Of Scotland Social Care Council), East Park School, Fts Care Ltd, Harmeny Education Trust Ltd, Hillside School (aberdour) Limited, Inspire Scotland Ltd, Kibble Education & Care Centre, Moore House School Limited, Nas Services Limited, Orchard Cottage Care Ltd, Royal Blind Asylum And School Edinburgh T/a Sight Scotland, Partners In Care Limited T/a Pebbles Care, Rossie Young People's Trust, Scottish Autism, Seamab, Sense Scotland, Spark Of Genius (training) Limited, St Philips School Plains, Starley Hall School Limited, The Community Connections Group Ltd, The Scottish Centre For Children With Motor Impairments, The Mungo Foundation, The Jane Moore Trust, Bachlaw Limited, Cherry Blossom Children's Residential Home Ltd
0122	06/09/2022	Provision and Delivery of Washroom Solution and Sanitary Products	£6,000,000	01/10/2022	30/09/2026	Co-an Uk Ltd, Perfect Hygiene Ltd, Personnel Hygiene Services Limited, Rentokil Initial Services Limited T/a Initial Washroom Hygiene, Grace & Green (by Eco Hygiene Care Limited), Hey Girls Cic, Tcs-eco Ltd., Totshots Ltd, Unico Ltd, Elis Uk Limited, Citron Hygiene Uk Limited
1621	20/09/2022	Supply and Delivery of Roadstone Materials	£25,000,000	01/10/2022	30/09/2026	A&w Sinclair Ltd, Breedon Trading Limited, Gph Builders Merchants Limited, Grange Quarry Limited, Hillhouse Quarry Group Ltd, John Gunn & Sons Limited, Leiths (scotland) Ltd, Luce Bay Plant Hire Limited, Patersons Of Greenoakhill Limited, Pat Munro (alness) Limited, Skene Group Construction Services Limited, Tarmac Trading Limited, Tillicoultry Quarries Limited, William Thompson & Son (dumbarton) Limited
1521	30/09/2022	Salt for Winter Road Maintenance	£17,500,000	01/11/2022	31/10/2026	Compass Minerals Uk Ltd, Glasdon (uk) Limited, ICL UK (Sales) Limited, The Irish Salt Mining & Exploration Company (T/A Salt Sales Company), J.c. Peacock & Co., Limited, Safecote Limited
0420	28/11/2022	Outdoor Play and Sports Facilities Framework	£15,000,000	28/11/2022	31/07/2026	Broxap Limited, Hags-smp Limited, Hawthorn Heights Ltd, Jupiter Play & Leisure Ltd, Kompan Scotland Ltd, Proludic Ltd, Scotplay & Sports Ltd, Sutcliffe Play (Scotland) Ltd, Wicksteed Leisure Ltd, Allsports Construction & Maintenance Ltd, Landcare Solutions (Scotland) Ltd, T & N Gilmartin (Contractors) Ltd, Doe Sport North Ltd, Hunter Construction (Aberdeen) Ltd, Sportex Group Ltd, Sportsmasters (uk) Limited, Bendcrete Leisure Ltd, MAC Consulting (Scotland) Ltd, Sports Labs Ltd, Play Services Ireland Ltd, All Play (ireland) Ltd, Russell Leisure Ltd (t/a Russell Play), Abacus Playgrounds Ltd, Caledonia Play Ltd, Inclusive Play (uk) Ltd, Playscapes Scotland Ltd, Timberplay Scotland Ltd, Active Playground Management Ltd, Fairways Sportsgrounds Ltd, Tony Patterson Sportsgrounds Ltd
0202	02/12/2022	Vehicle Purchase RM6244	£5,000,000	02/12/2022	28/11/2026	Bmw (uk) Ltd, Citroen UK Ltd, Fiat Chrysler Automobiles Uk Ltd, Ford Motor Company Limited, Hyundai Motor Uk Limited, Innovation Automotive Limited, Isuzu (uk) Limited, Jaguar Land Rover Limited, Kia Uk Limited, Mazda Motors Uk Limited, Mercedes-benz Cars Uk Limited, Mg Motor Uk Ltd, Nissan Motor (gb) Limited, Peugeot Motor Company Plc, Renault U.k. Limited, Suzuki Gb Plc, Tesla Motors Ltd, Toyota (g.b.) Plc, Toyota Gibraltar Stockholdings Ltd, Audi Uk, Seat Uk, Skoda Uk, Cupra Uk, Volvo Car Uk Limited, Arrival Uk Ltd, Harris Maxus, Iveco Limited, Mercedes-benz Vans Uk Limited, Switch Mobility Limited, Volkswagen Commercial Vehicles, Renault Trucks Uk Ltd, MAN Truck & Bus UK Ltd, Vauxhall Motors Limited, I.m.nev Motor Distributors (uk) Ltd (gwm Ora Uk), Volkswagen Group United Kingdom Limited Trading As Volkswagen Uk
0202b	02/12/2022	Vehicle Purchase RM6244 (Leasing)	£5,000,000	02/12/2022	28/11/2026	Bmw (uk) Ltd, Citroen UK Ltd, Fiat Chrysler Automobiles Uk Ltd, Ford Motor Company Limited, Hyundai Motor Uk Limited, Innovation Automotive Limited, Isuzu (uk) Limited, Jaguar Land Rover Limited, Kia Uk Limited, Mazda Motors Uk Limited, Mercedes-benz Cars Uk Limited, Mg Motor Uk Ltd, Nissan Motor (gb) Limited, Peugeot Motor Company Plc, Renault U.k. Limited, Suzuki Gb Plc, Tesla Motors Ltd, Toyota (g.b.) Plc, Toyota Gibraltar Stockholdings Ltd, Vauxhall Motors Limited, Audi Uk, Volvo Car Uk Limited, Seat Uk, Cupra Uk, Arrival Uk Ltd, Harris Maxus, Iveco Limited, MAN Truck & Bus UK Ltd, Mercedes-benz Vans Uk Limited, Switch Mobility Limited, Volkswagen Commercial Vehicles, Renault Trucks Uk Ltd, I.m.nev Motor Distributors (uk) Ltd (gwm Ora Uk), Volkswagen Group United Kingdom Limited Trading As Volkswagen Uk, Skoda Uk

Appendix 1a continued: Procurement Completed 1 April 2022 to 31 March 2023

Schedule Number	Award Date	Title	Total Annual Value	Start Date	End Date	Supplier Name
1022	16/12/2022	Supply and Delivery of First Aid Materials	£2,000,000	09/01/2023	08/01/2027	Aero Healthcare Ltd, Arco Ltd, Fast-aid Products Ltd
1721	16/01/2023	Social Care Agency Workers Flexible Framework Agreement	£20,000,000	16/01/2023	15/01/2027	Aberness Care Limited, Aberness Recruitment Agency Limited, Ailsa Care Services Ltd., Allied & Clinical Recruitments Limited, Asa International Limited, Trading As Asa Recruitment, Caledonia Healthcare Limited, Florence Staffing Ltd, Caring Hearts Recruitment Ltd, Gsr Nursing Ltd, H1 Healthcare Solutions Ltd, Hsc Futures Ltd, Hunter Gatherer Ahp Resourcing Limited, Independent Clinical Services Limited T/a Scottish Nursing Guild, Jobs & Co Limited, Kenylink Services Limited, Liquid Personnel Limited, Mitchell & Murdoch Care Ltd, Mvn Associates Limited, Newcross Healthcare Solutions Limited, Oncall Care Service Ltd, Pegasus Healthcare Solutions Limited, Red Sector Recruitment Ltd, Reed Specialist Recruitment Limited T/a Reed Community Care, Sanctuary Personnel Limited, Search Consultancy Ltd, Service Care Solutions Limited, Seven Resourcing Limited, Srs Partnership Limited, Staffscanner Ltd, Taylor Davenport Resourcing Ltd, The Social Care Community Partnership Limited (tsccp), Tripod Partners Limited, Uk Private Healthcare Limited
1222	21/02/2023	Supply and Delivery of Janitorial Products	£12,000,000	01/03/2023	28/02/2027	Alliance Disposables Ltd, Arrow County Supplies Limited, Aspire Industrial Services Limited, Bunzl Uk Limited T/a Bunzl Cleaning And Hygiene Supplies, Enviroclean Global Ltd, GMC Corsehill, Ot Group Limited T/a Office Depot, Personnel Hygiene Services Limited, Prime Industrial & Janitorial Supplies Ltd, The Guthrie Group Ltd, Unico Ltd, Instock Disposables

Appendix 1b - Appointments to DPS or Flexible Framework 1 April 2022 - 31 March 2023

Title	Supplier/Provider	Date of Award
Employability Services (DPS)	Galloway Training Limited	03 August 2022
	Generation: You Employed, Uk	03 August 2022
	Jennifer Cantwell	03 August 2022
	M I Technologies Limited	03 August 2022
	Moving On Employment Project Limited	03 August 2022
	Parent Network Scotland	03 August 2022
	The Tell Organisation Limited	03 August 2022
	The Wheatley Foundation Limited	03 August 2022
	Better Lives Partnership	22 August 2022
	Glasgow Council For The Voluntary Sector	22 August 2022
	Rural & Urban Training Scheme Limited	22 August 2022
	Routes To Work Limited	08 November 2022
	Business In The Community	25 November 2022
	New Generation Training And Consultancy Limited	29 November 2022
	Advice Direct Scotland	29 November 2022
	Enterprise North East Trust Ltd T/A Elevator	29 November 2022
	Glasgow Clyde College	29 November 2022
	Nithcree Training Services Limited	15 December 2022
	Heavy Sound C.I.C.	22 December 2022
	Strive Training (London) Limited	25 January 2023
	Simon Community Scotland	25 January 2023
Recyclable and Residual Waste (DPS)	Board Of Management Of Dumfries And Galloway College	07 February 2023
	Venture Trust (The)	01 March 2023
	Keenan (Recycling) Limited	17 June 2022
Care and Support (Flexible Framework)	Clearwater D C 2001 Limited	12 September 2022
	Panda Rosa Metals, a Partnership	13 September 2022
	Adigo Limited	22 April 2022
	Baillieston Community Care	22 April 2022
	Blessing Grace Limited t/a Cura	22 April 2022
	Cairllum Care Ltd	22 April 2022
	Care No1 Ltd t/a The No1 Care Agency	22 April 2022
	Cluaran HCS Limited	22 April 2022
	CSN Care Group Limited	22 April 2022
	Direct Care Service Limited	22 April 2022
	Hands-On Homecare Limited	22 April 2022
	Hanover (Scotland) Housing Association Limited	22 April 2022
	HK-Care Consulting Limited	22 April 2022
	Inverclyde Association for Mental Health	22 April 2022
	Nacor Healthcare Services Ltd	22 April 2022
	P4C Homecare Ltd	22 April 2022
	Plus Homecare Ltd	22 April 2022
	Safe Hands Support Scotland Ltd	22 April 2022
	Scotia Care Ltd	22 April 2022
	The Beeches Home Care Agency Limited	22 April 2022
Care Homes for Adults with Learning Disabilities (Flexible Framework)	The Good Care Group Scotland Limited	22 April 2022
	The Michael Tracey Project	22 April 2022
	Phew (Scotland)	26 August 2022

Appendix 2a: Governance Gateways

	Process Stage
1	Contract Initiation
2	Market Research and Analysis
3	Communicate Strategy Pack to UIG for Review
4	Strategy Approved
	4a Initial Approval
	4b. Alignment with overall corporate objectives
	4c Approach for Participation & Benchmarking
	4d. Sustainable Procurement Duty
	4e. Authorise release to UIG & CPMs for information with benchmarking requests
5	Draft PQQ
6	PQQ Approved (sub -stages subject to use of Restricted Process)
7	Tender Documents Approved
	7a Overall Tender Approved
	7b Approved that Strategy Requirements met
	7c Evaluation Methodology and Weightings Approved
8	ITT Issued via PCS and benchmarking templates to Councils
9	Tender Period (Incl Clarifications)
10	Tender Return Date - Any Extension?
11	Tenders Opened and Recorded
12	Tender Analysis Evaluation
13	Tender Evaluation Approved (includes 5 substages)

	Process Stage
14	Prepare Sub Executive Committee Report
15	PTN Approved
16	Conduct PTN
17	Executive Sub-Committee Report Approved
18	Executive Sub-Committee Authorisation to Award
19	Prepare and Issue Standstill Letters
20	Standstill Period
21	De-brief Unsuccessful Tenderers
22	Standstill Period Expired
23	Prepare Contract Award Letters
24	Contract Award Letters Issued
25	Contract Award Notice Approved
26	Contract Award Notice Published
27	Mobilisation Implementation Plan
28	Contract Start Date
29	Contract Management Annual Review
	29a Overall CM Report Approved
	29b Approved Strategy Requirements/Agreed Variations met
	29c Next Steps Plans Approved
30	Extension Reports subject to terms of F/work (incl Approval Requests)






Appendix 2b: Governance Gateways and application to contracts 22/23

Contract	Report Type						
	Options Appraisal	Strategy	Evaluation Methodology	Recommendations	Executive Sub Committee Report	Annual Report	Extension Report
Alcoholic Beverages							15/05/2022
Asbestos Related Works and Services		18/10/2022					22/06/2022
Audio Visual Equipment		20/10/2022	03/11/2022	23/02/2023	01/03/2023		
Building and Timber							09/03/2023
Building Construction Consultancy				28/09/2022	28/09/2022		
Care Homes for Adults with Learning Disabilities including Autism							27/03/2023
Catering Sundries							28/06/2022
Services				28/07/2022	28/07/2022		21/04/2022
Cleaning Equipment							21/04/2022
Community Meals							09/03/2023
Digital Alarm Receiving Centre		22/06/2022	15/03/2022				
Digital Publications & Services				07/04/2022	07/04/2022		
Electrical Materials							09/03/2023
Electric Vehicle Charging Infrastructure					05/04/2022		
Fire Safety Products		18/10/2022	23/02/2023				
First Aid Materials		14/09/2022	20/09/2022	03/11/2022	03/11/2022		
Fostering and Continuing Care						14/12/2022	
Fresh Fruit & Vegetables							14/12/2022
Fresh Meats, Cooked Meats and Fresh Fish		06/10/2022	20/10/2022	18/01/2023	01/02/2023		22/06/2022
Groceries and Provisions							21/04/2022, 18/01/2023
Grounds and Plant Equipment		15/03/2023					
Grounds Maintenance Equipment							01/02/2023
Janitorial		12/10/2022	20/10/2022	10/01/2023	12/01/2023		
Library Books and Textbooks				05/04/2022	07/04/2022		
Light & Heavy plant							01/02/2023
New Build Residential Construction		01/03/2023					06/07/2022, 01/03/2023
Outdoor Play and Sports Facilities				06/07/2022	03/08/2022		
Plumbing and Heating Materials							09/03/2023
PPE				05/04/2022	05/04/2022		
Property Maintenance and Refurbishment		14/07/2022	03/08/2022	10/02/2023, 09/02/2023	23/02/2023		
Recyclable & Residual Waste						31/08/2022	
Repair of Catering Equipment				11/05/2022	31/05/2022		
Road Signage		27/03/2023					
Roads Maintenance Materials							11/05/2022
Roadstone		07/04/2022	03/05/2022	20/07/2022	28/07/2022		
Salt		05/05/2022	05/05/2022	28/07/2022	03/08/2022		11/05/2022
Secure Care							17/11/2022
Social Care Agency Workers			20/05/2022	17/08/2022	25/08/2022		04/05/2022
Street Lighting Materials		21/04/2022	04/05/2022, 23/02/2023	20/09/2022	28/09/2022		11/05/2022
Supply and Delivery of Technology Enabled Care Goods		22/06/2022	18/10/2022				17/11/2022
Supply, Delivery and Installation of Commercial Catering Equipment		17/11/2022	14/12/2022	27/03/2023	04/04/2023		
Vending Machines							21/04/2022
Washroom Solutions		11/05/2022	25/05/2022	28/07/2022	03/08/2022		
Water Coolers				31/05/2022	02/06/2022		

Appendix 3 - Review of Regulated Procurement - Performance against our strategy, operating plan and objectives for 2022/23

Progress reports are produced quarterly to track Scotland Excel's activity against operating plan commitments. Reports are produced at the end of each quarter and submitted to Executive Sub-Committee meetings. Half yearly and annual reports are also submitted to Joint Committee meetings.

The reports summarise the progress made against operating plan commitments and uses a 'traffic light' symbol to provide a guide to the status of each activity. This guide has been revised to include symbols to indicate projects or activities which have not yet started, and projects or activities which have been completed:

	Project or activity not yet started
	Project or activity is currently stalled or significantly behind schedule
	Project or activity is progressing at a slower pace than anticipated and/or results have been weaker than expected
	Project or activity is progressing in line with expected/agreed timelines and results
	Project or activity completed

The following report provides an update on activities undertaken during financial year to 31 March 2022. The majority of activities have progressed in line with plans and are indicated by a black symbol. A small number of project-based activities have not been fully delivered in line with plans and are indicated as red. Reporting against key performance indicators (KPIs) is currently on hold pending a review of appropriate measures.







Operating Plan

2022 – 2023

Year-end Report






Goal 1: Shaping the delivery of innovative public services



Strategic Objective	Commitment	RAG status	Progress summary
1.1 Deliver a programme of collaborative procurement to support early intervention and the delivery of public services	<ul style="list-style-type: none"> Continue to engage with local authority and cross-sector partners to identify and deliver on collaborative procurement and supply chain opportunities 		<ul style="list-style-type: none"> Scotland Excel is continuing to participate in cross-sectoral initiatives. Examples over the past year include, working with the Scottish Government Supply Chains Development Programme, Local Heat and Energy Strategy, Round table discussions with Home Nations procurement partners and, development of the Alcohol and Drugs Residential Rehabilitation National framework.
	<ul style="list-style-type: none"> Continue to monitor, report on and, where possible, mitigate the impact of supply chain disruptions arising from the Covid-19 pandemic and Brexit 		<ul style="list-style-type: none"> Scotland Excel Supply Chain Reports were issued quarterly to stakeholders throughout the year to keep them informed of supply chain disruptions, market trends, and mitigating actions being taken by Scotland Excel. These reports will continue to be issued quarterly during 2023.
	<ul style="list-style-type: none"> Continue to drive the development of the next generation National Care Home Contract (NCHC) incorporating the use of the NCHC Cost Model @ to support the delivery of affordable and sustainable social care services 		<ul style="list-style-type: none"> Given difficult market conditions, coupled with winter pressures, the collaborative re-design process for the NCHC in conjunction with representatives from key stakeholder groups is progressing slower than anticipated. The steering group is looking at a number of areas including collaborative models of commissioning, and a review of the NCHC Cost Model @ calculator.
	<ul style="list-style-type: none"> Develop a strategy for the next generation new build residential framework which incorporates learnings from the current framework and findings from stakeholder engagement meetings 		<ul style="list-style-type: none"> Work to develop this strategy is continuing to progress. Net zero considerations and construction skills development will be central to the new strategy, which also recognises changes in capital borrowing costs, inflation and construction industry costs. The next quarter in 2023/24 will be critical to meeting governance gateways for timely delivery of this framework.

1.2 Deliver programmes which lead and develop professional, organisational and commercial capability	<ul style="list-style-type: none"> Continue to deliver a portfolio of accredited Academy programmes based on member and wider public sector requirements 	B	<ul style="list-style-type: none"> The Scotland Excel Academy delivered a range of accredited programmes during 2022/23 and is continuing to explore the potential to develop SQA-accredited qualifications in procurement and management as more cost-effective alternatives to those currently offered by professional bodies.
	<ul style="list-style-type: none"> Develop and deliver programmes of free and/or low-cost online workshops and events which support practitioner skills and best practice 	B	<ul style="list-style-type: none"> The Scotland Excel Academy delivered Fourteen open and thirty five closed courses as part of the Scottish Government's procurement training framework during 2022/23. Fourteen free 'Stay Connected' courses have been scheduled between February and June 2023.
	<ul style="list-style-type: none"> Develop and deliver bespoke chargeable Academy programmes requested by councils, associate members or other partners 	B	<ul style="list-style-type: none"> Bespoke Academy programmes have been provided for Dumfries & Galloway Council, Highland Council, five NHS health boards, and the Scottish Government during 2022/23.
	<ul style="list-style-type: none"> Continue to deliver chargeable consultancy and transformation programmes requested by councils, associate members or other partners 	B	<ul style="list-style-type: none"> Chargeable consultancy projects have been delivered to a range of councils during 2022/23 including Dumfries & Galloway, Dundee City, East Renfrewshire, South Lanarkshire and Stirling. Scotland Excel has been commissioned by the Scottish Government to provide support for the development of a local heat and energy strategy. The scope of this work includes market engagement and other actions to advance the National Heat Network delivery plan.







	<ul style="list-style-type: none"> Continue to develop and grow Scotland Excel's flexible procurement service to provide chargeable support which increases the capacity and/or capability of councils, associate members and other partners 	B	<ul style="list-style-type: none"> Scotland Excel's flexible procurement services have been accessed during 20223/23 by Angus, Dumfries & Galloway, Dundee City, Scottish Borders and South Lanarkshire Councils in addition to City Property, Improvement Service and Cairn Housing Association. A marketing campaign targeting Arm's Length External Organisations (ALEOs) and partner organisations is planned for early 2023/24.
1.3 Harness the potential of digital technology and data insight to support the delivery of public services	<ul style="list-style-type: none"> Continue to develop Scotland Excel's ICT procurement category, providing procurement services for the Digital Office for Scottish Local Government and other partners to accelerate a collaborative approach to the adoption of digital technologies 	B	<ul style="list-style-type: none"> Development continues across the category. Renewal of the Telecare framework is nearing completion and evaluation of tenders for a national shared digital Alarm Receiving Centre (ARC) is ongoing. A collaborative procurement opportunity for Microsoft Office 365 has been delivered in partnership with the Digital Office for Scottish Local Government and Crown Commercial Services.
1.4 Use our insight and experience to shape policy and meet the challenges of future public service delivery	<ul style="list-style-type: none"> Continue to work with the Scottish Government and other partners to support the development and/or delivery of national policy objectives across the Scotland Excel portfolio 	B	<ul style="list-style-type: none"> Scotland Excel continues to work with the Scottish Government and cross-sector partners across a range of policy areas including food, energy efficiency, transport, education, care, ethical commissioning and skills development. Following Scotland Excel's response to the Scottish Government's local food consultation, Scotland Excel has been invited to join a cross-sector working group.



Goal 2: Being sustainable in everything we do

Strategic Objective	Commitment	RAG status	Progress summary
2.1 Deliver positive and measurable social value through our contracts and services	<ul style="list-style-type: none"> Continue to champion Fair Work principles as part of framework development and contract management, including payment of the Real Living Wage 		<ul style="list-style-type: none"> The number of Scotland Excel suppliers paying the Real Living Wage rose from 86% to 87% in 2022/23. Scotland Excel continues to be a long-standing member of the Fairworkstream Group hosted by Scottish Government.
	<ul style="list-style-type: none"> Continue to develop and deliver community benefit and supply chain initiatives which enable members to achieve direct benefits for their areas 		<ul style="list-style-type: none"> Scotland Excel has now implemented its revised approach to gathering and managing community benefits data. The new approach provides better visibility to members of the benefits due to them when they reach a threshold spend with suppliers.
2.2 Deliver positive and measurable local economic impact through SME and third sector participation in our contracts	<ul style="list-style-type: none"> Continue to engage with SME, supported business and other third sector organisations to encourage their participation in public procurement, working with partners such as the Supplier Development Programme (SDP) and Chambers of Commerce 		<ul style="list-style-type: none"> Scotland Excel has exhibited at 'Meet the Buyer' events across Scotland and had a significant presence at Procurex on 27 October. Scotland Excel also presented a Supplier Development Programme (SDP) webinar on 5th October and gave a presentation at a 'Meet The Buyer' event in Fife on 10 November.
	<ul style="list-style-type: none"> Continue to develop and deliver supply chain opportunities for SME, supported business and other third sector organisations to participate in public procurement, including joint initiatives with partners such as Scottish Enterprise 		<ul style="list-style-type: none"> Scotland Excel is continuing to work with Scottish Enterprise on initiatives to identify public sector supply chain opportunities for Scottish businesses and organisations. Key areas being considered include energy, transport, food and digital.
2.3 Deliver positive and measurable environmental benefits through our contracts	<ul style="list-style-type: none"> Refresh Scotland Excel's sustainable procurement strategy to ensure that frameworks and other business activities maximise opportunities to support carbon reduction 		<ul style="list-style-type: none"> The Scotland Excel Net Zero Strategy was approved by the Executive Sub-committee in March 2023.





	<ul style="list-style-type: none"> Promote member usage of the next generation energy efficiency contractors (EEC) and electric vehicle charging infrastructure (EVCI) frameworks to help members work towards their net-zero targets 		<ul style="list-style-type: none"> Following high-profile awareness events in May and June, Scotland Excel is continuing to meet with stakeholders from councils and housing associations to promote uptake of the Energy Efficiency Contractors (EEC) and Electric Vehicle Charging Infrastructure (EVCI) frameworks. Although the contract uptake has been slower than expected, there has been a steady increase in the number and value of projects being placed through the EEC framework, and enquiries are growing for EVCI.
2.4 Lead and develop sustainable procurement knowledge and practice	<ul style="list-style-type: none"> Continue to explore the development of progressive, sustainable learning pathways, working with educational and/or cross-sector partners to address skills gaps, support career development, and attract new entrants to procurement 		<ul style="list-style-type: none"> Scotland Excel continues to co-chair the Scottish Government's Public Procurement Development Forum which is exploring a range of initiatives including procurement skills development, alternative professional qualifications and pathways, and Graduate Apprenticeships.





Goal 3: Placing people at the heart of our business

Strategic Objective	Commitment	RAG status	Progress summary
3.1 Ensure our customers continue to receive maximum value from our services	<ul style="list-style-type: none"> Continue to deliver Scotland Excel's account management services to demonstrate value to members and support a positive customer experience 		<ul style="list-style-type: none"> Scotland Excel's Project and Account Managers continue to provide support to council procurement teams. Annual Value Reports detailing savings and benefits were produced for each council. A sector-level report has also been published.
	<ul style="list-style-type: none"> Continue to develop and deliver stakeholder engagement plans to assess member satisfaction and identify key priorities for Scotland Excel's new five-year strategy 		<ul style="list-style-type: none"> A comprehensive stakeholder engagement plan was implemented to support the development of the new corporate strategy which was approved by the joint committee in December.
3.2 Engage stakeholders in the delivery of effective local solutions	<ul style="list-style-type: none"> Continue to develop and deliver initiatives to help members implement a progressive procurement approach which supports their community wealth-building plans 		<ul style="list-style-type: none"> Following completion of a community wealth-building (CWB) pilot programme, Scotland Excel is continuing to engage and support councils with their CWB projects. A toolkit has been produced and is available to all members on the Scotland Excel Academy website.
	<ul style="list-style-type: none"> Continue to engage directly with stakeholders, partners and service users to ensure that Scotland Excel's social care contracts meet the needs of all care groups, and align with national policy 		<ul style="list-style-type: none"> Scotland Excel continues to engage with a wide range of stakeholders across all social care contracts, including for the redesign of the national care home contract (NCHC), Adult Social Care and a range of frameworks providing support for Children
3.3 Represent the collective views of stakeholders at a national level	<ul style="list-style-type: none"> Continue to represent the views of members, customers and communities within appropriate national and/or cross-sector fora and working groups 		<ul style="list-style-type: none"> Scotland Excel is continuing to represent the local government sector across a range of national initiatives across the majority of the framework portfolio.
	<ul style="list-style-type: none"> Monitor the progress of National Care Service (NCS) proposals and continue to champion Scotland Excel's delivery of national care 		<ul style="list-style-type: none"> Scotland Excel gave evidence to the Health, Social Care & Sport Committee on the National Care Service (Scotland) Bill in November. Scotland Excel also attended the National Care Service Forum






	arrangements that support local, person-centred commissioning		meeting in October, is taking part in the Adult Social Care Working Group on Ethical Commissioning and has attended a number of NCS Key Stakeholder Reference Group sessions.
3.4 Implement policies which develop, empower, value and engage our workforce	<ul style="list-style-type: none"> Continue to implement Scotland Excel's organisational development strategy and Investors in People (IiP) action plan 		<ul style="list-style-type: none"> Scotland Excel was awarded the Gold Standard Investors in People (IiP) accreditation in June 2022. This is the first year the organisation has achieved this award. Following on from this award, Scotland Excel launched its People Strategy for organisational development which includes a new approach to personal development, performance management and picks up key recommendations from the IiP review.
	<ul style="list-style-type: none"> Develop and implement a refreshed recruitment and retention strategy to mitigate the impact of skills shortages and/or changing attitudes in the workforce 		<ul style="list-style-type: none"> The on-going review of recruitment and retention policy and practice continues aimed at supporting recruitment challenges being experienced across the local government procurement landscape. A key element of this review was recruitment of eight graduate trainees all of which are now in post following a recruitment exercise in 2022. The graduate programme responds to a challenging job market for experienced public procurement practitioners and aims to fast-track new talent to the profession.

Goal 4: Delivering sustainable and scalable growth

Strategic Objective	Commitment	RAG status	Progress summary
4.1 Implement a new governance model which supports scalable business growth	<ul style="list-style-type: none"> Continue to deliver Scotland Excel's approved funding model, including income from rebates, projects, Academy programmes and associate membership, and provide regular reports to the governance committees 		<ul style="list-style-type: none"> Organisational expenditure and income continue to be monitored closely, and reports are presented to the executive sub-committee on a regular basis. An operating budget for 2023-24 was approved by the joint committee in December 2022 which includes 21% of income generated from alternative sources to requisition.
4.2 Continue to maintain a robust business infrastructure to support our growth ambitions	<ul style="list-style-type: none"> Continue to develop a robust business environment and infrastructure that securely and effectively supports Scotland Excel's hybrid working model 		<ul style="list-style-type: none"> Scotland Excel staff are now regularly working from the office as well as at home. All office desks have been fitted with a range of equipment which can be booked according to work preference. A desk booking system is in operation accessible by all staff. A new cyber security module 'KnowB4' has been launched, with training tailored to staff knowledge and requirements aimed at mitigating risk of a cyber security breach.
	<ul style="list-style-type: none"> Continue to develop Scotland Excel's digital technology capability, harnessing data assets and emerging technology to benefit staff and customers 		<ul style="list-style-type: none"> Although good progress has been made on internal capabilities, further work on provision to customers has been slower than planned. Work is continuing to review Scotland Excel's data gathering and management processes. Business Intelligence Insights have been circulated to stakeholders utilising existing Scotland Excel data and other publicly available data aimed at getting partners to ask questions about future service provision.
4.3 Use our knowledge and insight to identify new services and/or sectors which provide growth	<ul style="list-style-type: none"> Roll out a competitor analysis model across the organisation to support the successful delivery of new and existing business opportunities 		<ul style="list-style-type: none"> The roll out of a competitor analysis model has been incorporated into Scotland Excel's value project, and is included in the operating plan for 2023/24.

opportunities	<ul style="list-style-type: none"> Continue to grow and develop Scotland Excel's associate membership programme to maximise benefits for the organisation and members 		<ul style="list-style-type: none"> Associate membership of Scotland Excel increased by 20 during 2022/23 from 128 to 148 resulting in an increase in income from fees.
	<ul style="list-style-type: none"> Deliver a second tranche of Procurement & Commercial Improvement Programme assessments for housing associations, highlighting the community value of enhanced procurement practices and collaboration 		<p>The delayed Scottish Government announcement of a requirement for housing associations to demonstrate their procurement capability as condition of affordable homes funding had an impact on the timing of this service. Scotland Excel has launched a Continuous Improvement Programme for Procurement (CIPP) service to help them meet this requirement. A full marketing campaign to promote this new service delivered during Q4 of 22/23. By end March 2023, there has been 21 enquiries with assessments being scheduled from April 2023.</p>
4.4 Explore opportunities to work with partners on the development and delivery of new business opportunities	<ul style="list-style-type: none"> Continue to develop and implement effective marketing and communications plans to promote Scotland Excel through traditional and social media in support of financial, policy and public affairs goals 		<ul style="list-style-type: none"> Scotland Excel's marketing and communications team have worked closely across all Scotland Excel teams during 2022/23, promoting framework activity, associate membership and Academy training programmes. Other activities undertaken during Q4 have included organisation, promotion and delivery of the Scotland Excel Supplier Excellence Awards in May 2023.
	<ul style="list-style-type: none"> Continue to explore and develop partnership opportunities with organisations such as Crown Commercial Services (CCS), Scottish Enterprise, Built Environment- Smarter Transformation (BE-ST), and Zero Waste Scotland (ZWS) which support the delivery of business and policy objectives 		<ul style="list-style-type: none"> Scotland Excel is continuing to work with a range of partners on initiatives which support the delivery of business and policy objectives. The importance and value of partnership working has been recognised within Scotland Excel's new corporate strategy.

Report Key

 W	Project not yet started
 R	Project or activity is currently stalled or significantly behind schedule
 A	Project or activity is progressing at a slower pace than anticipated and/or results have been weaker than expected
 G	Project or activity is progressing in line with expected/agreed timelines and results
 B	Project completed

Report presented: May 2023

Appendix 4a - Community Benefits Reported 2013-2023

Community Benefit Type	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	Total
No of Apprentices	9	92	49	18	52	34	37	26	41	49	407
No of New Jobs	78	43	29	53	146	280	249	340	432	296	1946
No of Work Placements	0	5	6	17	30	107	43	47	39	14	308
Hours of Volunteering & Mentoring	95	377	1279	1570	1637	803	853	608	607	3815	11644
Hours of Work Experience	5305	28214	16734	7852	2541	667	10360	19	1292	15411	88395
Value of Other Community Benefits	£2,474	£16,550	£46,140	£87,814	£311,549	£437,443	£901,410	£858,590	£400,917	£783,214	£3,846,101

Appendix 4b - Community Benefits per Council 2022-2023

Council	Number of Community Benefits Reported	Total Number of Hours of Work Experience for School Pupils, College and University Students	Total Number of Apprenticeships Recruited to Deliver Contract	Total Number of Work Placements For Adults	Total Number of Volunteering Hours	Total Number of Employees Recruited to Deliver Contract	Total Monetary Value (£) of Other Community Benefits
TOTAL	768	15411	49	14	3815	296	£783,214
Aberdeen City Council	40	9502.00	0.50	0.00	105.00	7.50	£62,078
Aberdeenshire Council	47	88.00	9.20	0.00	0.00	12.00	£13,226
Angus Council	8	0.00	0.50	0.00	0.00	0.00	£10,555
Argyll & Bute Council	4	0.00	0.00	0.00	0.00	0.00	£6,670
Associate Member	N/A	N/A	N/A	N/A	N/A	N/A	N/A
City Of Edinburgh Council	53	1375.25	3.05	0.00	119.00	2.90	£51,794
Clackmannanshire Council	6	50.00	0.00	0.00	0.00	2.00	£250
Comhairle nan Eilean Siar	2	0.00	0.00	0.00	0.00	0.00	£250
Dumfries & Galloway Council	8	0.00	0.00	0.00	0.00	2.00	£5,863
Dundee City Council	28	884.00	0.50	0.00	0.00	5.00	£22,699
East Ayrshire Council	13	0.00	4.00	0.00	0.00	1.00	£45,245
East Dunbartonshire Council	16	0.00	0.00	0.00	3.62	5.70	£3,950
East Lothian Council	13	0.00	1.00	0.00	40.00	5.40	£14,440
East Renfrewshire Council	9	0.00	0.00	0.00	0.00	2.00	£9,035
Falkirk Council	26	5.40	2.00	0.00	2.40	4.20	£25,222
Fife Council	50	681.00	1.00	0.00	1.20	25.15	£119,896
Glasgow City Council	59	77.05	7.89	0.70	113.80	41.40	£81,073
Highland Council	30	75.00	0.00	0.00	0.00	7.80	£26,557
Inverclyde Council	3	0.00	0.00	0.00	0.00	0.00	£1,250
Midlothian Council	11	0.00	0.00	0.00	0.00	0.80	£2,326
North Ayrshire Council	41	0.00	13.30	9.00	29.82	62.30	£35,817
North Lanarkshire Council	76	924.72	0.10	0.00	139.39	20.24	£55,084
Orkney Islands Council	3	0.00	0.00	0.00	0.00	8.00	£250
Perth & Kinross Council	36	0.00	0.20	0.00	0.00	9.60	£43,930
Renfrewshire Council	21	677.00	0.00	2.00	0.00	11.80	£12,029
Scottish Borders Council	10	0.00	1.00	0.00	0.00	0.80	£3,250
Shetland Islands Council	3	0.00	0.00	0.00	0.00	0.00	£2,250
South Ayrshire Council	21	0.00	3.65	0.00	0.32	1.80	£16,593
South Lanarkshire Council	69	742.00	1.00	2.00	6.00	29.60	£86,995
Stirling Council	19	170.00	0.10	0.00	3094.00	6.00	£5,352
The Moray Council	3	0.00	0.00	0.00	0.00	0.00	£1,900
West Dunbartonshire Council	12	0.00	0.00	0.00	6.00	3.40	£2,150
West Lothian Council	28	160.00	0.00	0.00	154.00	18.00	£15,233

Appendix 5 - Planned Procurement - Frameworks due for renewal or extension by 31 March 2025/New contract areas 23/24

Full Contract Title	Schedule Number	Contract End Date
Supply Of Bottled Gas	0817	05/11/2021
Supply, Delivery, Servicing and Maintenance of Fire Safety Products	1617	15/04/2022
Street Lighting Materials	2617	31/07/2022
Supply And Delivery Of First Aid Materials	1018	30/09/2022
Supply & Delivery of Road Signage Materials	1418	30/11/2022
Janitorial Products	1218	28/02/2023
Fresh Meat, Cooked Meats & Fresh Fish	0118	31/03/2023
Supply, delivery and installation of Audio Visual	0618	31/03/2023
Cleaning Equipment	1818	30/04/2023
Asbestos Surveys, Removal & Disposal And Analytical Services	2418	30/06/2023
Technology Enabled Care	3117	30/06/2023
Supply And Delivery Of Civic Supplies	0119	31/07/2023
Bikeability Scotland Training Providers	0319	31/07/2023
Supply And Delivery Of Community Meals	2018	31/08/2023
Care Homes For Adults With Learning Disabilities Including Autism	1918	15/09/2023
Security Services and Cash Collection	0719	15/09/2023
Fresh Bread, Rolls & Bakery Products	0419	30/09/2023
Grounds Maintenance Equipment	0918	30/11/2023
Supply and Delivery of Light and Heavy Plant	0818	30/11/2023
Sheriff Officers	0619	30/11/2023

Full Contract Title cont...	Schedule Number	Contract End Date
Supply And Delivery Of Construction Materials	1422	30/11/2023
New Build Residential Construction	1518	31/01/2024
Domestic Furniture And Furnishings	2019	31/01/2024
Treatment Of Recyclable & Residual Waste	2717	10/02/2024
Bitumen And Associated Products	0320	29/02/2024
Secure Care	0219	31/03/2024
Supply & Distribution Of Fresh Fruit & Veg	1019	31/03/2024
Waste Disposal Equipment	1419	31/03/2024
Care And Support	1318	31/03/2024
Supply And Delivery Of Vehicle Parts	0720	31/03/2024
Groceries & Provisions	1219	30/04/2024
Treatment of Organic Waste	0220	30/06/2024
Fostering And Continuing Care	1020	30/06/2024
Demolition and Deconstruction	1119	31/07/2024
Catering Sundries	1919	31/07/2024
Education Materials	1220	31/07/2024
Social Care Case Management Solutions	1420	14/02/2025
Engineering and Technical Consultancy	0820	17/03/2025
Booking Of Currently Employees Of Local Authorities For Temporary Vacancies	0421	31/03/2025

New Contract Areas 23/24	Forecast Delivery Date
Residential Rehabilitation And Detoxification Services	Dec-23
National Shared Digital Alarm Receiving Centre	Aug-23
LHEES Local Heat And Energy Efficiency Strategies	Oct-23
PPE (Supported Business)	Mar-24
Managed Security Operations Centre & Detection And Response	Mar-24

Scotland Excel

To: Joint Committee

On: 16 June 2023

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

Care Update

1. Summary

- 1.1 The purpose of this report is to provide members with an update in relation to the work of the social care team.

2. Recommendations

- 2.1 Members are invited to note and support the contract updates provided.

3. Background

3.1 Children's Services

3.1.1 Children's Residential Care and Education including Short Breaks

The Children's Residential Care and Education (including short breaks) flexible framework went live on 1st October 2022. The 2023/24 fee review process for the framework is currently underway with analysis of all submissions being undertaken. The process incorporated lessons learnt from previous years and a revised template was used to collect requests and evidence.

The management information process review has now been concluded for the framework, with the revised approach embedded in the latest returns. Further engagement with the User Intelligence Group (UIG) and providers is planned to agree an annual survey or management information request to providers, for the collection of more detailed and qualitative framework, service, and wider landscape information.

3.1.2 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. This is 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 attended a session alongside commissioners regarding this, with a second session planned for Summer 2023. Scotland Excel will consider progressing renewal work alongside this work, given the timelines of the current contracts expiring in March 2024.

3.2 Adult Social Care

3.2.1 National Care Service (NCS) Update

Scotland Excel has attended two further meetings of The Key Stakeholder Reference Group, and updates were provided for the Co-Design and Fair Work Forum. During summer 2023 nine in-person events across Scotland will be held for participants from Lived Experience and the Stakeholder Register. They will include insight to the early research conducted, and test understanding on the emerging themes. Those leading this work plan to deepen connections with local areas, conduct individual interviews and potentially run events in care homes. The outputs will then be shared at the NCS Forum in October 2023.

Adult Social Care Workforce and Fair Work Division provided an update on the Fair Work workstreams. The commitment for the NCS to be an exemplar of fair work is established with the Guiding Principles for the NCS as set out in the Bill. The workstreams previously established to deliver the Fair Work Convention (FWC) recommendations will be the primary route through which this commitment is to be met.

The four workstreams are pay, terms and conditions, effective voice, and sectoral bargaining.

At the point of writing, the Health and Sports committee had not produced a report on their examination and gathering of views of the National Care Service (Scotland) Bill.

A further extension to the Stage 1 debate has been requested seeking a post-summer recess date.

3.2.2 National Care Home Contract (NCHC)

In previous years the fee setting process for the National Care Home Contract would have been completed by this point.

The care home sector has rejected the final offer from the negotiating team of Scotland Excel, COSLA and Local Authority representatives of a 6% increase in placement costs for the fiscal year of 2023/24.

At present an interim offer of 2.11% for nursing homes and 2.77% for residential homes has been implemented with partial agreement from the care home sector. It is the sectors intention to make representations to the Scottish Government for both an increase in the adult Social Care workforce hourly rate to £12, and further funding for cost pressures related to the costs of living. Scotland Excel and COSLA have been clear that they cannot support anything above the best and final offer of 6% and the alignment with the Adult Social Care uplift, which is in line with the Real Living Wage (RLW). As such, the request for a £12 hourly rate for care workers will require Scottish Government intervention.

It is unclear at this time whether the care home sector will agree to the 6% offer once that process has been completed.

Whilst Scottish Care has communicated a commitment to maintaining the NCHC and to reviewing the current cost of care calculator, recent developments have further highlighted the need to secure a new arrangement which meets the needs of purchasers and providers to deliver individuals residential and nursing care.

On Wednesday 24th May, Scottish Care released a media statement raising their concerns of workforce pay and the sustainability of the care home sector. COSLA provided a response for all media enquiries.

There is currently concern both from the Scottish Government and at local authority level about the financial viability of the care home sector. Scotland Excel has played an active part in the Care Home Assurance and Viability sub-group (now disbanded) and is participating in a Financial Stability of the Care home Sector meeting with Chief Finance Officers and COSLA. Scottish Government have recently established a new Viability Group which includes a number of SG Departments as well as COSLA and Scotland Excel.

Scotland Excel continues to support local authorities during this uncertain time with analysis, information, advice, and support.

3.2.3 Residential Rehabilitation

The Residential Rehabilitation project was commissioned by the Scottish Government with the remit of researching and developing national approaches for commissioning of alcohol and drug residential rehabilitation. The Procurement Strategy has been approved by the appropriate governance forums and it is anticipated that the tender will be published in June 2023,

subject to final agreement of the service specification with Scottish Government colleagues.

3.3 Annual fee-setting

The contracts in the social care portfolio typically allow for a process of annual fee uplift requests. This gives awarded providers the opportunity to request increases to the agreed pricing of services.

Cost pressures are examined against known data sources for comparison. This includes separating cost pressures into staff costs and non-staff costs or 'overheads'. Examples of measures of increase for these include:

- Real Living Wage uplifts for staff; and
- Increases measured by the Consumer Prices Index for non-staff costs.

To guide the approach and ensure alignment with local authority expectations, senior representatives of councils were approached to form governance groups.

Children's services held several meetings with a panel of senior local authority representatives to discuss and agree the approach to fee-reviews on an annual basis. This group comprised representation from:

- a. Directors of Finance;
- b. Chief Finance Officers;
- c. COSLA; and
- d. a Head of Service.

Adult services are establishing a similar group also comprising representatives of commissioning officers to guide the response to fee uplift requests.

This approach allows for consistency across the social care portfolio and a commonality in how providers awarded to different contracts are treated in respect of uplift requests.

3.3.1 Children's services overview

Table 1 summarises the price uplift requests received across the children's services contract portfolio.

Both the volume and extent of uplifts requested for implementation in 2023/24 are significant.

	Secure Care	Children's Residential	Fostering and Continuing Care
Fee/Price review requests received	4	27	12
Services affected	4	229	54
Maximum % request	17.5%	25.2%	12.8%
Minimum % request	3.7%	1.6%	0.8%
Average % requested	11.9%	7.0%	4.7%
Average % offer	6.7%	4.3%	TBC

Table 1 : Children's Services overview

The dominant pressures reported by providers in the children's sector this year were:

- Teachers' pay settlements which were agreed with Unions at a rate which was higher than most had anticipated;
- General cost-of-living increases for other staff; and
- Inflationary increases attributable to non-staff costs, particularly heating and lighting, provisions, and insurance premiums.

The sustainability of companies was also tested as part of the process. Providers with high profit levels were requested to manage price increases by utilising some of the money made on placements to offset and mitigate increases which would otherwise have been charged to local authorities.

The completion of the process is expected by the end of June, the outcome of which will be shared with local authority stakeholders.

3.3.2 Adult Services overview

Table 2 summarises the price uplift requests received across the children's services contract portfolio.

	CHALD *	Care & Support *
Fee/Price review requests received	14	80
Services affected	42	296
Maximum % request	127%	266%
Minimum % request	4%	1%
Average % requested	30%	47%
Average % offer*	Analysis of the data is ongoing.	

Table 2 : Adult Services overview

The framework providers have received the Adult Social Care Uplift (ASC) for the workforce element of their service schedules, with the mandated 86.9% weighting applied. In line with the Scottish Government implementation timeline plan, completed on 31 March 2023. This should enable Council finance teams to make the necessary adjustments, in line with their governance arrangements, to process the ASC payment to the framework providers.

The overheads element of the contract hourly price rate is 13.1% for which framework providers can request a price review. The Scotland Excel flexible framework terms allow for this. The submission date for price review requests for the overheads element was the 19 April 2023.

Based on the improvements to this year's process it is anticipated completion will be by July.

A Strategic Commissioners Representatives Group with nominations from at least 2 Chief Finance Officers to represent Councils, COSLA, Scotland Excel and Scottish Government will be in place.

The group will agree the principles, for example setting caps on management fee as well the relevant indices and offers/negotiations.

3.3.3 Care and Support and Care Homes for Adults with Learning Disabilities Including Autism

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

applied. This will enable Council finance teams to make the necessary adjustments for processing payment to the framework providers.

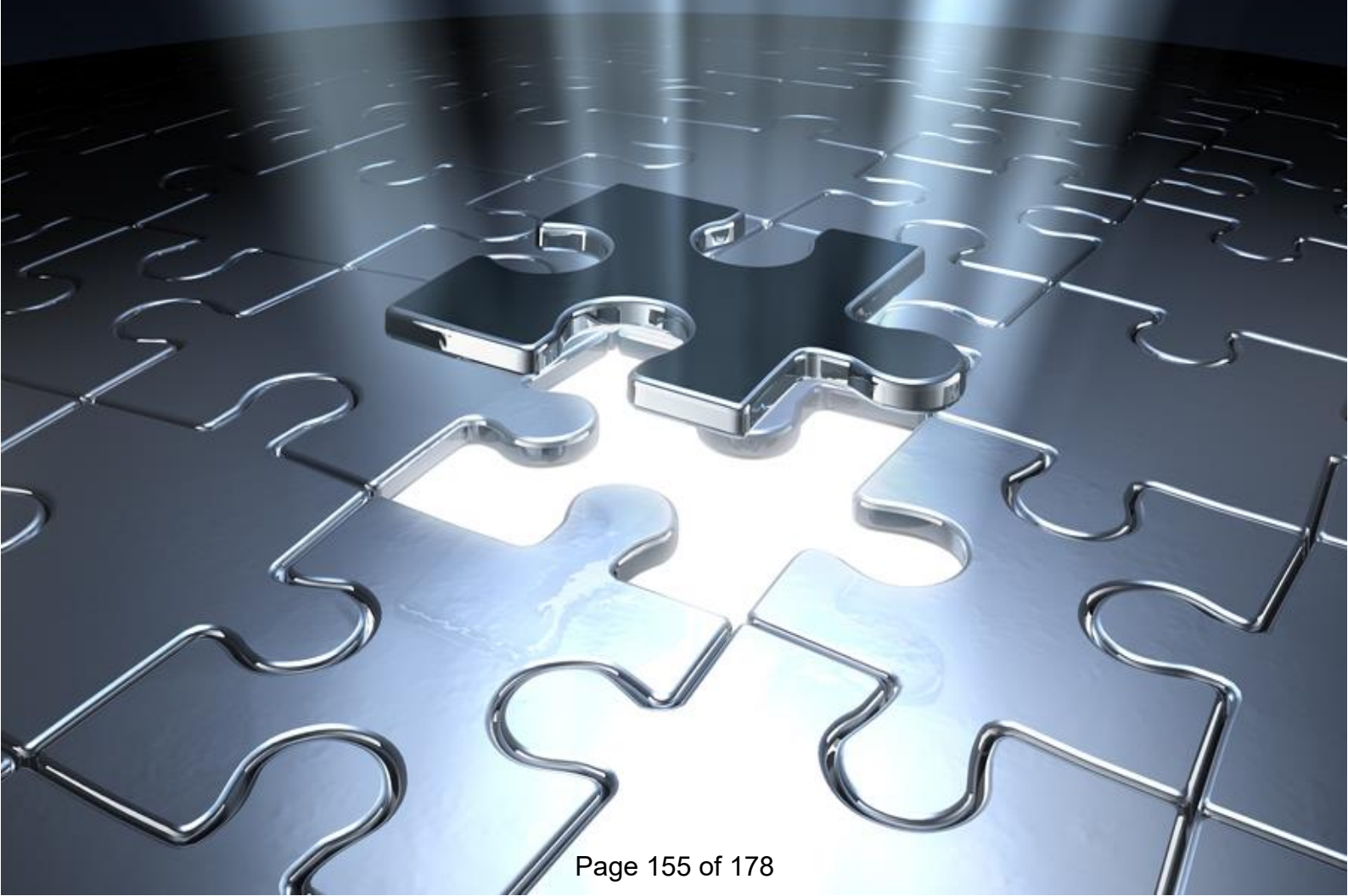
The Scotland Excel flexible framework terms allow providers to request a price review for business overhead costs not in the scope of the ASC Uplift by 19 April 2023. Analysis of the data is still at an early stage, However, so far there have been a significant number of submissions with requested increases in excess of 7% - which are unlikely to be agreed. Of the services for which information has been provided, 305 services will be asked to clarify and explain their increases for Care and Support and 42 care home services in Care Homes for Adults with Learning Disability.



Strategic Risk Register

June 2023

Professional – Respectful – Courageous - Integrity



Background

This Strategic Risk Register has been developed using the revised methodology set out in the Strategic Risk Strategy for managing strategic risks that may impact upon operations and the delivery of Scotland Excel's 5-year strategy. Specific and separate operational risk management will continue to be undertaken as part of operational activities such as framework management and project management.

Risk Management

Risk is a quantifiable level of exposure to the threat of an event or action that could adversely affect Scotland Excel's ability to achieve its strategic goals successfully. The task of management is to respond to these risks effectively to maximise the likelihood of Scotland Excel achieving its objectives and ensuring the best use of resources. Scotland Excel uses its risk management methodology to systematically identify, record, monitor and report risks to committee to enable the organisation to meet its objectives and to plan actions to mitigate risks.

Strategic Risk Register Review Schedule

Scotland Excel reports its strategic risk register to the Exec Sub Committee on a 6 monthly basis. A report will also be brought annually to Joint Committee.

The Scotland Excel Strategic Risk Register will be reviewed internally by the Senior Management Team (SMT) and other key officers as scheduled below:

Table 1: Strategic Risk Register Review Schedule

Document Control	
Review Dates:	May 2023
Joint Committee	June 2023
Review Dates:	August 2023
Review Dates:	November 2023
Joint Committee	December 2023
Review Dates:	March 2024

Ranked Strategic Risk Register

Table 2 summarises risks identified within the Scotland Excel Risk Register and orders them according to their Residual Risk Score as of May 2023. The Residual Risk Score represents the assessed risk score taking into consideration all risk controls and mitigations in place in relation to that specific risk on that date.













Table 2: Risk – Highest to Lowest Risk Score, April 2023

Risk Ref.	Risk Title	Residual Risk Score
SXL005 - 23/24	Supply Chain Resilience	20
SXL011 - 23/24	Redesign of Scottish Public Services	16
SXL003 - 23/24	Political, Legislative and Policy Change	16
SXL006 - 23/24	Staff Recruitment and Retention	16
SXL012 - 23/24	ICT and Cyber Security	16
SXL001 - 23/24	Organisational Sustainability	15
SXL010 - 23/24	National Emergency Including Pandemic	12
SXL002 - 23/24	Managing Growth and Diversity	12
SXL004 - 23/24	Reputational Risk	12
SXL009 - 23/24	Environmental Impact and Climate Change	12
SXL008 - 23/24	Meeting Member and Stakeholder Expectations	12
SXL007 - 23/24	Corporate Social Responsibility	9

Quarterly Risk Trend Movements

Table 3 charts risk score movement and trends over the past year in relation to each risk identified within the Scotland Excel Risk Register.

Table 3: Quarterly Risk Trend Movements

Risk Ref.	Risk Title	Period				Trend
		Q2 23	Q3 23	Q4 22	Q1 23	
SXL005 - 23/24	Supply Chain Resilience	-	-	20	20	
SXL011 - 23/24	Redesign of Scottish Public Services	-	-	20	16	
SXL003 - 23/24	Political, Legislative and Policy Change	-	-	16	16	
SXL006 - 23/24	Staff Recruitment and Retention	-	-	16	16	
SXL012 - 23/24	ICT and Cyber Security	-	-	-	16	
SXL001 - 23/24	Organisational Sustainability	-	-	15	15	
SXL010 - 23/24	National Emergency Including Pandemic	-	-	15	12	
SXL002 - 23/24	Managing Growth and Diversity	-	-	12	12	
SXL004 - 23/24	Reputational Risk	-	-	12	12	
SXL009 - 23/24	Environmental Impact and Climate Change	-	-	12	12	
SXL008 - 23/24	Meeting Member and Stakeholder Expectations	-	-	8	12	
SXL007 - 23/24	Corporate Social Responsibility	-	-	6	9	

Consolidated Risk Matrix

Diagram 1 sets out the position of Scotland Excel Strategic Risks in the context of their likelihood of occurring and potential impact.

Diagram 1: Consolidated Risk Matrix (April 2023)

Impact	5			SXL001		
	4			SXL004 SXL002 SXL009 SXL008	SXL003 SXL006 SXL012 SXL011	SXL005
	3			SXL007	SXL010	
	2					
	1					
		1	2	3	4	5
		Likelihood				

Strategic Risk Register

SXL001 – 23/24	Organisational Sustainability
SXL002 – 23/24	Managing Growth and Diversity
SXL003 – 23/24	Political, Legislative and Policy Change
SXL004 – 23/24	Reputational Risk
SXL005 – 23/24	Supply Chain Resilience
SXL006 – 23/24	Staff Recruitment and Retention
SXL007 – 23/24	Corporate Social Responsibility
SXL008 – 23/24	Meeting Member and Stakeholder Expectations
SXL009 – 23/24	Environmental Impact and Climate Change
SXL010 – 23/24	National Emergency Including Pandemic
SXL011 – 23/24	Redesign of Scottish Public Services
SXL012 – 23/24	ICT and Cyber Security

Alignment with 5-Year Strategy Goals

Whilst all strategic risks have been reviewed and developed in line with Scotland Excel's 5-year strategy, Table 4 identifies key risks that may affect the achievement of each strategic objective.

Table 4: Alignment With 5-Year Strategy Goals

Reference	Risk	Risk Score
Goal 1 - Journey towards a net zero Scotland by 2045.		
SXL003 - 23/24	Political, Legislative and Policy Change	16
SXL009 - 23/24	Environmental Impact and Climate Change	12
Goal 2 - Drive for efficiency to support the financial sustainability of public services.		
SXL012 - 23/24	ICT and Cyber Security	16
SXL001 - 23/24	Organisational Sustainability	15
SXL004 - 23/24	Reputational Risk	12
SXL002 - 23/24	Managing Growth and Diversity	12
SXL008 - 23/24	Meeting Member and Stakeholder Expectations	12
Goal 3 - Community wellbeing with equal access to services, economic development and fair work jobs across Scotland.		
SXL010 - 23/24	Design of Scottish Public Services	16
SXL007 - 23/24	Corporate Social Responsibility	9
Goal 4 - Development of resilient supply chains that maximise opportunities for Scottish businesses and the third sector.		
SXL005 - 23/24	Supply Chain Resilience	20
SXL011 - 23/24	National Emergency Including Pandemic	12
Goal 5 - Advancement of skills to deliver Scotland's economic transformation.		
SXL006 - 23/24	Staff Recruitment and Retention	16

Appendix 1: Strategic Risk Scoring Methodology and Definitions

Scotland Excel uses a robust methodology to manage its strategic risks. The methodology is derived from prior risk management experience and after consulting risk management experts within the public sector.

The risk template utilised in Appendix 2 provides a one-page summary of the risk and its associated information. Each risk is defined in a statement, context provided and an owner assigned. Any controls implemented to mitigate the risk will be updated on a quarterly basis if required.

When a risk is identified, the team will consider the likelihood and impact of the risk. Each will be assigned a score of 1-5 with 5 as the maximum. Both numbers are multiplied to get the original evaluated risk score. This number will not change throughout the life of the risk.

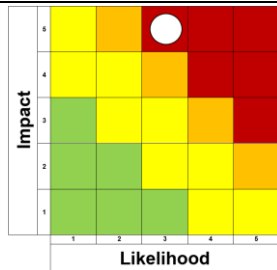

On a periodic basis, the risk will be reviewed, and any required adjustments will be made to the likelihood, impact, and residual risk score. This is the key metric of risk based on the control measures undertaken to reduce any impact from the risk. The residual risk score will be monitored each quarter and the direction of travel provided between the current and previous quarters.

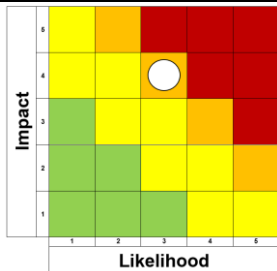
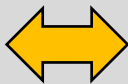
Appendix 2 presents identified Strategic Risks in the Scotland Excel risk template format. An explanation of each element of the risk template is shown in Table 5.

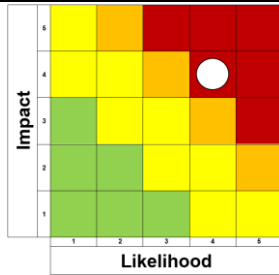
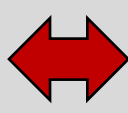
Table 5: Descriptions of Risk Template Elements

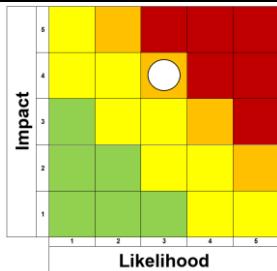

Element	Description
Reference	Unique risk identifier and risk title
Context	Context of identified risk
Risk Statement	Description of identified risk
Risk Owner	Executive team risk owner
Current Risk Controls	Specific risk controls currently in place
Risk Score	Risk assessment detail
Likelihood	How likely is it that the risk occurs (1-5)
Impact	Impact on SXL if the risk occurs (1-5)
Evaluation	Likelihood * Impact = Evaluation Score
Trend	Evaluation of movement over past 4 periods
Residual	Current Residual Risk Evaluation after Controls

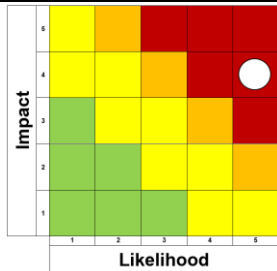

Appendix 2: Scotland Excel Risk Register (June 2023)

Organisational Sustainability				
Reference	SXL001-23/24			<div>Risk Matrix Position</div> 
Owner	JW			
Original Evaluated Risk Score				
Likelihood	Impact	Evaluation	Trend	
4	4	16		
Residual Risk Score				
Likelihood	Impact	Residual		
3	5	15		
Context				
As a membership organisation, Scotland Excel must constantly evidence its value to members and stakeholders during challenging financial, environmental, and socio-economic times. Organisational sustainability depends on meeting and exceeding member and stakeholder expectations.				
Risk Statement				
<p>Risks caused by the membership nature of Scotland Excel include:</p> <ul style="list-style-type: none">• Failure to maintain excellent customer service and satisfaction levels across membership.• Failure to clearly evidence the Value of Scotland Excel and meet expectations of members.• Failure to meet varying and expanding expectations and requirements of members. <p>Risks associated with continuous public sector financial pressures:</p> <ul style="list-style-type: none">• Reduced utilisation Scotland Excel frameworks.• Reluctance of members to increase requisition fees in light of challenging financial environment.• Reduced real terms operational budget impacting existing service delivery.• Failure to diversify and generate financial income from alternate sources to reduce financial reliance on membership requisition/fees.				
Current Risk Controls				
<ul style="list-style-type: none">• Continuing focus on delivering and evidencing Core Value for all member Councils and Associate Members.• Continuing development of Sectoral Savings Options for Councils and Associate members.• On-going development of projects offering new services and increased benefits for stakeholders.• Identification of new opportunities to provide additional chargeable services based on customer demand.• Ongoing robust market testing of all new shared service propositions.• Ongoing robust business model is in place for all new services.• Regular engagement with Chief Execs, Finance Directors, Corporate Procurement Leads and Elected Members demonstrating the value added by Scotland Excel.				

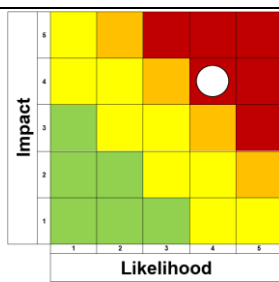
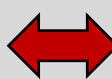
Managing Growth and Diversity				
Reference	SXL002-23/24			<div>Risk Matrix Position</div> 
Owner	SB			
Original Evaluated Risk Score				
Likelihood	Impact	Evaluation	Trend	
3	4	12		
Residual Risk Score				
Likelihood	Impact	Residual		
3	4	12		
Context				
Changing and competing demands from members require Scotland Excel to grow and diversify its framework portfolio and services within a changing financial, environmental, social and political environment.				
Risk Statement				
<p>Potential barriers to the diversification of Scotland Excel's framework portfolio and services include:</p> <ul style="list-style-type: none">Financial and other restrictions impacting ability to evolve framework and service offering.Failure to recruit and retain staff with expertise required to deliver member requirements.Failure to source suppliers with capability, capacity and expertise required to deliver member demands.Failure to identify and manage emerging opportunities and threats to organisation. <p>Risks caused by failure of Scotland Excel to diversify its framework portfolio and services include:</p> <ul style="list-style-type: none">Negative reputational impact and reduced confidence in the organisation.Inability to clearly evidence the Value of Scotland Excel to members.Reduced utilisation of Scotland Excel's framework portfolio by councils and associate membersReduced ability to generate income out with member requisition and associate member fees.				
Current Risk Controls				
<ul style="list-style-type: none">Horizon Scanning and stakeholder engagement will continue to be used to identify market development opportunities.People Strategy and workforce planning tools used to ensure that Scotland Excel has staff with relevant expertise to deliver and grow a quality service offering.Ongoing discussions with partners and stakeholders on future project opportunities for Scotland Excel.Ongoing development and identification of non-requisition income streams.Approval and implementation of Scotland Excel Carbon Net Zero Strategy.Measures such as fixed-term contracts and council placements ensure that the Scotland Excel workforce can adapt to changing demands of members.Development and implementation of diversified workforce training to ensure that Scotland Excel staff have relevant expertise to deliver and grow service offering.Ongoing and pro-active engagement with members and suppliers to develop and maintain constructive relationships.Regular engagement with Chief Execs, Finance Directors, Corporate Procurement Leads and Elected Members demonstrating the value added by Scotland Excel.				

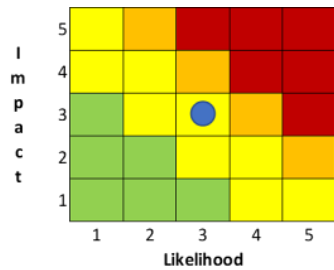

Political, Legislative and Policy Change				
Reference	SXL003-23/24			<div>Risk Matrix Position</div> 
Owner	SB			
Original Evaluated Risk Score				
Likelihood	Impact	Evaluation	Trend	
4	4	16		
Residual Risk Score				
Likelihood	Impact	Residual		
4	4	16		
Context				
Political, Legislative and Policy changes at local, national, UK and international levels impact Scotland Excel operations and practice.				
Risk Statement				
<p>Challenges caused by political change may include:</p> <ul style="list-style-type: none">• Brexit impacting delivery of Scotland Excel frameworks and suppliers.• Increasing focus on Carbon Net Zero issues which Scotland Excel must respond to.• Conflict around the world impacting supply chains across Scotland Excel frameworks.• Changes in political direction causing changes to procurement guidelines.• Changes in political direction causing changes to local government policy in Scotland. <p>Challenges caused by legislative changes may include:</p> <ul style="list-style-type: none">• Changes to procurement guidelines and best practice impacting framework development and relevance.• Changes to legislation impacting framework utilisation, for example: food standards, care guidance, building standards.• Changes to environmental objectives impacting supplier resilience and framework development. <p>Challenges caused by policy changes may include:</p> <ul style="list-style-type: none">• Local policy changes such as community wealth building, budget allocation, school meal menus and capital expenditure plans impact utilisation of Scotland Excel frameworks.• Requirement for Scotland Excel to continuously adapt their frameworks to adhere to policy changes.• Requirement for Scotland Excel to deliver against competing policy priorities.• Centralisation of services reducing demand for Scotland Excel services.				
Current Risk Controls				
<ul style="list-style-type: none">• An effective and properly resourced public affairs strategy is in place.• Effective research, engagement, partnership working and briefings ensuring the organisation is aware of and able to respond to challenges and opportunities in the external environment.• Active participation by the organisation in various groups and boards influencing policy developments.• Active participation by the organisation in collaborative procurement opportunities.• Active engagement with the Scottish Government to influence and support policy development.• Development of Business Intelligence function in Scotland Excel to give early warning of pending change and support future development.				

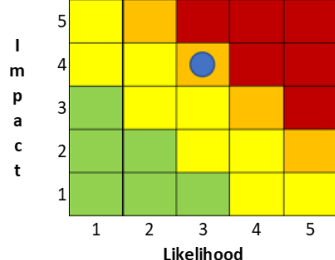

Reputational Risk				
Reference	SXL004-23/24			<div>Risk Matrix Position</div> 
Owner	JW			
Original Evaluated Risk Score				
Likelihood	Impact	Evaluation	Trend	
2	4	8		
Residual Risk Score				
Likelihood	Impact	Residual		
3	4	12		
Context				
Negative publicity caused by a service issue or failure damages the organisational reputation of Scotland Excel and may adversely impact the reputation of members and stakeholders.				
Risk Statement				
Reputational damage may adversely impact: <ul style="list-style-type: none">Scotland Excel's ability to recruit staff and retain members.Utilisation of Scotland Excel's framework portfolio by member organisations.Scotland Excel's ability to recruit and retain staff.Supplier participation in Scotland Excel frameworks.Ability to attract new projects and meet funding requirements.Scotland Excel's ability to meet conflicting demands of stakeholders.				
Current Risk Controls				
<ul style="list-style-type: none">Clear processes and procedures in relation to potential media issues are in place.Pro-active monitoring of press coverage carried out by Marketing Team and wider organisation.Pro-active and robust engagement with press organisations to ensure positive relationships and coverage.Development and maintenance of easier to use and accessible corporate website.Organisational promotion of corporate values to ensure individuals, teams and the organisation operates in line with its Values.Ongoing and pro-active engagement with members and suppliers to develop constructive relationships.Delivery of periodic events and enhanced marketing campaigns in support of recruitment.Ongoing support of 'Meet the Buyer' events across Scotland.Ongoing marketing campaigns in support of project delivery, The Academy, and frameworks.Development and implementation of Value Project aimed at communicating the wider value of Scotland Excel to its members and stakeholders.				

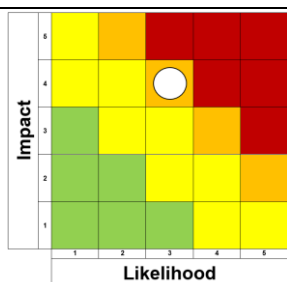

Supply Chain Resilience				
Reference	SXL005-23/24			<div>Risk Matrix Position</div> 
Owner	HC			
Original Evaluated Risk Score				
Likelihood	Impact	Evaluation	Trend	
3	4	12		
Residual Risk Score				
Likelihood	Impact	Residual		
5	4	20		
Context				
<p>Suppliers on Scotland Excel frameworks are required to navigate changeable and increasingly challenging supply chains circumstances. These challenges include high energy costs, inflation, recruitment and resourcing barriers, policy changes and maintaining positive employee relations.</p> <p>Suppliers are increasingly required to innovate or resource more efficient and environmentally aware products, services and materials to meet the changing demands of market.</p> <p>Failure of a service provider, or breakdown within the supply chain of a Scotland Excel framework could have significant implications for service provision within member council areas.</p>				
Risk Statement				
<p>Financial and socio-economic factors impacting the resilience of Scotland Excel framework suppliers include:</p> <ul style="list-style-type: none">National emergencies i.e., Covid pandemic.Strikes and recruitment challenges.Rising energy costs.International conflict.Policy changes including Brexit.Technological failures and challenges.Demographic changes impacting the utilisation of Scotland Excel frameworks.Demographic changes in the United Kingdom and Europe impacting recruitment within supply chains. <p>Environmental and carbon net zero factors impacting the resilience of Scotland Excel framework suppliers include:</p> <ul style="list-style-type: none">Disruption caused by Climate Change.Demand for environmentally aware products outstripping supply across framework.Failure to develop and provide environmentally aware product/service options. <p>Impacts of supplier failure on Scotland Excel include:</p> <ul style="list-style-type: none">The failure to deliver goods and services to customers through frameworks resulting in reduced confidence in Scotland Excel.Negative reputational damage to Scotland Excel.Reduction in member confidence in the resilience of Scotland Excel frameworks.				
Current Risk Controls				
<ul style="list-style-type: none">Robust processes for monitoring financial stability of suppliers are carried out prior to award and throughout the life of a contract.Utilisation of external advice as required and a tailored approach for high-risk contracts is in place.Specific measures are in place to meet the management of Social Care contracts and these key areas of risk.				

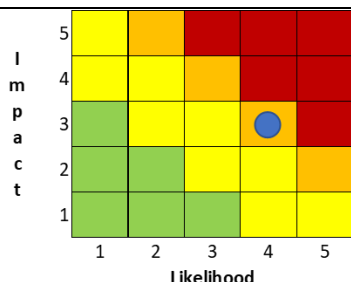

- “Step-in Right” within relevant and appropriate social care contracts maintained.
- Participation in multi-sector groups aimed at supporting provider sustainability and supply chain development.
- Robust Market Analysis Strategy practiced across procurement categories.
- Frameworks are established with lotting structures developed to provide variety and capacity for each local authority area, providing resilience in local supply chains.
- Scotland Excel monitors and reviews key supply chains across our frameworks and distribute quarterly supply chain resilience reports to customers.
- Development and implementation of Carbon Net Zero strategy.
- Roll out of Sustainable Procurement training across procurement teams.
- On-going monitoring of factors affecting suppliers and issue of quarterly “Scotland Excel Supply Chain Intelligence Report”.

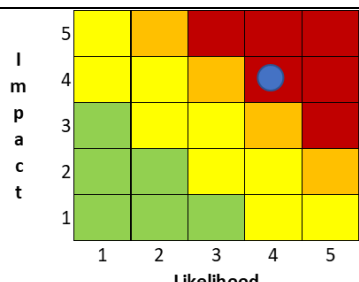

Staff Recruitment and Retention				
Reference	SXL006-23/24			<div>Risk Matrix Position</div> 
Owner	SB			
Original Evaluated Risk Score				
Likelihood	Impact	Evaluation	Trend	
3	3	9		
Residual Risk Score				
Likelihood	Impact	Residual		
4	4	16		
Context				
Failure to recruit and retain staff of suitable skill, quality, and experience may negatively impact Scotland Excel's ability to deliver its operating plan, five-year strategy and meet increasing customer expectations.				
Risk Statement				
<p>Factors impacting Scotland Excel's ability to recruit and retain staff include:</p> <ul style="list-style-type: none">• High demand in the market for experienced procurement staff.• Demographic changes including a reducing workforce population impacting ability to recruit staff and, aging population impacting staff retention as more staff approach retirement age.• Changing expectations in relation to hybrid working.• Scotland Excel's terms and conditions of employment and salary scales must be kept in line with local authority guidelines limiting flexibility within the recruitment and retention process.• Staff turnover adversely impacting service delivery and increasing costs in relation to recruitment.• Employment market uncertainty about the Procurement Profession adversely impacts Scotland Excel's ability to recruit staff.				
Current Risk Controls				
<ul style="list-style-type: none">• People Strategy and workforce planning tools (recruitment, PDP etc.) are used to ensure that Scotland Excel's staff has the appropriate mix of skills and experience to deliver and grow a quality service.• Recruitment and retention processes constantly reviewed and updated.• PDP process reviewed and updated in consultation with Scotland Excel staff.• Delivery of periodic events and enhanced marketing campaigns in support of recruitment.• Investors in People Gold accreditation achieved and maintained.• Staff turnover figures collated and presented to SMT on a regular basis.• Ongoing investment in staff learning and development programme.• Development and implementation of a successful graduate training programme.• Participation in relevant graduate apprenticeship opportunities• Participation in relevant modern apprenticeship opportunities.• Development and implementation of a Scotland Excel Employee Journey procedure.• Broad range of flexible working options and patterns available to staff.• Extensive range of employee benefits available to staff.				

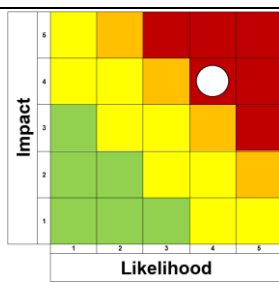
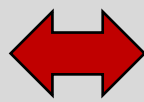
Corporate Social Responsibility				
Reference	SXL007-23/24			<div>Risk Matrix Position</div> 
Owner	HC			
Original Evaluated Risk Score				
Likelihood	Impact	Evaluation	Trend	
2	3	6		
Residual Risk Score				
Likelihood	Impact	Residual		
3	3	9		
Context				
The growing importance of corporate social responsibility among members and stakeholders requires Scotland Excel to evidence contribution to this shared priority across their framework portfolio and operational services.				
Risk Statement				
Risks associated with evolving corporate social responsibility commitments include: <ul style="list-style-type: none">Underutilisation of Scotland Excel frameworks due to failure to promote, include and deliver community benefits.Challenges exist relating to how to deliver Community Benefits within a financially challenging environment.Reputational damage and reduced utilisation of Scotland Excel's frameworks due to failure to promote ethical sourcing of products and suppliers across portfolio supply chains.Reputational damage caused by failure to ensure that Scotland Excel delivers Community Benefits in its day-to-day operations.Scotland Excel's ability to recruit and retain staff and members being negatively impacted by failure to evidence measures taken to deliver corporate social responsibility.				
Current Risk Controls				
<ul style="list-style-type: none">Management and Reporting of Community Benefits developed and embedded within established reporting cycle.Community benefit requirements issued to suppliers at tender stage. Active promotion of community benefits is delivered through contract management.Living Wage Employer accreditation secured and promoted across stakeholders and framework suppliers.Workforce elements and living wage considerations are built into each procurement exercise at strategy stage.Ethical sourcing strategies provided by suppliers as part of the tender process.Staff have become mentors for children in schools under MCR Pathways.Partnership with Founders 4 Schools supporting CV writing, mock interviews etc.Incorporation of "Fair Work First" into Scotland Excel frameworks.Establishment of Scotland Excel Employee Forum which carries out an annual programme of charitable activities.Participation in relevant modern apprenticeship / graduate apprenticeship opportunities.				

Meeting Member and Stakeholder Expectations				
Reference	SXL008-23/24			<div>Risk Matrix Position</div> 
Owner	SB			
Original Evaluated Risk Score				
Likelihood	Impact	Evaluation	Trend	
2	4	8		
Residual Risk Score				
Likelihood	Impact	Residual		
3	4	12		
Context				
As a membership organisation it is important for Scotland Excel to meet the varying and competing political, social, environmental, and financial expectations of its members.				
Risk Statement				
Risks associated with changing stakeholder and member expectations include: <ul style="list-style-type: none">Loss of confidence in Scotland Excel due to failure to meet the expectations of members and stakeholders.Challenges exist relating to how meet stakeholder expectations within a financially challenging environment.Failure to perform and meet delivery targets in line with member and stakeholder expectations.Failure to ensure appropriate mechanisms are in place to support operational performance and adaptability.Insufficient resource available to Scotland Excel to meet conflicting member and stakeholder expectations.Failure to clearly evidence the value of Scotland Excel and meet expectations of members.				
Current Risk Controls				
<ul style="list-style-type: none">Continuing focus on delivering and evidencing core value for all member Councils and Associate Members.Continuing development of Sectoral Savings Options for Councils and Associate members.Approved 5-year strategy and one-year operating plan in place addressing current member expectations.Regular operating plan updates given to Executive Sub Committee to ensure robust governance.Regular financial period review and reporting across core and projects.Regular infrastructure reviews undertaken to support operational delivery in line with member and stakeholder expectations.Ongoing development of services in response to changing member and stakeholder demands.				

Environmental Impact and Climate Change				
Reference	SXL009-23/24			<div>Risk Matrix Position</div> 
Owner	JW			
Original Evaluated Risk Score				
Likelihood	Impact	Evaluation	Trend	
2	3	6		
Residual Risk Score				
Likelihood	Impact	Residual		
3	4	12		
Context				
<p>Members and stakeholders demand best value contracts that support their aspirations to achieve net zero carbon emissions and tackle climate change.</p> <p>Scotland Excel must demonstrate how their own operations are driving down emissions and reducing environmental impact.</p>				
Risk Statement				
<p>An ineffective environmental response from Scotland Excel may result in:</p> <ul style="list-style-type: none">• Organisational activity having an adverse impact on the environment.• Current and future frameworks and services having an adverse impact on the environment.• Failure to maximise influence and impact on environmentally friendly public service delivery.• Measurement and reporting of environmental performance that is not representative of true impact on the environment.				
Current Risk Controls				
<ul style="list-style-type: none">• Review and ongoing adoption of environmentally aware operating practices within Scotland Excel.• Ongoing review of Scotland Excel frameworks and their impact on the environment.<ul style="list-style-type: none">○ Requirement for Environmental Policy, ISO certificate or equivalent for access to certain frameworks.○ Actions in relation to reducing carbon footprint scored in assessment for certain frameworks.○ Information in relation to environmental practices and plans requested across all applicable frameworks.○ Sustainability testing carried out as appropriate.• Implementation of activities aligned with Scotland Excel Net Zero Strategy.• Exploration of options linked to accurate carbon measurement.• Ongoing training of Scotland Excel staff on environmental impact and climate change issues.				

National Emergency Including Pandemic				
Reference	SXL0010-23/24			<div>Risk Matrix Position</div> 
Owner	JW			
Original Evaluated Risk Score				
Likelihood	Impact	Evaluation	Trend	
5	5	25		
Residual Risk Score				
Likelihood	Impact	Residual		
4	3	12		
Context				
A National Emergency or Pandemic being declared by the Scottish Government and/or the UK Government will impact the day-to-day operations of Scotland Excel.				
Risk Statement				
A National Emergency or Pandemic may result in: <ul style="list-style-type: none">Impeded ability of Scotland Excel to deliver services to members and stakeholders.Reputational damage to Scotland Excel caused by failure to deliver services to and stakeholders.Negative impact on health and wellbeing of Scotland Excel employees.Failure to offer flexible working arrangements limiting organisational ability to adapt service delivery and operational processes following/during National Emergency or Pandemic.Failure to ensure supply chain resilience in case of National Emergency or Pandemic impacting the supply of goods and services through Scotland Excel frameworks impacting organisational reputation, member confidence and customer satisfaction levels.				
Current Risk Controls				
<ul style="list-style-type: none">Hybrid and ICT working arrangements are flexible allowing easy adaptability in case of National Emergency or Pandemic.ICT and Business Continuity Strategy and Plan in development.Employee support mechanisms (Occupational Health, Time to Talk, Mental Health First Aiders etc.) remain in place during flexible working scenarios.Access to a range of video communication software allows business meetings to take place online and ensures employees living alone or experiencing difficulties can be supported.Governance of the organisation can be maintained in line with governing documents.Framework nature of managed contracts ensure minimum dependence on single suppliers.Adaptability of organisational resources ensures flexibility in the allocation of resources to meet demand and changing priorities. E.g., PPE and Food during Covid pandemic.Review of framework contract terms and conditions every 2 years.Issuing quarterly Scotland Excel Supply Chain Intelligence Report.				

Redesign of Scottish Public Services				
Reference	SXL0011-23/24			<div>Risk Matrix Position</div> 
Owner	HC			
Original Evaluated Risk Score				
Likelihood	Impact	Evaluation	Trend	
5	4	20		
Residual Risk Score				
Likelihood	Impact	Residual		
4	4	16		
Context				
Redesign of public services may adversely impact the ongoing operations, framework delivery and future service development plans of Scotland Excel.				
Risk Statement				
Redesign of Scottish Public Sector services may: <ul style="list-style-type: none">Require Scotland Excel to adapt their current service offering to members.Broaden the risk of under-utilisation of Scotland Excel frameworks and services.Create conflict between national and local priorities complicating framework development.Adversely impact the spend across a broad range of Scotland Excel frameworks.Potentially impact the financial viability of Scotland Excel through recalculation of requisition requirements.Adversely impact Scotland Excel's position as a centre of excellence for procurement.				
Current Risk Controls				
<ul style="list-style-type: none">On-going liaison with key organisational stakeholders in relation to public service delivery.Participation in key Scottish Government working groups relating to public service redesign.Supplier and customer trust and utilisation of existing Scotland Excel frameworks.Consultation with key stakeholders in relation to Parliamentary Process and responding to the Call for Views and co-design.Development of Scotland Excel Partnership Working Strategy.				

ICT and Cyber Security				
Reference	SXL0012-23/24			<div>Risk Matrix Position</div> 
Owner	SB			
Original Evaluated Risk Score				
Likelihood	Impact	Evaluation	Trend	
5	5	25		
Residual Risk Score				
Likelihood	Impact	Residual		
4	4	16		
Context				
<p>Scotland Excel is fully dependent on ICT to deliver its services to members. There has been an increase in both attempted and successful cyber-attacks across sectors which have been accelerated by socio-economic developments such as the introduction of hybrid working and conflict around the world. The growing threat of cyber-attacks to organisations requires preventative and mitigating cyber security measures to be implemented.</p>				
Risk Statement				
<p>Ineffective cyber security measures may result in:</p> <ul style="list-style-type: none">• System or infrastructure failures impacting on the ability of the organisation to deliver services with resultant impacts on performance.• Financial loss to Scotland Excel and its customers.• Knock-on threat to the cyber security of member organisations and the public sector.• Loss of control of confidential and commercially sensitive data impacting organisational reputation and member confidence• Increased costs in relation to cyber security.				
Current Risk Controls				
<ul style="list-style-type: none">• BitLocker encryption is enabled on all Scotland Excel computers.• Conditional access policies are applied to limit access to Scotland Excel's cloud-based network via Renfrewshire Council's network, through which Scotland Excel's computers connect to the internet.• Mobile Device Management (MDM) is carried out using MS Intune to support secure access and remote wiping of corporate data via personal/corporate mobiles.• SPAM filtering is employed on Scotland Excel's MS Exchange server.• Email authentication methods (SPF, DKIM) have been enabled to help prevent spam and spoofing.• Regular manual back-ups taken of essential cloud-based data i.e., website, SQL databases.• Regular cybersecurity training and simulated phishing attacks are carried out using the KnowBe4 Security Awareness Training platform.• Cyber Security communications and guidance are regularly communicated to all Scotland Excel staff.				

Scotland Excel

To: Joint Committee

On: 16 June 2023

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

Supporting Attendance, Special Leave and Hospitality

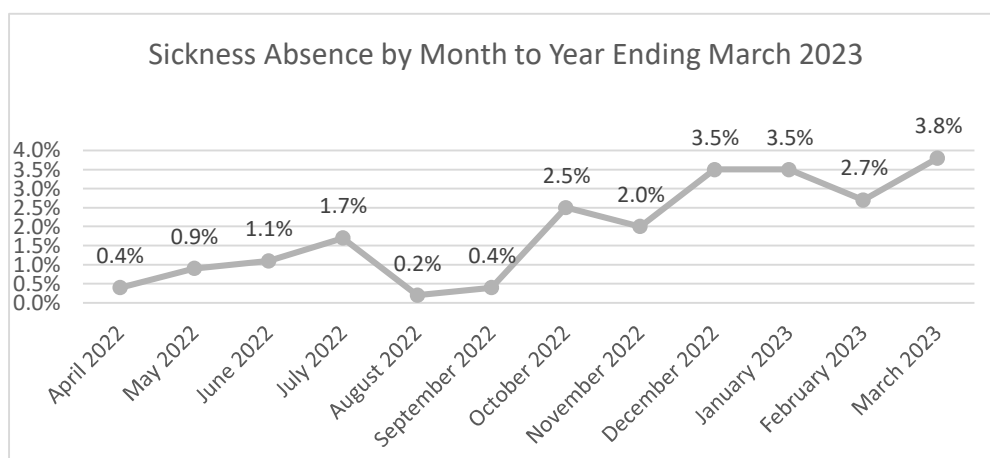
1. Introduction

As part of the governance process, members of the Joint Committee are advised on an annual basis of staff absence rates, special leave given to staff and hospitality granted by the organisation. The information for the 2022/23 financial year is detailed below.

2. Scotland Excel Staff Absence

The Joint Committee has previously agreed that Scotland Excel target an absence rate of below 4%. This target aligns Scotland Excel with partner organisations, supports good practice in this area and demonstrates the ongoing commitment to absence management as a key efficiency target. Quarterly reports on Staff Absence are also presented to the Executive Sub Committee.

During 2022/23, the average sickness absence rate per full time equivalent member of staff has been 4.0 days. In total, 428.5 sickness leave days were reported across all staff during 2022/23 representing an average Sickness Absence Rate of 2.0%. The organisation will continue to monitor this and ensure that, where required, staff are given appropriate support to maintain their attendance. The following graph shows monthly percentage absence figures for staff during 2022/23.



Overview of supporting attendance initiatives

In addition to actively supporting members of staff absent through ill health, Scotland Excel continues to implement positive early intervention practices including working with Occupational Health and other support services to support members of staff who may be experiencing difficulties while at work. Interventions available to staff - whether at work or absent - include physiotherapy, confidential counselling services, Cognitive Behavioral Therapy (CBT), Time for Talking and, Wellbeing emails issued to all staff with further information on health initiatives that can be accessed independently by all staff.

Scotland Excel recognises that positive mental health amongst staff members is an area that must be supported and encouraged. In addition to active promotion of good mental health practices and initiatives, the organisation has 15 staff from across all operational areas and grades who have trained as accredited Mental Health First Aiders. In providing this confidential support opportunity to staff members it is hoped that any personal difficulties they may be experiencing can be addressed at an early stage with appropriate signposting to professional support as appropriate.

Given the growing interest among staff members on the subject of mental health, further training has been planned in the coming year for those wishing to become accredited Mental Health First Aiders.

Scotland Excel has also implemented a Mental Health at Work Commitment Action Plan which is a comprehensive tool for adopting best practice in promoting and maintaining positive mental health within the organisation.

Trauma Informed Organisation

Scotland Excel has started the journey to become a Trauma-informed organisation. Laura James, National Trauma Lead from the Improvement Service, presented to the workforce at a face-to-face staff event in March 2023. The key message from Laura was that many of us have experienced trauma within our lives, indeed, research suggests that 1 in 7 adults in Scotland have experienced psychological trauma making it relevant to all organisations as, "...trauma is everyone's business."

During the presentation, it was highlighted that no one colleague, agency or organisation is solely responsible for responding to trauma. Joined-up multi-agency working where every colleague and every organisation understands their role helps to ensure that services and systems respond to trauma and its impact as early as possible, providing a shared language and understanding for leaders, the workforce and people affected by trauma. Next steps for Scotland Excel will be to carry out a self-assessment exercise using the Quality Improvement Framework.

3. Special Leave

Under item 6.2(w) of the Scheme of Delegation, the Chief Executive has the authority to permit any member of staff to absent themselves occasionally and temporarily during business hours to attend to duties or services of a civic honour, charitable, academic or social nature provided that these do not interfere with the efficient discharge of the functions of Scotland Excel and to grant special leave, in accordance with the lead authority's special leave policy.

Scotland Excel follows the HR policies and procedures of the lead authority, Renfrewshire Council. When approving requests for special leave, consideration is always given to the operational requirements of Scotland Excel together with requests that may have been previously granted and outstanding annual leave. Categories of special leave include some medical appointments, illness of family dependants, bereavements, civic duties and exam / study leave. A total of 46 days are recorded, 41 days paid leave and 5 days unpaid leave, against the undernoted categories.

Reason	Paid or Unpaid	Days
Support family dependants	Paid	8.5
Support family dependants	Unpaid	5
Bereavement	Paid	17
Exam / Study leave	Paid	12
Jury Duty	Unpaid	0
Hospital	Paid	2.5
Election Duties	Paid	1

4. Hospitality

Under Item 6.2(e) of the Scheme of Delegation, the Chief Executive has the authority to approve the provision of reasonable hospitality to a maximum of £1,000 in relation to one occasion where this is thought to be in the interests of Scotland Excel.

In the last financial year (2022/23) there was no spend.

5. Recommendation

The Joint Committee is requested to note the contents of report.

