

Notice of Meeting and Agenda Scotland Excel Joint Committee

Date	Time	Venue
Friday, 17 June 2022	09:30	Remotely by MS Teams ,

MARK CONAGHAN
Clerk

Membership

(No Members appointed as yet for Aberdeen City Council); (No Members appointed as yet for Aberdeenshire Council); Councillor Brenda Durno (Angus Council); Councillor William Sinclair (Argyll and Bute Council); (No Members appointed as yet for 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); (No Member appointed as yet for both Fife Council); Councillor Ruairi Kelly and Councillor Rashid Hussain (both Glasgow City Council); (No Members appointed as yet for Highland Council); Councillor Martin McCluskey (Inverclyde Council); Councillor Douglas Bowen (Midlothian Council); (No Members appointed as yet for Moray Council); Councillor Christina Larsen (North Ayrshire Council); (No Member appointed as yet for North Lanarkshire Council); (No Member appointed as yet for Orkney Islands 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); (No Member appointed as yet for South Lanarkshire Council); Councillor Rachel Nunn (Stirling Council); Councillor Daniel Lennie (West Dunbartonshire Council); and (No Member appointed as yet for (West Lothian Council)).

Further Information

If you require further information in relation to this meeting please email
elaine.currie@renfrewshire.gov.uk

Items of business

The Clerk to the Joint Committee will preside prior to the election of the Convener.

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.

- | | | |
|-----------|---|----------------|
| 1 | Appointment of Convener | 5 - 6 |
| | Report by Clerk. | |
| 2 | Appointment of Vice Convener | |
| 3 | Term of Office of Convener and Vice Convener | 7 - 8 |
| | Report by Clerk. | |
| 4 | Membership of Joint Committee | 9 - 10 |
| | Report by Clerk. | |
| 5 | Membership of Executive Sub-committee | 11 - 12 |
| | Report by Clerk. | |
| 6 | Minute of Joint Committee | 13 - 20 |
| | Minute of meeting of the Joint Committee held on 10 December 2021. | |
| 7 | Minutes of Executive Sub-committee | 21 - 48 |
| | Minutes of meetings of the Executive Sub-committee held on 10 December 2021, 28 January 2022, 18 February 2022 and 18 March 2022. | |
| 8 | Overview of Scotland Excel | |
| | Presentation by Chief Executive of Scotland Excel. | |
| 9 | Unaudited Annual Accounts 2021/22 | 49 - 86 |
| | Report by the Treasurer. | |
| 10 | Elected Member Engagement Plan | 87 - 88 |
| | Report by Chief Executive of Scotland Excel. | |

11	Operating Plan for April 2022 – March 2023	89 - 108
	Report by Chief Executive of Scotland Excel.	
12	Annual Procurement Report	109 - 154
	Report by Chief Executive of Scotland Excel.	
13	Scotland Excel's Approach to Risk	155 - 158
	Report by Chief Executive of Scotland Excel.	
14	Date of Next Meeting	
	Note that the next meeting of the Joint Committee will be held at 10.45 am on 9 December 2022.	



Scotland Excel

To: Scotland Excel Joint Committee

On: 17 June 2022

**Report
by
the Clerk**

Term of Office of Convener and Vice Convener

1. Summary

- 1.1 The purpose of this report is to seek the Joint Committee's approval to the term of office for the Convener and Vice Convener of the Joint Committee.

2. Recommendation

- 2.1 That it be agreed that the term of office of the Convener and Vice Convener be until the next local government elections in May 2027.



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Scotland Excel

To: Scotland Excel Joint Committee

On: 17 June 2022

**Report
by
the Clerk**

Membership of Scotland Excel Joint Committee

1. Summary

- 1.1 The purpose of this report is to advise on the appointments by member authorities to the Scotland Excel Joint Committee.

2. Recommendation

- 2.1 That the appointments be noted.

3. Background

- 3.1 Paragraph 3.2 of the Scotland Excel Terms and Conditions, signed by every member authority provides that:
- Each member authority shall appoint one of their elected members to be their representative on the Joint Committee. Each member authority with a population in their area in excess of 200,000 shall be entitled to also appoint a second representative on the Joint Committee.
 - It shall be open to each of the member authorities to replace its representative on the Joint Committee at any time.
- 3.2 The appendix to this report details the appointments to the Joint Committee following the local government elections in May 2022.
- 3.3 It should be noted that a number of member authorities have still to make appointments to the Joint Committee and an updated appendix will be issued prior to the meeting.



Scotland Excel

To: Scotland Excel Joint Committee

On: 17 June 2022

**Report
by
the Clerk**

Membership of Scotland Excel Sub-committee

1 Summary

- 1.1 The membership of the Scotland Excel Executive Sub-committee is renewed annually.
- 1.2 The purpose of this report is to seek the Joint Committee's approval to the continued appointment of the existing membership of the Sub-committee.

2 Recommendations

- 2.1 That the Joint Committee consider the membership of the Executive Sub-committee; and
- 2.2 That membership of the Executive Sub-committee be next reviewed at the meeting of the Joint Committee in June 2023.

3 Background

- 3.1 The Scotland Excel Terms and Conditions document signed by all member councils provides that there shall be an Executive Sub-committee with the role and functions of the Sub-committee to be determined by the Joint Committee.
- 3.2 In June 2017, the Joint Committee agreed to increase the number of members of the Sub-committee from 12 to 13 to include both the Convener and Vice Convener and the Procedural Standing Orders for the Joint Committee were amended to reflect that change. However, the new arrangements remained subject to the requirement that where possible the

membership of the Executive Sub-committee shall reflect the geographic diversity of the constituent authorities.

- 3.3 It was agreed at that meeting that the membership of the Executive Sub-committee should comprise elected members from the following Councils:-

Renfrewshire

North Lanarkshire

Angus

Aberdeenshire

Comhairle nan Eilean Siar

Fife

Glasgow City

Highland

North Ayrshire

City of Edinburgh

South Lanarkshire

Shetlands Islands

Dumfries & Galloway

- 3.4 The Joint Committee has approved the continued membership of the Councils listed at paragraph 3.3 above, most recently at the meeting of the Joint Committee held on 18 June 2021.
- 3.5 The Joint Committee is requested to consider the appointment of members to the Executive Sub-committee for the period to June 2023 when it is proposed that the membership would be reviewed.
- 3.6 The main function of the Executive Sub-committee is to consider and decide upon the award of contracts and frameworks.



Minute of Meeting Scotland Excel Joint Committee

Date	Time	Venue
Friday, 10 December 2021	10:45	Remotely by MS Teams,

Present

Provost Bill Howatson (Aberdeenshire Council); Councillor David Cameron (Aberdeen City Council); Councillor Donald Balsillie (Clackmannanshire Council); Councillor Andrew Johnston (City of Edinburgh Council); Councillor Stephen Thompson (Dumfries and Galloway Council); Councillor John Jamieson (East Dunbartonshire Council); Councillor John McMillan (East Lothian Council); Councillor Tony Buchanan (East Renfrewshire Council); Councillor Gary Bouse (Falkirk Council); Councillor Altany Craik and Councillor Ross Vettraino (Fife Council); Councillor Ruairi Kelly (Glasgow City Council); Councillor Aaron McLean (Moray Council); Councillor Paul Di Mascio (North Lanarkshire Council); Councillor Sheila McCole (Perth and Kinross Council); Councillor John Shaw (Renfrewshire Council); Councillor Robin Tatler (substitute for Councillor Simon Mountford) (Scottish Borders Council); Councillor Amanda Hawick (Shetland Islands Council); Councillor Peter Henderson (South Ayrshire Council); Councillor Ian Dickson (West Dunbartonshire Council); and Councillor John McGinty (West Lothian Council).

Chair

Councillor Shaw, Convener, presided.

In Attendance

J Welsh, Chief Executive, S Brannagan, Head of Customer & Business Services, H Carr, Head of Strategic Procurement, L Campbell, Corporate Services Manager, K Forrest, Office Manager, L Richard, Strategic Procurement Manager, S Christie, Commercial Manager and R Williams, Senior Marketing and Communications Specialist (all Scotland Excel); and M Conaghan, Legal & Democratic Services Manager, C McCourt, Finance Business Partner and E Currie and R Devine, both Senior Committee Services Officers (all Renfrewshire Council).

Apologies

Councillor John Reynolds (Aberdeen City Council); Councillor Alastair Bews (Aberdeenshire Council); Councillor Angus Macmillan Douglas (Angus Council); Councillor Rory Colville (Argyll & Bute Council); Provost Norman MacDonald (Comhairle Nan Eilean Siar); Councillor Gordon Jenkins (East Ayrshire Council); Councillor Matthew Reiss (Highland Council); Councillor Jim Clocherty (Inverclyde Council); Councillor Joe Cullinane (North Ayrshire Council); Councillor Allan Graham (North Lanarkshire Council); Councillor Simon Mountford (Scottish Borders Council) and Councillor Josh Wilson (South Lanarkshire Council).

Declarations of Interest

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

1 Minutes of Joint Committee

There were submitted the Minute of the meeting of the Joint Committee held on 18 June 2021 and the Minute of the special meeting of the Joint Committee held on 22 October 2021.

DECIDED: That the Minutes be approved.

2 Minutes of Executive Sub-committee

There were submitted the Minutes of the meetings of the Executive Sub-committee held on 18 June, 20 August, 17 September, 22 October and 19 November 2021.

In relation to the Minute of the meeting held on 22 October 2021, Councillor Craik advised that the interest he declared was non-financial and not financial as recorded in page 34 of the Minute.

DECIDED: That, subject to the above amendment, the Minutes be approved.

Sederunt

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

Councillor Thomson left 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 2021 which included information on how Scotland Excel had delivered value to members; supported Scotland's recovery; supported Scotland's Green recovery; and future services for members.

The presentation provided further detail on what Scotland Excel had delivered for member councils; annual value reports which detailed the value derived by individual councils from membership of Scotland Excel; projects and partnerships; income generation; return on investment; children's services; adult social care; supply chain disruption; energy efficient homes; electric vehicle charging infrastructure and the green fleet; and the 3% requisition increase together with the associated efficiencies and cost drivers.

DECIDED: That the presentation be noted.

Sederunt

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

4 Revenue Estimates 2022/23

There was submitted a joint report by the Treasurer and the Chief Executive of Scotland Excel relative to the revenue estimates for Scotland Excel, including the requisition of the constituent authorities for financial year 2022/23 and indicative planning figures for 2023/24 and 2024/25.

The report intimated that the annual revenue estimates process outlined the summary revenue budget position of the organisation. Appendix 1 to the report outlined the projected position and proposed requisitions for 2022/23 and the indicative projected position for 2023/24 and 2024/25.

The financial environment within which Scotland Excel and its member authorities currently operated continued to be characterised by uncertainty due to the ongoing impact of the COVID-19 pandemic and the emerging impact of Brexit. These factors had influenced the revenue budget estimates. 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 value propositions for member authorities to ensure that best value was achieved.

Appendix 2 to the report detailed the member authority requisitions for 2021/22 and 2022/23 and the savings achieved by member authorities during 2020/21.

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 2022/23.

DECIDED:

(a) That the revenue estimates of Scotland Excel for the financial year 2022/23, as detailed in 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 2023/24 and 2024/25 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 2021/22 contract delivery plan.

The report intimated that the contract delivery plan comprised 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 there were 74 current frameworks in the Scotland Excel portfolio with four further new frameworks to be added, 25 frameworks to be renewed before 31 December 2022 and 16 frameworks with extension options likely to be exercised in 2021/22, with five 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 as at 31 March 2022 would be approximately £2 billion.

It was noted that overall, efficiencies delivered to date in 2021/22 were 3.07%, which was above the forecast range. A summary of spend and forecast savings per Council for the period July 2020 to June 2021 was detailed in Appendix 5 to the report, with an average forecast efficiency of circa 1.72%.

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.

DECIDED: That the progress made to date be noted.

6 **Operating Plan Update 2021/22**

There was submitted a report by the Chief Executive of Scotland Excel providing an update on the progress made in the nine months to 30 September 2021.

The report intimated that a new operating plan, covering the fifteen-month period from January 2021 to March 2022, had been approved at the meeting of the Scotland Excel Joint Committee held on 11 December 2020. To simplify reporting, the number of commitments in the plan had reduced from 68 detailed commitments to 30 broader commitments and these aligned to more than 120 specific actions cascaded to staff as part of Scotland Excel's Performance Review and Development Programme.

The report highlighted that 24 commitments were progressing in line with plans and were indicated as green; four commitments were indicated as amber; and one commitment had been completed and was indicated as black.

It was noted that the next quarterly report, covering the period from 1 October to 31 December 2021, would be published in January 2022. As an interim update, the report highlighted some key activities that had taken place during that period.

It was 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.

DECIDED: That Scotland Excel's progress in delivering the commitments contained within the operating plan 2021/22 be noted.

7 **Draft Operating Plan for April 2022 to March 2023**

There was submitted a report by the Chief Executive of Scotland Excel presenting the organisation's proposed operating plan for the period 1 April 2022 to 31 March 2023, a copy of which was appended to the report.

The report intimated that the plan covered the key activities that would be undertaken during the 2022/23 financial year to complete the delivery of the current five-year corporate strategy. A new five-year strategy would be developed over the coming year in conjunction with the Executive Sub-committee and would be presented to the Joint Committee for approval in December 2022.

The report intimated that quarterly progress reports were produced to track Scotland Excel's performance against operating plan commitments and would be submitted to the Executive Sub-committee quarterly and to the Joint Committee half-yearly and annually.

Following feedback from the Executive Sub-committee, the 2021/22 operating plan had been simplified, retaining the 16 strategic objectives set out in the original five-year plan but reducing the number of detailed commitments from 68 to 30. These broader commitments aligned to over 120 specific commitments cascaded to staff as part of Scotland Excel's Performance Review and Development programme.

The draft 2022/23 operating plan continued with this approach allowing reporting to focus on those activities most relevant for members. The new plan had 34 commitments reflecting the key actions Scotland Excel would undertake next financial year to conclude the five-year strategy, with expanded commitments on project work to reflect growing demand for flexible procurement, consultancy and Academy services.

The proposed plan did not contain quantified key performance indicators. The ongoing and residual impact of both the COVID-19 pandemic and Brexit had made it difficult to provide indicators that offered a degree of confidence in an uncertain operational environment. A new set of key performance indicators would be developed as part of the new five-year strategy and planning process that would begin in early 2022.

DECIDED: That the proposed operating plan for 2022/23 be approved.

Sederunt

Councillor Thomson re-joined the meeting during consideration of the following item of business.

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

8 **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 organisational objectives and to identify controls and actions that were being taken to mitigate these risks.

The report intimated that currently there were 11 risks identified ranging in assessed residual risk score from 6 to 20 and a summary of the key statistics in relation to each identified risk was detailed in Appendix 1 to the report.

It was noted that the ongoing impact of the COVID-19 pandemic, the emerging impact of Brexit on markets and suppliers and the uncertainty in relation to the Scottish Government plans for a National Care Service were the over-riding influences on the strategic risk register at present.

DECIDED: That the strategic risk register and actions identified to manage risks be noted.

9 **Community Benefits and Fair Work Practices Update**

There was submitted a report by the Chief Executive of Scotland Excel highlighting the community benefits delivered as a result of the Scotland Excel framework portfolio in the period 1 April to 30 September 2021 together with an update on fair work practices which would give an analysis of the Living Wage status of suppliers and providers.

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 as a result of 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 2021, community benefits had been sought from suppliers and providers who had received in excess of £50,000 spend over the quarter 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 2021. The appendix to the report detailed the community benefits by council for the period April to September 2021.

The report further advised that communication had been received from the Scottish Government in October 2021 advising that the Scottish Government believed it was possible to mandate the real Living Wage in public contracts where Fair Work First practices, including payment of the real Living Wage, was relevant to how the contract would be delivered; it did not discriminate amongst potential bidders; it was proportionate to do so; and the contract would be delivered by workers based in the UK. In light of this communication, Scotland Excel were reviewing its approach to fair work and would report on this in early 2022.

It was noted that the next community benefits data collection, analysis and review cycle would be completed in line with management information process to cover the period to 31 March 2022.

DECIDED: That the content of the report be noted and that the ongoing practice to monitor delivery of community benefits for the 2021/22 financial year be supported.

10 **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.

The report intimated that the CEOMG had been part of Scotland Excel's governance since its inception in 2008 and comprised of six Chief Executives from the member authorities. The Chief Executive of Renfrewshire Council was a standing member of the group due to Renfrewshire Council being the lead authority for Scotland Excel. The other five Chief Executives were appointed annually by the Joint Committee although membership could be renewed.

The report proposed that the CEOMG membership remain as detailed in paragraph 1.6 of the report until December 2022 to allow for continuity in the strategic direction for Scotland Excel.

DECIDED:

(a) That membership of the CEOMG remain as detailed in paragraph 1.6 of the report until December 2022; and

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

11 **Consideration of Remuneration of the Roles of Convener and Vice Convener of Scotland Excel Joint Committee**

Under reference to item 3 of the Minute of the meeting of this Joint Committee held on 11 December 2020, there was submitted a report by the Clerk relative to remuneration of the roles of Convener and Vice Convener of the Scotland Excel Joint Committee.

The report intimated that the Local Governance (Scotland) Act 2004 (Remuneration) Amendment Regulations 2007 ("The Regulations") established the rules in respect of remuneration of councillors, including the roles of council leaders, civic heads and senior councillors. The Regulations also set out that certain payments could be made to councillors in respect of convener and vice convener roles within certain joint boards. No provisions were made within the Regulations that permitted such payments in respect of joint committees. Scotland Excel was a joint committee and not a joint board within the terms of the Local Government (Scotland) Act 1973.

The report advised that the Regulations were further amended by The Local Governance (Scotland) Act 2004 (Remuneration) Amendment Regulations 2011 which inserted a provision that "no local authority shall allow a body controlled by it to make any payments to its councillors by way of remuneration other than the reimbursement of authorised and receipted expenses." As a joint committee, Scotland Excel was a body controlled by the member authorities and as such the amended Regulations prohibited any remuneration being paid by Scotland Excel to any councillor. Accordingly, it would not be possible for the roles of Convener and Vice Convener to be remunerated.

DECIDED: That the content of the report be noted.

12 **Meetings of Scotland Excel Joint Committee in 2022**

There was submitted a report by the Clerk relative to proposed meeting dates for the Joint Committee during 2022.

DECIDED:

(a) That meetings of the Joint Committee be held at 10.45 am on 17 June and 9 December 2022; and

(b) That it be agreed that the Joint Committee continue to meet remotely and that this continue to be reviewed to take into account public health advice and guidance.



Minute of Meeting Scotland Excel Executive Sub-committee

Date	Time	Venue
Friday, 10 December 2021	09:30	Remotely by MS teams,

Present

Provost Bill Howatson (Aberdeenshire Council); Councillor Stephen Thompson (Dumfries & Galloway Council); Councillor Altany Craik (Fife Council); Councillor Ruairi Kelly (Glasgow City Council); Councillor Joe Cullinane (North Ayrshire Council); Councillor Paul Di Mascio (North Lanarkshire Council); Councillor John Shaw (Renfrewshire Council) and Councillor Amanda Hawick (Shetland Islands Council).

Chair

Councillor Shaw, Convener, presided.

In Attendance

J Welsh, Chief Executive; H Carr, Head of Strategic Procurement; S Brannagan, Head of Customer and Business Services; L Campbell, Corporate Services Manager; L Muir, Category Manager; E Macluskie, Procurement Co-ordinator, G Mooney, Category Analyst, S Christine, Commercial Manager, G McColl, Senior Communications Specialist, L Richard, Strategic Procurement Manager and K Forrest, Office Manager (all Scotland Excel); M Conaghan, Legal & Democratic Services Manager, C McCourt, Finance Business Partner and E Currie and R Devine, Senior Committee Services Officers (all Renfrewshire Council); and M Ferris, Audit Manager, A MacDonald, Senior Auditor and K Graham, Trainee Auditor (all Audit Scotland).

Apologies

Councillor Angus Macmillan Douglas (Angus Council); Provost Norman A Macdonald (Comhairle Nan Eilean Siar); and Councillor Josh Wilson (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 19 November 2021.

The Head of Strategic Procurement advised the meeting that the report on Contract for Approval: Supply and Distribution of Milk approved on 19 November 2021 had reported the awards on the basis of whole council areas. However, he wished to advise members that for two of the council areas namely, North Ayrshire and Argyll & Bute, the council areas had been broken down in to geographical sublots with a view to potentially increasing the number of tenderers. While there was no change to the awards, Members were asked to note the awards were on the subplot basis.

DECIDED: That the Minute be approved and the update provided by the Head of Strategic Procurement be noted.

2 **Annual Audit Report on the Annual Accounts 2020/21**

Under reference to item 6 of the Minute of the meeting of the Joint Committee held on 18 June 2021, there was submitted a report by the Treasurer relative to Audit Scotland's findings from the audit of Scotland Excel's financial statements for 2020/21.

The report intimated that The Local Authority Accounts (Scotland) Regulations 2014 required the audited accounts to be approved for signature no later than 30 September each year. This year, owing to the COVID-19 pandemic, this date had been extended to 30 November 2020. It was noted that there had been delays in Audit Scotland completing the statutory audits of a number of public sector clients and this had resulted in the audited annual accounts of Scotland Excel being presented for approval on 10 December 2021.

Section 10 of the Regulations required the relevant committee to consider any report made by the appointed auditor before deciding whether to sign the audited accounts.

Audit Scotland's annual audit report formed Appendix 1 to the report and included their opinion that the annual accounts were free from material misstatement and presented a true and fair view of Scotland Excel's financial position at 31 March 2021 as well as details of adjustments made to the accounts during the course of the audit.

A copy of the audited annual accounts 2020/21 was attached as Appendix 2 to the report.

Following approval, the audited accounts would be submitted to the Convener, Treasurer and Chief Executive of Scotland Excel for secure digital signature.

DECIDED:

(a) That the findings of the 2020/21 audit as contained in the external auditor's annual audit report, which formed Appendix 1 to the report, be noted; and

(b) That the Scotland Excel 2020/21 audited annual accounts, which formed Appendix 2 to the report, be approved for signature.

3(a) **Contract for Approval: Supply and Delivery of Musical Instruments**

There was submitted a report by the Chief Executive of Scotland Excel relative to the award of a new framework for the supply and delivery of musical instruments which would operate from 1 December 2021 until 30 November 2024 with an option to extend for up to 12 months until 30 November 2025.

The framework would provide councils and other participating bodies with a mechanism to procure a wide range of musical instruments and associated accessories. It was noted that the musical instruments to be supplied under this framework were previously included within lot 7 of the education materials framework, schedule 12/20 which had been tendered during summer 2021. At the meeting of this Sub-committee held on 18 June 2021, it was noted that, in order to adequately account for the impact of recent pandemic restrictions for a tender, Scotland Excel did not proceed to award lot 7, musical instruments and this procurement had been undertaken as a separate exercise.

The report summarised the outcome of the procurement process for the framework which consisted of a single lot, as detailed in table 1 of the report.

The report advised that the forecast annual spend for participating councils and associate members with contingency was £1.75 million per annum, equating to an estimated spend of £7 million over the maximum four-year term of the framework. Appendix 1 to the report detailed the participation, spend and savings summary of those councils participating in the framework.

Tender responses had been received from 10 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 offers had been carried out and Appendix 3 to the report detailed the scoring achieved by each bidder.

Based on the evaluation undertaken, and in line with the criteria and weightings set out in the report, it was recommended that a multi-supplier framework arrangement be awarded to 10 suppliers across lot 1, 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 the supply and delivery of musical instruments, as detailed in Appendix 3 to the report, be approved.

Sederunt

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

3(b) **Contract for Approval: Supply and Delivery of Recycle and Refuse Containers**

There was submitted a report by the Chief Executive of Scotland Excel relative to the award of a fourth-generation framework for the supply and delivery of recycle and refuse containers which would operate from 9 December 2021 until 8 December 2024 with an option to extend for a one-year period until 8 December 2025. It was noted that, subject to approval and completion of a standstill period, it was intended that the framework would commence on or around 4 January 2022.

The framework would provide Councils and other participating bodies with a mechanism to procure various types of recycle and refuse containers and would be available to all 32 councils, associate members and eligible public sector partners. The framework would form part of the Scotland Excel Environment Category portfolio which assisted councils in delivering their statutory obligation to provide a waste management public service and to meet targets associated with the Waste (Scotland) Regulations 2012, Scotland's Zero Waste Plan and the Scottish Government and CoSLA Household Waste Recycling Charter and Associated Code of Practice.

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

The report advised that the forecast annual spend for participating councils and associate members with contingency for any unprojected spend was £12.5 million per annum, equating to an estimated spend of £50 million over the full four-year term of the framework. Appendix 1 to the report detailed the participation, spend and savings summary of those councils participating in the framework.

Tender responses had been received from 25 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 offers had been carried out and Appendix 3 to the report detailed the scoring achieved by each bidder.

Based on the evaluation undertaken, and in line with the criteria and weightings set out in the report, it was recommended that a multi-supplier framework arrangement be awarded to 23 suppliers across the eight 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 the supply and delivery of recycle and refuse containers, as detailed in Appendix 3 to the report, be approved.

4(a) **Request for Associate Membership: Keeper of the Registers of Scotland**

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

4(b) **Request for Associate Membership: VisitScotland**

There was submitted a report by the Chief Executive of Scotland Excel advising that VisitScotland 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 VisitScotland 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 **Date of Next Meeting**

DECIDED: That it be noted that the next meeting of the Executive Sub-committee will be held at 9.30 am on 28 January 2022.

Minute of Meeting Scotland Excel Executive Sub-committee

Date	Time	Venue
Friday, 28 January 2022	09:30	Remotely by MS Teams,

Present

Provost Bill Howatson (Aberdeenshire Council); Councillor Bob Myles (substitute for Councillor Angus Macmillan Douglas) (Angus Council); Provost Norman A Macdonald (Comhairle Nan Eilean Siar); Councillor Stephen Thompson (Dumfries & Galloway Council); Councillor Altany Craik (Fife Council); Councillor Ruairi Kelly (Glasgow City Council); Councillor Jimmy Gray (Highland Council); and Councillor John Shaw (Renfrewshire Council).

Chair

Councillor Shaw, Convener, presided.

In Attendance

J Welsh, Chief Executive, H Carr, Head of Strategic Procurement, S Brannagan, Head of Customer and Business Services, L Campbell, Corporate Services Manager, L Richard, Strategic Procurement Manager, K Nugent, S Nixon and L Cairns, all Senior Procurement Specialists, S Ferracutti, Procurement Co-ordinator, S Christie, Commercial Manager, K Forrest, Office Manager, L McIntyre, Senior Communications Specialist, P Barnes, Project and Account Manager, L Muir, Category Manager, and M Boyle, Senior Business Service Specialist (all Scotland Excel); and M Conaghan, Legal & Democratic Services Manager, C McCourt, Finance Business Partner and P Shiach, Senior Committee Services Officer (all Renfrewshire Council).

Apologies

Councillor Angus Macmillan Douglas (Angus Council); Councillor Andrew Johnston (City of Edinburgh Council); Councillor Joe Cullinane (North Ayrshire Council); Councillor Paul Di Mascio (North Lanarkshire Council); Councillor Amanda Hawick (Shetland Islands Council); and Councillor Josh Wilson (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 10 December 2021.

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 10 December 2021.

The report intimated that at the end of period 9, Scotland Excel was projecting a break-even position by year-end in its core activities and a £31,000 drawdown from project reserves by year-end within projects. It was noted that both core and projects would be monitored closely in order to mitigate any significant variances. Further detail was provided in section 3 of the report.

Appendix 1 to the report provided an analysis of the actual spend to date along with projected net expenditure for 2021/22 and included a summary of movement in the revenue reserve. Appendix 2 to the report provided an analysis of the actual spend to date along with projected net expenditure for 2021/22 and included a summary of movement in the project reserves.

DECIDED: That the report be noted.

3(a) **Contract for Approval: Energy Efficiency Contractors**

There was submitted a report by the Chief Executive of Scotland Excel relative to the award of the renewal energy efficiency contractors' framework for the period 1 February 2022 until 31 January 2025, with the option to extend for up to 12 months until 31 January 2026. It was noted that, subject to approval and completion of a standstill period, it was intended that the framework would commence on or around 14 February 2022.

The framework would provide members with an effective and efficient method of upgrading existing housing stock with innovative energy efficiency measures to reduce carbon output and thereby household bills. It was noted that there had been several enhancements to the framework which included a new lotting structure designed to enable retrofitting housing stock by the inclusion of a professional services lot.

The report summarised the outcome of the procurement process for the framework which consisted of four lots, broken into sub-lots, as detailed in table 1 of the report.

The report advised that the framework had been advertised with an estimated spend of £200 million per annum and Appendix 1 to the report detailed the participation, spend and savings summary of those councils participating in the framework. All 32 councils and associate members had been included in the contract notice as Scotland Excel would liaise with non-participating members before the expiry of existing agreements to discuss options for transition to the framework.

Tender responses had been received from 49 suppliers and Appendix 2 to the report provided a summary of the offers received. Two responses were deemed non-compliant for all sub-lots tendered and one response was deemed partially non-compliant. In each case the tenderers had failed to complete the required schedule of rates. Tenderers who were non-compliant for all sub-lots tendered had been advised that their offer would not be considered further and the tenderer who was partially non-compliant had been advised that their offer would not be considered further for the relevant sub-lots and had been recommended for partial award to the framework. One contractor had been unsuccessful for award as they did not submit a response to the technical method statements.

Based on the criteria and scoring methodology set out in the tender document, a full evaluation of the 47 compliant offers had been carried out and Appendix 3 to the report detailed the scoring achieved by each bidder for each sub-lot per council area. Appendix 3 also indicated all non-compliant offers.

Based on the evaluation undertaken, and in line with the criteria and weightings set out in the report, it was recommended that a multi-contractor framework arrangement be awarded to 46 contractors across the four lots, as outlined in Appendix 3 to the report.

Appendix 4 to the report detailed the approach taken by contractors 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 A in terms of risk and spend, as detailed in Appendix 5 to the report.

DECIDED: That the award of the multi-contractor framework, to those contractors detailed in Appendix 3 to the report, be approved.

3(b) **Contract for Approval: Supply Only and Supply and Distribution of Frozen Foods**

There was submitted a report by the Chief Executive of Scotland Excel relative to the award of a renewal framework for the supply only and supply and distribution of frozen food which would operate from 1 April 2022 until 31 March 2026.

The framework would provide councils with a mechanism to procure a range of frozen goods and users of the framework were likely to include schools, nurseries, leisure centres, community centres, social work, council buildings and civic centres.

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.

The report advised that the framework had been advertised with a potential value of £25 million per annum to allow increased participation from councils and associate members. Appendix 1 to the report detailed the participation, spend and savings summary of those councils participating in the framework together with Tayside Contracts. It was noted that Orkney Islands Council had confirmed that they would not participate as they currently had an arrangement in place.

Tender responses had been received from 14 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 offers had been carried out and Appendix 3 to the report detailed the scoring achieved by each bidder.

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

It was noted that there were two minor name corrections to the names shown in table B of Appendix 3 to the report, in that any reference to 'Downies of Whitehills' should read 'Downies of Whitehills (A Partnership)' and any reference to 'Unilever U.K. Central Resources T/A Unilever UK Ltd' should read 'Unilever UK Limited'. Members were advised that these were typographical errors, with no impact on the outcome of 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 the supply only and supply and distribution of frozen food, as detailed in Appendix 3 to the report, noting the name changes referred to above, be approved.

3(c) **Contract for Approval: Supply and Delivery of Heavy and Municipal Vehicles**

There was submitted a report by the Chief Executive of Scotland Excel relative to the award of a fourth-generation framework for the supply and delivery of heavy and municipal vehicles which would operate from 1 January 2022 until 31 December 2023 with an option to extend to up to two 12-month periods. It was noted that, subject to approval and completion of a standstill period, it was intended that the framework would commence on or around 18 February 2022.

The framework was for the supply and delivery of various vehicle types, including, but not limited to, chassis, refuse collection vehicles, winter maintenance vehicles, road sweeping vehicles and more general use vehicles for all 32 member councils as well as associate members and Tayside Contracts. The framework also included specialist body building services as well as options for alternative fuelled vehicles.

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

The report advised that the forecast annual spend for participating councils and associate members, with contingency for any unprojected spend, was £25 million per annum, which equated to an estimated spend of £100 million over the full four-year term of the framework. Appendix 1 to the report detailed the participation, spend and savings summary of those councils participating in the framework. It was noted that East Ayrshire Council had an agreement in place and had confirmed that they would not be purchasing from the Scotland Excel framework.

Tender responses had been received from 38 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 offers had been carried out and Appendix 3 to the report detailed the scoring achieved by each bidder.

Based on the evaluation undertaken, and in line with the criteria and weightings set out in the report, it was recommended that a multi-supplier framework arrangement be awarded to 36 suppliers across the sixteen lots, as outlined in Appendix 3 to the report. It was noted that no bids had been received from lot 15, Aerial Platforms.

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 the supply and delivery of heavy and municipal vehicles, as detailed in Appendix 3 to the report, be approved.

3(d) **Contract for Approval: Tyres for Vehicles and Plant**

There was submitted a report by the Chief Executive of Scotland Excel relative to the award of a fourth-generation framework for the supply only or supply and fitment of tyres which would operate from 1 January 2022 until 31 December 2025. It was noted that, subject to approval and completion of a standstill period, it was intended that the framework would commence on or around 14 February 2022.

The framework was for the supply only or supply and fitment of tyres for an extensive range of light, commercial or heavy vehicles as well as grounds maintenance equipment and plant. The associated services included fitting, inspection, compliant tyre disposal, fleet tyre management as well as emergency roadside assistance.

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

The report advised that the forecast annual spend for participating councils and associate members, with contingency for any unprojected spend, was £25 million per annum, which equated to an estimated spend of £100 million over the full four-year term of the framework. Appendix 1 to the report detailed the participation, spend and savings summary of those councils participating in the framework together with Tayside Contracts. It was noted that South Ayrshire, Shetland Islands and Western Isles Councils had indicated that they would likely participate once arrangements they currently had in place expired, if the supply base allowed.

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 offers had been carried out and Appendix 3 to the report detailed the scoring achieved by each bidder.

Based on the evaluation undertaken, and in line with the criteria and weightings set out in the report, it was recommended that a multi-supplier framework arrangement be awarded to 12 suppliers across the six 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 the supply only or supply and fitment of tyres, as detailed in Appendix 3 to the report, be approved.

4 **Operating Plan Update 2021/22**

There was submitted a report by the Chief Executive of Scotland Excel providing an update on the progress made in the three months between October and December 2021 towards delivering the commitments contained in the operating plan 2021/22.

The report intimated that a new operating plan, covering the fifteen-month period from January 2021 to March 2022, had been approved at the meeting of the Scotland Excel Joint Committee held on 11 December 2020. To simplify reporting, the number of commitments in the plan had reduced from 68 detailed commitments to 30 broader commitments and these aligned to more than 120 specific actions cascaded to staff as part of Scotland Excel's Performance Review and Development Programme.

The report highlighted that 26 of the operating plan commitments were progressing in line with plans and were indicated as green; three commitments were indicated as amber; and one commitment had been completed and was indicated as black.

It was 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. Due to the continuing uncertainty in relation to COVID-19 and Brexit, reporting against key performance indicators was currently on hold pending a review of appropriate measures.

DECIDED: That Scotland Excel's progress in delivering the commitments contained within the operating plan 2021/22 be noted.

5 **Employee Absence Management Report**

There was submitted a report by the Chief Executive of Scotland Excel relative to employee absence statistics for Scotland Excel.

The report advised of the absence levels for the period ending 31 December 2021 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, with the exception of March 2021, where the absence rate rose to 5.1% due to long-term absences. The rolling six months and 12 months average absence rates had maintained at or below 2.9%.

The report highlighted that in the first quarter of 2021, the COVID-19 pandemic had had an adverse impact on the average sickness days per employee figure compared to the same period in 2020. The COVID-19 pandemic appeared to have had an adverse impact on the mental wellbeing of staff with the predominant cause of long-term sickness absence being reported as mental ill health. While the pandemic had not been the primary cause of absence, it had been identified as a contributory factor in a number of cases.

It was noted that, in addition to supporting members of staff absent through ill health, Scotland Excel continued 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.

DECIDED: That the content 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 at 9.30 am on 18 February 2022.

Minute of Meeting Scotland Excel Executive Sub-committee

Date	Time	Venue
Friday, 18 February 2022	09:30	Remotely by MS Teams,

Present

Councillor Charles Buchan (substitute for Provost Bill Howatson) (Aberdeenshire Council); Councillor Stephen Thompson (Dumfries & Galloway Council); Councillor Altany Craik (Fife Council); Councillor Jimmy Gray (Highland Council); Councillor Paul Di Mascio (North Lanarkshire Council); Councillor John Shaw (Renfrewshire Council); and Councillor Amanda Hawick (Shetland Islands Council).

Chair

Councillor Shaw, Convener, presided.

In Attendance

J Welsh, Chief Executive, H Carr, Head of Strategic Procurement, S Brannagan, Head of Customer and Business Services, L Campbell, Corporate Services Manager, L Richard, Strategic Procurement Manager, K Farley, Assistant Procurement Specialist, L Robertson, Project and Account Manager, S Christie, Commercial Manager, K Forrest, Office Manager, L Muir, Category Manager, and L Mooney, Senior Communications Specialist (all Scotland Excel); and L Mitchell, Managing Solicitor (Contracts and Conveyancing) and E Currie, Senior Committee Services Officer (both Renfrewshire Council).

Apologies

Provost Bill Howatson (Aberdeenshire Council); Councillor Angus Macmillan Douglas (Angus Council); Councillor Andrew Johnston (City of Edinburgh Council); Councillor Ruirí Kelly (Glasgow City Council); Provost Norman A Macdonald (Comhairle Nan Eilean Siar); Councillor Joe Cullinane (North Ayrshire Council).

Declaration of Interest

Councillor Craik declared an interest in item 4(a) for the reason that it related to Fife Council. Councillor Craik indicated that as he had declared an interest, he would leave the online meeting during any discussion and voting on the item.

Transparency Statement

Councillor Buchan indicated that he had a connection to item 4(b) by reason of a relative being an employee of Scottish Water. However, he indicated that he had applied the objective test and did not consider that he had an interest to declare.

1 Minute

There was submitted the Minute of the meeting of the Executive Sub-committee held on 28 January 2022.

DECIDED: That the Minute be approved.

Sederunt

Councillor Di Mascio and Councillor Hawick joined the meeting during consideration of the following item of business.

2 Fair Work and Living Wage Update

There was submitted a report by the Chief Executive of Scotland Excel providing an update on Fair Work practices, including the Living Wage.

The report intimated that Scotland Excel had been addressing Fair Work practices in procurement since the introduction of statutory guidance in October 2015 and, working within the applicable legislative framework, had been committed to encouraging suppliers/contractors to pay the real Living Wage.

The report advised that research showed that paying the real Living Wage helped businesses recruit and retain better staff, reduce absenteeism, encourage higher productivity and 93% of businesses had intimated that Living Wage accreditation had improved their reputation. To date legal advice and policy had allowed encouragement of the Living Wage but prohibited imposition. Those suppliers/contractors who do not pay the Living Wage cannot be penalised in the tender or subsequent contractual process and this had meant that public bodies were unable to make payment of the real Living Wage a mandatory requirement as part of a competitive procurement process.

In December 2020, the Scottish Government wrote to public bodies setting out the clear expectation that public sector partners must lead the way by embedding Fair Work in their organisations and through supply chains, including through procurement, by applying the five Fair Work First criteria in public procurement processes from April 2021.

The report noted that on 15 March 2021, the Scottish Government published a Scottish Procurement Policy Note (SPPN), SPPN 3/2021 setting out action for public bodies to apply Fair Work First criteria in regulated procurement processes that commenced

from 1 April 2021; on 24 September 2021, the Scottish Government published SPPN 6/2021 advising that Fair Work First had been expanded from five elements to seven elements and that SPPN 6/2021 superseded SPPN 3/2021, which had been withdrawn; and on 15 October 2021, the Director of Procurement & Property, Scottish Government, advised that the Scottish Government believed it would be possible to mandate the real Living Wage in public contracts where Fair Work First practices, including payment of the real Living Wage, was relevant to how the contract would be delivered; it did not discriminate amongst potential bidders; it was proportionate to do so; and the contract would be delivered by workers based in the UK. Additionally, the Minister for Business, Trade, Tourism and Enterprise announced that the Scottish Government would be implementing this change to all new contracts with immediate effect.

It was noted that the Scottish Government had advised that the content of SPPNs were not legal advice and should not be construed as such. Public bodies were advised to seek their own legal advice. It was hoped that the planned update of the current statutory guidance and SPPNs would provide clarification on the areas detailed in the report.

Scotland Excel had consistently applied Fair Work criteria and strongly promoted and encouraged payment of the real Living Wage and would continue to drive the relevant social, economic and environmental outcomes through procurement activity. Fair Work would continue to be included within the quality evaluation of all frameworks and the weightings attributed to each framework would be proportionate to the likely impact on quality for that particular framework and would therefore be assessed on a case-by-case basis. It was anticipated that this would continue to deliver improved employment conditions, better value frameworks and minimise potential for increased costs to councils.

In light of the most recent communication from the Scottish Government regarding their revised approach to mandating payment of the real Living Wage, Scotland Excel would now, on a contract-by-contract basis, look further into ways in which where appropriate it could, within the law, consider and mandate the real Living Wage.

The Head of Strategic Procurement intimated that a report would be submitted to a future meeting of the Executive Sub-committee in relation to Scotland Excel's approach to The Fairer Scotland Duty. Further that he would provide further clarity on the report to Councillor Hawick, out with the meeting, specifically in relation to reference made to mandating the real living wage where appropriate to do so.

DECIDED:

(a) That the report be noted;

(b) That it be noted that a report would be submitted to a future meeting of the Executive Sub-committee in relation to Scotland Excel's approach to The Fairer Scotland Duty; and

(c) That it be noted that the Head of Strategic Procurement would provide further clarity on the report to Councillor Hawick, out with the meeting, specifically in relation to reference made to mandating the real living wage where appropriate to do so.

Declaration of Interest

Councillor Di Mascio declared an interest in the following item for the reason that he was an owner/occupier in the industry. Councillor Di Mascio indicated that as he had declared an interest, he would leave the online meeting during any discussion and voting on the item. Councillor Di Mascio then left the meeting.

3 **Contract for Approval: Pest Control Services and Associated Products**

There was submitted a report by the Chief Executive of Scotland Excel relative to the award of the renewal framework for pest control services and associated products for the period 1 February 2022 until 31 January 2025, with the option to extend for up to 12 months until 31 January 2026. It was noted that, subject to approval and completion of a standstill period, it was intended that the framework would commence on or around 1 March 2022.

The framework covered the removal of rats and mice, crawling insects, flying insects and the supply of pest control chemicals and accessories.

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

The report advised that the framework had been advertised at a total value of £1 million per annum, which equated to an estimated spend of £4 million over the maximum four-year term of the framework and Appendix 1 to the report detailed the participation, spend and savings summary of those councils participating in the framework.

Tender responses had been received from 11 suppliers and Appendix 2 to the report provided a summary of the offers received. It was noted that all respondents had passed the first-stage qualification/selection assessment, however one bidder was non-compliant having failed to upload a pricing schedule and had been advised accordingly. Further, that one bid had been withdrawn.

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 detailed the scoring achieved by each bidder.

Based on the evaluation undertaken, and in line with the criteria and weightings set out in the report, it was recommended that a multi-supplier framework arrangement be awarded to five suppliers across the two 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 pest control services and associated products, as detailed in Appendix 3 to the report, be approved.

Declaration of Interest

Councillor Craik having previously declared an interest in the following item, left the meeting and took no part in the discussion or voting thereon.

4(a) Request for Associate Membership: Fife Sports and Leisure Trust Limited

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

4(b) Request for Associate Membership: Scottish Water

There was submitted a report by the Chief Executive of Scotland Excel advising that Scottish Water 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.

The Head of Customer and Business Services intimated that he would provide a written response to Councillor Hawick in relation to her query regarding the recommendation that a proposed public organisation would not pay a fee for membership and also around Scotland Excel resources being deployed towards associates and not core members.

DECIDED:

(a) That the application by Scottish Water to become an associate member of Scotland Excel, with no annual membership fee, be approved subject to completion and signing of the agreement documentation; and

(b) That it be noted that the Head of Customer and Business Services would provide a written response to Councillor Hawick in relation to her query regarding the recommendation that a proposed public organisation would not pay a fee for membership and also around Scotland Excel resources being deployed towards associates and not core members.

4(c) Request for Associate Membership: Thenue Housing Association Limited

There was submitted a report by the Chief Executive of Scotland Excel advising that Thenue Housing Association 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 Thenue Housing Association to become an associate member of Scotland Excel, with an annual membership fee of £4,461, be approved subject to completion and signing of the agreement documentation.

5 **Date of Next Meeting**

DECIDED: That it be noted that the next meeting of the Executive Sub-committee would be held at 9.30 am on 18 March 2022.

Minute of Meeting Scotland Excel Executive Sub-committee

Date	Time	Venue
Friday, 18 March 2022	09:30	Remotely by MS Teams,

Present

Councillor Charles Buchan (substitute for Provost Bill Howatson) (Aberdeenshire Council); Councillor Angus Macmillan Douglas (Angus Council); Provost Norman Macdonald (Comhairle Nan Eilean Siar); Councillor Stephen Thompson (Dumfries & Galloway Council); Councillor Altany Craik (Fife Council); Councillor Ruairi Kelly (Glasgow City Council); Councillor Jimmy Gray (Highland Council); Councillor Paul Di Mascio (North Lanarkshire Council); and Councillor John Shaw (Renfrewshire Council).

Chair

Councillor Shaw, Convener, presided.

In Attendance

J Welsh, Chief Executive, H Carr, Head of Strategic Procurement, L Campbell, Corporate Services Manager, L Richard, Strategic Procurement Manager, L Cairns, Senior Procurement Specialist and K Forrest, Office Manager, (all Scotland Excel); and L Mitchell, Managing Solicitor (Contracts and Conveyancing), C McCourt, Corporate Business Manager, L Belshaw, Democratic Services Manager and R Devine, Senior Committee Services Officer (all Renfrewshire Council).

Apologies

Provost Bill Howatson (Aberdeenshire Council); Councillor Andrew Johnston (City of Edinburgh Council); and Councillor Joe Cullinane (North Ayrshire Council).

Declarations of Interest

Councillor Di Mascio declared an interest in item 5(a) of the agenda for the reason that he was an owner/occupier in the industry. Councillor Di Mascio indicated that as he had declared an interest, he would leave the online meeting during any discussion and voting on the item.

Councillor Craik declared an interest in items 6(a) and 6 (c) of the agenda for the reason that they related to Fife Council. Councillor Craik indicated that as he had declared interests, he would leave the online meeting during any discussion and voting on the items.

Order of Business

In terms of Standing Order 12, the Convener intimated that he proposed to alter the order of business to facilitate the conduct of the meeting by considering item 6 in the following order, item 6(b), then 6(d), then 6(a) and then 6(c).

1 Minute

There was submitted the Minute of the meeting of the Executive Sub-committee held on 18 February 2022.

DECIDED: That the Minute be approved.

Sederunt

Councillor Di Mascio joined the meeting during consideration of the following item of business.

2 Chief Executive's Update Report to Chief Executive Officers Management Group (CEOMG) - February 2022

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 February 2022, covering the period from November 2021 to February 2022, a copy of which was appended to the report.

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.

DECIDED: That the report be noted.

3 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 2021 to 4 February 2022.

The report intimated that at the end of period 11, Scotland Excel was projecting a break-even position by year-end in its core activities and a £52,000 contribution to project reserves by year-end within projects. It was noted that both core and projects budgets would be monitored closely in order to mitigate any significant variances. 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 2021/22 and included a summary of movement in both the revenue reserve and the project reserves.

DECIDED: That the report be noted.

4 **Update on the Contract Delivery Plan**

There was submitted a report by the Chief Executive of Scotland Excel providing a progress update on the 2021/22 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 there were 72 current frameworks in the Scotland Excel portfolio with six further new frameworks to be added and 32 of these frameworks to be renewed before 30 June 2023. A further 19 of these frameworks had extension options that were likely to be exercised, with 12 of these extensions already approved.

The estimated forecast value of the Scotland Excel framework portfolio by 31 March 2022 would be approximately £2 billion. It was noted that overall, efficiencies delivered to date in 2021/22 were 2.3%, which was within the forecast range.

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.

A summary of spend and forecast savings per Council for the period October 2020 to September 2021 was detailed in Appendix 5 to the report, with an average forecast efficiency of circa 1.60%.

DECIDED: That the progress made to date be noted.

Declaration of Interest

Councillor Di Mascio having previously declared an interest in the following item, left the meeting and took no part in the discussion or voting thereon.

5(a) **Contract for Approval: Pest Control Services and Associated Products (Update)**

Under reference to item 3 of the Minute of the meeting of this Sub-committee held on 18 February 2022, there was submitted a report by the Chief Executive of Scotland Excel relative to the award of the renewal framework for pest control services and associated products for the period 1 February 2022 until 31 January 2025, with the option to extend for up to 12 months until 31 January 2026.

It was noted that this report superseded the recommendations contained in the report approved by the Sub-committee on 18 February 2022 and subject to approval and completion of a standstill period, it was intended that the framework would commence on or around 1 April 2022.

The framework covered the removal of rats and mice, crawling insects, flying insects and the supply of pest control chemicals and accessories.

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

The report advised that the framework had been advertised at a total value of £1 million per annum, which equated to an estimated spend of £4 million over the maximum four-year term of the framework and Appendix 1 to the report detailed the participation, spend and savings summary of those councils participating in the framework.

Tender responses had been received from 11 suppliers and Appendix 2 to the report provided a summary of the offers received. It was noted that all respondents had passed the first-stage qualification/selection assessment, however, one bidder was non-compliant having failed to upload a pricing schedule and had been advised accordingly. Further, that one bid had been withdrawn.

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 seven suppliers across the two lots, as outlined in Appendix 3 to the report.

It was noted that a 'standstill' procedure commenced on the basis of recommendations approved at the meeting of the Executive Sub-committee held on 18 February 2022. Following enquiries raised by contractors, the standstill procedure expired without any awards being made.

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 pest control services and associated products, as detailed in Appendix 3 to the report, be approved and that it be noted that this superseded the recommendations brought before members on 18 February 2022.

Sederunt

Councillor Di Mascio rejoined the meeting prior to consideration of the following item of business.

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

5(b) **Contract for Approval: Vehicle and Plant Hire**

There was submitted a report by the Chief Executive of Scotland Excel relative to the award of a fourth-generation framework for vehicle and plant hire for the period 21 February 22 to 20 February 2024, with the option to extend for a further two 12-month periods until 20 February 2026.

The framework covered the hire of vehicles and plant equipment on a variety of hire periods to support the requirement of councils' fleet and roads departments. It was noted that the use of hired equipment supplemented existing council assets and assisted with seasonal and intermittent demands as well as assisting with the increased demand for vehicles to support ongoing social distancing measures.

The report summarised the outcome of the procurement process for the framework which had been divided into 12 lots, as detailed in table 1 of the report.

The report advised that the framework had been advertised with an estimated value of £60 million per annum, over the four-year term of the framework, and Appendix 1 to the report detailed the participation, spend and savings summary of those councils participating in the framework together with Tayside Contracts.

Tender responses had been received from 64 suppliers and Appendix 2 to the report provided a summary of the offers received. It was noted that two responses were deemed non-compliant for all lots in which they tendered and had been advised that their offers would not be considered further. Further, that one response had been deemed partially non-compliant and had been advised their offer would not be considered further for one lot and that they had been recommended for partial award to the framework.

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 56 suppliers across the 12 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 vehicle and plant hire, as detailed in Appendix 3 to the report, be approved.

6(a) **Request for Associate Membership: Clyde Gateway URC Limited**

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

6(b) **Request for Associate Membership: Scottish Ministers acting through Social Security Scotland**

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

Declaration of Interest

Councillor Craik having previously declared interests in the next two items left the meeting and took no part in the discussion or voting thereon.

6(c) **Request for Associate Membership: Cireco (Scotland) LLP**

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

6(d) **Request for Associate Membership: Fife Golf Trust**

There was submitted a report by the Chief Executive of Scotland Excel advising that Fife Golf Trust 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 Fife Golf Trust 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 **Date of Next Meeting**

DECIDED: That it be noted that the next meeting of the Executive Sub-committee would be held at 9.30 am on 22 April 2022.

Scotland Excel

To: Joint Committee

On: 17 June 2022

**Report By:
The Treasurer**

Scotland Excel Unaudited Annual Accounts 2021/22

1. Summary

- 1.1. The Annual Accounts for the year ended 31 March 2021 will be submitted to Audit Scotland in advance of the statutory deadline of 30 June 2022 and a copy is attached at Appendix 1 for consideration.
- 1.2. Scotland Excel's Core activities resulted in a small overspend of £3,217 in 2021/22 compared to a budgeted break-even position. Projects returned income of £326,488 over expenditure. This results in a combined underspend for the year of £323,271. This underspend is added to Usable Reserves, which are committed as outlined in Note 3 to the Accounts.
- 1.3. The Management Commentary (pages 1-9) within the accounts provides an overview of Scotland Excel's performance during 2021/22, 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 2021/22; 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 no later than 31 August and the Annual Governance Statement should be formally approved by 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, Audit Scotland, by 30 September. Under the Coronavirus Act (Scotland) 2020, this has been extended to 30 November this year. The 2021/22 Audited Annual Accounts are therefore scheduled to be presented to the Executive Sub-Committee on 18 November 2022 for approval and to then 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 £890,125.
- 3.6. The Expenditure and Funding Analysis on page 19 shows how this differs from the budgetary surplus of £327,271 due to accounting adjustments for pension costs, capital charges and the statutory employee leave accrual.
- 3.7. The Balance Sheet on page 18 shows a decrease in net worth of £2,905,875, which is largely driven by the movement in the pension liability. 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 at 31 March 2022.



Unaudited Annual Accounts 2021/22

CONTENTS

Management Commentary.....	1
Statement of Responsibilities	10
Annual Governance Statement.....	11
Remuneration Report	14
Comprehensive Income and Expenditure Statement.....	16
Movement in Reserves Statement	17
Balance Sheet.....	18
Note 1: Expenditure and Funding Analysis	19
Note 2: Accounting Standards Issued not Adopted.....	19
Note 3: Transfers to / from Earmarked Reserves	20
Note 4: Unusable Reserves	21
Note 5: Adjustments between Accounting Basis and Funding Basis under Regulations.....	22
Note 6: Intangible Assets	23
Note 7: Plant and Equipment.....	23
Note 8: External audit costs	23
Note 9: Debtors.....	23
Note 10: Creditors.....	23
Note 11: Operating Leases.....	23
Note 12: Events after the balance sheet date	24
Note 13: Related parties	24
Note 14: Retirement Benefits	24
Note 15: Contingent Liabilities.....	27
Note 16: Summary of Significant Accounting Policies	28
Note 17: Critical Judgements in Applying Accounting Policies	33
Note 18: Assumptions made about the future	33

Management Commentary

The purpose of the Management Commentary is to present an overview of Scotland Excel's financial performance during the year 2021/22 and to help readers understand its financial position at 31 March 2022. In addition, it outlines the main risks and uncertainties facing the organisation for the financial year 2021/22 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.

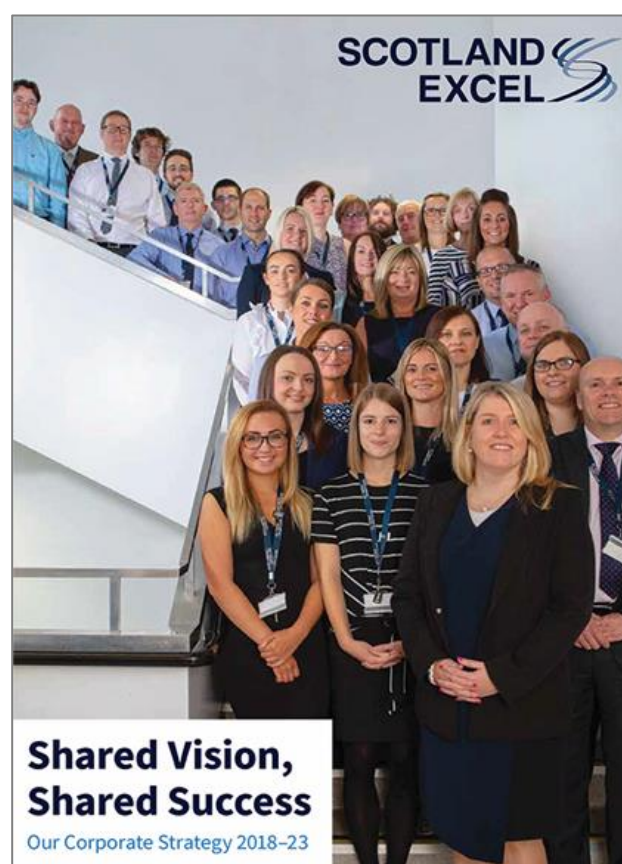
The **Executive Sub-Committee** is a sub-group of Elected Members from the Joint Committee who meet regularly to approve contract awards and other business decisions.

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 Healthy Working Lives 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 has commenced consulting with stakeholder groups on the next 5-year strategy for the organisation which will run from April 2023 to March 2028. The Strategy will be presented to the Joint Committee of Scotland Excel for approval in December 2022.

COVID-19 Pandemic

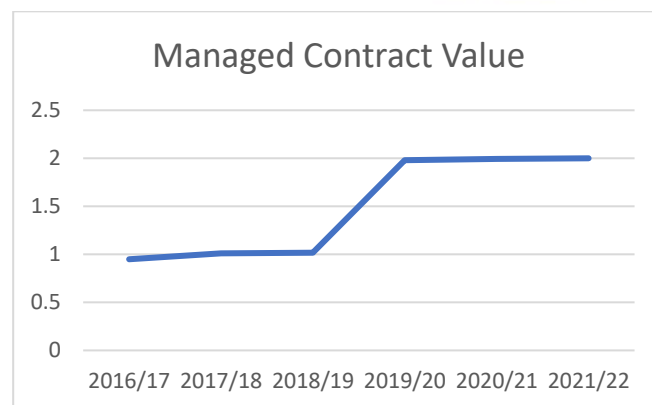
In March 2020, the United Kingdom Government issued detailed guidance in relation to measures that should be undertaken by organisations to restrict the spread of the COVID-19 virus. From that point, Scotland Excel started to deliver a full range of services to its customers via remote working for all employees and in line with government guidelines. While initially, the response to Covid-19 presented significant challenges in operating arrangements for Scotland Excel, within a very short time much of the direct activity and relationship building with our members and suppliers carried out by the organisation was adapted to online platforms. A full range of services continued to be successfully delivered throughout 2021/22.

While the COVID-19 pandemic continues to present significant financial and operational challenges for Scotland Excel and the wider local government sector, continued prudent financial management of income and expenditure has allowed the small deficit of (£3K). Financial governance for Scotland Excel continues to be maintained with regular budget monitoring reports presented to the Executive Sub Committee ensuring members are kept fully aware of the financial position on an on-going basis.

Performance

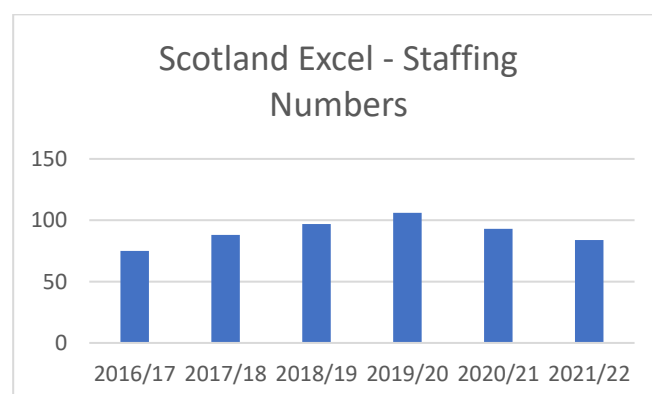
Review of the Year

During 2021/22, 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 2021/22, Scotland Excel concluded 13 national frameworks with an overall anticipated value of almost £1.4bn bringing the estimated 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 6 years.



Following the recruitment freeze initiated by Scotland Excel in 2020/21 and 2021/22 in order to manage resources during the pandemic, a comprehensive Workforce Development Plan followed by a multi-media recruitment campaign was undertaken by the organisation which will continue in to 2022/23. It is anticipated that staffing levels will return to pre-pandemic levels by mid-2022.

The graph below tracks Scotland Excel Staffing Numbers over the past 6 years.



Contract Rebates

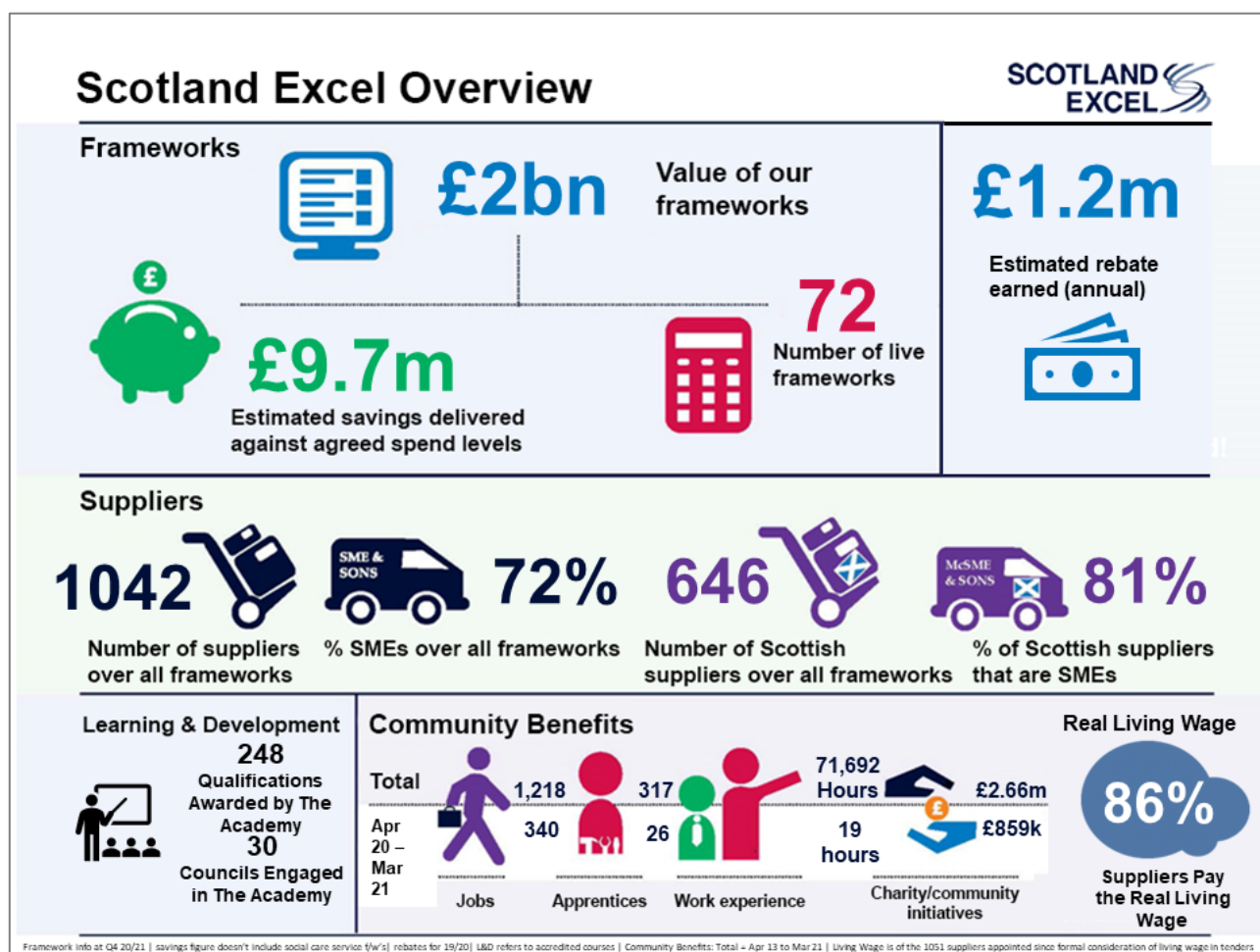
The use of volume Contract Rebates within appropriate contracts was approved by Scotland Excel at the June 2018 Joint Committee. As part of the internal contract governance process, the applicability of the inclusion of rebates is now standard practice within the organisation.

Income from Contract Rebates was budgeted within the core operating budget to deliver a contribution of £213k to core operating costs in financial year 2021/22. This figure has been achieved.

The number of Scotland Excel frameworks with built in rebates increases during financial year 2022/23. The contribution from Contract Rebates to core operating costs during 2022/23 is budgeted to achieve £543k.

Key Performance Indicators

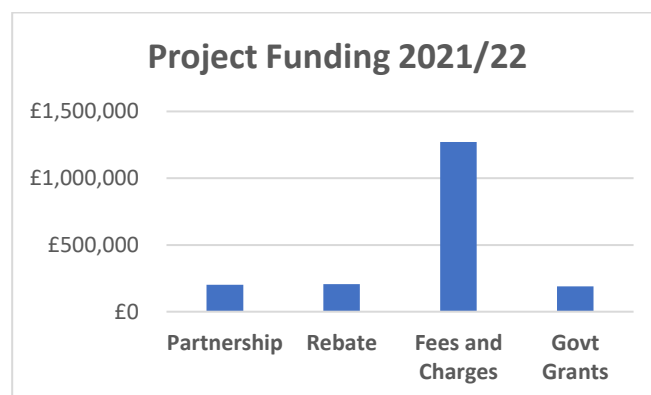
The following Infographic provides an overview of Key Performance Indicators (KPI) for the period 1 April 2020 to 31 March 2021. KPI information for 2021/22 is not yet available at time of writing.



Consultancy

During 2021/2022, Scotland Excel has been working 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.

Sources and levels of project funding for 2021/22 are shown in the chart below.



In total, 16 projects were delivered by Scotland Excel during 2021/22, generating a turnover in excess of £1.8million and achieving a contribution to core running costs of £252,000.

The Flexible Procurement project continued to develop during 2021/22 generating an annual turnover of c£139k. 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 2021/2022 included a number of local authorities, Glasgow Life, Scottish Enterprise and Cairn Housing association.

Learning and Development

The Academy is Scotland Excel's award-winning learning and development service. It provides several blended learning programmes in partnership with industry leaders such as Chartered Institute of Procurement & Supply (CIPS), Chartered Management Institute (CMI) and Association of Project Management (APM). The Academy currently has 170 active learners engaged in accredited programmes and nearly 500 have participated in non-accredited one day development workshops.

While the Covid-19 pandemic had a significant initial impact on the Academy during 2020/21, performance during 2021/22 has improved greatly and has bounced back to pre-COVID levels of participation.

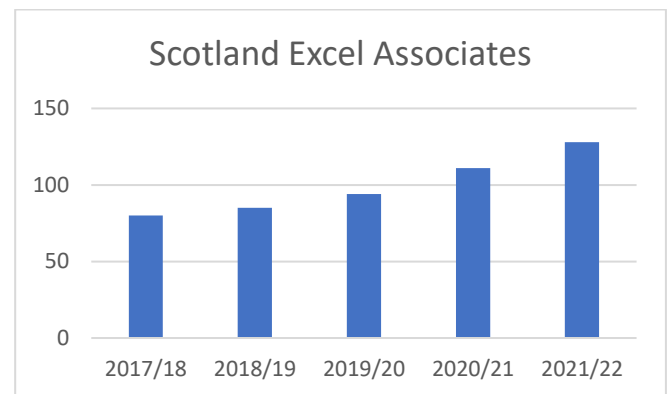
In addition to its on-going range of Procurement, Leadership and Management, and Project Management courses, during 2021/22, the Scotland Excel Academy was successful in being awarded a contract under the Scottish Government Procurement and Commercial Training Framework.

Associate Membership Expansion

Scotland Excel continues to build its portfolio of Associate Members, which currently number 128 in total. Associate Members are made up of 25 Arm's Length External Organisations (ALEOs), who gain associate membership through their host local authority. A further 103 Associate Members are drawn from a range of sectors including Social

Housing, Charitable Trusts and include 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 five years.



The budgeted income target from Associates for 2021/22 was £180k. This figure has been exceeded with the contribution to Core from Associate members totaling £187k in 2021/22.

New Build Housing

The uptake of the new build residential construction framework continues to be severely impacted by a range of factors including the Covid-19 pandemic, the emerging impact of Brexit and the on-going situation 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 of c. 12-15 months on new build projects. However, the new build residential framework is now actively being used across the public sector as construction sites re-open with 18 projects already awarded, and a further 33 expected to be awarded over the course of 2022/23. 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 residential construction framework did not fully materialise during 2021/22, a contribution to Core running costs of £2k was achieved in addition to all operating costs for the framework being covered by rebate accrued. 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 2022. 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 2022 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 2021/22 of £3k against a budgeted breakeven position.

There was an overspend in Employee Costs (£40k) in the year, due in part to the pay settlement for 2021/22 being backdated to 1 January 2021.

This was offset by underspends in Transport Cost (£20k) and Supplies and Services (£70k), arising principally from staff working from home following lockdown restrictions.

The net result was an underspend in gross expenditure for 2021/22 of £13k.

Income from requisitions was fully recovered in the year, however Income from Projects was slightly under-recovered in Core owing to the postponement of a project in the year.

Scotland Excel's Projects ended the year at 31 March 2022 with a surplus of income over expenditure of £325k. 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 (£1,114k) and accrued employee benefits (£11k).

The difference between the Other Income figure below and the figure reported in the CIES is a Government Grant of £127k and interest receivable of £528.

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			Projects Actual £	Total Actual £
	Budget £	Actual £	Variance £		
Employee Costs	3,652,000	3,691,692	(39,692)	1,331,815	5,023,507
Premises Related Costs	216,490	216,500	(10)	0	216,500
Transport Costs	20,000	208	19,792	29	237
Supplies and Services	291,610	221,827	69,783	405,480	627,307
Transfer Payments	14,000	13,872	128	4,479	18,351
Support Costs	266,100	271,925	(5,825)	0	271,925
Capital Charges	0	31,192	(31,192)	0	31,192
Total Expenditure	4,460,200	4,447,216	12,984	1,741,803	6,189,019
Requisitions from Member Authorities	(3,770,000)	(3,770,000)	0	0	(3,770,000)
Income from Projects	(297,000)	(273,872)	(23,128)	(1,936,789)	(2,210,661)
Other Income	(393,200)	(400,127)	6,927	(131,502)	(531,629)
Total Income	(4,460,200)	(4,443,999)	(16,201)	(2,068,291)	(6,512,290)
Net Expenditure / (Income) for Year	0	3,217	(3,217)	(326,488)	(323,271)

The Balance Sheet at 31 March 2022

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 2022 to that of the prior year, an overall increase in net worth of the organisation of £2,907k can be seen. This is primarily due to the increase in pension liability explained later.

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 24.

The appointed actuaries have confirmed a net liability position of £2,001k (£4,578k 2020/21), a decrease in liabilities of £2,577k, in their assessment of the position of the pension fund. This can be attributed to market movements prompted by the pandemic and lockdowns, among other factors, which therefore affect the asset share value.

The net deficit position of the pension reserve impacts the Joint Committee as a whole, however the funding of these future liabilities will be met from future requisitions from members and as such the going concern assumption is valid.

The appointed actuaries remain of the view that the asset holdings of the Strathclyde Pension Fund and the contributions from employees and employers together with planned increases in employers' contributions provide sufficient security and income to meet future pension liabilities. There was a triennial valuation of the Strathclyde Pension Fund in March 2020; however, no change to the employer contribution rate was proposed for Scotland Excel.

Further potential changes to pension rules are outlined in Note 15: Contingent Liabilities on page 27; however, these are not 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 on Usable Reserves at 31 March 2022 was £1,342k.

Principal Risks and Uncertainty

Scotland Excel maintains a Strategic Risk Register to assess risk that could adversely impact on the delivery of organisational objectives and identifies actions currently being 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 twice per year to the Scotland Excel Executive Sub-Committee and annually to the Joint Committee.

Currently, there are eleven risks identified within the Scotland Excel Strategic Risk Register including a strategic risk added in April 2020 in relation to the COVID-19 pandemic named "SXL010-21/22 National Emergency including Pandemic". This risk identifies the organisational risk posed by such events, identifying corporate actions aimed at mitigating the current impact on the organisation in addition to learning from the impact of COVID-19 and putting in place appropriate risk controls for any similar future events. At the Strategic Risk review meeting in April 2021, the residual risk score of this risk was reduced to 15 from 20 in light of mitigating actions put in place by the organisation.

Other factors taken into consideration by Scotland Excel when reviewing the risk register over the year included Brexit; recruitment challenges within the procurement sector; continuing financial uncertainty across local government; the introduction by the

Scottish Government of the National Care Service (NCS); the increasing importance of corporate social responsibility including environmental considerations within our contract strategies, and the increasing size of the Scotland Excel contract portfolio.

The table below summarises all Strategic Risk identified during 2021/22 and details the residual risk score allocated to each following quarterly review.

Risk Ref.	Risk Title	Risk Score at 31 March 2022	Risk Score at 31 March 2021
SXL005-21/22	Supplier Failure	20	20
SXL011-21/22	National Care Service	20	n/a
SXL003-21/22	Political Change	16	16
SXL006-21/22	Staff Recruitment and Retention	16	9
SXL010-21/22	National Emergency including Pandemic	15	15
SXL001-21/22	Organisational Sustainability	15	15
SXL009-21/22	Environmental Impact and Climate Change	12	6
SXL002-21/22	Managing Growth and Diversity	12	12
SXL004-21/22	Reputational Risk	12	12
SXL008-21/22	Risk of Not Performing/Delivering	8	8
SXL007-21/22	Corporate Social Responsibility	6	6

Outlook and Future Plans

While 2021/22 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 begin to recover from the pandemic, operations within Scotland Excel continue to be delivered to a high standard. Revised plans have been put in place for income streams adversely affected by COVID-19 and the Consultancy project pipeline is developing positively, supporting financial performance plans for 2022/23. While the sector adapts to operating within a post COVID-19, post Brexit environment, Scotland Excel will continue to work with its partners to ensure that on-going 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
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 Executive Sub-Committee at its meeting on 17 June 2022.

Signed on behalf of Scotland Excel.

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 2022.

Councillor
Convener

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 below:

- 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;
- Impact of coronavirus (COVID-19).

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 2021/22 and no actions arising for the 2020/21 governance statement that require to be reported on.

This governance framework has been in place throughout the year and has continued as programmed during the COVID pandemic through remote working. The risk of social distancing continuing and its potential impact on the governance arrangements continues to be reviewed and monitored through robust risk management arrangements.

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
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

2020/21 Total Salary, fees and allowances £	Name	Post Held	2021/22 Total Salary, fees and allowances £
114,067	Julie Welsh	Chief Executive	115,200
93,917	Hugh Carr	Head of Strategic Procurement	94,912
93,917	Stephen Brannagan	Head of Customer & Business Services	94,912

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 2022, 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 2021/22		Equivalent bandings for 2020/21
Up to £22,300	5.5%	Up to £22,200
£22,301 to £27,300	7.25%	£22,201 to £27,100
£27,301 to £37,400	8.5%	£27,101 to £37,200
£37,401 to £49,900	9.5%	£37,201 to £49,600
Over £49,901	12%	Over £49,601

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 2022		Change from 31 March 2021		2021/22	2020/21
		Pension	Lump Sum	Pension	Lump Sum	2021/22	2020/21
		£000	£000	£000	£000	£	£
Julie Welsh	Chief Executive	29	2	3	0	22,268	21,662
Hugh Carr	Head of Strategic Procurement	20	0	3	0	18,368	18,173
Stephen Brannagan	Head of Customer & Business Services	13	0	3	0	18,368	18,172

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 2021/22, in bands of £5,000.

2020/21 Number of employees	Remuneration Band	2021/22 Number of employees
3	£50,000 - £54,999	6
5	£55,000 - £59,999	1
0	£60,000 - £64,999	1
2	£90,000 - £94,999	2
0	£105,000 - £109,999	0
1	£110,000 - £114,999	1
11		11

Exit packages

The Joint Committee has not agreed any exit packages in 2021/22 or 2022/23.

Councillor
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.

2020/21			Note	2021/22		
Gross Expenditure £	Gross Income £	Net Expenditure £		Gross Expenditure £	Gross Income £	Net Expenditure £
5,293,154	0	5,293,154	Employee Costs	6,148,176	0	6,148,176
216,500	0	216,500	Premises Related Costs	216,500	0	216,500
504,719	0	504,719	Supplies and Services	627,307	0	627,307
265,650	0	265,650	Support Costs	271,925	0	271,925
17,279	0	17,279	Transfer Payments	18,350	0	18,350
591	0	591	Transport Costs	237	0	237
17,762	0	17,762	Capital Charges	14,921	0	14,921
0	(1,858,582)	(1,858,582)	Income from Projects	0	(2,210,662)	(2,210,662)
0	(49,000)	(49,000)	Government Grants	0	(127,547)	(127,547)
0	(269,717)	(269,717)	Other Income	0	(403,554)	(403,554)
6,315,655	(2,177,299)	4,138,356	Cost of Services	7,297,416	(2,741,763)	4,555,653
			Financing and Investment Income and Expenditure			
0	(1,086)	(1,086)	Interest receivable	0	(528)	(528)
51,000	0	51,000	Pension interest cost 14	105,000	0	105,000
			Taxation and Non-Specific Grant Income			
0	(3,660,500)	(3,660,500)	Requisitions from Member Authorities 13	0	(3,770,000)	(3,770,000)
6,366,655	(5,838,885)	527,770	Deficit on the provision of services	7,402,416	(6,512,291)	890,125
			Other Comprehensive Income and Expenditure			
		2,146,000	Actuarial (Gains) or losses on pension assets and liabilities 14			(3,796,000)
		2,673,770	Total Comprehensive Income and Expenditure			(2,905,875)

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 2021		(1,018,619)	4,538,240	3,519,621
Total Comprehensive Income and Expenditure		890,125	(3,796,000)	(2,905,875)
Adjustments between accounting basis and funding basis under regulations	5	(1,213,397)	1,213,397	0
Increase or (decrease) in year		(323,272)	(2,582,603)	(2,905,875)
Balance at 31 March 2022		(1,341,891)	1,955,637	613,746

Comparative movements in 2020/21	Note	Usable Reserves £	Unusable Reserves £	Total Reserves £
Balance at 1 April 2020		(998,294)	1,844,145	845,851
Total Comprehensive Income and Expenditure		527,770	2,146,000	2,673,770
Adjustments between accounting basis and funding basis under regulations	5	(548,095)	548,095	0
Increase or (decrease) in year		(20,325)	2,694,095	2,673,770
Balance at 31 March 2021		(1,018,619)	4,538,240	3,519,621

Balance Sheet

The balance sheet shows the value as at 31 March 2022 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 2021 £		Note	As at 31 March 2022 £
108,264	Intangible Assets	6	95,298
5,864	Plant and Equipment	7	35,102
114,128	Long-term Assets		130,400
890,526	Funds held by Renfrewshire Council		872,454
412,266	Short-term Debtors and Prepayments	9	650,712
150	Cash in Hand		150
1,302,942	Current Assets		1,523,316
(358,691)	Creditors And Accruals	10	(266,462)
(358,691)	Current Liabilities		(266,462)
(4,578,000)	Pension (liability)/Asset	14	(2,001,000)
(4,578,000)	Long Term Liabilities		(2,001,000)
(3,519,621)	Net Assets / (Liabilities)		(613,746)
(1,018,619)	Usable Reserves	3	(1,341,891)
4,538,240	Unusable Reserves	4	1,955,637
3,519,621	Total Reserves		613,746

The unaudited accounts were issued on 17 June 2022.

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.

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 and 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	(2,210,661)				(2,210,662)
Government Grants	0			(127,547)	(127,547)
Other Income	(531,629)			128,075	(403,554)
Cost of Services	3,446,729	(16,272)	1,114,000	11,197	4,555,653
Other income and expenditure	(3,770,000)	0	105,000	(528)	(3,665,528)
(Surplus) or deficit on the provision of service	(323,271)	(16,272)	1,219,000	10,669	890,125

2020/21	Net Expenditure chargeable to Scotland Excel £	Adjustments for capital £	Adjustments for pensions £	Other adjustments £	Net Expenditure in the CIES £
Employee Costs	4,813,821		459,000	20,333	5,293,154
Premises Related Costs	216,500				216,500
Supplies & Services	504,719				504,719
Support Costs	265,650				265,650
Transfer Payments	17,279				17,279
Transport Costs	591				591
Capital Charges	0	17,762			17,762
Income from Projects	(1,858,582)				(1,858,582)
Government Grants	0			(49,000)	(49,000)
Other Income	(319,803)			50,086	(269,717)
Cost of Services	3,640,175	17,762	459,000	21,419	4,138,356
Other income and expenditure	(3,660,500)	0	51,000	(1,086)	(3,610,586)
(Surplus) or deficit on the provision of service	(20,325)	17,762	510,000	20,333	527,770

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*. The Code requires implementation from 1 April 2022 and there is

therefore no impact on the 2021/22 accounts. The impact in future years from the implementation of this standard is that the leased asset, along with the 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 2021 £	Transfers out £	Transfers in £	Balance at 31 March 2022 £
Revenue Reserve - uncommitted balance	(249,401)	3,587	0	(245,814)
COSLA Project	0	0	(21,019)	(21,019)
The Academy	(24,746)	0	(67,575)	(92,321)
Digital Transformation	(39,346)	19,822	0	(19,524)
Dumfries & Galloway Project	0	0	(82,081)	(82,081)
Early Learning and Childcare	0	0	(17,100)	(17,100)
East Lothian Project	(81,429)	54,062	0	(27,367)
East Renfrewshire Project	(39,965)	23,313	0	(16,652)
Hosted Procurement	(52,694)	0	(106,225)	(158,919)
Midlothian Project	(18,000)	18,000	0	0
National Care Home Contract	(104,166)	41,547	0	(62,619)
New Build Project	140,975	0	(52,902)	88,073
South Lanarkshire	0	0	(44,727)	(44,727)
Small Value Procurement	(428,578)	0	(199,633)	(628,211)
Stirling Council	(7,971)	0	(5,638)	(13,609)
Tayside Project	(113,298)	113,668	(370)	(0)
Total Usable Reserves	(1,018,619)	273,999	(597,271)	(1,341,891)

	Balance at 31 March 2022 £	Committed £	Uncommitted Balance £	Note
Revenue Reserve - uncommitted balance	(245,814)	0	(245,814)	(a)
COSLA Project	(21,019)	(21,019)	0	(b)
The Academy	(92,321)	(92,321)	0	(b)
Digital Transformation	(19,524)	(19,524)	0	(b)
Dumfries & Galloway Project	(82,081)	(82,081)	0	(b)
Early Learning and Childcare	(17,100)	(17,100)	0	(b)
East Lothian Project	(27,367)	(27,367)	0	(b)
East Renfrewshire Project	(16,652)	(16,652)	0	(b)
Hosted Procurement	(158,919)	(158,919)	0	(b)
National Care Home Contract	(62,619)	(62,619)	0	(b)
New Build Project	88,073	88,073	0	(b)
South Lanarkshire	(44,727)	(44,727)	0	(b)
Small Value Procurement	(628,211)	(628,211)	0	(b)
Stirling Council	(13,609)	(13,609)	0	(b)
Total Usable Reserves	(1,341,891)	(1,096,077)	(245,814)	

Notes

- a) The balance on the Revenue Reserve represents 5.5% of the Cost of Services in 2021/22;
b) Balances are ring-fenced for continuing 2021/22 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.

2020/21 £	Pension Reserve	2021/22 £
1,922,000	Balance as at 1 April	4,578,000
2,146,000	Actuarial (gains) and losses on pension assets and liabilities	(3,796,000)
510,000	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the CIES	1,219,000
4,578,000	Balance as at 31 March	2,001,000

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.

2020/21 £	Employee Statutory Adjustment Account	2021/22 £
54,035	Balance as at 1 April	74,368
(54,035)	Reversal of prior year accrual for short-term accumulating compensated absences	(74,368)
74,368	Accrual for short-term accumulating compensating absences at 31 March	85,037
74,368	Balance as at 31 March	85,037

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.

2020/21 £	Capital Adjustment Account	2021/22 £
(131,890)	Balance as at 1 April	(114,128)
17,762	Charges for depreciation of non-current assets	14,920
0	Capital expenditure charged against Revenue balances	(31,192)
(114,128)	Balance as at 31 March	(130,400)

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

The surplus for the year on the Revenue Reserve was £1,213,397 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.

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

2020/21	Usable Reserves £	Unusable Reserves £
Adjustments primarily involving the Capital Adjustment Account:		
Charges for depreciation of non-current assets	(17,762)	17,762
Adjustments primarily involving the Pension Reserve:		
Net charges made for retirement benefits in accordance with IAS19	(1,116,000)	1,116,000
Employers contributions payable to the Strathclyde Pension Fund	606,000	(606,000)
Adjustments primarily involving the Employee Statutory Adjustment Account:		
Net charges for employment short-term accumulating absences	(20,333)	20,333
Total adjustments	(548,095)	548,095

Note 6: Intangible Assets

2020/21 £	Software	2021/22 £
	Opening balance	
129,660	Gross carrying amounts	129,660
(8,430)	Accumulated amortisation	(21,396)
121,230	Net carrying amount at 1 April	108,264
0	Additions	0
(12,966)	Amortisation for the year	(12,966)
(12,966)	Net carrying amount at 31 March	(12,966)
	Comprising:	
129,660	Gross carrying amounts	129,660
(21,396)	Accumulated amortisation	(34,362)
108,264		95,298

Note 7: Plant and Equipment

2020/21 £	Plant and Equipment	2021/22 £
	Cost or Valuation	
23,979	Opening balance at 1 April	23,979
0	Additions	31,192
23,979	Gross Book Value at 31 March	55,171
	Depreciation and Impairment	
(13,319)	Accumulated depreciation at 1 April	(18,115)
(4,796)	Depreciation charge for year	(1,954)
(18,115)	Accumulated depreciation at 31 March	(20,069)
10,660	Opening Net Book Value	5,864
5,864	Closing Net Book Value	35,102

Note 8: External audit costs

2020/21 £		2021/22 £
6,150	Fees payable to Audit Scotland in respect of external audit services	6,320

Note 9: Debtors

As at 31 March 2021 £	Short-term debtors	As at 31 March 2022 £
48,785	Prepayments	86,234
363,481	Other receivable amounts	564,478
412,266	Total	650,712

Note 10: Creditors

As at 31 March 2021 £	Short-term creditors	As at 31 March 2022 £
(97,525)	Trade payables	(5,603)
(261,166)	Other payables	(260,859)
(358,691)	Total	(266,462)

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 (2020/21 £97,000).

2020/21 £	Future Minimum Lease Payments	2021/22 £
97,000	Not later than one year	97,000
388,000	Between one and five years	388,000
291,000	Later than five years	194,000
776,000	Total	679,000

Note 12: Events after the balance sheet date

The unaudited accounts are issued to the Executive Sub-Committee on 17 June 2022. Where events taking place before this date provided information about conditions existing at 31 March 2022, 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 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.

The Joint Committee pays Renfrewshire Council for support services. For 2021/22 the amount paid, excluding insurance, was £159,250 (2020/21 £159,250).

The member authorities of the Joint Committee contribute requisitions to enable it to carry out its objectives in the following proportions.

In accordance with Scotland Excel's terms and conditions, member requisitions are adjusted to reflect any changes in population numbers within member authority areas.

2020/21 £	Council	%	2021/22 £
146,388	Aberdeen City	4.0%	149,800
164,202	Aberdeenshire	4.4%	167,763
85,648	Angus	2.3%	87,710
69,740	Argyll and Bute	1.9%	70,967
50,652	Clackmannanshire	1.4%	52,013
103,419	Dumfries and Galloway	2.8%	105,741
103,154	Dundee City	2.8%	105,993
88,703	East Ayrshire	2.4%	90,918
81,249	East Dunbartonshire	2.2%	83,537
79,473	East Lothian	2.2%	82,681
74,031	East Renfrewshire	2.0%	76,300
299,918	City of Edinburgh	8.3%	313,348
37,426	Eilean Siar	1.0%	38,313
109,319	Falkirk	3.0%	112,382
223,372	Fife	6.1%	229,780
358,116	Glasgow City	9.9%	373,073
149,832	Highland	4.1%	153,752
65,394	Inverclyde	1.8%	66,512
71,510	Midlothian	2.0%	74,603
74,582	Moray	2.0%	76,460
96,180	North Ayrshire	2.6%	97,946
206,394	North Lanarkshire	5.6%	212,013
34,754	Orkney Islands	1.0%	35,857
104,444	Perth and Kinross	2.9%	107,447
118,334	Renfrewshire	3.2%	122,434
84,968	Scottish Borders	2.3%	87,330
35,337	Shetland Islands	1.0%	36,216
83,705	South Ayrshire	2.3%	85,729
194,632	South Lanarkshire	5.3%	200,511
73,621	Stirling	2.0%	75,571
71,251	West Dunbartonshire	1.9%	72,657
120,752	West Lothian	3.3%	124,643
3,660,500	Total	100%	3,770,000

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 2021/22:

2020/21 £		2021/22 £
	Comprehensive Income & Expenditure Statement (CIES)	
1,065,000	Current service cost	1,750,000
1,065,000		1,750,000
	Financing & Investment Income & Expenditure	
51,000	Net Interest	105,000
1,116,000	Total post employment benefit charged to the Surplus or Deficit on the Provision of Services	1,855,000
	Other post employment benefit charged to the CIES	
(4,226,000)	Return on assets excluding amounts included in net interest	(1,241,000)
6,372,000	Actuarial (gains) and losses arising on changes in financial assumptions	(2,555,000)
2,146,000	Total Actuarial (gains) and losses	(3,796,000)
3,262,000	Total post employment benefit charged to the CIES	(1,941,000)
	Movement in Reserves Statement	
2,656,000	Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post employment benefits according with the Code	2,577,000
606,000	Employers Contributions paid to Strathclyde Pension Fund	636,000

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 2021/22 these amounted to £22,661 (2020/21 £22,001).

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 liabilities is as follows:

2020/21 £000		2021/22 £000
18,074	Opening present value	25,900
1,065	Current service cost	1,750
429	Interest Cost	537
219	Contributions from employees	231
(259)	Benefits Paid	(270)
	Remeasurement (gains)/losses:	
6,372	Actuarial (gains)/losses arising from changes in financial assumptions	(2,555)
25,900	Balance as at 31 March	25,593

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

2020/21 £000		2021/22 £000
16,152	Opening Fair Value	21,322
378	Interest Income	432
606	Contributions from employer	636
219	Contributions from employees	231
(259)	Benefits Paid	(270)
	Remeasurement gain/(loss):	
4,226	Return on assets excluding amounts included in net interest	1,241
21,322	Closing fair value of scheme assets	23,592

14c: Fund history

	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Present Value of Liabilities	(16,187)	(19,788)	(18,074)	(25,900)	(25,593)
Fair value of assets	14,746	16,167	16,152	21,322	23,592
Surplus/(deficit) in the Fund	(1,441)	(3,621)	(1,922)	(4,578)	(2,001)

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

The total liability of £2,001k 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 2020/21 and 2021/22.

The total contributions expected to be made by the Joint Committee to the Strathclyde Pension Fund in the forthcoming year to 31 March 2023 is £636k.

14e: Basis for estimating assets and liabilities

The Joint Committee's share of the 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 2022. The principal assumptions used by the actuary have been:

2020/21	Mortality assumptions	2021/22
Longevity at 65 for current pensioners (years)		
19.8	Men	19.6
22.6	Women	22.4
Longevity at 65 for Future pensioners (years)		
21.2	Men	21.0
24.7	Women	24.5
Other assumptions		
3.6%	Rate of increase in salaries	3.9%
2.9%	Rate of increase in pensions	3.2%
2.0%	Rate for discounting scheme liabilities	2.7%
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	3.0%	657
1 Year increase in member life expectancy	4.0%	1,028
0.1% increase in Salary Increase Rate	0.0%	86
0.1% increase in Pension Increase Rate	2.0%	565

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

2020/21 £000		%	2021/22 £000
8,788	Equity instruments	41.6%	9,817
1,735	Real Estate	8.4%	1,990
10,401	Investment Funds and Unit Trusts	47.4%	11,185
(2)	Derivatives	0.0%	0
400	Cash and Cash Equivalents	2.5%	600
21,322	Total	100.0%	23,592

Note 15: Contingent Liabilities

Guaranteed Minimum Pension (GMP) was accrued by members of the Local Government Pension Scheme between 6 April 1978 and 5 April 1997. The value of GMP is inherently unequal between males and females for a number of reasons, including a higher retirement age for men and GMP accruing at a faster rate for women; however overall equality of benefits was achieved for public service schemes through the interaction between scheme pensions and the Second State Pension.

The introduction of the new Single State Pension in April 2016 disrupted this arrangement and brought uncertainty over the ongoing indexation of GMPs,

which could lead to inequalities between men's and women's benefits.

Strathclyde Pension Fund's actuary has carried out calculations and estimates that the potential impact of GMP indexation would be an increase in the pension liability of approximately £95k 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.

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 2021/22 financial year and its financial position as at 31 March 2022. 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.

be required or the amount of the obligation cannot be measured reliably.

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

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, financial instruments, retirement and employee benefits and do not represent usable resources for the Council; 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 2022 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 £0.657m, equating to a 3% increase. The carrying value of the pension liability was £2.001m as at 31 March 2022. For further details see Note 14: Retirement Benefits.

Scotland Excel

To: Joint Committee

On: 17 June 2022

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

Elected Member Engagement Plan

1. Purpose of the Report

As a membership organisation funded by all 32 local authorities, Scotland Excel is committed to positive and productive engagement with all levels of council stakeholders. This report provides an overview of the engagement activity proposed for Joint Committee elected members.

2. Meetings

A member of Scotland Excel's Executive Team will request a meeting with all elected members from the Joint Committee at least once each year. These meetings provide a one-to-one opportunity to discuss the organisation's recent activities and forward plans, as well as examine the value delivered for each council from its membership. Meetings can take place in-person or by video link, and will also cover any specific topics requested by the elected member.

In addition, a member of Scotland Excel's Senior Management Team will make contact with Joint Committee members twice per year. This provides an opportunity for elected members to discuss any specific matters about Scotland Excel and/or public procurement that may have come to their attention during that quarter. Initial contact will be made by email and/or telephone, and may be followed by an in-person or video link if requested.

3. Publications

Scotland Excel publishes a quarterly e-newsletter which is sent to Joint Committee members to update them on recent activities. Members are also sent copies of corporate publications and briefing notes, and are invited to visit the Scotland Excel website at www.scotland-excel.org.uk for information, news and updates on the organisation's activities.

4. Events & Media

Scotland Excel delivers a range of events and media activities to raise awareness of its work and promote the value of public procurement to its members.

Joint Committee members will receive invitations to online and in-person events which may be of interest. Recent examples include the Annual Conference, which this year took place on 18-19 May, and the Building a Net Zero Scotland event to promote energy efficiency frameworks which took place on 26 May. In 2023, Members will be invited to Scotland Excel's biennial Supplier Awards which celebrate the role of suppliers in public procurement.

An ongoing programme of press releases, advertorial features and social media activity takes places throughout the year. Examples are included in the Joint Committee Welcome Pack. Elected Members are often invited to provide a quote for press releases which cover activity in their area.

5. Training

The Scotland Excel Academy offers regular Introduction to Public Procurement courses which may be of interest to elected members wishing to know more about the public procurement landscape. These one-day courses are delivered online. Bespoke training on any relevant topic can be arranged for Joint Committee members where there is sufficient demand.

6. Enquiries & Ongoing Support

Scotland Excel operates an account management function which assigns a dedicated Account Manager for each council. Account Managers will make contact to introduce themselves to the Joint Committee members for their assigned councils, and will thereafter be available for any support elected members may need at any time.

Elected Members can also make contact with Executive Team or Senior Management Team members at any time they deem appropriate.

7. Recommendation

The members of the Joint Committee are invited to approve the proposed elected member engagement plan.

Scotland Excel

To: Joint Committee

On: 17 June 2022

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

Operating Plan for April 2022 – March 2023

1. Purpose of the report

In June 2018, Scotland Excel's Joint Committee approved a new five-year corporate strategy which is supported by annual operating plans. This report presents the organisation's operating plan for the period 01 April 2022 to 31 March 2023 (Appendix 1).

The plan covers the key activities being undertaken during the 2022-23 financial year to complete the delivery of the current five-year corporate strategy. A new five-year strategy will be developed over the coming year in conjunction with local authority stakeholders, and will be presented to the Joint Committee for approval in December 2022.

A copy of the performance report against the 2021-2022 operating plan is included for information (Appendix 2). This plan covered a 15-month period from 01 January 2021 to 31 March 2022 as a result of changes to the planning process necessitated by the Covid-19 pandemic.

2. Strategic Planning Process

Scotland Excel follows a robust process to develop its corporate strategy and operating plans as illustrated below.








The 2022-23 operating plan has 34 commitments which reflect the key actions Scotland Excel is undertaking this financial year to conclude the five-year strategy. These commitments are aligned to more than 100 specific actions which are cascaded to staff as part of Scotland Excel's Performance Review and Development (PRD) programme.

3. Reporting methodology

Progress reports are produced quarterly to track Scotland Excel's performance 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 use a 'traffic light' symbol to provide a guide to the status of each activity.

	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

4. 2021-22 performance

Scotland Excel performed well against the commitments set out in its 2021-22 operating plan. Twenty-seven commitments progressed in line with plans and are indicated as green within the report.

Two commitments are indicated as amber within the report and will be completed in 2022-23. However, significant progress was made during year, with the stakeholder engagement and competitor analysis tools already being used successfully by some teams within the organisation.

One commitment is indicated as black within the report. Due to restrictions on holding national and regional events, the Coaction project is now being implemented on a project-by-project basis.

5. Recommendation

The members of the Joint Committee are invited to note the content of the operating plan for 2022-23, and performance against the 2021-22 operating plan.



Operating Plan

01 April 2022 – 31 March 2023

Introduction

Scotland Excel is the Centre of Procurement Expertise for the local government sector. Established in 2008, we deliver procurement and commercial solutions through a portfolio of high risk, high value collaborative contracts, professional development opportunities and organisational change initiatives which enhance the influence and impact of procurement across the sector.

Our contracts are designed to increase efficiency and ensure money is saved to protect front line public services. Our strategic approach to procurement supports innovation in service delivery, helps to deliver national and local policies, and brings social, economic and environmental benefits to communities.

Accredited professional development programmes and practitioner workshops, delivered through the Scotland Excel Academy, are designed to increase the skills and knowledge of those working in public procurement. Our change initiatives take a 'whole organisation' approach to best procurement practice, ensuring that it is considered in the development of policies and plans across all service areas.

In 2018, we published a new five-year corporate strategy which builds on the achievements of our 2015-18 strategy and sets out our ambitions for supporting local authorities and public sector partners. Developed in consultation with key local government stakeholders, the strategy seeks to increase the value delivered by Scotland Excel and ensure the long-term sustainability and growth of our organisation.

Our vision is to be recognised as a leading provider of innovative, transformative procurement solutions for local and national public services across Scotland. We aim to achieve this by building on our strategic procurement expertise and experience of developing collaborative solutions which support better outcomes for Scotland's people and communities.

The strategy map on page 3 provides an overview of the business goals and strategic objectives which support our aim. The full strategy document is available to download from our website.

To support the strategy, we develop annual operating plans which record the commitments we will undertake to achieve our business goals. Each year, the plan is used to set priorities and develop detailed action plans for the organisation, which are cascaded as annual performance objectives for employees.

This document records the commitments we will deliver from April 2022 - March 2023 to complete the delivery of our existing five-year strategy. Reports are issued quarterly to record our progress against these commitments.

A new five-year strategy will be developed during 2022, informed by our stakeholders, to build on our progress and ensure that our activities continue to reflect public sector priorities.

Strategy Map

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 underpin innovative solutions for our customers	Our customers receive a measurable return on investment through savings
Our expertise leads 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>

Goa1 1: Shaping solutions for innovative public services

Strategic Objective	Commitment
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 Continue to monitor, report on and, where possible, mitigate the impact of supply chain disruptions arising from the Covid-19 pandemic and Brexit 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 Develop a strategy for the next generation new build residential framework which incorporates learnings from the current framework and findings from stakeholder engagement meetings
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 Develop and deliver programmes of free and/or low-cost online workshops and events which support practitioner skills and best practice Develop and deliver bespoke chargeable Academy programmes requested by councils, associate members or other partners Continue to deliver chargeable consultancy and transformation programmes requested by councils, associate members or other partners 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
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
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

Goa1 2: Being sustainable in everything we do

Strategic Objective	Commitment
2.1 Deliver positive and measurable social value through our contracts	<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 • Continue to develop and deliver community benefit and supply chain initiatives which enable members to achieve direct benefits for their areas
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 • 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
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 • Promote member usage of the next generation energy efficiency contractors (EEC) and electric vehicle charging infrastructure frameworks to help members work towards their net-zero targets
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

Goa1 3: Placing people at the heart of our business

Strategic Objective	Commitment
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 • Continue to develop and deliver stakeholder engagement plans to assess member satisfaction and identify key priorities for Scotland Excel's new five-year strategy
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 • 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
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 • Monitor the progress of National Care Service proposals and continue to champion Scotland Excel's delivery of national care arrangements that support local, person-centred commissioning
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 • Develop and implement a refreshed recruitment and retention strategy to mitigate the impact of skills shortages and/or changing attitudes in the workforce

Goa1 4: Driving sustainable and scalable growth

Strategic Objective	Commitment
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
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 Continue to develop Scotland Excel's digital technology capability, harnessing data assets and emerging technology to benefit staff and customers
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 Continue to grow and develop Scotland Excel's associate membership programme to maximise benefits for the organisation and members. Deliver a second tranche of Procurement & Commercial Improvement Programme assessments for housing associations, highlighting the community value of enhanced procurement practices and collaboration
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 Continue to explore and develop partnership opportunities with organisations such as Crown Commercial Services (CCS), Scottish Enterprise, Construction Scotland Innovation Centre and Zero Waste Scotland (ZWS) which support the delivery of business and policy objectives











Operating Plan




2021 – 2022

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 directly with local authority services on the collaborative procurement opportunities pipeline and identify opportunities to lead and/or participate in national cross-sector opportunities and initiatives with partners in health, further and higher education, and central government. 		<ul style="list-style-type: none"> A Commercial User Intelligence Group Steering Group meeting with procurement stakeholders took place in February. Scotland Excel is continuing to participate in several cross-sectoral initiatives including the Scottish Government-led Supply Chain Development Programme, the Public Sector Food Forum, and the Scottish Organic Stakeholders Group which is supporting the government's Scottish Organic Action Plan.
	<ul style="list-style-type: none"> Continue to develop and deliver a contract and supplier management (CSM) programme which monitors and enhances the performance of Scotland Excel contracts, incorporating new environmental performance measurements 		<ul style="list-style-type: none"> Contract and supplier management activity has focused on mitigating the impact of global supply chain disruptions and price volatility. Measures have also been implemented to identify supply chains with connections to Russia following the invasion of Ukraine. Work is ongoing to develop a new CSM reporting model which incorporates environmental performance measures in line with the Scottish Government's climate change goals.
	<ul style="list-style-type: none"> Open the Adult Care and Support flexible framework to allow new providers to join, ensuring a diverse range of services and providers are available to meet the varying needs of people across the country, and promote choice for people who need support. 		<ul style="list-style-type: none"> Following the reopening of the Adult Care and Support flexible framework, 21 new providers covering 26 services are being awarded to the framework. Local authorities will be able to use the new providers by the end of April 2022.
1.2 Deliver programmes which lead and develop professional, organisational and commercial capability	<ul style="list-style-type: none"> Develop a portfolio of accredited and non-accredited Academy programmes based on member and wider public sector requirements whilst progressing other strategic areas such as apprenticeships and becoming a credit rating body. 		<ul style="list-style-type: none"> The Scotland Excel Academy is currently delivering 9 cohorts of accredited programmes, with a further 10 programmes planned. Several courses have been delivered through the Scottish Government's national procurement training framework, and a full programme of open and closed courses will be launched across the public sector in April.

	<ul style="list-style-type: none"> • Deliver sector and local initiatives which support Scottish Government national policy objectives, such as flexible and affordable solutions. 		<ul style="list-style-type: none"> • A third tranche of Stay Connected free online seminars for procurement practitioners was launched in February. Following discussions with council procurement leads, the third cycle of the national Procurement Commercial Improvement Programme (PCIP) assessments has been postponed until 2022-23. Plans are underway for the Scotland Excel Annual Conference which will take place on 18-19 May as a hybrid online and in-person event.
	<ul style="list-style-type: none"> • Continue to deliver chargeable consultancy and transformation programmes, responding to any requests for these types of services and building the Scotland Excel knowledge bank to retain the intellectual property of improvement methodologies and resources within the local government sector 		<ul style="list-style-type: none"> • Scotland Excel is continuing to deliver a range of chargeable and consultancy services to councils, partners and associate members, including flexible procurement, consultancy, and bespoke learning and development programmes. Following the successful delivery of a similar programme for the Scottish Government, the Department of Health for Northern Ireland has commissioned Scotland Excel to administer their £500 payments to personal assistants to recognise their work during Covid.
	<ul style="list-style-type: none"> • Engage with members, suppliers and providers to understand the impact of Covid-19 and BREXIT to support the delivery of frameworks, services and knowledge to meet Local Authority and national objectives. 		<ul style="list-style-type: none"> • Scotland Excel is continuing to closely monitor the impact of Covid-19, Brexit and other global events on the pricing and availability of key framework commodities, and is providing regular updates to stakeholders. The invasion of Ukraine has had a significant impact on the availability of bitumen which was predominantly sourced from Russia. Rising energy prices have impacted most framework suppliers, and all frameworks are being reviewed to develop recommendations which will help councils manage their sourcing challenges.
	<ul style="list-style-type: none"> • Drive the next generation development of the National Care Home Contract (NCHC) and continue negotiations with providers on rates of return to enable implementation of the NCHC Cost Model © which supports the delivery of affordable and sustainable social care services. 		<ul style="list-style-type: none"> • The national care home contract fees for 2022-23 have been agreed and work is underway to roll out the new rates which take effect from 6th April. A meeting with stakeholders interested in participating in the redesign of the national care home contract has been scheduled for April.






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 The Academy's online learning platform, to support engagement and learning, and to deliver national coaction events, video content and programmes. 		<ul style="list-style-type: none"> The Scotland Excel Academy online platform continues to be developed, and now incorporates automated reminders for student assessment tasks.
	<ul style="list-style-type: none"> Continue to provide ICT procurement services for the Digital Office for Scottish Local Government, engaging proactively with stakeholders to accelerate a collaborative approach to the adoption of digital technologies. 		<ul style="list-style-type: none"> Scotland Excel is continuing to work on a range of collaborative ICT solutions including Artificial Intelligence (AI)/robotics, and procurement routes to establish a National Security Operating Centre (SOC), and National Shared Digital Alarm Receiving Centre.
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 SXL portfolio including guidance, tools and reporting. 		<ul style="list-style-type: none"> Work is continuing with the Scottish Government and other partners across a range of policy areas. Scotland Excel is taking part in the Key Stakeholder Reference Group informing the implementation of the National Care Service, and has contributed to the Construction Industry Inquiry Group and Fair Work Convention's review of review of working practices in Scotland's construction industry.


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"> Work with partners and secure care providers to support the implementation of the new National Standards and Pathways for Secure Care Centres. 		<ul style="list-style-type: none"> The new national standards have been built into secure care contracts. Scotland Excel continues to liaise with key partners on future plans for secure care and will contribute to a national consultation on the forthcoming Children's Care and Justice Bill.
	<ul style="list-style-type: none"> Continue to monitor the proportion of Scotland Excel suppliers paying their staff the Real Living Wage and identify any opportunities to increase this 		<ul style="list-style-type: none"> More than 80% of suppliers have confirmed payment of the Living Wage, and commitments continue to be monitored as part of ongoing contract management activity. Scotland Excel is continuing to work with the Scottish Government and other stakeholders on remuneration for the social care workforce.
	<ul style="list-style-type: none"> Continue to embed community benefit models which enable councils to achieve direct benefits for their areas and the participation of supported businesses and the third sector within our supply chain 		<ul style="list-style-type: none"> Scotland Excel has been engaging with councils to review its community benefits model. Feedback from two workshops will be used improve data gathering procedures and reporting.
2.2 Deliver positive and measurable local economic impact through SME and third sector participation in our contracts	<ul style="list-style-type: none"> Support the continued application of community wealth building including living wage Scotland Excel suppliers and work with partners including Scottish Government and the Supplier Development Programme (SDP) 		<ul style="list-style-type: none"> A practice sharing workshop took place in February with Scotland Excel, Scottish Government and the four pilot councils to discuss the outcomes of the community wealth-building project. A suite of templates has been developed and a toolkit is being created which will provide a model to be share with councils in support of their own community wealth-building journeys.
2.3 Deliver positive and measurable environmental benefits through our contracts	<ul style="list-style-type: none"> Continue to deliver and promote environmental sustainability goals including Scotland Excel and supplier carbon footprint and consider "best value" and 'whole life' costing within tender evaluations 		<ul style="list-style-type: none"> Scotland Excel is reviewing all frameworks to identify how they support council net zero ambitions. This includes working with external bodies to review policy impacts, low carbon innovations, and changes to working practices. A new tool is being developed to calculate the levels of embodied carbon in construction materials.






<p>2.4 Lead and develop sustainable procurement knowledge and practice</p>	<ul style="list-style-type: none"> • Explore the development of progressive, sustainable learning pathways to support career development within the sector, co-chairing the Scottish Government professional practice and development framework, and work with educational partners and/or suppliers to establish workforce needs and promote the benefits of procurement as a career. 		<ul style="list-style-type: none"> • The Scotland Excel Academy is continuing to co-chair the cross-sector Professional Practice and Development (PPD) forum to explore national initiatives to attract and develop procurement talent. In March, Scotland Excel launched a recruitment campaign for a graduate recruitment programme which has attracted a pool of high-quality candidates.
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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 ensure and 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 including quarterly business reviews, change projects, and workshops.
	<ul style="list-style-type: none"> Continue and refresh Scotland Excel's stakeholder engagement activity including understanding priorities and assessing satisfaction 		<ul style="list-style-type: none"> Scotland Excel's stakeholder engagement and mapping tools are being used by several teams in support of income generating frameworks and services. Further plans to roll out use across the organisation are planned for 2022-23.
3.2 Engage stakeholders in the delivery of effective local solutions	<ul style="list-style-type: none"> Continue to engage directly with service users and the wider community, where appropriate, to ensure their needs are met and incorporated into the development of procurement strategies 		<ul style="list-style-type: none"> Scotland Excel is investigating options for engaging with care home residents and their families as part of the national care home contract redesign project.
	<ul style="list-style-type: none"> Continue to engage directly with partners to ensure that national social care contracts meet the needs of all care groups and align with national strategy 		<ul style="list-style-type: none"> Scotland Excel is continuing to engage with The Promise and other key stakeholders to ensure policy direction is reflected in contracts for children's services. Representatives from advocacy groups, providers, provider bodies, unions and Scottish Government have agreed to work with Scotland Excel on the redesign of the national care home contract.
3.3 Represent the collective views of stakeholders at a national level	<ul style="list-style-type: none"> Continue to collect, review and represent the views of members, customers and communities at appropriate fora 		<ul style="list-style-type: none"> Scotland Excel is continuing to represent the local government sector within Scottish Government national initiatives including the Climate Change Forum, the Professional Practice and Development Forum, and the Supply Chain Development Forum. In March, Scotland Excel took part in a round table meeting with the UK Department of Education and other devolved nations to discuss the issues, priorities and challenges arising from educational budgets.






<p>3.4 Implement policies which develop, empower, value and engage our workforce</p>	<ul style="list-style-type: none"> • Continue to implement the Scotland Excel organisational development strategy, developing initiatives to inspire and develop staff, increase Scotland Excel's capability, and support succession planning 		<ul style="list-style-type: none"> • Scotland Excel's new People Strategy is close to completion and will be launched in early 2022-23. A flexible and dynamic approach to recruitment has been implemented to mitigate the challenges of a fast-moving and competitive job market. An online careers event, digital marketing campaigns and expanded website content has been successful in attracting interest from candidates.
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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"> Promote the concept of Coaction to senior stakeholders and explore opportunities where creation, delivery and production of high-quality national cost effective learning is jointly undertaken 		<ul style="list-style-type: none"> Due to ongoing restrictions in bringing people together for a Coaction event, the concept will now be rolled out through partnership working on a project-by-project basis.
	<ul style="list-style-type: none"> Continue to implement appropriate funding routes through the delivery of new and existing services, monitoring income and providing regular reports to the joint committee whilst recognising the impact of the pandemic 		<ul style="list-style-type: none"> Income from chargeable services and rebates continues to grow and is expected to account for c.15% of operating income in 2021-22. A healthy pipeline is in place for 2022-23 when this income is expected to account for c.21% of the total.
4.2 Continue to maintain a robust business infrastructure to support our growth ambitions	<ul style="list-style-type: none"> Continue to develop and support a robust working environment and infrastructure that includes the use of digital technology, agile working and emerging technology to benefit staff and customers 		<ul style="list-style-type: none"> Plans for rolling out hybrid working have continued during Q4 to support a return to office working within the next few months. Scotland Excel is working with the Digital Office to review cyber security and disaster recovery provision across its ICT infrastructure to ensure it is in line with National Cyber Security Centre guidance.
4.3 Use our knowledge and insight to identify new services and/or sectors which provide growth opportunities	<ul style="list-style-type: none"> Research collaborative procurement and leading change solutions available in other public sector markets to identify potential business opportunities, reporting on the findings to inform future growth plans 		<ul style="list-style-type: none"> A competitor analysis model was developed and successfully piloted during 2021-22, including an analysis of key framework competitors. Roll out of the model across the organisation are planned for 2022-23.
	<ul style="list-style-type: none"> Continue to grow and develop Scotland Excel's associate membership programme to maximise its commercial potential for the organisation including framework spend whilst providing demonstrable benefits for members 		<ul style="list-style-type: none"> Seven new associate members were approved in Q4 with a total annual income of £4,461k. Scotland Excel presented at the Scottish Federation of Housing Associations (SFHA) development conference in March to promote a new procurement improvement assessment service which will be developed in 2022-23 to help housing associations meet Scottish Government funding criteria for new build development.

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 market Scotland Excel through traditional and social media, targeted communications activity and political engagement to support new business opportunities and promote our knowledge and experience in support of policy and public affairs goals 		<ul style="list-style-type: none"> Marketing and communications activity for Q4 has included a significant recruitment campaign and online event, the launch of the EEC framework, marketing support for the launch of Scotland Excel's Annual Conference, press releases and case studies. Preparations have been taking place for a number of imminent campaigns including promotion of Academy programmes, and an engagement plan for new committee members.
	<ul style="list-style-type: none"> Explore new Scotland Excel partnership opportunities and continue to develop partnerships e.g., Crown Commercial Services (CCS) to ensure most effective delivery of Scotland Excel and customer objectives 		<ul style="list-style-type: none"> Scotland Excel is continuing to build positive relationships with growing number of partners including Scottish Enterprise, Construction Scotland Innovation Centre, Zero Waste Scotland and the Competition & Markets Authority (CMA). Work with Scottish Enterprise to identify opportunities to join up public sector demand with business investment is progressing well.

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: April 2022

Scotland Excel

To: Joint Committee

On: 17 June 2022

**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.

The annual procurement report provides 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 31st March 2022.

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 2021/22 should be published no later than the end of August 2022, 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 Annex 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, on the Scotland Excel Website, of the Annual Procurement Report as provided at Annex A.

**Scotland Excel
Annual Procurement Report
(1 Apr 2021 – 31 March 2022)**

Prepared May 2022

Contents

Introduction

Section 1: Summary of Regulated Procurements Completed

Section 2: Review of Regulated Procurement Compliance **Section 3:** Community Benefits and Fair Work Practices

Section 4: Supported Business Summary

Section 5: Future Regulated Procurements Summary

Section 6: Additional Considerations

Appendix 1: Procurements Completed listed

Appendix 2: Summary of regulatory compliance

Appendix 3: Performance against our Strategy

Appendix 4: Community Benefits and Fair Work

Appendix 5: Contract Delivery Plan for future procurement work

Scotland Excel Annual Procurement Report 2020/21

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 wider 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 wider 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 members 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 publishes annually a revised 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 partners to articulate its approach to delivering an effective contract portfolio through its 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/>.

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 1- Part 1 provides a high-level summary of the regulated procurements Scotland Excel has completed between 1 April 2021 and 31 March 2022. The appendix includes the following:

- date the framework was awarded
- title of the arrangement, giving the subject matter of the procurement
- estimated value of the spend for the full life of the framework
- date from which the contract starts and is available for use
- date on which the contract ends
- names of each of the suppliers awarded a place on the framework

Scotland Excel also operates a small number of dynamic purchasing systems (DPS) which are unique in that new suppliers can apply to be added to these arrangements at any time. Appendix 1 – Part 2 shows suppliers appointed to the DPS for the Treatment and Disposal of Recyclable and Residual Waste between 1 April 2021 and 31 March 2022. During 2021/22 there were no additional suppliers appointed to the DPS for Bikeability Scotland Training Providers. Work began on a DPS to support Employability Services which will be awarded in 2022/23.

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.

Commodity strategies reflect the Scotland Excel Procurement Strategy and ensure that procurement exercises follow a journey that embeds Scotland Excel’s 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 2, including a table that sets out how the process was applied to live frameworks during the financial year 2021/22.

Our approach to strategic procurement maximises the added value potential in each procurement exercise. We conduct extensive market research and stakeholder consultation to establish the most effective blend of customer need to market capacity.

Key success factors are agreed in consultation with our 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 our strategy and objectives for 2020/21 is given 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.

Section 3 – Community Benefits and Fair Work Practices 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 benefit clauses in contracts and frameworks provide a means of achieving sustainability in public contracts. They can include, as examples, targeted recruitment and training, working with community enterprises and engagement with local interest groups. The requirement to include community benefits when awarded to Scotland Excel frameworks is universal. Achieving additional social value across Scotland through public spend with suppliers in the delivery of goods, services or works packages is integral to procurement good practice.

Scotland Excel incorporates community benefits in its procurement activities to drive greater sustainability. In doing so we contribute to the delivery of social, economic and environmental benefits delivered in our local authority areas. Tenderers are required to make a community benefits submission in respect of the spend they will receive through the relevant framework and this is monitored throughout the duration of the framework agreement. Through our contract management practices we promote and encourage the most impactful benefits available.

Benefits delivered are recorded through a return from each supplier. During 2021/22 further work was undertaken to consider how this process can be improved to ensure the benefits delivered are aligned to the needs of local communities and that the supplier base is able to report in an efficient manner. Presently Community Benefits information is collected from suppliers on a six-monthly basis. Scotland Excel's process requires suppliers who receive spend greater than £50,000 over the preceding two quarters to produce a detailed breakdown of the community benefits they have provided.

The community benefits delivered are routinely reported to each meeting of Scotland Excel's Joint Committee in June and December.

The information provided for the period 1st April 2021 to 31 March 2022 has been collated from those reported in December 2021 and new information gathered for the period from 1 October 2021 to 31 March 2022 and is as follows:

Total Monetary Value (£) of Other Community Benefits	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 full time Employees Recruited to Deliver Contract
£400,917	1292	41	39	607	432

Table 1.

‘Other Community Benefits’ encompass a range of benefits including donations and sponsorships of local clubs and community organisations. During the Covid 19 pandemic our community benefit return results continue to be positive and demonstrate the effective partnership Scotland Excel has created with framework suppliers which in turn maximises community benefits delivery. We gather many examples of community work undertaken by our suppliers during the previous financial year and early in 2021/22 that were in support of groups affected by lockdowns and additional to the contractual obligations of the framework.

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. Scotland Excel uses a Community Benefit menu. This approach is widespread in public procurement and offers a focused approach to delivering benefit across the Scotland Excel portfolio. Included in Appendix 4 is a table summarising community benefits delivered and recorded against Scotland Excel frameworks since reporting started in 2013/14.

Furthermore, the management process encourages suppliers and providers to deliver Community Benefits within the awarding local authority area. During 2022/23 further work is planned to ensure all opportunities for delivery of community benefits to carried out are taken up by our members.

Another important aspect of our 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 15th 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 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.

Of the 213 suppliers appointed to Scotland Excel framework agreements between 1 April 2021 and 31 March 2022, 84% notified that they pay the Living Wage.

There are 958 unique suppliers appointed to Scotland Excel framework agreements, each have provided data on their Living Wage accreditation status. The breakdown of the status of these suppliers is set out in Table 2 below, recorded in the following categories, recognising the accreditation of some suppliers and the self-assessment of others. Overall 86% of Scotland Excel suppliers are paying the Living Wage with a further 4% committed to paying the Living Wage within 2 years.

Accredited	Progressing towards accreditation	Committed to gaining accreditation over the first 2 years of the framework	Not accredited but paying the Living Wage	Not accredited or paying the Living Wage but committed to doing so within 2 years	Neither accredited nor paying Living Wage
211	56	89	467	38	97

Table 2

Scotland Excel currently has a total 1076 unique suppliers across all supply agreements. Living Wage accreditation status is not asked of suppliers being qualified for a place on a DPS, nor is it gathered when working in partnership with Crown Commercial Services (UK Government collaborative procurement body).

Scotland Excel continues to ensure its policy 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.

Appendix 4 includes the breakdown of the council areas in which the figures presented in Table 1. above have been achieved.

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 2021/22 no contracts were reserved for supported businesses. However, in line with the 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 our frameworks as demonstrated by the appointment Scotland's Bravest Manufacturing Company within our 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. However, to ensure we continue to support this developing market Scotland Excel has included a reserved framework for supported businesses offering PPE products in our planned procurements scheduled for 2022/23 (see Appendix 4).

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 , 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 our framework suppliers to drive partnership relationships with supported businesses. Our New Build Residential framework has clauses within it which seek the involvement in the supply chains of the awarded construction companies.

Scotland Excel understands 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 our 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.

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 our framework users and potential suppliers. Each framework process is started with the issue of a Prior Information Notice consistently providing advance notice of future opportunities.

Scotland Excel has fifty-four 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 four new contract areas in financial year 2021/22. Details of these anticipated contract requirements are shown in Appendix 4.

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 our development has been to raise the profile of procurement in our sector.

Our vision is: To provide innovative, transformative solutions for local and national public services across Scotland.

Our Mission is: 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

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.

Our 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.

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. We are delighted to have won several awards for our work. We also hold accreditations which reflect our commitment to best practice in procurement, organisational development and workforce matters.

CIPS Corporate Certification Standard - This award signifies that we have all the procurement governance mechanisms in place for effective supply assurance and compliance.

Investors in People (IIP) - 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 1 – Part 1

Procurements Completed

1 April 2021 to 31 March 2022

Award Date	Short Contract Title	Total Contract Value	Contract Start Date	Contract End Date	Supplier Name	Schedule Number
01/04/2021	Supply Teacher And Other Bookings	£1,200,000	01/04/2021	31/03/2025	Alvius Limited	0421
					Cloud Cover It Services Ltd	0421
					Eteach Uk Ltd	0421
					Just Education Ltd	0421
					Teacher Booker Ltd	0421
26/05/2021	Vehicle Parts	£48,000,000	26/05/2021	31/03/2024	A M Phillip Trucktech Limited	0720
					Aebi Schmidt Uk Ltd	0720
					Alliance Automotive Uk Lv Limited	0720
					Arnold Clark Automobiles Ltd (T/A Arnold Clark)	0720
					Autoparts Stornoway Ltd	0720
					Bowen Fluid Engineering Limited	0720
					Brush Technology Ltd	0720
					Cartwright Fleet Services (glasgow) Ltd	0720
					DAF Trucks Ltd	0720
					Dennis Eagle Limited	0720
					Dingbro Ltd.	0720
					Econ Engineering Ltd	0720
					Farid Hillend Engineering Limited	0720
					Faun Zoeller Uk Limited	0720
					Fleet Factors Ltd	0720
					Fluidtek Services Limited	0720
					George Parker Hoses	0720
					Highland Motor Parts Limited	0720
					Highland Windscreen Services	0720
					Hydrasun Limited	0720

08/06/2021	Waste Composition Analysis	£3,000,000	09/06/2021	08/06/2025	Hydraulink Ltd	0720
					Masterparts (Bellshill) Ltd	0720
					Mgm Hoses Ltd T/a Pirtek Paisley	0720
					National Windscreens (Replacements) Ltd.	0720
					Plant Glazing Ltd	0720
					Prime Industrial & Janitorial Supplies Ltd	0720
					Robert Innes T/a Southwest Windscreens	0720
					Scotia Bearings & Hydraulics Ltd	0720
					Strathclyde Windscreens Limited	0720
					Volvo Group Uk Ltd T/a Volvo Truck And Bus Centre North & Scotland	0720
01/07/2021	Fostering	£136,000,000	01/07/2021	30/06/2024	Windscreen Services (argyll) Ltd	0720
					Albion Environmental Limited	1520
					Alfred H Knight Energy Services Limited	1520
					Integrated Skills Limited	1520
					Resource Futures Limited	1520
					RPS Consulting Services Ltd	1520
					Aberlour Child Care Trust	1020
					Action For Children	1020
					Barnardo's	1020
					Carevisions Fostering Limited	1020
14/07/2021	Organic Waste	£48,000,000	14/07/2021	30/06/2024	Carolina House Trust	1020
					Dean And Cauvin Trust	1020
					Foster Care Associates Scotland Limited	1020
					Foster Care Connect Ltd.	1020
					Fostering People Scotland Limited	1020
					Fostering Relations Limited	1020
					Fosterplus (Fostercare) Ltd	1020
					St Andrew's Children's Society Limited	1020
					Swiis Foster Care Scotland	1020
					The Adolescent And Children's Trust	1020
					The National Fostering Agency (scotland) Ltd	1020
					Brewster Brothers Limited	0220
					Cireco Scotland Llp	0220
					Earnside Energy Ltd	0220

					Energen Biogas	0220
					Enva Organics Recycling (formerly Gp Green Recycling)	0220
					Forth Resource Management Ltd	0220
					Keenan (recycling) Limited	0220
					Levenseat Ltd	0220
					Scottish Water Horizons	0220
25/08/2021	Education Materials	£70,000,000	25/08/2021	31/07/2024	Bishop Sports and Leisure Limited	1220
					Clyde Paper & Print	1220
					Collaborate & Innovate Ltd T/a Cosy Direct	1220
					Espo Joint Committee Of Local Authorities	1220
					Findel Education Limited T/a Hope Education	1220
					Foams 4 Sports Ltd	1220
					Grosvenor House Papers Ltd	1220
					Hamelin Brands Limited	1220
					Inc Dot Com Limited	1220
					Inivos Limited T/a Edulab	1220
					Kent County Council T/a Kcs	1220
					Muddy Faces Ltd	1220
					Newitt & Co Ltd	1220
					Rm Educational Resources Ltd T/a Consortium Tts	1220
					Scientific & Chemical Supplies Ltd	1220
					Scientific Laboratory Supplies Limited	1220
					Seawhite Of Brighton Limited	1220
					Tts Group Ltd	1220
					W. Enterprises (Abdn) Ltd	1220
					Wf Education Group Limited	1220
					Yorkshire Purchasing Organisation	1220
13/08/2021	Education And Office Furniture	£32,000,000	01/09/2021	31/08/2025	Active Office Scotland Ltd	0620
					Alpha Marketing Scotland Limited	0620
					Azzurro Ltd	0620
					Caley Print & Stationery Ltd T/a The Caley Group	0620
					Claremont Office Furniture Ltd	0620
					Community Playthings (Community Products (UK) Ltd)	0620
					Complete Business Solutions Group Limited	0620

13/09/2021	Telecare DPS	£40,000,000	13/09/2021	10/01/2031	Eightspace Llp	0620
					Equip4work Ltd T/a Office Furniture Online	0620
					Findel Education Limited T/a Hope Education	0620
					Langstane Press Limited	0620
					Mclaughlin & Harvey Limited	0620
					Morleys (bicester) Ltd	0620
					North Central Office Ltd.	0620
					Rm Educational Resources Ltd T/a Consortium Tts	0620
					Saxen Ltd	0620
					Sharp Business Systems Uk Plc	0620
					Spaceright Europe Ltd	0620
					Spaces Taylored Ltd	0620
					Wagstaff Bros., Limited T/a Wagstaff Interiors Group	0620
					Yorkshire Purchasing Organisation	0620
					Alcuris Ltd	1620
					Appello Smart Living Solutions Limited	1620
					Chiptech International Limited	1620
					Chubb Fire & Security Limited	1620
					Doccla UK Limited	1620
					Doro Care (UK) Limited	1620
29/10/2021	Online School Payments	£8,000,000	29/10/2021	19/09/2025	Legrand Electric LTD	1620
					Masimo Europe Limited	1620
					Possum LTD	1620
					Salveas Ltd trading as Synaptik	1620
					SECOM plc	1620
					Secure Meters (UK) Ltd	1620
					Secureshield Ltd	1620
					TeleAlarm Europe GmbH	1620
					Tunstall Healthcare (UK) Limited	1620
					Cash Registers (Buccleuch) Limited	0520
					Civica UK Ltd	0520
					Nutritics Limited	0520
					Parentpay Ltd	0520
					Sf Software Ltd T/a Pebble	0520

17/01/2022	Recycle And Refuse Containers	£50,000,000	17/01/2022	08/12/2024	Bio Pack Limited	0721
					Broxap Limited	0721
					Contenur (uk) Ltd	0721
					Coral Products (Mouldings) Ltd	0721
					Craemer Uk Limited	0721
					Cromwell Polythene Limited	0721
					Egbert H. Taylor And Company Limited	0721
					Ese World Limited	0721
					Imperial Polythene Products Limited	0721
					J & H.m. Dickson Limited	0721
					Leafield Environmental Limited	0721
					One51 Es Plastics (uk) Limited T/a Mgb Plastics	0721
					Opalion Plastics Limited	0721
					Orwak Easi Uk Ltd	0721
					Ridley Recycling Limited T/a Peter Ridley Waste Systems	0721
					Sai-pac (uk) Limited	0721
					Ssi Schaefer Limited	0721
					Storm Environmental Limited	0721
					Straight Manufacturing Limited	0721
					The Compost Bag Company Ltd	0721
					Uk Container Maintenance Limited	0721
					Weir & Carmichael Ltd	0721
					Wybone Limited	0721
16/02/2022	Energy Efficiency Contractors	£800,000,000	16/02/2022	31/01/2025	A.c. Whyte & Co. Ltd	1320
					Ailsa Building Contractors Limited	1320
					Alternative Heat Limited	1320
					BCA Insulation Ltd	1320
					Brb Electrical Limited	1320
					British Gas Social Housing Limited	1320
					C R Smith Glaziers (dunfermline) Limited	1320
					Ccg (scotland) Limited	1320
					Changeworks Resources For Life	1320
					City Building (Contracts) LLP	1320
					City Technical Services (UK) Ltd	1320

E.on Energy Solutions Ltd	1320
Easy Heat Systems Ltd	1320
Ecd Architects Ltd	1320
Ej Parker Technical Services (scotland South) Ltd	1320
Emtec Energy Ltd	1320
Energy Agency	1320
Epc Scotland Limited	1320
Everwarm Ltd	1320
Fes Support Services Ltd	1320
G.m.g. (contractors) Limited	1320
Gep Environmental Limited	1320
Green Home Systems Limited	1320
Hardies Llp	1320
Hyperion Zero Ltd	1320
Insulated Render Systems (scotland) Ltd.	1320
Insulation Solutions (scotland). Limited	1320
Jonathan Mcfarlane T/a Home Energy Lanarkshire	1320
Kensa Contracting Limited	1320
Momentum 4 Ltd	1320
Mp Group U K Limited	1320
Ovo (s) Energy Solutions Limited	1320
Procast Building Contractors Ltd.	1320
Reheat (renewable Technologies) Ltd	1320
Renewable Energy Consultants (scotland) Limited	1320
Sers Energy Solutions (Scotland) Ltd	1320
Shire Energy Services Limited	1320
Shs Heating And Renewables Limited	1320
Story Contracting Limited	1320
Sustainable Building Services (UK) Ltd	1320
The Wise Group	1320
Tighean Innse Gall Limited	1320
Union Technical Services Ltd	1320
Valley Group Limited	1320
Vital Energi Utilities Limited	1320

18/02/2022	Tyres for Vehicles and Plant	£26,000,000	21/02/2022	31/01/2026	Warmworks Scotland Llp	1320
					Alba Tyre Management Ltd	0221
					Angus Tyres Ltd	0221
					Direct Tyre Management Ltd	0221
					H & S Group 1 Ltd T/a Go Mobile	0221
					Kenway Tyres Ltd	0221
					McConechy's tyre service Ltd	0221
					Michelin Tyre Public Limited Company	0221
					R&J Strang Tyre Services	0221
					Redpath Tyres Ltd	0221
					Soltyre Ltd	0221
					Tructyre Fleet Management Limited	0221
					Vaculug Limited	0221
					D J Campbell & Son	0521
					Grahams the Family Dairy Ltd	0521
					Müller Uk & Ireland Group Llp T/a Müller Milk & Ingredients	0521
					Swansons Fruit Company Limited	0521
02/03/2022	Heavy Vehicles	£100,000,000	02/03/2022	31/12/2023	A M Phillip Trucktech Limited	0321
					Aebi Schmidt Uk Ltd	0321
					Ballard Motive Solutions Ltd.	0321
					Bls Commercials Ltd T/a Bls Truck & Van	0321
					BMI Trailers Ltd	0321
					Bucher Municipal Ltd (previously Johnston Sweepers Ltd)	0321
					C P Davidson & Sons Ltd	0321
					Ciceley Commercials Ltd	0321
					Daf Trucks Limited	0321
					DAF Trucks Ltd	0321
					Dennis Eagle Limited	0321
					Econ Engineering Ltd	0321
					Farid Hillend Engineering Limited	0321
					Faun Zoeller Uk Limited	0321
					Geesink Norba Ltd	0321
					Harsh Limited	0321
					Hiab Ltd	0321

James A. Cuthbertson, Limited	0321
John G. Russell (transport) Limited	0321
Karcher (u.k.) Limited	0321
Lothian Vehicle Bodybuilders Ltd	0321
Macpac Refuse Bodies Ltd	0321
MAN Truck & Bus UK Ltd	0321
Mellor Coachcraft (Woodall Nicholson Ltd)	0321
Mercedes-Benz Trucks Uk Ltd	0321
Multevo Limited Trading As Multihog Uk Limited	0321
Ntm-gb Ltd*	0321
Nu-Track Ltd	0321
Renault Truck Commercials Limited T/a Renault Trucks Scotland	0321
Riverside Truck Rental Ltd	0321
Romaquip Ltd	0321
Scania (G.B.) Ltd	0321
Scarab Sweepers Ltd	0321
Stock Sweepers Limited	0321
Treka Bus Ltd	0321
Volvo Group Uk Ltd T/a Volvo Truck And Bus Centre North & Scotland	0321
Whale Tankers Ltd	0321
Woodall Nicholson Ltd T/a Mellor Coachcraft	0321

Appendix 1 – Part 2 Appointments to DPS for

Treatment and Disposal of Recyclable and Residual Waste

New Entrants

Service Provider Name	Lots Approved	Effective Date
VIRIDOR DUNBAR WASTE SERVICES LIMITED	Lots 4,5,7,8,10,11,16,19,21 and 22	1st April 2021
MKD32 Ltd	Lot 3	8th April 2021
DALTON GROUP LIMITED	Lot 4,7 and 10	28th May 2021
SIBELCO UK LIMITED	Lot 3	15th July 2021
TAYLORS INDUSTRIAL SERVICES LIMITED	Lots 11-14 and 16-22	8th November 2021
Wm Hamilton & Sons Limited	Lot 17	2nd December 2021
Henry Waste Management Limited	Lot 8 and 13	10th January 2022

New Offers

Service Provider Name	Additional Lots Approved	Effective Date
Hamilton Waste Recycling Limited	Lot 3	21st April 2021

Removed from DPS

Service Provider Name	Lots	Effective Date
Viridor Waste Management Limited	Lots 1,2,4,5,8,10,11,13,21,22	29/11/2021

Appendix 2

Governance (Procurement Process) Gateways and application to contracts in 2021/22

	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)






Contract	Report Type						
	Option Appraisal	Strategy	Evaluation Methodology	Recommendations	Exec Sub Committee Report	Annual Report	Extension Report
Asbestos							20/05/2021
Boiler Maintenance							26/08/2021
Books							27/01/2022
Building and Timber							08/03/2022
Building Consultancy		01/07/2021	26/08/2021				
Children Residential	08/11/2021 & 13/12/2021	24/02/2022	28/03/2022				08/03/2022
Community Meals						27/07/2021	24/02/2022
Demolition and Deconstruction Services							24/02/2022
Digital Publications		30/11/2021	14/12/2021				
Education & Office Furniture				25/05/2021	01/06/2021		
Education Materials				25/05/2021	01/06/2021		
Electrical Materials							08/03/2022
Employability Services		01/02/2022	01/02/2022				
Energy Advice							29/07/2021
Energy Efficiency Contractors				25/11/2021	18/11/2021		08/04/2021 & 13/09/2021
EV Charging Infrastructure		03/06/2021	25/10/2021	28/03/2022			
First Aid Materials							06/07/2021
Fostering				04/05/2021	20/05/2021		
Fresh Bread & Rolls							18/01/2022
Fresh Fruit & Veg							18/01/2022
Fresh Meat							06/07/2021
Frozen Foods			12/08/2021	16/12/2021	13/01/2022		
Grounds Maintenance Equipment							01/02/2022
Heavy and Municipal Vehicles		09/07/2021	08/09/2021	11/01/2022	13/01/2022		
Hot Beverages							27/07/2021
Janitorial Products						30/11/2021	
Library Books and Textbooks		30/11/2021	14/12/2021				
Milk		01/07/2021	20/07/2021	04/11/2021	04/11/2021	21/10/2021	
Musical Instruments		09/09/2021	09/09/2021	23/11/2021	23/11/2021		
Online School Payments			22/04/2021	12/08/2021	24/08/2021		
Organic Waste				27/05/2021	01/06/2021		
Outdoor Play			14/10/2021				14/10/2021
Pest Control		24/08/2021	21/09/2021	27/01/2022	03/02/2022		
Plumbing Materials							08/03/2022
Power Tools							08/11/2021
PPE		08/10/2021	20/01/2022				12/08/2021
Recycle and Refuse Containers		01/07/2021	22/07/2021	04/11/2021	18/11/2021		
Repair and Maintenance of Catering Equipment		08/12/2021					
Secure Care							09/07/2021
Social Care Agency Workers		24/02/2022					28/03/2022
Trade Materials							08/11/2021
Treatment and Disposal of Recyclable and Residual Waste						19/10/2021	
Tyres for Vehicles and Plant		06/05/2021	09/09/2021	14/12/2021	11/01/2022		
Vehicle and Plant Hire			04/11/2021	01/03/2022	03/03/2022		
Vehicle Parts				06/04/2021	08/04/2021		
Washroom Solutions						19/10/2021	
Waste Composition Analysis				08/04/2021	22/04/2021		
Working at Heights		29/07/2021					

Appendix 3

Review of Regulated Procurement - Performance against our strategy, operating plan and objectives for 2021/22

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 2021. The majority of activities have progressed in line with plans and are indicated by a green symbol. A small number of project-based activities have not been fully delivered in line with plans and are indicated as amber or red. (Due to continuing uncertainty in relation to Covid-19 and Brexit, reporting against key performance indicators (KPIs) is currently on hold pending a review of appropriate measures.











Operating Plan

Progress Report (2021/22)






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 directly with local authority services on the collaborative procurement opportunities pipeline and identify opportunities to lead and/or participate in national cross-sector opportunities and initiatives with partners in health, further and higher education, and central government. 		<ul style="list-style-type: none"> A Commercial User Intelligence Group Steering Group meeting with procurement stakeholders took place in February. Scotland Excel is continuing to participate in several cross-sectoral initiatives including the Scottish Government-led Supply Chain Development Programme, the Public Sector Food Forum, and the Scottish Organic Stakeholders Group which is supporting the government’s Scottish Organic Action Plan.
	<ul style="list-style-type: none"> Continue to develop and deliver a contract and supplier management (CSM) programme which monitors and enhances the performance of Scotland Excel contracts, incorporating new environmental performance measurements 		<ul style="list-style-type: none"> Contract and supplier management activity has focused on mitigating the impact of global supply chain disruptions and price volatility. Measures have also been implemented to identify supply chains with connections to Russia following the invasion of Ukraine. Work is ongoing to develop a new CSM reporting model which incorporates environmental performance measures in line with the Scottish Government’s climate change goals.
	<ul style="list-style-type: none"> Open the Adult Care and Support flexible framework to allow new providers to join, ensuring a diverse range of services and providers are available to meet the varying needs of people across the country, and promote choice for people who need support. 		<ul style="list-style-type: none"> Following the reopening of the Adult Care and Support flexible framework, 21 new providers covering 26 services are being awarded to the framework. Local authorities will be able to use the new providers by the end of April 2022.

1.2 Deliver programmes which lead and develop professional, organisational and commercial capability	<ul style="list-style-type: none"> Develop a portfolio of accredited and non-accredited Academy programmes based on member and wider public sector requirements whilst progressing other strategic areas such as apprenticeships and becoming a credit rating body. 		<ul style="list-style-type: none"> The Scotland Excel Academy is currently delivering 9 cohorts of accredited programmes, with a further 10 programmes planned. Several courses have been delivered through the Scottish Government's national procurement training framework, and a full programme of open and closed courses will be launched across the public sector in April.
	<ul style="list-style-type: none"> Deliver sector and local initiatives which support Scottish Government national policy objectives, such as flexible and affordable solutions. 		<ul style="list-style-type: none"> A third tranche of Stay Connected free online seminars for procurement practitioners was launched in February. Following discussions with council procurement leads, the third cycle of the national Procurement Commercial Improvement Programme (PCIP) assessments has been postponed until 2022-23. Plans are underway for the Scotland Excel Annual Conference which will take place on 18-19 May as a hybrid online and in-person event.
	<ul style="list-style-type: none"> Continue to deliver chargeable consultancy and transformation programmes, responding to any requests for these types of services and building the Scotland Excel knowledge bank to retain the intellectual property of improvement methodologies and resources within the local government sector 		<ul style="list-style-type: none"> Scotland Excel is continuing to deliver a range of chargeable and consultancy services to councils, partners and associate members, including flexible procurement, consultancy, and bespoke learning and development programmes. Following the successful delivery of a similar programme for the Scottish Government, the Department of Health for Northern Ireland has commissioned Scotland Excel to administer their £500 payments to personal assistants to recognise their work during Covid.
	<ul style="list-style-type: none"> Engage with members, suppliers and providers to understand the impact of Covid-19 and BREXIT to support the delivery of frameworks, services and knowledge to meet Local Authority and national objectives. 		<ul style="list-style-type: none"> Scotland Excel is continuing to closely monitor the impact of Covid-19, Brexit and other global events on the pricing and availability of key framework commodities and is providing regular updates to stakeholders. The invasion of Ukraine has had a significant impact on the availability of bitumen






			<p>which was predominantly sourced from Russia. Rising energy prices have impacted most framework suppliers, and all frameworks are being reviewed to develop recommendations which will help councils manage their sourcing challenges.</p>
	<ul style="list-style-type: none"> • Drive the next generation development of the National Care Home Contract (NCHC) and continue negotiations with providers on rates of return to enable implementation of the NCHC Cost Model © which supports the delivery of affordable and sustainable social care services. 		<ul style="list-style-type: none"> • The national care home contract fees for 2022-23 have been agreed and work is underway to roll out the new rates which take effect from 6th April. A meeting with stakeholders interested in participating in the redesign of the national care home contract has been scheduled for April.
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 The Academy's online learning platform, to support engagement and learning, and to deliver national coaction events, video content and programmes. 		<ul style="list-style-type: none"> • The Scotland Excel Academy online platform continues to be developed, and now incorporates automated reminders for student assessment tasks.
	<ul style="list-style-type: none"> • Continue to provide ICT procurement services for the Digital Office for Scottish Local Government, engaging proactively with stakeholders to accelerate a collaborative approach to the adoption of digital technologies. 		<ul style="list-style-type: none"> • Scotland Excel is continuing to work on a range of collaborative ICT solutions including Artificial Intelligence (AI)/robotics, and procurement routes to establish a National Security Operating Centre (SOC), and National Shared Digital Alarm Receiving Centre.
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 SXL portfolio including guidance, tools and reporting. 		<ul style="list-style-type: none"> • Work is continuing with the Scottish Government and other partners across a range of policy areas. Scotland Excel is taking part in the Key Stakeholder Reference Group informing the implementation of the National Care Service and has contributed to the Construction Industry Inquiry Group and Fair Work Convention's review of review of working practices in Scotland's construction industry.


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"> Work with partners and secure care providers to support the implementation of the new National Standards and Pathways for Secure Care Centres. 		<ul style="list-style-type: none"> The new national standards have been built into secure care contracts. Scotland Excel continues to liaise with key partners on future plans for secure care and will contribute to a national consultation on the forthcoming Children's Care and Justice Bill.
	<ul style="list-style-type: none"> Continue to monitor the proportion of Scotland Excel suppliers paying their staff the Real Living Wage and identify any opportunities to increase this 		<ul style="list-style-type: none"> More than 80% of suppliers have confirmed payment of the Living Wage, and commitments continue to be monitored as part of ongoing contract management activity. Scotland Excel is continuing to work with the Scottish Government and other stakeholders on remuneration for the social care workforce.
	<ul style="list-style-type: none"> Continue to embed community benefit models which enable councils to achieve direct benefits for their areas and the participation of supported businesses and the third sector within our supply chain 		<ul style="list-style-type: none"> Scotland Excel has been engaging with councils to review its community benefits model. Feedback from two workshops will be used improve data gathering procedures and reporting.
2.2 Deliver positive and measurable local economic impact through SME and third sector participation in our contracts	<ul style="list-style-type: none"> Support the continued application of community wealth building including living wage Scotland Excel suppliers and work with partners including Scottish Government and the Supplier Development Programme (SDP) 		<ul style="list-style-type: none"> A practice sharing workshop took place in February with Scotland Excel, Scottish Government and the four pilot councils to discuss the outcomes of the community wealth-building project. A suite of templates has been developed and a toolkit is being created which will provide a model to be share with councils in support of their own community wealth-building journeys.
2.3 Deliver positive and measurable environmental benefits through our contracts	<ul style="list-style-type: none"> Continue to deliver and promote environmental sustainability goals including Scotland Excel and supplier carbon footprint and consider "best value" and 'whole life' costing within tender evaluations 		<ul style="list-style-type: none"> Scotland Excel is reviewing all frameworks to identify how they support council net zero ambitions. This includes working with external bodies to review policy impacts, low carbon






			<p>innovations, and changes to working practices. A new tool is being developed to calculate the levels of embodied carbon in construction materials.</p>
<p>2.4 Lead and develop sustainable procurement knowledge and practice</p>	<ul style="list-style-type: none"> Explore the development of progressive, sustainable learning pathways to support career development within the sector, co-chairing the Scottish Government professional practice and development framework, and work with educational partners and/or suppliers to establish workforce needs and promote the benefits of procurement as a career. 		<ul style="list-style-type: none"> The Scotland Excel Academy is continuing to co-chair the cross-sector Professional Practice and Development (PPD) forum to explore national initiatives to attract and develop procurement talent. In March, Scotland Excel launched a recruitment campaign for a graduate recruitment programme which has attracted a pool of high-quality candidates.



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 ensure and 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 including quarterly business reviews, change projects, and workshops.
	<ul style="list-style-type: none"> Continue and refresh Scotland Excel's stakeholder engagement activity including understanding priorities and assessing satisfaction 		<ul style="list-style-type: none"> Scotland Excel's stakeholder engagement and mapping tools are being used by several teams in support of income generating frameworks and services. Further plans to roll out use across the organisation are planned for 2022-23.
3.2 Engage stakeholders in the delivery of effective local solutions	<ul style="list-style-type: none"> Continue to engage directly with service users and the wider community, where appropriate, to ensure their needs are met and incorporated into the development of procurement strategies 		<ul style="list-style-type: none"> Scotland Excel is investigating options for engaging with care home residents and their families as part of the national care come contract redesign project.
	<ul style="list-style-type: none"> Continue to engage directly with partners to ensure that national social care contracts meet the needs of all care groups and align with national strategy 		<ul style="list-style-type: none"> Scotland Excel is continuing to engage with The Promise and other key stakeholders to ensure policy direction is reflected in contracts for children's services. Representatives from advocacy groups, providers, provider bodies, unions and Scottish Government have agreed to work with Scotland Excel on the redesign of the national care home contract.
3.3 Represent the collective views of stakeholders at a national level	<ul style="list-style-type: none"> Continue to collect, review and represent the views of members, customers and communities at appropriate fora 		<ul style="list-style-type: none"> Scotland Excel is continuing to represent the local government sector within Scottish Government national initiatives including the Climate Change Forum, the Professional Practice and Development Forum, and the Supply Chain Development Forum. In March, Scotland Excel took part in a round table meeting with the UK Department of Education and

			other devolved nations to discuss the issues, priorities and challenges arising from educational budgets.
3.4 Implement policies which develop, empower, value and engage our workforce	<ul style="list-style-type: none"> Continue to implement the Scotland Excel organisational development strategy, developing initiatives to inspire and develop staff, increase Scotland Excel's capability, and support succession planning 		<ul style="list-style-type: none"> Scotland Excel's new People Strategy is close to completion and will be launched in early 2022-23. A flexible and dynamic approach to recruitment has been implemented to mitigate the challenges of a fast-moving and competitive job market. An online careers event, digital marketing campaigns and expanded website content has been successful in attracting interest from candidates.

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"> Promote the concept of Coaction to senior stakeholders and explore opportunities where creation, delivery and production of high-quality national cost effective learning is jointly undertaken 		<ul style="list-style-type: none"> Due to ongoing restrictions in bringing people together for a Coaction event, the concept will now be rolled out through partnership working on a project-by-project basis.
	<ul style="list-style-type: none"> Continue to implement appropriate funding routes through the delivery of new and existing services, monitoring income and providing regular reports to the joint committee whilst recognising the impact of the pandemic 		<ul style="list-style-type: none"> Income from chargeable services and rebates continues to grow and is expected to account for c.15% of operating income in 2021-22. A healthy pipeline is in place for 2022-23 when this income is expected to account for c.21% of the total.
4.2 Continue to maintain a robust business infrastructure to support our growth ambitions	<ul style="list-style-type: none"> Continue to develop and support a robust working environment and infrastructure that includes the use of digital technology, agile working and emerging technology to benefit staff and customers 		<ul style="list-style-type: none"> Plans for rolling out hybrid working have continued during Q4 to support a return to office working within the next few months. Scotland Excel is working with the Digital Office to review cyber security and disaster recovery provision across its ICT infrastructure to ensure it is in line with National Cyber Security Centre guidance.
4.3 Use our knowledge and insight to identify new services and/or sectors which provide growth opportunities	<ul style="list-style-type: none"> Research collaborative procurement and leading change solutions available in other public sector markets to identify potential business opportunities, reporting on the findings to inform future growth plans 		<ul style="list-style-type: none"> A competitor analysis model was developed and successfully piloted during 2021-22, including an analysis of key framework competitors. Roll out of the model across the organisation are planned for 2022-23.
	<ul style="list-style-type: none"> Continue to grow and develop Scotland Excel's associate membership programme to maximise its commercial potential for the organisation including framework spend whilst providing demonstrable benefits for members 		<ul style="list-style-type: none"> Seven new associate members were approved in Q4 with a total annual income of £4,461k. Scotland Excel presented at the Scottish Federation of Housing Associations (SFHA) development conference in March to promote a new procurement improvement assessment service which will be developed in 2022-23 to help housing

			associations meet Scottish Government funding criteria for new build development.
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 market Scotland Excel through traditional and social media, targeted communications activity and political engagement to support new business opportunities and promote our knowledge and experience in support of policy and public affairs goals 		<ul style="list-style-type: none"> Marketing and communications activity for Q4 has included a significant recruitment campaign and online event, the launch of the EEC framework, marketing support for the launch of Scotland Excel's Annual Conference, press releases and case studies. Preparations have been taking place for a number of imminent campaigns including promotion of Academy programmes, and an engagement plan for new committee members.
	<ul style="list-style-type: none"> Explore new Scotland Excel partnership opportunities and continue to develop partnerships e.g., Crown Commercial Services (CCS) to ensure most effective delivery of Scotland Excel and customer objectives 		<ul style="list-style-type: none"> Scotland Excel is continuing to build positive relationships with growing number of partners including Scottish Enterprise, Construction Scotland Innovation Centre, Zero Waste Scotland and the Competition & Markets Authority (CMA). Work with Scottish Enterprise to identify opportunities to join up public sector demand with business investment is progressing well.

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: April 2022

Appendix 4

Community Benefits and Fair Work

	2013/ 2014	2014/ 2015	2015/ 2016	2016/ 2017	2017/ 2018	2018/ 2019	2019/ 2020	2020/ 2021	2021/22	Total
No of Apprentices	9	92	49	18	52	34	37	26	41	358
No of New Jobs	78	43	29	53	146	280	249	340	432	1,650
No of Work Placements	0	5	6	17	30	107	43	47	39	294
Hours of Volunteering & Mentoring	95	377	1279	1570	1637	803	853	608	607	7,829
Hours of Work Experience	5305	28214	16734	7852	2541	667	10,360	19	1292	72,984
Value of Other Community Benefits	£2,474	£16,550	£46,140	£87,814	£311,549	£437,443	£901,410	£858,590	£400,917	£3,062,887

Community Benefits by Council 1 October 2021 to 31 March 2022

Council	Total Monetary Value (£) of Other Community Benefits	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	£165,503	624.26	15.56	10.13	180.98	218.50
Aberdeen City Council	£4,638	0.00	0.00	0.00	0.00	6.00
Aberdeenshire Council	£11,298	0.00	0.00	0.00	0.00	3.26

Angus Council	£0	0.00	0.00	0.00	0.00	0.00
Argyll & Bute Council	£1,200	0.00	0.00	0.00	0.00	0.00
Associate Member	£0	0.00	0.00	0.00	0.00	0.00
City Of Edinburgh Council	£30,729	282.00	3.00	0.50	4.48	3.40
Dumfries & Galloway Council	£1,643	0.00	0.20	0.00	0.00	0.00
Dundee City Council	£2,900	0.00	0.00	0.00	0.00	8.00
East Ayrshire Council	£2,500	0.00	0.00	0.00	0.00	1.20
East Dunbartonshire Council	£2,112	0.00	0.00	0.00	0.00	0.20
East Lothian Council	£200	2.00	0.00	0.00	3.00	2.00
East Renfrewshire Council	£1,203	0.00	0.00	0.00	0.00	0.80
Falkirk Council	£12,674	0.00	0.00	0.00	0.00	0.00
Fife Council	£23,779	0.00	0.25	1.00	0.00	3.00
Glasgow City Council	£8,919	0.00	3.00	0.80	173.50	15.00
Highland Council	£4,825	0.00	3.00	0.00	0.00	1.00
Inverclyde Council	£0	0.00	0.00	0.00	0.00	0.25
Midlothian Council	£0	0.00	0.00	0.00	0.00	1.25
North Ayrshire Council	£5,423	0.00	0.00	0.00	0.00	1.20
North Lanarkshire Council	£6,356	56.00	0.00	0.00	0.00	6.60
Orkney Islands Council	£0	0.00	0.00	0.00	0.00	3.85
Perth & Kinross Council	£9,450	0.00	0.00	0.00	0.00	1.00
Renfrewshire Council	£250	0.00	1.00	0.00	0.00	79.20
Scottish Borders Council	£1,400	0.00	0.00	0.00	0.00	0.80
South Ayrshire Council	£4,684	0.00	0.00	0.00	0.00	1.65
South Lanarkshire Council	£11,657	284.18	5.00	7.70	0.00	69.40
Stirling Council	£1,000	0.08	0.00	0.08	0.00	0.00
The Moray Council	£7,520	0.00	0.00	0.00	0.00	0.00
West Dunbartonshire Council	£626	0.00	0.11	0.05	0.00	0.50
West Lothian Council	£8,519	0.00	0.00	0.00	0.00	8.94

The preceding six months of delivery was reported to the December 2021 meeting of the Scotland Excel Joint Committee and can be reviewed [here](#)

The total by Council for the full financial year is presented in the table below and summarised in Section 3 of this report.

Council	Total Monetary Value (£) of Other Community Benefits	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	£400,917	1,292	40.8	39	607	431
Aberdeen City Council	£10,647	64			5	12
Aberdeenshire Council	£23,352	24				14
Angus Council	£2,508					
Argyll & Bute Council	£4,056					
City Of Edinburgh Council	£48,761	408	5.0	2	114	13
Clackmannanshire Council	£2,075					4
Dumfries & Galloway Council	£3,607		0.2			6
Dundee City Council	£5,487				24	12
East Ayrshire Council	£8,626					2
East Dunbartonshire Council	£9,418				20	1
East Lothian Council	£5,734	62	1.3		3	6
East Renfrewshire Council	£5,150					1
Falkirk Council	£18,146		2.0		4	17
Fife Council	£38,937	360	1.3	3		14
Glasgow City Council	£25,401	34	7.4	10	291	104
Highland Council	£14,578		4.4			4
Inverclyde Council	£7,795					
Midlothian Council	£5,856		1.0			2
North Ayrshire Council	£21,650		2.5	16		2
North Lanarkshire Council	£13,476	56	1.0	1	56	9
Orkney Islands Council	£418					4

Perth & Kinross Council	£18,528				10	2
Renfrewshire Council	£7,142		3.0		8	82
Scottish Borders Council	£3,672					1
Shetland Islands	£1,624					
South Ayrshire Council	£30,905		0.1			2
South Lanarkshire Council	£22,768	284	10.3	8	72	95
Stirling Council	£3,650		0.2			3
The Moray Council	£9,411					
West Dunbartonshire Council	£3,566		0.1			1
West Lothian Council	£22,964		1.0			18
Western Isles	£1,011					

Associate Members	£5,072
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Appendix 5

Planned Procurement

Frameworks due for renewal or extension by 31 March 2024

Short Contract Title	Schedule Number	End Date of Current Framework
Personal Protective Equipment	0416	31/05/2022
Outdoor Play Equipment and Artificial Surfaces	0215	30/06/2022
Technology Enabled Care	3117	31/12/2022
Library Books & Textbooks	0617	31/07/2022
Fire Safety Products	1617	15/04/2022
Boiler Maintenance	2217	13/09/2022
Trade Materials	0717	31/03/2023
Power Tools	0218	31/03/2023
Asbestos	2418	30/06/2022
Street Lighting Materials	2617	31/07/2022
New Build Residential	1518	31/07/2022
Fresh Meat, Cooked Meats & Fresh Fish	0118	30/09/2022
First Aid Materials	1018	30/09/2022
Commercial Catering Equipment	1118	31/10/2022
Road Signage Materials	1418	30/11/2022
Hot Beverages	1618	13/01/2023
Energy Advice	1718	13/01/2023
Grounds Maintenance Equipment	0918	28/02/2023
Building & Timber	0318	31/03/2023
Secure Care	0219	31/03/2023
Electrical Materials	0919	31/03/2023

Fresh Fruit & Veg	1019	31/03/2023
Children's Residential	0517	30/09/2022
Cleaning Equipment	1818	30/04/2023
Vending Machines	2118	30/04/2023
Groceries & Provisions	1219	30/04/2023
Roadstone	2817	30/06/2022
Salt for Winter Maintenance	2917	30/06/2022
Social Care Agency Workers	2017	31/07/2022
Alcoholic Beverages	0119	31/07/2022
Demolition	1119	31/07/2022
Catering Sundries	1919	31/07/2022
Road Maintenance Materials	3017	31/08/2022
Community Meals	2018	31/08/2022
Washroom Solutions and Sanitary Products	3217	30/09/2022
Fresh Bread, Rolls & Bakery Products	0419	30/09/2022
Plumbing And Heating Materials	2318	30/11/2022
Sheriff Officers	0619	30/11/2022
Vehicle Purchase RM6060	0201	01/12/2022
Vehicle Purchase RM6060 (Leasing)	0201b	01/12/2022
Light and Heavy Plant	0818	28/02/2023
Janitorial Products	1218	28/02/2023
Audio Visual	0618	31/03/2023
Bikeability Scotland Training Providers	0319	31/07/2023
Care Homes For Adults LD Inc Autism	1918	15/09/2023
Security Services and Cash Collection	0719	15/09/2023
Heavy Vehicles	0321	31/12/2023
Domestic Furniture and Furnishings	2019	31/01/2024
Recyclable & Residual Waste	2717	10/02/2024
Recyclable & Residual Waste	2717b	10/02/2024

Bitumen Products	0320	29/02/2024
Care & Support	1318	31/03/2024
Waste Disposal Equipment	1419	31/03/2024
Vehicle Parts	0720	31/03/2024

New Contract Areas

Contract Title	Forecast Delivery date
Personal Protective Equipment (Supported Businesses)	August 2022
National Shared Digital Alarm Receiving Centre	August 2022
Building Construction Consultancy	October 2022
Property Repair, Maintenance and Refurbishment	December 2022

Scotland Excel

To: Joint Committee

On: 17 June 2022

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

Scotland Excel's Approach to Risk

1. Purpose of the report

This paper provides an overview of Scotland Excel's approach to Strategic Risk management as an organisation, how we intend to share our risk assessments with our local authority partners, our reporting regime to the Joint Committee and Executive Sub Committee and, our internal monitoring and assessment procedures.

In addition, this report summarises the current Strategic Risk identified within the Scotland Excel Strategic Risk Register.

2. Background

The current format of the current Strategic Risk Register was created in June 2018 when Scotland Excel carried out a full review of the organisation's Risk Register to reflect the new 5-year operating plan.

It was agreed that the Strategic Risk Register would be reported to the Executive Sub Committee twice a year and the Joint Committee on an annual basis to give elected members visibility of the risks and the actions being undertaken by the organisation to manage and mitigate each Strategic Risk.

A comprehensive review of the structure and presentation of the Scotland Excel Strategic Risk Register will again be carried out in early 2023 following approval of the organisation's next 5-year strategy.

3. Reporting and Monitoring

In addition to reporting on a regular basis to the Joint Committee and Executive Sub Committee, following a request from the Chief Executive Officers Management Group (CEOMG), Scotland Excel will also share its Strategic Risk register with local authority Risk Managers to ensure all key strategic risk is reflected within local authority risk registers.

The Scotland Excel Strategic Risk Register is updated and monitored on a quarterly basis by the organisations Senior Management Team (SMT). At the risk monitoring meetings, existing risk is reassessed following agreed mitigation actions and new risk is identified, assessed and mitigating actions agreed. Each

risk is assessed on Likelihood and Impact and allocated a score which indicates the potential impact on Scotland Excel.

4. Strategic Risk Register

There are currently 11 risks identified within the Scotland excel Strategic Risk Register ranging in assessed risk score from 6 to 20. Table 1 shows the current identified risks along with their assessed Residual Risk score.

Table 1

Risk Ref.	Risk Title	Residual Risk Score
SXL005-21/22	Supplier Failure	20
SXL011-21/22	National Care Service	20
SXL003-21/22	Political Change	16
SXL006-21/22	Staff Recruitment and Retention	16
SXL010-21/22	National Emergency including Pandemic	15
SXL001-21/22	Organisational Sustainability	15
SXL009-21/22	Environmental Impact and Climate Change	12
SXL002-21/22	Managing Growth and Diversity	12
SXL004-21/22	Reputational Risk	12
SXL008-21/22	Risk of Not Performing/Delivering	8
SXL007-21/22	Corporate Social Responsibility	6

Table 2 shows movement in residual risk score for each identified risk over the past 4 monitoring periods. The colour of the arrows indicating the “4 quarter trend” reflect the positioning of the risk in relation to the Strategic Risk Register which can be viewed at appendix 1 to this report.

Table 2

Risk Name:	Assessed Residual Risk Score				4 Quarter Trend
	Q1	Q2	Q3	Q4	
Supplier Failure	20	20	20	20	
National Care Service (NCS)	n/a	n/a	n/a	20	
Political Change	16	16	16	16	
Staff Recruitment and Retention	9	9	9	16	
National Emergency including Pandemic	20	15	15	15	
Organisational Sustainability	20	15	15	15	
Environmental Impact & Climate Change	6	6	6	12	
Managing Growth and Diversity	16	12	12	12	
Reputational Risk	12	12	12	12	
Risk of Not Performing	12	8	8	8	
Corporate Social Responsibility	6	6	6	6	

5. Recommendation

The members of the Joint Committee are invited to note the content of the paper.

Diagram 1: Consolidated Risk Matrix

Impact	5			Organisational Sustainability		
	4		Risk of Not Performing / Delivering	Environmental Impact Managing Growth & Diversity Reputational Risk	Political Change Staff Recruitment & Retention	Supplier Failure National Care Service
	3		Corporate Social Responsibility			National Emergency / Pandemic
	2					
	1					
		1	2	3	4	5
		Likelihood				