

Notice of Meeting and Agenda Scotland Excel Chief Executive Officers Management Group

Date	Time	Venue
Monday, 18 March 2024	10:00	Remotely by MS teams,

MARK CONAGHAN
Clerk

Membership

Alan Russell (Renfrewshire Council) - Chair

Angela Scott (Aberdeen City Council): Annemarie O'Donnell (City of Glasgow Council): Greg Colgan (Dundee City Council): Eddie Fraser (East Ayrshire Council): David Robertson (Scottish Borders Council):

Items of business

Apologies

Apologies from members.

Conflicts of Interest

Members are asked to declare any conflicts of interest in any item(s) on the agenda and to provide a brief explanation of the nature of the interest.

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|----------|---|----------------|
| 1 | Minute | 3 - 6 |
| | Minute of meeting of this Group held on 8 November 2023. | |
| 2 | Chief Executive's Update Report | 7 - 12 |
| | Report by Chief Executive of Scotland Excel. | |
| 3 | Social Care Update | 13 - 16 |
| | Report by Chief Executive of Scotland Excel. | |
| 4 | Presentation: CE Transformation Group Update | |
| 5 | Presentation: Savings Team Update | |
| 6 | Date of Next Meeting | |
| | Note that the next meeting of this Group will be held remotely by MS teams at 10.00 am on 24 June 2024. | |



Minute of Meeting Scotland Excel Chief Executive Officers Management Group

Date	Time	Venue
Wednesday, 08 November 2023	10:00	Remotely by MS Teams,

Present

Angela Scott, Chief Executive (Aberdeen City Council); Greg Colgan, Chief Executive (Dundee City Council); Annemarie O'Donnell, Chief Executive (Glasgow City Council); Alan Russell, Chief Executive (Renfrewshire Council) and Cleland Sneddon, Chief Executive (South Lanarkshire Council).

Chair

Alan Russell, Chair, presided.

In Attendance

J Welsh, Chief Executive, H Carr, Director of Strategic Procurement, S Brannagan, Director of Customer & Business Services, J McKerrall (both Strategic Programme Managers), L Campbell, Customer Services Manager, S Christie, Commercial Programme Manager, M Robertson, Marketing and Communications Manager and K Forrest, Office Manager (all Scotland Excel); and M Conaghan, Head of Corporate Governance, P Shiach, Senior Committee Services Officer and K O'Neill, Democratic Services Officer (all Renfrewshire Council).

Apology

Eddie Fraser, Chief Executive (East Ayrshire Council).

Conflicts of Interest

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

1 Minute

There was submitted the Minute of the meeting of the Chief Executive Officers Management Group (CEOMG) held on 9 August 2023.

DECIDED: That the Minute be approved.

2 Chief Executive's Update Report

There was submitted a report by the Chief Executive of Scotland Excel providing an update on key developments within Scotland Excel since the meeting of the CEOMG held on 9 August 2023.

The report advised that since the last meeting, Scotland Excel had focussed on identifying and demonstrating the value that the organisation brought to councils and associate members. The report intimated that in August 2022, the CEOMG approved the launch of a project that would explore additional value added for members and the report provided an outline of the project and the progress made.

The report provided detailed updates on Scotland Excel's framework portfolio; the contract delivery plan; the Savings Opportunities Project; the Scotland Excel Academy; projects being undertaken in partnership with other public bodies and the development of associate membership.

DECIDED: That the report be noted.

3 Scottish Government Management Charge on National Collaborative Frameworks/Contracts from 2023/24

Under reference to item 3 of the Minute of this meeting held on 9 August 2023, there was submitted a report by the Chief Executive of Scotland Excel relative to the decision of the Scottish Procurement and Property Directorate (SPPD) to introduce a Management Charge applicable to selected National Collaborative Frameworks/Contracts from 2023/24. The Director of Procurement had written to all Heads of Procurement on 26 June 2023 to highlight the rationale to support the decision.

The report advised that the letter had raised two specific concerns for Scotland Excel, and these were detailed in the report.

The report indicated that Scotland Excel had been instructed by the CEOMG to explore options to ensure that the proposed arrangements by SPPD delivered best value for local government and these were outlined in the report. further work would need to be

undertaken before responding to SPPD's intended approach to the management charge. This would extend to identifying collaborations with any new or existing partners; and to quantify the scale of the work and resources required for Scotland Excel to undertake any existing or new framework arrangements.

The report intimated that feedback received would be shared with the CEOMG and further discussion with COSLA would be arranged to ensure that sufficient information was provided for discussions.

DECIDED: That the report be noted

4 **Presentation: CE Transformation Group**

There was submitted a presentation by the Chief Executive of Scotland Excel relative to the CE Transformation Group activities.

The presentation provided information on savings discovery in occupational health, insurance, mobile telephony, and waste management.

The presentation also covered the Scotland Excel framework enabling collaboration in relation to contract registers and contract standing orders; the savings team activities and the next steps.

DECIDED: That the presentation be noted.

5 **Presentation; Care Update**

There was submitted a presentation by the Chief Executive of Scotland Excel relative to updates on various aspects of social care. The presentation provided updates on adult social care, children's services, the National Care Service, and fee variations in relation to these services.

Information was provided on residential rehabilitation; care & support; care homes for adults; community meals; telecare equipment; digital ARC; children's secure care; potential new projects; and the National Care Service.

DECIDED: That the presentation be noted.

6 **Meetings of the CEOMG in 2024**

There was submitted a report by the Clerk seeking approval for the proposed dates for meetings in 2024. The current CEOMG procedures in terms of frequency were outlined in the report.

The report proposed that meetings of the CEOMG be held at 10.00 am on Monday 4 March, 3 June, 26 August and 4 November 2024; and that the Group continue to meet remotely using MS teams.

DECIDED:

(a) That meetings of the CEOMG be held at 10.00 am on Monday 4 March, 3 June, 26 August and 4 November 2024; and

(b) That it be agreed that the Group continue to meet remotely using MS teams.

Valedictory

Alan Russell advised that Cleland Sneddon was attending a meeting of the Group for the last time pending his retirement. He thanked Cleland for the invaluable work he had undertaken during his time on the Group.

Scotland Excel

To: Chief Executive Officers Management Group

On: 18 March 2024

Chief Executive's Update Report

1. Introduction

The purpose of this report is to provide an update on key developments within Scotland Excel since the last meeting of the Chief Executive Officers Management Group (CEOMG) on 08 November 2023. The format of the report has been refreshed for 2024 to reflect the key strategic activities and outputs delivered by each team within Scotland Excel's corporate structure.

2. Strategic Overview

As requested by members, Scotland Excel continues to focus on driving efficiency to support the financial sustainability of local public services, one of five strategic goals which underpin the organisation's 2023-28 corporate strategy. The 2023-24 operating plan which supports this strategy is now coming to a close, and Scotland Excel's joint committee approved a new operating plan for 2024-25 at their meeting in December.

Scotland Excel has completed the first phase of a workforce planning exercise to support the delivery of the corporate strategy. The strategic procurement function has been streamlined to amplify the commercial value of collaborative contracting, while continuing to recognise the positive social and environmental impact procurement and commissioning supports within communities.

The new structure also brings together teams delivering savings opportunities and flexible procurement services, along with the Scotland Excel Academy, to provide a joined-up approach to enhancing commercial acumen, procurement capability and capacity within the sector.

Workforce planning is also supporting new entrants to the public procurement profession to help fulfil the growing sector demand for an experienced and qualified workforce. In 2022, Scotland Excel relaunched its graduate programme, resulting in eight trainees undertaking a 'fast track' route to skills development in procurement and associated disciplines. As of January, six graduates were confirmed in mid-level practitioner roles, and a campaign to recruit a new cohort of four graduate trainees commenced in March 2024.

In addition to workforce planning, Scotland Excel continues to pursue an ongoing commitment to business improvement. Data management and ICT capability will, together, form a core foundation for many of the improvements planned over the period of the corporate strategy. This will deliver significant efficiency benefits for the organisation while also enhancing the business intelligence, management information and reporting that is available to members.

While this is a long-term project, some early progress has already been made. A business intelligence strategy was approved by the executive sub-committee in February 2024, and a new performance management framework is currently in development to underpin a commercial and community focus to value delivery for our members. Early discussions have taken place to scope a new ICT structure to guide the evolution of systems which will support these aims.

Scotland Excel continues to engage with the Scottish Government and other public sector stakeholders to promote and represent the interests of local government procurement when appropriate. Having submitted a written response to a 'call for views' from the Scottish Parliament's Economy and Fair Work Committee in October, Scotland Excel gave oral evidence to the committee in March 2024 highlighting the progress made in opening up public procurement opportunities for local SME businesses and the third sector.

3. Strategic Procurement & Commissioning

Scotland Excel has restructured its strategic procurement function to reflect the changing demands of the sector.

The new structure comprises two teams: strategic procurement which now incorporates all categories other than social care to promote synergy in the pursuit of collaborative contracting opportunities; and strategic commissioning which will continue to focus on growing demand for social care contracting within a complex political and stakeholder landscape.

The two senior managers for these teams are now in post, and further restructuring will take place within the teams over the coming months.

3.1 Recent Awards

Four frameworks have been approved by Scotland Excel's executive sub-committee since the CEOMG last met in November.

A new framework for grounds and plant equipment was approved in January. This framework brings together two previous frameworks with a common supply base to create efficiencies for both buyers and suppliers.

A renewal framework for security services and cash collection was also approved at the January meeting. Payment of the Real Living Wage formed one of the key criteria for award of this framework.

A framework for civic supplies was approved at the February meeting of the executive sub-committee. This single supplier framework provides an effective

route to market for alcoholic and non-alcoholic beverages served at civic functions or sold in council premises with bar facilities.

A renewal framework for road signage materials was approved by the executive sub-committee in March. Previous generations of this framework have been a successful vehicle for the inclusion of a supported business in local government supply chains.

3.2 Key Frameworks in Development

A new construction materials framework will be presented to executive sub-committee for approval during the next quarter. This framework brings together six previous frameworks to improve efficiency and drive savings. Also within the construction portfolio, the next generation new build residential construction framework is expected to be approved in the summer. This new framework incorporates innovative specifications which meet Passivhaus and Net Zero standards.

A new national framework for alcohol and drug residential rehabilitation services, developed with funding from the Scottish Government, will be submitted to the executive sub-committee for approval during the next quarter. Work to develop the second generation flexible framework for care and support services is continuing and will be presented to committee in the autumn.

3.3 Social Care

Fee negotiations for the National Care Home Contract (NCHC) have been concluded, with providers accepting an 8.3% increase for residential care and 6.76% increase for nursing care. The current NCHC is being updated to incorporate legislative and practice changes while work continues on framework redesign.

In February, Scotland Excel held a successful event in partnership with the Coalition of Care Providers in Scotland (CPPS). The event brought representatives from both organisations, as well as care providers, to create a better understanding of Scotland Excel's remit and explore ways of working together more effectively in future.

4. Resources & Skills

As part of ongoing workforce planning, Scotland Excel has established a new team within the Customer & Business Services function which brings together key customer-facing services which respond to continuing growth in demand for procurement resources and skills development.

To support this, a new senior strategic post of Skills & Resources Manager has been implemented to oversee the work of teams delivering saving opportunities and flexible procurement, as well as the Scotland Excel Academy.

4.1 Savings Opportunities

Scotland Excel's savings team continue to make good progress towards their first-year target to identify £5m in savings opportunities. Over £7m of potential savings are being explored, with £4m already notified to councils. The savings opportunities cover a wide range of goods and services including food, waste and janitorial products, purchase card payment rebates, and software licence agreements. Other opportunities currently being explored include occupational health, insurance, and mobile phones.

4.2 Flexible Procurement

The Flexible Procurement Service is continuing to grow and deliver a quality service to Council's. The team currently has eleven projects underway and a further ten potential projects in the pipeline.

4.3 Scotland Excel Academy

The Scotland Excel Academy is developing a programme of free training for councils which will increase the commercial skills and knowledge of procurement practitioners. This training will develop their understanding of the key drivers within markets and supply chains so that they can maximise the value of procurement activity through negotiation, supply chain engagement, and strategic contract and supplier management.

A new two-year strategy for the Academy will be presented to the executive sub-committee for approval in April and will include plans to develop and deliver training for social care commissioners.

5. Commercial Services

Projects for Stirling and South Lanarkshire Councils have now successfully concluded. The latter project achieved savings of more than £3.5m, which greatly surpassed the initial £1.3m target. The procurement transformation programme for Dundee City Council has entered its second year and continues to make significant progress.

A third tranche of Procurement & Commercial Improvement Programme assessments are underway, with 24 council opting to take part in this cycle. Scotland Excel has held a series of workshops with councils to help them prepare for the assessment which will identify examples of good practice and opportunities for improvement. Learning arising from the programme will be shared with all members.

Scotland Excel is developing plans for its annual conference on 21-22 May which will provide a platform for delegates to share good practice and take part in solution-focused discussion. The first day of the conference will take place online to accommodate a wide audience from councils and other public sector organisations. The second day of conference is targeted towards senior procurement professionals from local authorities and will take place in Glasgow.

Eight new associate members have been approved since the report to the CEOMG in November. The new members encompass three charities, Capability Scotland, Scottish SPCA and Jane Moore Trust, and five housing associations, Paragon Lochfield Park, Linstone, Riverside and Clydesdale. Annual fee income generated by these members is £12,840.

Scotland Excel

To: Chief Executive Officers Management Group

On: 18 March 2024

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

Social Care Update

1. Purpose

- 1.1. The purpose of this report is to provide CEOMG with an update in relation to the national social care contracts.

2. National Care Home Contract (NCHC)

- 2.1. Scottish Care, the organisation representing care home providers, withdrew from the usual negotiations on the NCHC rate for 2024/25 and instead requested that an offer be made to them.
- 2.2. Scotland Excel worked with COSLA and the local government negotiation group to determine an appropriate offer based on the Cost of Care Model which was updated to reflect current cost pressures. The offer presented was as set in the table below.

Weekly Fee 2024/25	Percentage Increase
£948.59	6.76%
£825.94	8.3%

This does not include a pay increase for nursing staff as negotiations on pay for nurses have not been concluded. The Cost of Care Model will require to be reviewed once agreement on nurses pay has been confirmed.

- 2.3. Scottish Care members voted to accept this offer. Scottish Care noted, however, that some members felt the offer was unsustainable and therefore they may withdraw from participation in the NCHC. This poses a potential risk to sustainability of service delivery for local government should providers withdraw from the NCHC and seek to impose higher rates.
- 2.4. A updated contract has been produced and shared with Scottish Care with the expectation that this will replace the existing contract from April.
- 2.5. Attempts to work collaboratively with Scottish Care to undertake a more substantial review and redesign of the NCHC have not been successful to

date. A new NCHC improvement strategy will be developed in the coming months with local government colleagues to confirm priority areas for improvement.

3. Adult Social Care Fee Variation

3.1 Scottish Government confirmed the approach to the adult social care pay increase for 2024/25 in February. An increase from £10.90 to £12 per hour for eligible workers is to be applied in line with previous years. For the national frameworks an increase of:

- 8.77% of the total contract value is to be applied in the care & support framework (10.09% increase applied to 86.9% staffing costs)
- 7.24% of the total contract value is to be applied to the care homes for adults with learning disabilities (10.09% increase applied to 71.8% staffing costs)

3.2 In addition to the Scottish Government mandated increase in staffing costs, Scotland Excel proposed applying a small increase to the non-staffing portion of costs of both contracts. This was based on the relevant components of the CPIH for each service type:

- 0.42% for care & support (3.17% inflationary increase applied to 13.1% non-staffing costs)
- 0.97% for care homes (3.43 % inflationary increase x 28.2% non-staffing costs)

3.3 This proposal was rejected by the Strategic Purchasers Reference Group with CFOs instead seeking a cost neutral position. As both contracts are being re-tendered in 2024, giving providers an opportunity to propose new rates, Scotland Excel has agreed not to apply an increase to the non-staffing element this year. This does pose a number of risks however, including:

- risk to provider sustainability if the adult social care pay increase is insufficient to meet the policy intent
- Scotland Excel is committed to ethical commissioning and may face criticism in relation to this approach
- risk that providers will seek to recoup lost income (from April until the new contract start date) by increasing prices under the new frameworks
- risk that providers will significantly front load contract pricing under the new frameworks to counter the risk of further 0% increases during the contract lifetime.

4. Childrens Services Fee Variation

- 4.1 In September 2023 the First Minister announced that the £12 per hour pay for care workers would extend to those working in children's services for the first time. COSLA and Scottish Government have been working with various partners to consider the scope of eligible roles in children's services and to consider options for implementation. Different risks, issues and benefits exist in relation to the various options which will be considered by Scottish Government before a final plan for implementation is agreed.
- 4.2 Scotland Excel has received fee variation requests from providers seeking increases from 1.62% to 30% with an average increase of 8.78% sought. Initial analysis and clarifications on requests have been undertaken but work on this is now paused awaiting confirmation from Scottish Government on the implementation of the £12 pay commitment.
- 4.3 Given the ongoing discussions, implementation of the £12 pay increase in children's services will not be possible before April 2024, therefore fee variations will require to be backdated once agreed.

5. Joint Event with CCPS

- 5.1 In February, Scotland Excel and CCPS held a joint event for CCPS members to discuss working with national contracts and areas for collaborative improvement. The workshop provided an opportunity to confirm the roles and responsibilities of Scotland Excel for those in attendance as some negative feedback from CCPS members appeared to stem from a lack of clarity on the role of Scotland Excel.
- 5.2 A number of areas were highlighted as areas for further joint work, it is likely that small joint working groups will be established to progress work on a range of themes. A list of actions and priorities will be agreed with CCPS but is likely to include:
- Information sharing
 - Data collation
 - Fee variation processes
 - Increasing standardisation

- 5.3 One area of significant concern and frustration for providers which was highlighted throughout the session was duplication of effort where local authorities develop local contracts which duplicate those in the national portfolio.

6. Next Steps

- 6.1 CEOMG members are asked to:

- Consider priority areas for the NCHC re-development work;
- note the risks and issues highlighted in relation to the fee variation processes; and
- Consider appropriate steps to minimise duplication of effort for providers and local authorities.