

Scotland Excel

To: Executive Sub-Committee

On: 17 February 2023

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

Associate Member Overview

1. Summary

- 1.1 This report provides an overview of the Scotland Excel associate membership programme.

2. Background

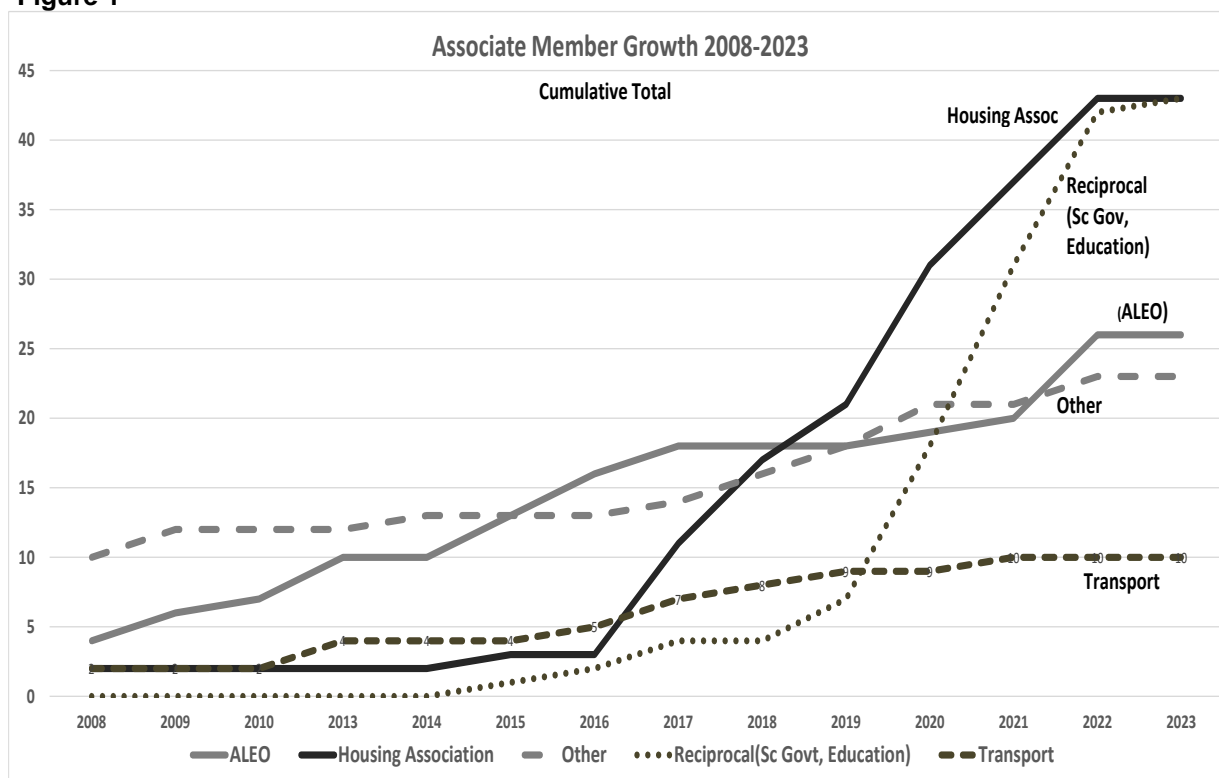
- 2.1 Scotland Excel associate membership can be classified into five main groups. Housing Associations, Council Arm's Length Organisations (ALEO), transport partnerships, organisations utilising the reciprocal arrangements (Scottish Government and Education) and other bodies (e.g., Charities).

In June 2018 the Joint Committee approved Associate member expansion as part of the income strategy and at the December 2018 Joint Committee members approved Scotland Excel's recommendation of a continued focus and a dedicated Associates team.

Between April 2017 and April 2019, associate member growth mainly came from housing associations as a result of participation in the Scottish Government Affordable Housing project known as the Procurement Commercial Improvement Programme (PCIP). However, the expansion of the contract portfolio, the growth of additional services and the appetite for greater collaboration since the COVID pandemic has significantly increased the membership from Scottish Government bodies, ALEO's and Universities and Colleges over the last two years and brought membership to the current level of over 140 members.

Figure 1 demonstrates the growth of associate membership since the last committee report in Jan 2021.

Figure 1



The breakdown of associate members by group is illustrated in table 1 below showing a comparison against the previous report in Jan21.

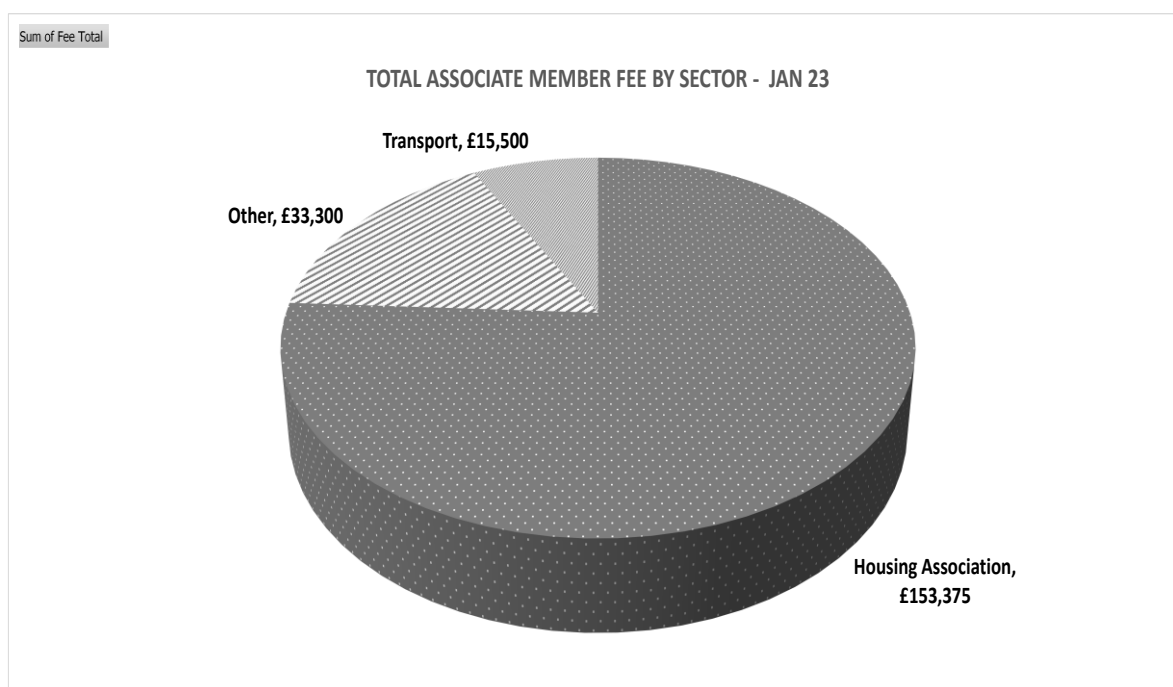
Table 1.

Group	Number of Associate Members (at Jan20)	Number of Associate Members (at Jan21)	Number of Associate Members (at Jan23)	Adjustment from Jan 21 – Jan23
Housing associations	27	36	43	+6
Council arm's length organisations (ALEO)	20	21	26	+5
Others	20	22	23	+1
Transport	9	10	10	0
Reciprocal (Sc Govt, Education)	7	18	43	+26
Total	83	107	145	+38

3. Update

- 3.1 The two staff within the associate team are fully funded from membership fees ensuring no detrimental impact on the core operations of Scotland Excel. The income breakdown of Scotland Excel associate members in January 2023 is shown in the following chart (Figure 2).

Figure 2



It should be noted that both ALEO and organisations covered by the reciprocal agreement, pay no fee.

Scotland Excel operates a reciprocal agreement with the other centres of procurement expertise, Advanced Procurement for Universities and Colleges (APUC), National Shared Services (NSS) and Scottish Procurement within Scottish Government to maximise collaboration and contract sharing to provide best value for the public sector. Scotland Excel provides a signposting service to ensure that councils achieve best value across a whole range of National arrangements. Councils make extensive use of frameworks beyond Scotland Excel and pay no fee as part of the reciprocal agreement.

Member Councils benefit from improved pricing on Scotland Excel contracts due to increased spend as a result of wider usage from other public bodies.

- 3.2 Housing associations make up the single largest group with forty-three members and currently provide the largest income from fees (figure 2). The revenue increased significantly after 2016 when Scotland Excel delivered the Scottish Government PCIP programme from 2017 to 2019 and raised awareness to the sector of Scotland Excel's work. At the same time, Scotland Excel continued to grow sector membership by expanding the construction contract portfolio that offered housing associations compliant routes to market

in areas such as new build housing construction, energy efficiency contractors, engineering consultancy and domestic gas boiler maintenance.

The PCIP programme was well received, and many saw the positive benefits that robust procurement practices can bring to their organisation. The following quotes from two of the programme participants (who subsequently became Scotland Excel associate members) typifies the positive feedback and benefits many got from the programme.

Kingdom Housing Association said *“Scotland Excel highlighted good practice and offered advice and assistance on areas of improvement. This allowed us to put in place a clear procurement improvement action plan across all departments of the organisation to continue to strive and improve on our PCIP score going forward”*.

Glasgow West Housing Association noted that *“The assessment will be different for each organisation that takes part, with real opportunities for those that take the first step in the initial self-assessment and evidence gathering before the evaluation.”*

Scotland Excel will continue to encourage more housing associations to become members by promoting the contract portfolio at housing events, customer meetings and offering the new Continuous Improvement Programme for Procurement (CIPP). The CIPP was launched in December 2022 and forms part of the Scottish Government Affordable Housing Supply Programme guidance that mandates all developing associations complete a procurement assessment as a condition of grant funding. Unlike the previous PCIP programme that was fully funded by the Scottish Government, the CIPP will be a chargeable service from Scotland Excel to housing associations and available to both members and non-members.

- 3.3 There are currently twenty-six council arm's length organisations (ALEO) which are members of Scotland Excel and therefore benefit from frameworks and services. There is a total of one hundred and thirty ALEO aligned to local authorities. Scotland Excel staff continue to raise awareness and regularly encourage council staff at review meetings to alert ALEOs to the benefits of free membership. Scotland Excel will continue to raise ALEO eligibility with Finance Directors, highlighting the benefits of membership, collaboration and financial value. The associate team has had recent success in collaborating with Fife Council Procurement team to enrol the majority of their ALEO's to Scotland Excel and provide an overview of the benefits they can achieve from being a Scotland Excel associate member.
- 3.4 Other associate members come from a range of non-departmental public bodies (NDPB's), transport organisations, and a mixture of members from social care, education and other public bodies. The biggest growth area has been in the government sector with many of the NDPB's joining during the pandemic to primarily benefit from contracts such as Personal Protective Equipment (PPE) and janitorial supplies to assist with business continuity. Scotland Excel compliant contracts also relieved the pressure of re-tendering for these organisations. The growth in this sector membership can be seen in Figure 1.

- 3.5 Scotland Excel has engaged with the third sector over the last three years to promote the benefits of associate membership. There are over forty-five thousand charity organisations in Scotland within scope, ranging from micro one-person operations through to large national organisations. This sector presents an opportunity for Scotland Excel to provide a focused approach to a market that provides a vital part of our community and national supply chain.

The sector provides a unique challenge when discussing membership options as it has a diverse subset including - Charities, Social Enterprises, Supported Business and Community Groups. As the majority of Third Sector organisations are small without any in-house procurement capability, there may be a larger opportunity in this sector for some of Scotland Excel's wider paid services and procurement support.

Attracting new members from the third sector has proved difficult to date and Scotland Excel has attempted to raise its profile in the sector in a number of ways including the "free associate programme" which was available to all public sector organisations during COVID. Additionally, we have targeted the top 150 third sector organisations in 2022 to promote the benefits of joining Scotland Excel, with different membership options including pilot schemes and umbrella organisation membership. In November 2022, Scotland Excel wrote to all third sector Scotland Excel framework providers offering membership and are currently engaging with responders to discuss the benefits of joining Scotland Excel.

- 3.6 All potential associate members follow the same joining process irrespective of whether there is a fee to Scotland Excel or not. The current fee split is represented below (figure 4). All organisations requesting membership must provide the necessary evidence to pass the Local Authorities (Goods and Services) Act 1970 that it has functions that are public in nature.

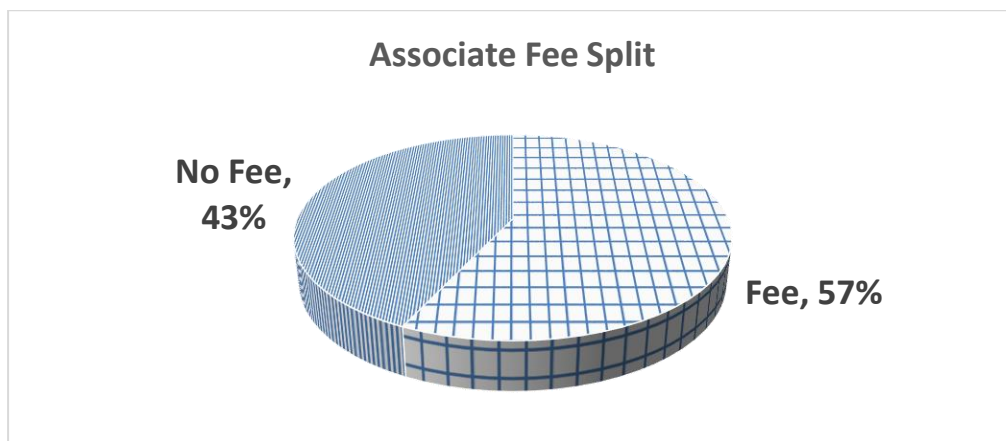


Figure 4

- 3.7 Income from associate member fees has increased significantly over the last few years and the dedicated associate team has been able to encourage a wide range of new associates by promoting the benefits from the wider contract portfolio, the new Scotland Excel service offerings and the Academy. This can be seen in the following table (figure 5).

Figure 5



- 3.8 A full list of the current Scotland Excel associate members is provided in Appendix 1.

4. Key Membership Data

- 4.1 The associate membership base ranges across a number of public sectors and across a number of member regions. In addition to the benefits outlined previously, Scotland Excel also encourages and promotes a number of organisational fair work policies such as living wage, use of supported business and other key policy areas. Approximately 90% of members are Living wage employers.



- 4.2 Some associate members have provided valuable insight into their sectors which has been included into some of our contracts (particularly construction) and enriched the offering provided to all our members.
- 4.3 Within the last twelve months, our associates have spent £40 million through Scotland Excel frameworks with notably high spend on New Build Residential Construction, Security Services and Cash Collection. This additional spend benefits our core members and the enhanced buying power can be used to provide additional services in their local communities.

5. Next Steps

- 5.1 With the CIPP programme launched in December 2022, the associate team will be conducting assessments for housing associations which need to meet the Scottish Government conditions of the housing grant funding application. This will continue beyond 2023 as Scottish Government see this as a continuous programme. While it is not mandated that Scotland Excel is the only provider of this service, our record of delivery and experience has seen a few enquiries already. As with the last programme, this represents a unique opportunity to promote the benefits of membership, collaboration, and promote our main construction frameworks such as the new build framework, energy efficiency contractors and the forthcoming property, repair and maintenance framework.
- 5.2 The associate team will seek to increase growth in third sector associate membership. Engaging with their governing bodies, setting up meetings to promote Scotland Excel services, provide benchmarking of cost savings and highlighting areas of opportunity will continue to be a key focus of the team in 2023.
- 5.3 Scotland Excel will continue to review spend levels of associates to ensure that the fee reflects the usage from the associate. Accurate reporting from our suppliers continues to be a key measurement. It is important to establish if any significant changes to spend levels will be sustained by the associate over a consistent period and not for a one-off project.

6. Recommendations

- 6.1 Members are asked to note the progress made regarding the ongoing work with Associate members and to encourage suitable organisations to apply for membership.

Appendix 1

Scotland Excel Associate Member List – Jan2023

Housing Associations

Abbeyfield Scotland Ltd	Kingdom Housing Association Ltd
Angus Housing Association Ltd	Kingdom Support and Care CIC
Ardenglen Housing Association Ltd	Kingsridge Cleddans Housing Association Ltd
Ark housing Association Ltd	Link Group Ltd
Berwickshire Housing Association Ltd	Loreburn Housing Association Ltd
Bield Housing & Care	Oak Tree Housing Association Ltd
Blue Triangle (Glasgow) Housing Association Ltd	Parkhead Housing Association Ltd
Cairn Housing Association Ltd	Partick Housing Association Ltd
Cathcart & District Housing Association Ltd	Pineview Housing Association Ltd
Cernach Housing Association Ltd	Provanhall Housing Association Ltd
Clydebank Housing Association Ltd	Queens Cross Housing Association Ltd
Drumchapel Housing Co-Operative Ltd	River Clyde Homes
Dunbritton Housing Association Ltd	Ruchazie Housing Association Ltd
East Kilbride & District Housing Association Ltd	Shettleston Housing Association Ltd
Easthall Park Housing Co-operative Ltd	Shire Housing Association Ltd
Ferguslie Park Housing Association Ltd	Southside Housing Association Ltd
Glasgow West Housing Association Ltd	Thenue Housing Association Ltd
Grampian Housing Association Ltd	Trust Housing Association Ltd
Hanover (Scotland) Housing Association Ltd	Viewpoint Housing Association Ltd
Hawthorn Housing Co-Operative	West Granton Housing Co-Operative Ltd
Hebridean Housing Partnership Ltd	Wheatley Group
Homes for Life Partnership Ltd	

Appendix 1

Scotland Excel Associate Member List – Jan2023(continued)

ALEO

Angus Alive
Bon Accord Care
Cireco
City Building (Glasgow) LLP
City Property (Glasgow) LLP
Clyde Gateway
Culture Perth & Kinross
East Ayrshire Leisure Trust
Eden Court Highlands
Edinburgh Leisure
Fife Cultural Trust
Fife Golf Trust
Fife Resource Solutions LLP
Fife Sports & Leisure Trust
Glasgow Life
High Life Highland
Inverclyde Leisure
Jobs & Business Glasgow
Live Active Leisure
Live Borders
North Ayrshire Leisure (KA Leisure)
Renfrewshire Leisure (One Ren)
Routes to Work
SB Cares
South Lanarkshire Leisure and Culture
Sport Aberdeen

Transport

Glasgow Prestwick Airport
Highlands and Islands Airports
Highlands and Islands Transport Partnership
North Area Transport Association
North East Transport Partnership (NESTRANS)
Shetland's Transport Partnership (ZEtTRANS)
South East of Scotland Transport Partnership (SESTRANS)
Strathclyde Partnership for Transport
Tayside & Central Scotland Transport Partnership (TACTRAN)
Transport Scotland

Reciprocal - Universities & Colleges

Edinburgh Napier University
Glasgow Caledonian University
Heriot-Watt University
Perth College UHI
University of Aberdeen
University of Edinburgh
University of Glasgow
University of St Andrews
University of Stirling
University of Strathclyde
West College Scotland

Appendix 1

Scotland Excel Associate Member List – Jan2023(continued)

Scottish Government & Other Bodies

2023 Cycling World Championships Ltd	Royal Botanic Garden Edinburgh
Advice Direct Scotland	Scotrail Trains Ltd
Caledonian Maritime Assets Limited (CMAL)	Scottish Canals
Church of Scotland Social Care Council	Scottish Children's Reporter Administration
Construction Scotland Innovation Centre (CS-IC)	Scottish Courts and Tribunal Services
Crown Estate Scotland	Scottish Enterprise
Crown Office & Procurator Fiscal Service	Scottish Environment Protection Agency (SEPA)
Cycling Scotland	Scottish Fire and Rescue Service
David MacBrayne Ltd (Caledonian MacBrayne)	Scottish Legal Aid Board
Design Dundee	Scottish Natural Heritage
Dovetail Enterprises Ltd	Scottish Parliamentary Corporate Body
Edinburgh International Festival Society	Scottish Police Authority
Ferguson Marine Ltd	Scottish Qualifications Authority (SQA)
Forestry and Land Scotland	Scottish Water
General Teaching Council	Scottish Wildlife Trust
Hayfield Support Services with Deaf People	Seamab School
Highlands and Islands Enterprise	SEEMIS Group LLP
Historic Environment Scotland	Skills Development Scotland
Inverclyde Voluntary Council of Social Services	Social Security Scotland
Jordanhill School	South of Scotland Enterprise Agency
Kibble Education Centre	Sportscotland
Loch Lomond and The Trossachs National Park Authority	St Roch's Childcare Service
MYtownMYcommunity Ltd	The Royal Zoological Society of Scotland
National Library of Scotland	The Wise Group
National Museums Scotland	Tron Theatre
Recovery Across Mental Health (RAMH)	Visit Scotland
Registers of Scotland	Zero Waste Scotland
Rossie Secure Accommodation	