

Notice of Meeting and Agenda Scotland Excel Joint Committee

Date	Time	Venue
Friday, 21 June 2024	10:45	Remotely by MS teams,

MARK CONAGHAN
Clerk

Membership

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

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

Further Information - online meetings only

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

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

Members of the Press and Public - contact details

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

Items of business

Apologies

Apologies from members.

Declarations of Interest and Transparency Statements

Members are asked to declare an interest or make a transparency statement in any item(s) on the agenda and to provide a brief explanation of the nature of the interest or the transparency statement.

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|-----------|---|------------------|
| 1 | Minute of Joint Committee | 5 - 12 |
| | Minute of meeting of this Joint Committee held on 8 December 2023. | |
| 2 | Minutes of Executive Sub-committee | 13 - 46 |
| | Minutes of meetings of the Executive Sub-committee held on 8 December 2023 and 26 January, 16 February, 15 March, 19 April and 17 May 2024. | |
| 3 | Presentation | |
| | Presentation by Chief Executive of Scotland Excel. | |
| 4 | Scotland Excel Unaudited Annual Accounts 2023/24 | 47 - 88 |
| | Report by Treasurer. | |
| 5 | Operating Plan Update 2023/24 | 89 - 100 |
| | Report by Chief Executive of Scotland Excel. | |
| 6 | Annual Procurement Report | 101 - 136 |
| | Report by Chief Executive of Scotland Excel. | |
| 7 | Procurement Commercial Improvement Programme (PCIP) Update | 137 - 142 |
| | Report by Chief Executive of Scotland Excel. | |
| 8 | Strategic Risk Register Update | 143 - 164 |
| | Report by Chief Executive of Scotland Excel. | |
| 9 | Supporting Attendance, Special Leave and Hospitality | 165 - 168 |
| | Report by Chief Executive of Scotland Excel. | |
| 10 | Membership of Scotland Excel Chief Executive Officers Management Group | 169 - 170 |
| | Report by Clerk. | |

11 **Date of Next Meeting**

Note that the next meeting of the Joint Committee will be held at 10.45 am on 6 December 2024.



Minute of Meeting Scotland Excel Joint Committee

Date	Time	Venue
Friday, 08 December 2023	10:00	Remotely by MS teams,

Present

Councillor Sandra Macdonald (Aberdeen City Council); Councillor David Keating (Aberdeenshire Council); Councillor Brenda Durno (Angus Council); Councillor William Sinclair (Argyll and Bute Council); Councillor Kenny Macleod (Comhairle Nan Eilean Siar); Councillor Carolyn Wilson (Dumfries and Galloway Council); Councillor Heather Anderson (Dundee City Council); Councillor Stephen Canning (East Ayrshire Council), Councillor Tony Buchanan (East Renfrewshire Council); Councillor Altany Craik and Councillor Ross Vettrano (Fife Council); Councillor Rashid Hussain (Glasgow City Council); Councillor Derek Loudon (Highland Council); Councillor Martin McCluskey (Inverclyde Council); Councillor Christina Larsen (North Ayrshire Council); Councillor Denis Johnston (North Lanarkshire Council); Councillor Sheila McCole (Perth and Kinross Council); Councillor John Shaw (Renfrewshire Council); Councillor Dennis Leask (Shetland Islands Council); Councillor Chris Cullen (South Ayrshire Council); Councillor Eileen Logan (South Lanarkshire Council); Councillor Rachel Nunn (Stirling Council); and Councillor Anne McMillan (West Lothian Council).

Chair

Councillor John Shaw, Convener, presided.

In Attendance

J Welsh, Chief Executive, S Brannagan, Director of Customer & Business Services, H Carr, Director of Strategic Procurement, L Campbell, Corporate Services Manager, M Mitchell, Strategic Procurement Manager, S Christie, Commercial Programme Manager, N Hyde, Programme Manager, K Nugent, Project & Accounts Manager, K Forrest, Office Manager, J McKerrall, Strategic Commissioning Manager, L Mooney, Senior Communications Specialist (all Scotland Excel); C McCourt, Head of Finance & Procurement, L Mitchell, Managing Solicitor (Contracts & Conveyancing), D Blackburn, Principal Accountant, A Burns, Corporate Finance Team Manager, E Currie, Senior Committee Services Officer, T McGowan, Senior Accountancy Assistant (all Renfrewshire Council).

Apologies

Councillor Ellen Forson (Clackmannanshire Council), Councillor John Mcmillan (East Lothian Council), Councillor Neil McLennan (Moray Council), Councillor McPake (North Lanarkshire Council) and Councillor Walter Brogan (South Lanarkshire Council).

Declarations of Interest and Transparency Statements

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

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 of the agenda prior to item 5 of the agenda.

1 Minute of Joint Committee

There was submitted the Minute of the meeting of the Joint Committee held on 16 June 2023.

DECIDED: That the Minute be approved.

2 Minutes of Executive Sub-committee

There were submitted the Minutes of the meetings of the Executive Sub-committee held on 18 August, 15 September, 20 October and 17 November 2023.

DECIDED: That the Minutes be approved.

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Councillors McCluskey, Canning, Cullen, Macdonald, Hussain, Macleod and Logan joined the meeting during consideration of the following item of business.

3 Presentation

The Chief Executive of Scotland Excel gave a presentation to members providing updates under the categories of delivering savings; funding; and reshaping Scotland Excel.

In relation to delivering savings, the Chief Executive provided an update on the national savings projects launched mid-2022 and the work being undertaken with the CEOMG and the Chief Executive Transformation Group, savings related work, framework utilisation which included information on the link between framework utilisation and member savings, the focus on growth of utilisation and on how Scotland Excel demonstrated value, and the work undertaken by and initiated by the Savings Team.

In relation to funding, the Chief Executive provided an overview of the budget process which included information on annual requisitions, the budget reported to the Joint Committee in December 2022, rebates, spend reviews and the proposed budget for 2024/25.

In relation to reshaping Scotland Excel, the Chief Executive provided an update on the tensions around procurement which included policy versus price and the need for a segmentation approach to procurement, being community wealth building and maximising value for money and the priorities of the organisation in 2024/25.

The Chief Executive of Scotland Excel ended the presentation by advising members that the organisation would continue to seek efficiencies, that savings for members would remain a priority and how resources would be reprioritised.

DECIDED: That the presentation be noted.

4 **Revenue Estimates 2024/25**

There was submitted a joint report by the Treasurer and the Chief Executive of Scotland Excel relative to the Revenue Estimates of Scotland Excel, including the requisition of the constituent authorities, for financial year 2024/25 and indicative planning figures for 2025/26 and 2026/27, as detailed in Appendix 1 to the report.

The report intimated that the financial environment within which Scotland Excel and its member authorities currently operated continued to be characterised by challenging public sector spending requirements. Various factors had influenced the revenue budget estimates and the report noted that the figures presented for 2025/26 and 2026/27 should be treated as indicative only and would be subject to constant review as economic conditions developed over the coming year. It was anticipated that local government in Scotland would face further challenges in relation to available resources over the coming years and, in this context, Scotland Excel would continue to seek operational efficiencies to manage its financial position flexibly to maintain its aim of minimising any increase in requisition required whilst developing strategic savings opportunities for member authorities ensuring that best value was achieved through Scotland Excel.

The report advised that Scotland Excel had provided an update on the proposed requisition position to a number of stakeholder groups who had acknowledged and appreciated the no increase to requisition for 2024/25 and 2025/26. Appendix 2 to the report detailed the member authority requisitions for 2024/25 and the savings achieved by member authorities during 2022/23.

The report provided information on the assumptions that the budget had been based on; other income; the Strathclyde Pension Fund; the financial overview for Scotland Excel and member authority requisitions for 2024/25.

The report proposed that the anticipated operating surplus from the Strathclyde Pension Fund be retained and ring-fenced within reserves with any draw-down to be approved by the Executive Sub-committee. This was agreed.

DECIDED:

(a) That the Revenue Estimates of Scotland Excel for the financial year 2024/25, as detailed in Table 1 of Appendix 1 to the report, be approved;

(b) That the requisitions from constituent authorities, as detailed in Appendix 2 to the report, be approved;

(c) That the indicative estimates for 2025/26 and 2026/27 be noted; and

(d) That the anticipated operating surplus from the Strathclyde Pension Fund be retained and ring-fenced within reserves with any draw-down to be approved by the Executive Sub-committee.

5 **Operating Plan 1 April 2024 to 31 March 2025**

There was submitted a report by the Chief Executive of Scotland Excel presenting the proposed Operating Plan for 2024/25, a copy of which was appended to the report.

The report intimated that Scotland Excel's five-year strategy for 2023/28 was supported by annual operating plans which provided detailed information on the actions and activities that Scotland Excel would undertake each year to deliver the strategy. The annual operating plan approach provided the flexibility to respond to changes in the public sector landscape and/or member requirements.

The report highlighted that, since approval of the Operating Plan, senior local authority stakeholders had indicated that one of the corporate goals - the drive for efficiency to support the financial sustainability of local public service - should be prioritised for the foreseeable future. Scotland Excel had been working to understand how it could grow and accelerate deliverables against this key goal and a dedicated team had been established to manage this work. It was noted that, as a result, some actions from the 2023/24 Operating Plan had been rescheduled and would now form part of future Operating Plans. Most of the actions had been incorporated within the Operating Plan for 2024/25 and the appendix to the report provided further details.

The report advised that progress reports, using a 'traffic light' symbol to provide a guide to the status of each activity, were produced quarterly to track Scotland Excel's performance against Operating Plan commitments and submitted to Executive Sub-committee meetings.

DECIDED: That the proposed Operating Plan 2024/25 be approved.

6 **Update on the Contract Delivery Plan**

There was submitted a report by the Chief Executive of Scotland Excel providing a progress update on the 2023/24 Contract Delivery Plan.

The report intimated that the Contract Delivery Plan detailed new framework developments and renewals, flexible frameworks, framework extensions and frameworks with ongoing contract management activity. The report highlighted that there were around 70 frameworks in the Scotland Excel contract portfolio. It was intended that five further frameworks would be developed and added in the coming year with 13 frameworks remaining to be renewed during 2023/24. A further 15 frameworks had extension options that were available to be exercised in 2023/24, with eight of these extensions already approved. Appendices 1 to 4 to the report provided further details. The estimated forecast value of the Scotland Excel framework portfolio was approximately £2 billion.

The report advised that overall, efficiencies created by frameworks awarded so far during 2023/24 were benchmarked at 1.61%. An update to Scotland Excel's methodology for calculating efficiencies was now being embedded with the additional data supporting Councils to interpret the value achieved through working collaboratively across the local government sector. These savings were summarised in Appendix 5 to

the report, in accordance with the Scottish Government procurement benefits reporting guidance, and a summary of spend per Council for the period July 2022 to June 2023 was summarised in Appendix 6 to the report.

The report noted that the revised format for contract approval reports, agreed at the meeting of the Executive Sub-committee held on 18 August 2023, concluded the first part of the process improvement initiatives to greater safeguard Scotland Excel. The next stage was underway with a focus on pre-tender activity to deliver further safeguards to contract delivery planning.

DECIDED: That the progress made to date be noted.

At this point in the meeting, the Chief Executive and the Director of Customer & Business Services left the meeting.

7 **Community Benefits and Fair Work Practices**

There was submitted a report by the Chief Executive of Scotland Excel highlighting the community benefits delivered in the period 1 April to 30 September 2023 aligned with Scotland Excel's framework portfolio, together with an update on Fair Work Practices which provided an analysis of suppliers' and providers' Living Wage status.

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

The report advised that information supplied by suppliers and providers had been collated to illustrate the variety and extent of community benefits delivered through Scotland Excel frameworks and this method of collection together with ongoing contract management aimed to support the delivery of commitments made by suppliers and providers at point of tender. For the return through to 30 September 2023, community benefits had been sought from suppliers and providers who had received more than £50,000 spend over the preceding two quarters via Scotland Excel frameworks.

Table 1 of the report provided a summary of the social value added across the Scotland Excel portfolio since 2013. The figures were complete for the year ending on 31 March 2023. The appendix to the report detailed the accrued community benefits value by Council for the period April to September 2023. Table 2 of the report detailed the Living Wage status of suppliers and providers within the last six months reporting period.

It was noted that the next community benefits data collection, analysis and review cycle would be completed in line with the management information process to cover the period to 31 March 2024. The results would be reviewed with the supply base and incorporated into supplier performance objectives where appropriate.

DECIDED: That the content of the report be noted and that the ongoing practices in place to monitor delivery of community benefits and the application on Fair Work practices for the 2023/24 financial year be supported.

8 **Procurement Commercial Improvement Programme (PCIP) Update**

There was submitted a report by the Chief Executive of Scotland Excel providing an update on the status of the work undertaken by Scotland Excel to support Councils with the Procurement Commercial Improvement Programme (PCIP), the maturity model introduced in 2015 to assess Scottish public sector procurement performance in a common format.

The report intimated that the PCIP Pulse Check assessment programme commenced in August 2023 and offered of a new approach to further support the sector and focussed on the policies and procedures driving procurement performance and the results they delivered. An assessment model had been developed which offered a reduced question set and streamlined process for organisations whilst still assessing and supporting current procurement priorities. This hybrid model allowed for greater flexibility and consisted of a blended question set that could be tailored by the assessing centre of expertise (CoE) to the organisation and the sectoral context.

The report advised that Scotland Excel had worked with colleagues within Scottish Government and in conjunction with other public sector centres of expertise to consider the assessment route for 2023/24. Assessments had now commenced and the programme would continue until March 2024.

DECIDED:

(a) That Scotland Excel's progress in supporting sectoral procurement assessments be noted; and

(b) That it be noted that a report on findings would be presented to the Executive Subcommittee and the Joint Committee in June 2024.

9 **Strategic Risk Register Update**

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

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

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

DECIDED: That the Strategic Risk Register be noted.

10 **Membership of Scotland Excel Executive Sub-committee**

There was submitted a report by the Clerk seeking approval for the continued appointment of the existing membership of the Scotland Excel Executive Sub-committee for a further period to December 2024.

The report intimated that, due to a recent severe cyber-attack, it had not been possible to make contact with Comhairle nan Eilean Sar in order to confirm that it wished to continue membership of the Executive Sub-committee for a further year.

DECIDED:

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

(b) That membership of the Executive Sub-committee be next reviewed at the meeting of the Joint Committee in December 2024.

11 **Membership of Scotland Excel Chief Executive Officers Management Group**

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

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

The report advised that the Chief Executive of Scotland Excel had submitted a report to the meeting of the Solace Scotland Branch on 24 November 2023 relative to membership of the CEOMG as Cleland Sneddon, Chief Executive of South Lanarkshire Council would be retiring in January 2024. Solace nominated David Robertson, Chief Executive of Scottish Borders Council, as a member of the CEOMG, replacing Cleland.

The report proposed that the CEOMG membership be as detailed in paragraph 1.6 of the report.

DECIDED:

(a) That the membership of the CEOMG, as detailed in paragraph 1.6 of the report, be agreed until December 2024; and

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

12 **Meetings of Scotland Excel Joint Committee in 2024**

There was submitted a report by the Clerk seeking approval for the proposed dates for meetings of the Scotland Excel Joint Committee in 2024.

DECIDED: That meetings of the Scotland Excel Joint Committee be held remotely using the Microsoft Teams platform at 10.45 am on 21 June and 6 December 2024



Minute of Meeting Scotland Excel Executive Sub-committee

Date	Time	Venue
Friday, 08 December 2023	09:30	Remotely by MS Teams,

Present

Councillor David Keating (Aberdeenshire Council); Councillor Brenda Durno (Angus Council); Councillor Kenny Macleod (Comhairle Nan Eilean Siar); Councillor Carlyne Wilson (Dumfries & Galloway Council); Councillor Altany Craik (Fife Council); Councillor Derek Loudon (Highland Council); Councillor Dennis Leask (Shetland Islands Council), Councillor Chris Cullen (South Ayrshire Council); and Councillor John Shaw (Renfrewshire Council).

Chair

Councillor Shaw, Convener, presided.

In Attendance

J Welsh, Chief Executive, H Carr, Director of Strategic Procurement, S Brannagan, Director of Customer & Business Services, L Campbell, Customer Services Manager, M Mitchell, Strategic Procurement Manager, K Forrest, Office Manager, J Clark, Senior Procurement Specialist, K Nugent, Project and Accounts Manager, L Mooney, Senior Communications Specialist, M Boyle, Senior Business Services Specialist and N Hyde, Programme Manager (all Scotland Excel); and C McCourt, Head of Finance & Procurement, L Mitchell, Managing Solicitor (Contracts & Conveyancing), A Burns, Corporate Finance Manager, D Blackburn, Principal Accountant, E Currie and E Gray, both Senior Committee Services Officers and T McGowan, Senior Accountancy Assistant (all Renfrewshire Council).

Apologies

Councillor Michael McPake (North Lanarkshire Council) and Councillor Walter Brogan (South Lanarkshire Council).

Declarations of Interest and Transparency Statements

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

1 Minute

There was submitted the Minute of the meeting of the Executive Sub-committee held on 17 November 2023.

DECIDED: That the Minute be approved.

2 Contract for Approval: Grounds and Plant Equipment

The Convener advised that the report by the Chief Executive of Scotland Excel relative to the award of a third-generation renewal framework for grounds and plant equipment was withdrawn from the agenda.

DECIDED: That it be noted that the report had been withdrawn.

3 Request for Associate Membership: Scottish Society for the Prevention of Cruelty to Animals

There was submitted a report by the Chief Executive of Scotland Excel advising that the Scottish Society for the Prevention of Cruelty to Animals had submitted an application to become an associate member of Scotland Excel.

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

DECIDED: That the application by the Scottish Society for the Prevention of Cruelty to Animals to become an associate member of Scotland Excel, with an annual membership fee of £1,100, be approved, subject to completion and signing of the agreement documentation.

4 Employee Supporting Attendance

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

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

The report advised of the absence levels for the 12-month period to October 2023 and provided a breakdown of the current month, the last six months and 12 months absence figures, together with an illustration of 12 months in days and percentages. Appendix 1 to the report detailed the rate of absence across the organisation, which had been maintained at below the 4% target, with one exception.

It was noted that, in addition to actively supporting members of staff absent through ill health, Scotland Excel continued to implement positive early intervention practices to maintain employee attendance; supported staff who might be experiencing difficulties whilst remaining at work; actively supported and encouraged positive mental health amongst staff members with 21 staff trained as accredited Mental Health First Aiders; and was implementing a programme of awareness and support for staff experiencing difficulties through menopause.

DECIDED: That the contents of the report be noted.

5 **Date of Next Meeting**

DECIDED: That it be noted that the next meeting of the Executive Sub-committee would be held remotely on MS teams at 9.30 am on 26 January 2024.

Minute of Meeting Scotland Excel Executive Sub-committee

Date	Time	Venue
Friday, 26 January 2024	09:30	Remotely by MS teams,

Present

Councillor David Keating (Aberdeenshire Council); Councillor Brenda Durno (Angus Council); Councillor Kenny Macleod (Comhairle Nan Eilean Siar); Councillor Carlyne Wilson (Dumfries & Galloway Council); Councillor Ruairi Kelly (Glasgow City Council); Councillor Derek Loudon (Highland Council); Councillor Michael McPake (North Lanarkshire Council); Councillor John Shaw (Renfrewshire Council); and Councillor Walter Brogan (South Lanarkshire Council).

Chair

Councillor Shaw, Convener, presided.

In Attendance

J Welsh, Chief Executive, H Carr, Director of Strategic Procurement, S Brannagan, Director of Customer & Business Services, L Campbell, Customer Services Manager, D Pettigrew, Category Manager, L Cairns, Assistant Category Manager, C Robertson, Senior Procurement Specialist, L Muir, Strategic Programme Manager, E Walker, Procurement Co-ordinator, S Roberts, Project & Accounts Manager, M Robertson, Marketing & Communications Manager, M Mitchell, Chief Procurement Officer, N Hyde, Skills Resources Manager, S Christie, Commercial Programme Manager and K Forrest, Office Manager (all Scotland Excel); and L Mitchell, Managing Solicitor (Contracts & Conveyancing), A Burns, Corporate Finance Manager, D Blackburn, Principal Accountant, R Devine, Senior Committee Services Officer, J Barron, Committee Services Officer and T McGowan, Senior Accountancy Assistant (all Renfrewshire Council).

Apologies

Councillor Altany Craik (Fife Council), Councillor Christina Larson (North Ayrshire Council), Councillor Dennis Leask (Shetland Islands Council) and Councillor Mandy Watt (Edinburgh City Council).

Declarations of Interest and Transparency Statements

There were no declarations of interest or transparency statements 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 8 December 2023.

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 for the period 1 April to 8 December 2023.

The report advised that the projected outturn, as at 31 March 2024, was a £35,000 underspend position for Core activities and an increase of £196,000 in terms of Project Reserves. Appendices to the report provided an analysis of the actual spend to date along with projected net expenditure for 2023/24 and included a summary of movement in both the revenue and project reserves.

DECIDED: That the report be noted.

3(i) Contract for Approval: Security Services and Cash Collection

There was submitted a report by the Chief Executive of Scotland Excel relative to the award of a fourth-generation renewal framework for Security Services and Cash Collection for a period of 48 months. It was noted that subject to approval and completion of a standstill period, the framework would commence in February 2024.

The report intimated that the framework would provide a mechanism for councils to procure a range of security services including cash collections.

The report summarised the outcome of the procurement process which contained four lots, as detailed in Table 1 of the report. The framework had been advertised at £17.5 million per annum, totalling an estimated spend of £70 million over the four-year period of the framework. This advertised spend allowed for increased participation from councils and associate members not currently utilising the framework. Appendix 1 to the report detailed the participation, spend and savings summary for those participating in the framework.

Tender responses had been received from 21 suppliers and, based on the criteria and scoring methodology set out in the tender documents, a full evaluation of all compliant offers had been carried out with the confirmed overall scoring achieved by each supplier detailed in Appendix 2 to the report.

Members were advised that recommendations in the report had been made on the outcome of the evaluation on the basis of the submitted tenders. For two bidders, Confida FM Limited and Profile Security Services Limited, the award would be subject to further investigation with the Regulator in respect of corporate restructures which had come to the attention of Scotland Excel after preparation of the report. In the circumstances approval was sought for delegated authority to be granted to the Chief Executive of Scotland Excel to determine whether the clarification obtained was to Scotland Excel's satisfaction before awarding to the bidders concerned. This was agreed unanimously.

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 the remaining 17 suppliers, as outlined in Appendix 2 to the report.

The report detailed the approach taken by suppliers in relation to fair work practices and their position on the payment of the Real Living Wage together with the other benefits that would be achieved through the framework. The report intimated that, in accordance with Scotland Excel's established contract segmentation tool, the framework had been classified as class C.

DECIDED:

(a) That further investigation be undertaken with the Regulator in respect of corporate restructures at two of the bidders, Confida FM Limited and Profile Security Services Limited;

(b) That delegated authority be granted to the Chief Executive of Scotland Excel to determine whether the clarification subsequently obtained was to Scotland Excel's satisfaction before proceeding to award to the bidders concerned; and

(c) That the award of the framework agreement for Security Services and Cash Collection to the remaining 17 suppliers, as detailed in Appendix 2 to the report, be approved.

3(ii) Contract for Approval: Grounds and Plant Equipment

Under reference to item 2 of the Minute of the meeting of this Sub-committee held on 8 December 2023, there was submitted a report by the Chief Executive of Scotland Excel relative to the award of a third-generation renewal framework for Grounds and Plant Equipment, bringing together two existing second-generation frameworks, Grounds Maintenance Equipment and Light and Heavy Plant, for a period of 48 months. It was noted that subject to approval and completion of a standstill period, the framework would commence in February 2024.

The report intimated that the framework would provide councils and other participating bodies with a mechanism to procure a range of grounds maintenance equipment including but not limited to handheld equipment, ride-on equipment, towed equipment, tractors and pedestrian sweepers, excavators, pedestrian operated plant, ride on rollers, static plant, dumpers, pavers and mobile pothole fillers.

The report summarised the outcome of the procurement process which contained 11 lots, as detailed in Table 1 of the report. The framework had been advertised at £8 million per annum, totalling an estimated spend of £32 million over the four-year period of the framework. This advertised spend allowed for increased participation from councils and associate members not currently utilising the framework. Appendix 1 to the report detailed the participation, spend and savings summary for those participating in the framework.

Tender responses had been received from 39 suppliers. It was noted that two tenderers withdrew from the evaluation process, leaving 37 tender responses to be evaluated. Based on the criteria and scoring methodology set out in the tender documents, a full evaluation of all compliant offers had been carried out with the confirmed overall scoring achieved by each supplier detailed in Appendix 2 to the report.

Members were advised that Scotland Excel had become aware, following preparation of the report, that one bidder, MTS Nationwide Limited T/A Carryway, who had bid in respect of lot 4 only, had been placed into administration and that accordingly, that bidder was no longer eligible for award as it no longer complied with the advertised selection criteria. It was highlighted that the removal of the bidder had resulted in minor variances to the commercial score and total score for other bidders within lot 4, that there were no other changes to the recommendations for lot 4 and details of the updated scores and lot placings were highlighted within the revised table which would be circulated following this meeting.

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 33 suppliers, as outlined in the amended Appendix 2 to the report.

The report detailed the approach taken by suppliers in relation to fair work practices and their position on the payment of the Real Living Wage together with the other benefits that would be achieved through the framework. The report intimated that, in accordance with Scotland Excel's established contract segmentation tool, the framework had been classified as class E.

DECIDED:

(a) That it be noted that one bidder for lot 4, MTS Nationwide Limited T/A Carryway, had been placed into administration and that the bidder was no longer eligible for award; and

(b) That the award of the framework agreement for Grounds and Plant Equipment to the remaining 32 suppliers, as detailed in the revised Appendix 2 of the report, be approved.

4 Consultation Response to proposed Wellbeing and Sustainable Development (Scotland) Bill

There was submitted a report by the Chief Executive of Scotland Excel relative to consultation being undertaken by the Scottish Government to help inform the scope of legislation for a proposed Wellbeing and Sustainable Development Bill.

The report indicated that the consultation covered a broad spectrum of considerations for public bodies, including how decisions taken would influence the wellbeing and sustainable development of those living in Scotland both currently and in the future. It was noted that with a £14.5 billion public procurement spend in 2020/21, any duties embedded by the proposed Bill would have relevance for improving outcomes for citizens, underpinning the National Performance Framework. A copy of the draft consultation response prepared on behalf of Scotland Excel and which had an emphasis on procurement was appended to the report.

Councillor Keating intimated that he had forwarded comments in respect of various elements of the proposed response prior to the meeting. The Convener intimated that these comments would be considered and incorporated, where appropriate, into the response to be submitted to the Scottish Government on behalf of Scotland Excel.

DECIDED: That the comments forwarded by Councillor Keatings be considered and incorporated, where appropriate, into the response to be submitted to the Scottish Government.

5 **Request for Associate Membership: Paragon Housing Association Limited**

There was submitted a report by the Chief Executive of Scotland Excel advising that Paragon Housing Association Limited had submitted an application to become an associate member of Scotland Excel.

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

DECIDED: That the application by Paragon Housing Association Limited to become an associate member of Scotland Excel, with an annual membership fee of £2,240, be approved, subject to completion and signing of the agreement documentation.

6 **Date of Next Meeting**

DECIDED: That it be noted that the next meeting of the Executive Sub-committee would be held remotely on MS teams at 9.30 am on 16 February 2024.

Minute of Meeting Scotland Excel Executive Sub-committee

Date	Time	Venue
Friday, 16 February 2024	09:30	Remotely by MS teams,

Present

Councillor David Keating (Aberdeenshire Council); Councillor Kenny Macleod (Comhairle Nan Eilean Siar); Councillor Carlyne Wilson (Dumfries & Galloway Council); Councillor Altany Craik (Fife Council); Councillor Derek Loudon (Highland Council); Councillor Christina Larson (North Ayrshire Council); Councillor John Shaw (Renfrewshire Council); Councillor Dennis Leask (Shetland Islands Council); Councillor Chris Cullen (South Ayrshire Council) and Councillor Walter Brogan (South Lanarkshire Council).

Chair

Councillor Shaw, Convener, presided.

In Attendance

J Welsh, Chief Executive, H Carr, Director of Strategic Procurement, S Brannagan, Director of Customer & Business Services, L Campbell, Customer Services Manager, M Mitchell, Chief Procurement Officer, L Muir, Strategic Programme Manager, E Walker, Procurement Co-ordinator, N Hyde, Skills Resources Manager, S Christie, Commercial Programme Manager, K Forrest, Office Manager, P Barnes, Project and Accounts Manager, H Wood, Business Intelligence Officer and J Weaver, Assistant Category Manager (all Scotland Excel); and L Mitchell, Managing Solicitor (Contracts & Conveyancing), A Burns, Corporate Finance Manager, D Blackburn, Principal Accountant and E Currie, Senior Committee Services Officer (all Renfrewshire Council).

Apologies

Councillor Brenda Durno (Angus Council), Councillor Ruairi Kelly (Glasgow City Council) and Councillor Michael McPake (North Lanarkshire Council).

Declarations of Interest and Transparency Statements

There were no declarations of interest or transparency statements 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 26 January 2024.

In relation to item 3(i) - Contract for Approval: Security Services and Cash Collection - members were advised that following approval of the recommendations, further investigations were undertaken with the Regulator in respect of two bidders. The outcome was that one of the bidders, Profile Security Services Limited, was successful and could participate in the framework as the Chief Executive was satisfied with clarifications provided. The Chief Executive found that the other bidder, Confida FM Limited, no longer complied with the advertised selection criteria and as a result the bidder was not eligible for award and was no longer recommended for award to Lot 1.

Members were further advised that this outcome necessitated approval of an updated Appendix 2 for lot 1 to record the new outcome for Confida FM Limited and related minor variances to the commercial score, total score and placing for other bidders within lot 1. It was noted that no other changes to the recommendations for the lot arose and that updated scores and lot placings were highlighted in the revised table which would be circulated to members following the meeting.

DECIDED:

(a) That the Minute be approved; and

(b) That the update in relation to item 3(i) - Contract for Approval: Security Services and Cash Collection – be noted and that the updated Appendix 2 for lot 1 be approved.

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

2 Contract for Approval: Supply and Delivery of Civic Supplies

There was submitted a report by the Chief Executive of Scotland Excel relative to the award of a second-generation renewal framework for the supply and delivery of civic supplies for a period of 48 months, comprising a period of 36 months with the option to extend for up to an additional 12-month period. It was noted that subject to approval and completion of a standstill period, the framework would commence in April 2024.

The report intimated that the framework would allow Councils to procure a range of beverages including kegs of beer, wine, soft drinks and spirits for civic functions and sites that had bar facilities.

The report summarised the outcome of the procurement process and it was noted that the framework agreement would be awarded to a single supplier with an estimated spend of around £1.25 million over the maximum four-year period and as a single requirement with no individual lots. Appendix 1 to the report detailed the participation, spend and savings summary for those participating in the framework.

Tender responses had been received from three suppliers, two of which were non-compliant, and their offers were subsequently withdrawn. Based on the criteria and scoring methodology set out in the tender documents, a full evaluation of the compliant offer had been carried out with the confirmed overall scoring achieved by the supplier detailed in Appendix 2 to the report.

Based on the evaluation undertaken, and in line with the advertised requirement, criteria and weightings set out in the report, it was recommended that the framework be awarded to a single operator, as outlined in Appendix 2 to the report.

The report detailed the approach taken by suppliers in relation to fair work practices and their position on the payment of the Real Living Wage together with the other benefits that would be achieved through the framework. The report intimated that, in accordance with Scotland Excel's established contract segmentation tool, the framework had been classified as class D.

DECIDED: That the award of the framework agreement for the supply and delivery of civic supplies, as detailed in Appendix 2 to the report, be approved.

3 **Update on the Contract Delivery Plan**

There was submitted a report by the Chief Executive of Scotland Excel providing a progress update on the Contract Delivery Plan.

The report intimated that the Contract Delivery Plan detailed new framework developments and renewals, flexible frameworks, framework extensions and frameworks with ongoing contract management only and appendices 1 to 4 to the report provided further details. The report highlighted that, at any given point, there were around 70 frameworks in the Scotland Excel contract portfolio. It was intended that a further five frameworks would be developed and added to the portfolio, 20 frameworks would be renewed, and 12 frameworks had extension options that were available to be exercised, with six of these extensions already approved.

The report noted that the estimated forecast value of the Scotland Excel framework portfolio was approximately £2 billion and that overall, efficiencies created by frameworks awarded so far during 2023/24 were benchmarked at 1.59%. Appendix 5 to the report summarised the savings in accordance with the Scottish Government procurement benefits reporting guidance and Appendix 6 to the report detailed a summary of spend per Council across the portfolio between October 2022 and September 2023.

DECIDED: That the progress made to date be noted.

4 **Project Proposals**

There was submitted a report by the Chief Executive of Scotland Excel relative to projects being proposed on the use of reserves as a result of surpluses which would be generated by pension fund changes.

The report intimated that when considering the Revenue Estimates for 2024/25 at the meeting of the Joint Committee held on 8 December 2023 it was noted that Strathclyde Pension Fund had advised that, as a result of higher than anticipated returns from investments, the fund was 147% funded against current and anticipated future commitments. At that meeting it was agreed that the anticipated operating surplus be retained, ring-fenced within reserves with any draw down to be approved by the Executive Sub-committee.

The report provided detail on two projects, namely the provision of free commercial training to Councils and the extension of the national savings team. The report highlighted that the funding requirement for the provision of free commercial training to Councils would be £65k for 2024/25 and £65k for 2025/26, a total draw down of £130k from reserves to fund a full-time resource within the Academy team to develop and deliver the service. The funding requirement for the extension of the national savings team would be £150k for 2024/25 and £150k for 2025/26, a total draw down of £300k from reserves over two years to fund two full time resources on fixed term contracts within the team to deliver cashable financial savings. It was noted that sustainability for these services beyond the two years would be a key target for the teams.

In relation to the three projects detailed in sections 4.5.1, 4.5.2 and 4.5.3 of the report, the Chief Executive advised that further detail in relation to the spend and the financial impact on Councils would be issued to members.

DECIDED:

(a) That the project funding and draw down from agreed reserves for 2024/25 and 2025/26 of £65k per annum for the provision of free commercial training to members and £150k per annum for the provision of the national savings team be approved; and

(b) That it be noted that in relation to the three projects detailed in sections 4.5.1, 4.5.2 and 4.5.3 of the report, the Chief Executive would provide further detail in relation to the spend and the financial impact on Councils to members.

5 **Business Intelligence Strategy and Action Plan**

There was submitted a report by the Chief Executive of Scotland Excel relative to Scotland Excel's approach to developing business intelligence within the organisation from 2024 to 2026.

The report intimated that the Business Intelligence Strategy and Action Plan had been developed following approval of Scotland Excel's Corporate Strategy 2023/28 and Operating Plan by the Joint Committee on 8 December 2023. The Strategy, which formed Appendix 1 to the report, outlined the organisation's vision of, and approach to, maximising the impact of data analysis and reporting to the organisation and its members. The Action Plan, which formed Appendix 2 to the report, outlined the key focus areas for development of business intelligence within Scotland Excel.

The report advised that business intelligence involved transforming data into insights that could inform decision making and planning and the sharing of these insights could support Scotland Excel and its members to be proactive to the changing demands within local authorities and the public sector.

DECIDED: That the Scotland Excel Business Intelligence Strategy and Action Plan 2024/26 be approved.

6 **Date of Next Meeting**

DECIDED: That it be noted that the next meeting of the Executive Sub-committee would be held remotely on MS teams at 9.30 am on 15 March 2024.

Minute of Meeting Scotland Excel Executive Sub-committee

Date	Time	Venue
Friday, 15 March 2024	09:30	Remotely by MS teams,

Present

Councillor David Keating (Aberdeenshire Council); Councillor Brenda Durno (Angus Council); Councillor Mandy Watt (City of Edinburgh Council); Councillor Kenny Macleod (Comhairle Nan Eilean Siar); Councillor Carlyne Wilson (Dumfries & Galloway Council); Councillor Altany Craik (Fife Council); Councillor Ruairi Kelly (Glasgow City Council); Councillor Derek Loudon (Highland Council); Councillor Christina Larson (North Ayrshire Council); Councillor Michael McPake (North Lanarkshire Council); Councillor John Shaw (Renfrewshire Council); Councillor Dennis Leask (Shetland Islands Council); Councillor Chris Cullen (South Ayrshire Council) and Councillor Walter Brogan (South Lanarkshire Council).

Chair

Councillor Shaw, Convener, presided.

In Attendance

J Welsh, Chief Executive, H Carr, Director of Strategic Procurement, S Brannagan, Director of Customer & Business Services, L Campbell, Customer Services Manager, M Mitchell, Chief Procurement Officer, L Muir, Strategic Programme Manager, N Hyde, Skills Resources Manager, S Christie, Commercial Programme Manager, K Forrest, Office Manager, J McKerrell, Strategic Commissioning Manager, J Weaver, Assistant Category Manager, R Baird and G Maxwell, both Procurement Co-ordinators, L Mooney, Senior Communications Specialist and J Campbell, Category Manager, Social Care (all Scotland Excel); L Mitchell, Managing Solicitor (Contracts & Conveyancing), A Burns, Corporate Finance Manager, D Blackburn, Principal Accountant, A Anwar, Solicitor, R Devine, Senior Committee Services Officer and T McGowan, Senior Accountancy Assistant (all Renfrewshire Council) and A Kilodziej, Senior Manager (Azets).

Declarations of Interest and Transparency Statements

There were no declarations of interest or transparency statements 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 16 February 2024.

In relation to item 4 – Project Proposals – it was agreed that the Minute be amended to reflect that the posts created within the National Savings Team were fixed term contracts.

DECIDED: That the Minute, as amended, 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 2023 to 2 February 2024.

The report advised that at the end of period 11, Scotland Excel was projecting a £57,000 underspend by year-end in its Core activities and an increase of £358,000 in Project income..

DECIDED: That the report be noted.

3 Annual Audit Plan 2023/24

There was submitted a report by the Treasurer relative to the Annual Audit Plan 2023/24 for Scotland Excel which outlined Azets timescales and planned audit activity during the audit of the 2023/24 Annual Accounts, a copy of which was appended to the report.

The report intimated that Azets had submitted an Audit Plan which outlined the approach to the audit of the 2023/24 Annual Accounts to assess whether the accounts provided a true and fair view of the organisation's financial position and also whether the accounts had been prepared in accordance with proper accounting practice, the Code of Practice on Local Authority Accounting in the UK 2023/24.

The Audit Plan outlined the responsibilities of Scotland Excel and Azets; the assessment of key challenges and risks; and the approach and timetable for completion of the audit. The report advised that the statutory deadline for the approval of the audited accounts for 2023/24 was 30 September 2024 and that the Annual Audit Report was planned to be reported to the meeting of the Executive Sub-committee scheduled to be held on 20 September 2024.

The report noted that the proposed audit fee was indicated at £9,790 for the current financial year.

Adrian Kolodziej, Senior Manager, Azets, presented the Audit Plan to members.

DECIDED:

(a) That the Annual Audit Plan 2023/24 by Azets, appended to the report, be noted; and

(b) That the proposed audit fee of £9,790 be approved.

4 Operating Plan Update 2023/24

There was submitted a report by the Chief Executive of Scotland Excel providing an update on the Operating Plan 2023/24, a copy of which was appended to the report.

The report intimated that the new five-year Corporate Strategy had been approved at the meeting of the Joint Committee held on 9 December 2022. The Strategy was supported by Annual Operating Plans and the report provided an update on operating plan activity between 1 April 2023 to 31 March 2024.

The report highlighted that, since approval of the Operating Plan, senior local authority stakeholders had indicated that one of the corporate goals, the drive for efficiency to support the financial sustainability of local public service, should be prioritised during 2023/24 and Scotland Excel had been working to understand how it could grow and accelerate deliverables against this key goal. A dedicated team had been established to manage this work.

The report noted that progress reports were produced quarterly to track Scotland Excel's activity against Operating Plan commitments and at the end of each quarter reports were submitted to the Executive Sub-committee.

It was proposed that, in order to facilitate improved governance, completion dates be included in future reports. This was agreed.

DECIDED:

(a) That Scotland Excel's progress in delivering the actions contained within the Operating Plan 2023/24 be noted; and

(b) That, in order to facilitate improved governance, completion dates be included in future reports.

5(a) Contract for Approval: Residential Rehabilitation (Alcohol and Drugs) Services National Flexible Framework Agreement

There was submitted a report by the Chief Executive of Scotland Excel relative to the Residential Rehabilitation (Alcohol and Drugs) Services National Flexible Framework Agreement for a period of 48 months with the option to extend on two occasions, each for a period of up to one year, up to a maximum duration of four years. It was noted

that subject to approval and completion of a standstill period, the flexible framework would commence on 1 April 2024.

The report intimated that there was a wide diversity of types and models of rehabilitation services, including supported accommodation or housing support models, care homes and private hospitals. The flexible framework would provide a new national purchasing and contracting agreement to support national objectives, priorities and ongoing improvement work in Scotland and had been developed to take account of the views and contributions of a wide range of partners and stakeholders. The services covered by the proposed framework agreement fell within the 'Social and Other Specific Services' category as defined in Schedule 3 of the Public Contracts (Scotland) Regulations 2015 and therefore the flexibilities under the 'light touch' procurement regime could be applied. A flexible framework agreement was proposed to enable growth and the admission of new entrants continuously once established. Providers on the flexible framework agreement would also be able to add new services and vary their service offerings and section 3 of the report provided further detail.

The report summarised the outcome of the procurement process for the flexible framework and advised that the advertised value of the proposed flexible framework was approximately £60 million over the four-year period. Appendix 1 to the report detailed the participation summary of those participating in the flexible framework.

Tender responses had been received from 11 applicants. Two applicants were not eligible for admission at this time as they did not have formal confirmation from the Scottish Government that their rehabilitation services met the Scottish Government's national definition of residential rehabilitation and one provider, who offered three services, had their submission in respect of one service excluded from their application for the same reason. Appendix 2 to the report provided a summary of the offers received.

Based on the criteria and scoring methodology set out in the published application documents, a full evaluation of the compliant offers had been completed and Appendix 2 to the report confirmed the scoring achieved by each applicant for each rehabilitation service.

Based on the evaluation undertaken, and in line with the criteria and weightings set out in the report, it was recommended that nine providers and 13 rehabilitation services be awarded to the flexible framework from its commencement, as outlined in Appendix 2 to the report, subject to satisfactory conclusion of insurance checks.

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 together with the other benefits that would be achieved through the flexible framework. The report intimated that, in accordance with Scotland Excel's established contract and supplier management programme, the framework had been classified as Class A.

DECIDED:

(a) That the award of the flexible framework for Residential Rehabilitation (Alcohol and Drugs) Services, as detailed in Appendix 2 to the report, be approved;

(b) That authority be delegated to the Chief Executive of Scotland Excel, or Director of Strategic Procurement in the Chief Executive's absence, to approve recommendations following the evaluation of offers received during the lifetime of the flexible framework,

or following the consideration of formal requests from existing providers for the addition of new services and/or variation of existing services; and

(c) That it be noted that the Executive Sub-committee would be updated on the appointment of any new providers to the flexible framework agreement on an annual basis via incorporation to the Annual Procurement Report

5(b) **Contract for Approval: Supply and Delivery of Road Signage Materials**

There was submitted a report by the Chief Executive of Scotland Excel relative to the award of a fourth-generation renewal framework for the Supply and Delivery of Road Signage Materials for a period of 48 months, comprising an initial period of 24 months with the option to extend for up to a further two 12-month periods, subject to satisfactory operation and performance. It was noted that subject to approval and completion of a standstill period, the framework would commence on or around 1 April 2024.

The report intimated that the framework would allow Councils to procure a range of road signage materials including permanent and temporary road signage, signposts, electric road signage and associated products.

The report summarised the outcome of the procurement process which contained four lots, as detailed in Table 1 of the report. The framework had been advertised at a value of £1.25 million per annum, totalling an estimated spend of £5 million over the maximum four-year period of the framework. This advertised spend allowed for increased participation from Councils and associate members not currently utilising the framework. Appendix 1 to the report detailed the participation, spend and savings summary for those participating in the framework.

Tender responses had been received from 10 suppliers and, based on the criteria and scoring methodology set out in the tender documents, a full evaluation of the offers had been carried out with the confirmed overall scoring achieved by each supplier detailed in Appendix 2 to the report.

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 agreement be awarded to all 10 suppliers, as outlined in Appendix 2 to the report, subject to satisfactory conclusion of insurance checks.

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 together with the other benefits that would be achieved through the framework. The report intimated that, in accordance with Scotland Excel's established contract classification tool, the framework had been classified as class D. It was noted that Stocksigns Limited were now an accredited Living Wage employer.

DECIDED: That the award of the framework agreement for the Supply and Delivery of Road Signage Materials, as detailed in Appendix 2 to the report, be approved.

6 **Project Proposal**

There was submitted a report by the Chief Executive of Scotland Excel relative to an additional project being proposed on the use of reserves as a result of surpluses which would be generated by pension fund changes.

The report intimated that when considering the Revenue Estimates for 2024/25 at the meeting of the Joint Committee held on 8 December 2023 it was noted that Strathclyde Pension Fund had advised that, as a result of higher than anticipated returns from investments, the fund was 147% funded against current and anticipated future commitments. At that meeting it was agreed that the anticipated operating surplus be retained, ring-fenced within reserves with any draw down to be approved by the Executive Sub-committee.

The report provided detail on a project to fund an additional Contracts Solicitor within Renfrewshire Council's Legal and Democratic Service to support Scotland Excel in the expansion of the collaborative contract portfolio. The report provided further detail on the project and highlighted that the funding requirement for this project would be £67,214 for year 1 and £70,574 for year 2.

DECIDED: That the project funding and draw down from agreed reserves for 2024/25 of £67,214 and £70,574 for 2025/26 be approved.

7 **Date of Next Meeting**

DECIDED: That it be noted that the next meeting of the Executive Sub-committee would be held remotely on MS teams at 9.30 am on 19 April 2024.

Minute of Meeting Scotland Excel Executive Sub-committee

Date	Time	Venue
Friday, 19 April 2024	09:30	Remotely by MS teams,

Present

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

Chair

Councillor Shaw, Convener, presided.

In Attendance

J Welsh, Chief Executive, H Carr, Director of Strategic Procurement, S Brannagan, Director of Customer & Business Services, L Campbell, Customer Services Manager, M Mitchell, Chief Procurement Officer, L Muir, Strategic Programme Manager, N Hyde, Skills Resources Manager, K Forrest, Office Manager, R Baird, Procurement Co-ordinator, L Mooney, Senior Communications Specialist, L Cairns, Assistant Category Manager, C Richardson, Senior Procurement Specialist, M Boyle, Senior Business Services Specialist, C Kirkwood, Assistant Procurement Specialist, S Roberts, Projects & Accounts Manager and S Christie, Commercial Programme Manager (all Scotland Excel); and L Mitchell, Managing Solicitor (Contracts & Conveyancing), A Burns, Corporate Finance Manager, D Blackburn, Principal Accountant and E Currie, Senior Committee Services Officer (all Renfrewshire Council).

Apology

Councillor Ruairi Kelly (Glasgow City Council).

Declarations of Interest and Transparency Statements

There were no declarations of interest or transparency statements 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 15 March 2024.

DECIDED: That the Minute be approved.

2 Chief Executive's Update Report to Chief Officers Management Group

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 18 March 2024.

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. These reports would also be shared with members of this Sub-committee, following CEOMG meetings.

The report submitted to the CEOMG meeting held on 18 March 2024, which covered the period between November 2023 and March 2024, was appended to the report.

DECIDED: That the report be noted.

3(a) Contract for Approval: Supply and Distribution of Fresh Fruit and Vegetables

There was submitted a report by the Chief Executive of Scotland Excel relative to the award of a second-generation renewal framework for the Supply and Distribution of Fresh Fruit and Vegetables for a period of up to 48 months. It was noted that subject to approval, it was intended that the framework would commence on or around June 2024.

The report intimated that the framework would allow Councils to procure a range of fresh fruit and vegetable products and other associated products.

The report summarised the outcome of the procurement process. The framework had been advertised with a value of up to £6 million per annum, totalling an estimated spend of £24 million over the maximum four-year period of the framework. Appendix 1 to the report detailed the participation, spend and savings summary for those participating in the framework.

Tender responses had been received from 10 suppliers and the scoring achieved by the recommended suppliers was set out in Appendix 2 to the report.

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 all 10 suppliers, as outlined in Appendix 2 to the report, subject to satisfactory conclusion of insurance checks. Members were advised that, since publication of this report, it had been noted on companies house that McLays Limited were overdue to submit a Confirmation Statement. Scotland Excel was working with the supplier to ensure that all companies house statements were up to date and intended to proceed to issue standstill notices based on these recommendations but in this supplier's case, award would be subject to satisfactory resolution of outstanding companies house statements.

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 together with the other benefits that would be achieved through the framework. The report intimated that, in accordance with Scotland Excel's established contract segmentation tool, the framework had been classified as class D.

DECIDED:

(a) That the award of the framework agreement for the Supply and Distribution of Fresh Fruit and Vegetables, as detailed in Appendix 2 to the report, be approved; and

(b) That it be noted that the award to McLays Limited would be subject to satisfactory resolution of outstanding companies house statements.

3(b) Contract for Approval: Supply, Delivery, Maintenance and Repair of Cleaning Equipment

There was submitted a report by the Chief Executive of Scotland Excel relative to the award of a second-generation renewal framework for the Supply, Delivery, Maintenance and Repair of Cleaning Equipment for a period of up to 48 months, comprising an initial period of 36 months from the commencement date with an option to extend for a single 12-month period, subject to satisfactory operation and performance. It was noted that subject to approval and completion of a standstill period, it was intended that the framework would commence on or around early May 2024.

The report intimated that the framework would allow Councils to procure a range of cleaning equipment which would include floor sweepers, scrubbers, vacuum cleaners and associated products.

The report summarised the outcome of the procurement process which contained two lots, as detailed in Table 1 of the report. The framework had been advertised at a total value of £1 million per annum, totalling an estimated spend of £4 million over the maximum four-year period of the framework. This advertised spend allowed for increased participation from council and associate members not currently utilising the framework. Appendix 1 to the report detailed the participation, spend and savings summary for those participating in the framework.

Tender responses had been received from 13 suppliers and, based on the criteria and scoring methodology set out in the tender documents, a full evaluation of the offers had been carried out with the confirmed overall scoring achieved by each supplier detailed in Appendix 2 to the report.

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 three suppliers as outlined in Appendix 2 to the report, subject to satisfactory conclusion of insurance checks. Members were advised that the recommendation to appoint three suppliers overall, and a single supplier on lot 2, reflected best value considerations and was in line with the commercially focussed approach approved by councils, and previously reported to this Sub-committee. The recommendations offered competitive options on lot 1, and provided the required coverage, capacity and capabilities for councils for these supplies and services and represented a mix of small and medium organisations.

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 together with the other benefits that would be achieved through the framework. The report intimated that, in accordance with Scotland Excel's established contract classification tool, the framework had been classified as class D.

DECIDED: That the award of the framework agreement for the Supply, Delivery, Maintenance and Repair of Cleaning Equipment, as detailed in Appendix 2 to the report, be approved.

3(c) **Contract for Approval: Supply and Delivery of Construction Materials**

There was submitted a report by the Chief Executive of Scotland Excel relative to the award of a consolidated renewal framework for the Supply and Delivery of Construction Materials for a maximum period of three years from the commencement date with an option to extend for up to a further 12 months, subject to satisfactory operation and performance. It was noted that subject to approval, it was intended that the framework would commence in May 2024.

The report intimated that this framework brought together six separate construction and roads related materials frameworks and would allow Councils and other participating bodies to procure a range of materials including electrical, building and timber, plumbing and heating, road maintenance and trade materials that supported construction projects, ongoing maintenance schedules and ad-hoc repairs.

The report summarised the outcome of the procurement process which contained five lots and 13 sub-lots, as detailed in Table 1 of the report. The framework had been advertised at £70 million per annum, totalling an estimated spend of £280 million over the maximum four-year period of the framework. Appendix 1 to the report detailed the participation, spend and savings summary for those participating in the framework.

Tender responses had been received from 70 suppliers. One tenderer subsequently withdrew its offer, and two tenderers were deemed non-compliant in part and advised that their offers for the relevant sub-lots would not be considered. Based on the criteria and scoring methodology set out in the tender documents, a full evaluation of the offers had been carried out with the confirmed overall scoring achieved by each supplier detailed in Appendix 2 to the report.

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 54 suppliers, as outlined in Appendix 2 to the report, subject to final clarification.

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 together with the other benefits that would be achieved through the framework. The report intimated that, in accordance with Scotland Excel's established contract segmentation tool, the framework had been classified as class C.

DECIDED: That the award of the framework agreement for the Supply and Delivery of Construction Materials, as detailed in Appendix 2 to the report, be approved.

4 **Request for Associate Membership: The National Records of Scotland**

There was submitted a report by the Chief Executive of Scotland Excel advising that The National Records of Scotland had applied 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 National Records 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.

5 **Academy Strategy**

There was submitted a report by the Chief Executive of Scotland Excel relative to the new strategy for the Scotland Excel Academy for 2024 to 2026, a copy of which was appended to the report.

The report intimated that the Academy Strategy and Action Plan had been developed in response to commitments made within Scotland Excel's Corporate Strategy 2023/28 and Operating Plan, approved by the Joint Committee on 8 December 2023, and outlined Scotland Excel's vision of, and approach to, maximising the value the Academy could deliver to Councils whilst continuing to adapt to changing needs within the sector.

The report advised that since its creation, the Academy had developed a range of accredited and non-accredited training and development courses, workshops and sessions across Procurement and in leadership development to support the local government community.

The report noted that the Academy would continue to deliver its existing comprehensive range of learning and development packages over the next two years whilst looking at opportunities to diversify and grow. The Academy would launch and deliver a free of charge Commercial Improvement training package specifically

designed to assist the local government community to make a shift into a more commercial mindset and was investigating a social care commissioning training option.

DECIDED: That the Scotland Excel Academy Strategy for 2024 to 2026 be noted.

6 **Buy Social Scotland Business Pledge**

There was submitted a report by the Chief Executive of Scotland Excel relative to the Buy Social Scotland Business Pledge.

The report intimated that Scotland Excel had been approached by Social Enterprise Scotland and invited to be an early adopter of their new 'Buy Social Scotland' programme, providing an opportunity for Scotland Excel to both demonstrate its social value commitment and increase its visibility within the wider third sector landscape.

The report detailed the five key commitments of the Buy Social Pledge and noted that Scotland Excel already adhered to the first four elements through ongoing operations and in its wider attitude and support across its portfolio. The fifth element of the pledge would be a new commitment and was similar to the type of information contained within the existing annual procurement report.

DECIDED: That the adoption of the Buy Social Scotland Business Pledge be approved.

7 **Employee Supporting Attendance Report**

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

The report intimated that Scotland Excel worked to an absence rate of below 4% which aligned with partner organisations, supported good practice and demonstrated the ongoing commitment to absence management as a key efficiency target.

The report advised of the absence levels for the 12-month period to March 2024 and provided a breakdown of the current month, last six months and 12 months absence figures, together with an illustration of 12 months in days and percentages. Appendix 1 to the report detailed the rate of absence across the organisation, which had been maintained below the 4% target, with one exception. However, the reported period showed an average rate of 2.5% which was within the target of 4% with a low of 1.3% recorded in January 2024.

It was noted that, in addition to actively supporting members of staff absent through ill health, Scotland Excel continued to implement positive early intervention practices to maintain employee attendance; supported staff who might be experiencing difficulties whilst remaining at work; actively supported and encouraged positive mental health amongst staff members with 21 staff trained as accredited Mental Health First Aiders; and was implementing a programme of awareness and support for staff experiencing difficulties through menopause.

DECIDED: That the contents of the report be noted.

8 **Date of Next Meeting**

DECIDED: That it be noted that the next meeting of the Executive Sub-committee would be held remotely on MS teams at 9.30 am on 17 May 2024.

Minute of Meeting Scotland Excel Executive Sub-committee

Date	Time	Venue
Friday, 17 May 2024	09:30	Remotely by MS teams,

Present

Councillor Colin Simpson (substitute for Councillor David Keating) (Aberdeenshire Council); Councillor Brenda Durno (Angus Council); Councillor Kenny Macleod (Comhairle Nan Eilean Siar); Councillor Carolyne Wilson (Dumfries & Galloway Council); Councillor Ruairi Kelly (Glasgow City Council); Councillor Derek Loudon (Highland Council); Councillor Christina Larsen (North Ayrshire Council); Councillor Michael McPake (North Lanarkshire Council); Councillor John Shaw (Renfrewshire Council) and Councillor Dennis Leask (Shetland Islands Council).

Chair

Councillor Shaw, Convener, presided.

In Attendance

J Welsh, Chief Executive, H Carr, Director of Strategic Procurement, S Brannagan, Director of Customer & Business Services, L Campbell, Customer Services Manager, M Mitchell, Chief Procurement Officer, L Muir and J McKerrell, both Strategic Programme Managers, N Hyde, Skills Resources Manager, K Forrest, Office Manager, G Montgomery, Category Manager, G Maxwell, Procurement Co-ordinator, H Wood, Business Intelligence Officer, L Robertson, Project and Accounts Manager, P Raymond, Assistant Category Manager, S Whitehead, Category Manager – ICT and S Christie, Commercial Programme Manager (all Scotland Excel); and A McMahan, Chief Internal Auditor, L Mitchell, Managing Solicitor (Contracts & Conveyancing), A Burns, Corporate Finance Manager, D Blackburn, Principal Accountant, T McGowan, Senior Accountancy Assistant and E Currie, Senior Committee Services Officer (all Renfrewshire Council).

Apologies

Councillor David Keating (Aberdeenshire Council), Councillor Altany Craik (Fife Council) and Councillor Walter Brogan (South Lanarkshire Council).

Declarations of Interest

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

Transparency Statements

Councillor Shaw indicated that he had a connection to item 7 by reason of him holding the position of President of the Students Union of the University of Paisley, now the University of the West of Scotland. However, he indicated that he had applied the objective test and did not consider he had an interest to declare.

1 Minute

There was submitted the Minute of the meeting of the Executive Sub-committee held on 19 April 2024.

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 2023 to 31 March 2024.

The report advised that at the end of financial year 2023/24, Scotland Excel had generated a small surplus of £0.80 million in its Core activities and an increase of £0,853 million in committed Project Reserves. Further detail was provided in section 3 of the report.

It was noted that the date referred to in paragraph 3.1 of the report should read 31 March 2024.

DECIDED: That the report, as amended, be noted.

Sederunt

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

3 **Internal Audit Annual Report 2023/24**

There was submitted a report by the Chief Auditor, Renfrewshire Council, relative to the Internal Audit Annual Report on Scotland Excel 2023/24.

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

The Annual Report for Scotland Excel formed the appendix to the report and outlined the role of internal audit, the performance of the Internal Audit Team, the main findings from the internal audit work undertaken in 2023/24 and contained an audit assurance statement.

DECIDED: That the Internal Audit Annual Report 2023/24 be noted.

Sederunt

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

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 2024/25 Contract Delivery Plan.

The report intimated that the Contract Delivery Plan detailed new framework developments and renewals, flexible frameworks, framework extensions and frameworks with ongoing contract management only and appendices 1 to 4 to the report provided further details. The report highlighted that, at any given point, there were around 70 frameworks in the Scotland Excel contract portfolio. It was intended that a further two frameworks would be developed and added to the portfolio, 20 frameworks would be renewed, and 14 frameworks had extension options that were available to be exercised, with three of these extensions already approved.

The report advised that the estimated forecast value of the Scotland Excel framework portfolio was approximately £2.14 billion and that overall, efficiencies created by frameworks awarded so far during 2024/25 were benchmarked at 1.67% of the value of those frameworks. Appendix 5 to the report set out Scotland Excel's updated methodology for calculating efficiencies in accordance with the Scottish Government procurement benefits reporting guidance and Appendix 6 to the report detailed a summary of spend per Council across the portfolio between January and December 2023.

DECIDED: That the progress made to date be noted.

5 **Contract for Approval: Supply and Delivery of Technology Enabled Care Goods**

There was submitted a report by the Chief Executive of Scotland Excel relative to the award of a renewal framework for the Supply and Delivery of Technology Enabled Care Goods for a period of up to 24 months with an option to extend for a further two 12-month periods subject to satisfactory operation and performance.

The report intimated that the framework would allow Councils to procure a range of technology enabled care goods including digital dispersed alarms, alarm triggers, health and care peripherals, smoke alarms, GPS devices with ancillary monitoring, phones and key storage compartments and other associated products.

The report summarised the outcome of the procurement process which contained nine lots as detailed in Table 1 of the report. The framework had been advertised with a value of up to £6.25 million per annum, totalling an estimated spend of £25 million over the maximum four-year period of the framework. Appendix 1 to the report detailed the participation, spend and savings summary for those participating in the framework.

Tender responses had been received from 22 suppliers and, based on the criteria and scoring methodology set out in the tender documents, a full evaluation of the offers had been carried out with the confirmed overall scoring achieved by each supplier detailed in Appendix 2 to the report. One bidder was partially non-compliant with the published specification and was not able to be evaluated for lot 2 as a result.

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 18 suppliers across 8 lots, as outlined in Appendix 2 to the report, subject to satisfactory conclusion of insurance checks.

The report advised that lot 9 (Warden Call Systems) was not recommended for award as part of the establishment of this framework due to telecare being in a transitional period, with significant innovation providing new ways of working, driven by the change from analogue to digital technology. Bids received for this lot were sufficiently diverse that they could not be equally evaluated on a like-for-like basis, as per the evaluation methodology.

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 together with the other benefits that would be achieved through the framework. The report intimated that, in accordance with Scotland Excel's established contract segmentation tool, the framework had been classified as class D.

DECIDED: That the award of the framework agreement for the Supply and Delivery of Technology Enabled Care Goods, as detailed in Appendix 2 to the report, be approved.

6 **Net Zero Strategy Update 2023/24**

There was submitted a report by the Chief Executive of Scotland Excel detailing Scotland Excel's progress in delivering the objectives contained within the Net Zero Strategy for 2023/204, a copy of which was appended to the report.

The report intimated that at a meeting of the Executive Sub-committee held on 17 March 2023, Scotland Excel's Net Zero Strategy 2023/28 had been approved. This strategy would be used to support Scotland Excel member councils in the delivery of their individual and collective net zero goals linked to Scottish Government 'climate emergency' policy and legislation. The strategy was supported with a detailed action plan with objectives to deliver on short and medium-term (2023/25) and longer-term (2025/28) net zero related priorities.

The report advised that an internal Net Zero Working Group met monthly to identify and deliver actions identified in the strategy. A progress tracker managed Scotland Excel's activity against the Net Zero Strategy Objectives and a commitment of the strategy was that a progress report would be submitted to the Executive Sub-committee at the end of each financial year.

DECIDED: That Scotland Excel's progress in delivering the objectives contained within the Net Zero Strategy for 2023/24 be noted.

Sederunt

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

7 Request for Associate Membership: The University of the West of Scotland

There was submitted a report by the Chief Executive of Scotland Excel advising that the University of the West of Scotland had applied 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 University of the West 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.

8(a) Project Proposal: Commercial Analysis

There was submitted a report by the Chief Executive of Scotland Excel relative to a project being proposed to be funded from the use of reserves as a result of surpluses which would be generated by changes to the Strathclyde Pension Fund employer's contributions.

The report intimated that when considering the Revenue Estimates for 2024/25 at the meeting of the Joint Committee held on 8 December 2023 it was noted that Strathclyde Pension Fund had advised that, as a result of higher than anticipated returns from investments, the fund was 147% funded against current and anticipated future commitments. At that meeting it was agreed that the anticipated operating surplus be retained, ring-fenced within reserves with any draw down to be approved by the Executive Sub-committee.

The report provided detail on a project to fund the appointment of a dedicated resource to manage detailed commercial analysis required to ensure that the local government community was furnished with appropriate information, extracted from the analysis of markets and suppliers' responses, to enable councils to drive great efficiency from procurement work. The project would develop business cases for improving data analysis activity and, where beneficial, make recommendations on the use of additional digital tools. The report provided further detail on the project and highlighted that the funding requirement for the addition of a Lead Commercial Analyst at Grade 11 for a period of 12 months, on a fixed-term contract, would be a total commitment of £68,497, being an estimated cost of £54,798 for year 1 (10 months) and £13,699 for year 2 (2 months).

DECIDED: That the project funding and draw down from agreed reserves for 2024/25 and 2025/26 of a total commitment of £68,497, being £54,798 for year 1 (10 months) and £13,699 for year 2 (2 months) be approved.

Sederunt

Councillor Durno and Councillor McPake left the meeting during consideration of the following item of business.

8(b) Project Proposal: Capital Project Procurement Support

There was submitted a report by the Chief Executive of Scotland Excel relative to a project being proposed to be funded from the use of reserves as a result of surpluses which would be generated by changes to the Strathclyde Pension Fund employer's contributions.

The report intimated that when considering the Revenue Estimates for 2024/25 at the meeting of the Joint Committee held on 8 December 2023 it was noted that Strathclyde Pension Fund had advised that, as a result of higher than anticipated returns from investments, the fund was 147% funded against current and anticipated future commitments. At that meeting it was agreed that the anticipated operating surplus be retained, ring-fenced within reserves with any draw down to be approved by the Executive Sub-committee.

The report provided detail on a project to provide support to members' technical and procurement teams to make the most effective use of collaborative procurement routes when managing capital projects. The proposal expanded the capability of Scotland Excel to include call-off support to aid Councils, Housing Associations and other members to make call-offs from frameworks for complex project work, most commonly capital investment projects. The project would develop business cases for improving data analysis activity and, where beneficial, make recommendations on the use of additional digital tools. The report provided further detail on the project and highlighted that the funding requirement for the addition of a Senior Procurement Specialist at Grade 10 for a period of 24 months, on a fixed-term contract, would be a total commitment of £138,378, being an estimated cost of £67,118 for year 1 and £71,249 for year 2.

DECIDED: That the project funding and draw down from agreed reserves for 2024/25 and 2025/26 of a total commitment of £138,378 be approved

Sederunt

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

9 Strategic Risk Register

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

The report intimated that the Strategic Risk Register had been developed using methodology set out in the Strategic Risk Strategy approved by the Joint Committee in December 2022. Currently there were 12 strategic risks ranging in risk evaluation score from 8 to 20 and a summary of key elements in relation to each identified risk was detailed in the Register.

DECIDED: That the Strategic Risk Register be noted.

10 Date of Next Meeting

DECIDED: That it be noted that the next meeting of the Executive Sub-committee would be held remotely on MS teams at 9.30 am on 21 June 2024.

Scotland Excel

To: Joint Committee

On: 21 June 2024

**Report by:
The Treasurer**

Scotland Excel Unaudited Annual Accounts 2023/24

1. Summary

- 1.1. The Annual Accounts for the year ended 31 March 2024 will be submitted to the external auditor, Azets, in advance of the statutory deadline of 30 June 2024, and a copy is attached for members' consideration.
- 1.2. Scotland Excel's Core activities resulted in an underspend of £79.8k in 2023/24 compared to a budgeted break-even position. Projects returned a surplus of income over expenditure of £629.8k. This results in a combined balance of £709.6k being added to Usable Reserves, which are committed for use as outlined in Note 4 of the Annual Accounts.
- 1.3. The Management Commentary within the Accounts (pages 1-8) provides an overview of Scotland Excel's performance during 2023/24, along with risk information and the outlook for the future.

2. Recommendations

- 2.1. The Joint Committee is asked to:
 - (a) Note the Unaudited Annual Accounts and budgetary outturn position for 2023/24; and
 - (b) Approve the Annual Governance Statement (pages 10-12).

3. Background

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

- 3.3. In accordance with the Local Authority Accounts (Scotland) Regulations 2014, the Unaudited Annual Accounts will then be signed only by the Treasurer as proper officer.
- 3.4. The accounts are then subject to external audit by the appointed auditor, Azets, by 30 September. The 2023/24 Audited Annual Accounts are scheduled to be presented to the Executive Sub-Committee on 20 September 2024 for approval, after which they will be signed by the Convener, the Chief Executive and the Treasurer, in accordance with the regulations.
- 3.5. The Comprehensive Income and Expenditure Statement on page 16 shows an accounting Deficit on the Provision of Services of £688.8k.
- 3.6. The Expenditure and Funding Analysis on page 20 shows how this differs from the budgetary surplus of £709.6k due to accounting adjustments for pension costs, capital charges and the statutory employee leave accrual.
- 3.7. During the year, Scotland Excel received an additional £224k of rebate income that was attributable to 2022/23. This has resulted in a Prior Year restatement, which is detailed in Note 1 on page 19. The effect is a revised opening balance on Project Reserve balances at 1 April 2023. The income was transferred in-year from Projects to Core.
- 3.8. The Balance Sheet on page 18 shows an increase in net worth of £639.8k, which is largely driven by the favourable outturn position. This is explained further in the Management Commentary within the accounts.
- 3.9. Note 4 on page 22 outlines committed and uncommitted balances on Core Operations (the Revenue Reserve) and Projects as at 31 March 2024.



Unaudited Annual Accounts
2023/24

CONTENTS

Management Commentary.....	1
Statement of Responsibilities	9
Annual Governance Statement.....	10
Remuneration Report	13
Comprehensive Income and Expenditure Statement.....	16
Movement in Reserves Statement	17
Balance Sheet.....	18
Note 1: Prior Year Restatement.....	19
Note 2: Expenditure and Funding Analysis	20
Note 3: Accounting Standards Issued not Adopted.....	21
Note 4: Transfers to / from Earmarked Reserves	22
Note 5: Unusable Reserves	23
Note 6: Adjustments between Accounting Basis and Funding Basis under Regulations	24
Note 7: Intangible Assets	25
Note 8: Plant and Equipment.....	25
Note 9: External audit costs.....	25
Note 10: Debtors.....	25
Note 11: Creditors.....	25
Note 12: Operating Leases.....	25
Note 13: Events after the balance sheet date	26
Note 14: Related parties	26
Note 15: Retirement Benefits	28
Note 16: Contingent Liabilities.....	31
Note 17: Summary of Significant Accounting Policies	31
Note 18: Critical Judgements in Applying Accounting Policies	36
Note 19: Assumptions made about the future	37

Management Commentary

The purpose of the Management Commentary is to present an overview of Scotland Excel’s financial performance during the year 2023/24 and to help readers understand its financial position at 31 March 2024. In addition, it outlines the main risks and uncertainties facing the organisation for the financial year 2024/25 and beyond.

Structure

Scotland Excel is a Joint Committee constituted by Scottish local authorities and formed under Section 57 of the Local Government (Scotland) Act, 1973 for the purpose of regulating the joint discharge of the functions by the Constituent Authorities. Scotland Excel is governed by three groups of stakeholders drawn from our member organisations:

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

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

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

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

Strategic Aims

The Scotland Excel Corporate Strategy 2023-2028, approved by the Joint Committee in December 2022, sets out how we plan to raise our game further over the coming years, 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 the following link:

<https://home.scotland-excel.org.uk/media/uvrm2flx/corporate-strategy-2023-28-final.pdf>



The current Scotland Excel Strategy Map identified within the 2023-28 Corporate Strategy is detailed below.

Vision

To provide collaborative, innovative and transformative solutions that support social, economic and environmental wellbeing.

Mission

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

Corporate Goals

Through our experience, expertise, innovation and collaboration, we will create and deliver solutions which provide value to our members across key strategic areas:

- Journey towards a net zero Scotland by 2045.
- Drive for efficiency to support the financial sustainability of local public service.
- Community wellbeing with equal access to services, economic development and fair work jobs.
- Resilient supply chains that maximise opportunities for Scottish businesses and the third sector.
- Advancement of skills to deliver Scotland’s economic transformation.

Procurement & Commissioning

We will continue to develop and manage procurement solutions which provide an effective route to market for our members. Our frameworks will continue to deliver additional social, economic and environmental value for communities.

We will:

- Support our members with their drive for financial sustainability by helping them to maximise savings, efficiencies and benefits from our frameworks.
- Implement our new sustainable procurement and net zero strategies to support our members’ net zero journey.
- Develop and deliver new and next generation contracts for key strategic areas including construction, digital and care.
- Respond to new policy and legislation that may impact the value delivered by our frameworks.

Services

We will continue to provide services for our members to help them strengthen their procurement capability, including through the Scotland Excel Academy.

We will:

- Develop proposals for growing our membership and expanding the market for our services.
- Identify and evaluate new service opportunities that provide value to our members.
- Explore alternative business models to support growth and reduce reliance on membership fees.
- Develop and implement new qualification and procurement training programmes based on member requirements.
- Champion public procurement talent through employment and training initiatives.

Partnerships

We will continue to work with the Scottish Government and other national public sector organisations to influence and support policies and programmes that deliver benefits for our members.

We will:

- Develop a partnership strategy to plan and prioritise engagement activity which maximises the value of our relationships.
- We will strengthen our relationships with other local government bodies to provide a unified connection between policy, finance and procurement.
- Develop mutually beneficial relationships with care and other third sector organisations.
- Explore opportunities to provide additional value for members through working in partnership with UK organisations.

Strategic Enablers: Corporate, Finance & ICT

We will continue to develop robust and cost-effective corporate, finance and ICT services which support all business operations and underpin the delivery of our five-year strategy.

We will:

- Explore the opportunities, benefits and risks of alternative business models.
- Enhance our income forecasting and rebate monitoring tools.
- Explore office and facilities solutions appropriate for hybrid and remote working.
- Develop and implement a new business intelligence strategy and plan.
- Develop and deliver a new five-year ICT strategy and plan to enhance business efficiency.
- Explore methods to reduce the carbon footprint of our business operations.

Strategic Enablers: Organisational Development

We will continue to implement our People Strategy and the recommendations of our Gold Standard Investors in People report to ensure that our staff fulfill their potential. A culture of performance management will support career development and underpin the delivery of effective and efficient services.

We will:

- Implement an employee journey that supports the recruitment and retention of talented staff.
- Undertake succession planning to support career development and create a steady pipeline of talent at all levels.
- Equip staff with the skills required to provide value to our customers, now and in the future.
- Support the wellbeing of our staff through flexible working, physical and mental health resources, and staff engagement platforms.

Strategic Enablers: Engagement & Communication

We will continue to develop and deliver engagement and communications plans which increase Scotland Excel’s influence and ensure our members obtain maximum value from our services.

We will:

- Increase engagement with elected members and other senior stakeholders.
- Improve customer experience and increase satisfaction.
- Engage with partners and stakeholders on net zero strategies and other key policy areas.
- Provide advocacy and representation for our members within key national policy groups and programmes.

Performance

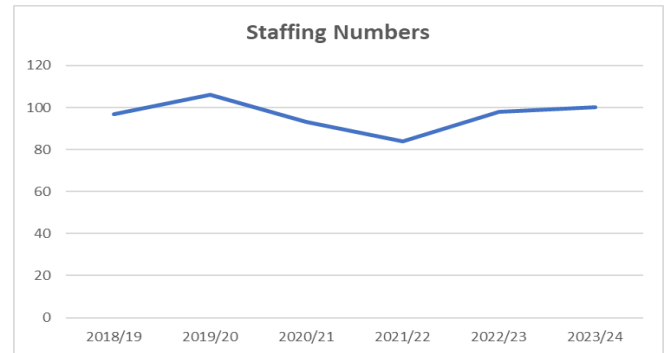
Review of the Year

During 2023/24, Scotland Excel continued to deliver against target outcomes detailed within the organisation’s “Our Corporate Strategy 2023-28” document. For financial year 2023/24, Scotland Excel concluded 11 national frameworks with an overall anticipated annual value of almost £158m, bringing the estimated total value of the contract portfolio managed and administered by Scotland Excel to c£2bn. The graph below shows the rise in estimated value of the managed contract portfolio administered by Scotland Excel over the past 6 years.



During 2023/24, Scotland Excel carried out a comprehensive Workforce Development Plan with the aim of ensuring that the Scotland Excel workforce and structure continues to meet the growing and diversifying demands from its stakeholders, within an ever changing and challenging environment.

The graph below tracks Scotland Excel staffing numbers over the past 6 years.



Key Performance Indicators

The following infographic provides an overview of Key Performance Indicators (KPIs) as at 31 March 2023. KPI information for 2023/24 is not available at time of writing.

Scotland Excel Overview

£2bn
Advertised value of the portfolio

£556m
Spend where savings have been targeted

£25m
Estimated savings

69
Number of live frameworks

66%
Average utilisation

£1.2m
Estimated rebate earned

Suppliers

1,031
Number of suppliers over all frameworks

75%
% SMEs over all frameworks

676
Number of Scottish suppliers over all frameworks

83%
% of Scottish suppliers that are SMEs

Learning and Development

348
Qualifications awarded by The Academy

Community Benefits

Total	1946	407	88,395 hrs	£3.8m
April 22 to March 23	296	49	15,411 hrs	£783k
	Jobs	Apprentices	Work Experience	Charity/community initiatives

Real Living Wage

87%
Suppliers paying the Real Living Wage

Framework Information at Q4 22/23 | Spend against which savings have been targeted represents spend on frameworks across the portfolio, excluding Social Care service frameworks | Estimated savings figure comprises; direct price-based savings, cost avoidance (collaboration) and cost avoidance (indexation) | Rebates for 2021/22 | Community Benefits for 2022/23

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.

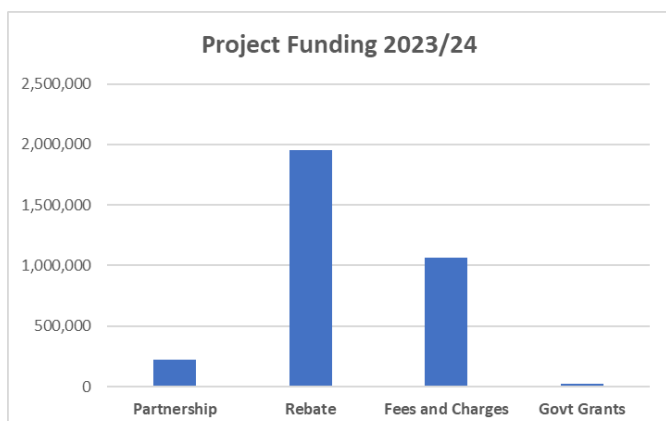
Income from Contract Rebates was budgeted within the core operating budget to deliver a contribution of £583k to core operating costs in financial year 2023/24, and this figure has been achieved.

The number of Scotland Excel frameworks with built-in rebates increased during 2023/24 and is projected to increase during 2024/25. The contribution from Contract Rebates to core operating costs during 2024/25 is budgeted to achieve £1.048m.

Consultancy

During 2023/2024, Scotland Excel worked closely with a range of public, third and Government sector organisations to deliver 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 or services.

Sources and levels of Project funding for 2023/24 are shown in the chart below.



In total, 14 projects were delivered by Scotland Excel during 2023/24, generating a turnover in excess of £3.3m and achieving a contribution to core running costs of £587k.

The Flexible Procurement project continued to develop during 2023/24 generating an annual turnover of c£390k. 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 2023/24 included a number of local authorities, Crown Estate Scotland, City Property Glasgow (Investments) LLP, the Care Inspectorate and, the Improvement Service.

Learning and Development

The Scotland Excel Academy's Virtual Learning Environment (VLE) has 2,463 registered learners who access people development accredited and unaccredited programmes, workshops, video content, eLearning and discussion forums. Learners have secure access to accredited programmes and public access to free learning and development materials.

During 2023/24, the Academy completed 10 accredited cohorts – two in Procurement, one in Leadership and Management, two in Strategic Leadership and Management, three in Project Management, and two in Business Analysis and Innovation. The Academy also delivers the Scottish Government Procurement and Commercial Training Framework (SG PCTF), engaging 600 learners across 38 workshops in 2023/24.

In addition to chargeable training, the Academy delivers free learning and development workshops to members and partners, engaging 272 learners in nine Stay Connected workshops. These workshops span procurement, leadership and management, project management, business analysis and innovation.

Working with Glasgow Caledonian University and the Scottish Government Procurement and Property Directorate, the Academy has co-designed the first

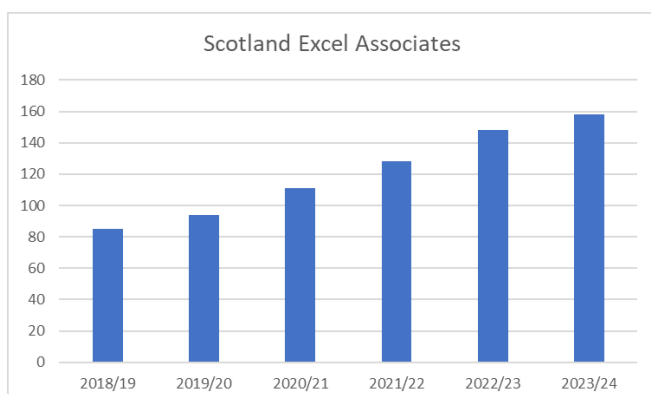
Graduate Apprenticeship in Procurement. This is scheduled to launch in September 2024 and will be the first Graduate Apprenticeship programme to offer specialisms in procurement and supply chain management.

The Academy’s contribution to core running costs for 2023/24 was budgeted at £30k, and this contribution was achieved.

Associate Membership Expansion

Scotland Excel continues to build its portfolio of Associate Members, which currently number 158 in total. Associate Members are made up of 26 Arm’s Length External Organisations (ALEOs), who gain associate membership through their host local authority. A further 132 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 six years.



The budgeted income target from Associates for 2023/24 was £230k. This figure has been achieved, with the actual contribution to Core from Associate members totaling £234k in 2023/24, an increase of £35k on the previous year.

New Build Housing

Challenges, including the impact of the COVID-19 pandemic, Brexit, and on-going conflict around the world continue to impact usage levels of the New Build Housing framework. During 2023/24, a further eight new build projects were added to the existing list of projects actively utilising the framework. No contribution from the New Build framework was budgeted during 2023/24 and the framework continued to cover all running costs from rebates accrued from sales. A contribution of £66k to core running costs from the New Build project has been budgeted for 2024/25.

The next generation of the New Build framework will be launched during 2024/25.

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 position at 31 March 2024. 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. There is £0 cash balance at 31 March 2024 due to the recent closure of petty cash facilities previously held by officers.

Financial Performance

Excluding Project expenditure and income, the Joint Committee returned a net underspend in 2023/24 of £80k against a budgeted break-even position.

There were material overspends in the year within Employee Costs (£355k) due mainly to higher than budgeted pay award in 2023/24, and in Supplies and Services (£29k) mainly due to higher than budgeted legal costs.

There were underspends within Support Costs (£53k) mainly resulting from savings accrued from a competitive tender process for Professional Indemnity Insurance renewal costs for 2023/24. Transport Cost underspent by £13k, due to less travel to meetings, training and conferences. The net result was an overspend in gross expenditure for 2023/24 of £313k.

Income from requisitions was fully recovered in the year and there was a higher level of interest received in-year than budgeted (16k). Income from Projects significantly over-recovered in Core (£373k) arising mainly from rebate income generated by Scotland Excel frameworks. During the year an additional £224k of rebate income that was attributable to 2022/23 was received. This has resulted in a Prior Year

restatement, which is detailed in Note 1 on page 19. It was transferred in-year from Projects to Core.

Scotland Excel's Projects ended the year at 31 March 2024 with a surplus of income over expenditure of £630k. This balance is committed for future Project spend, as outlined in Note 4: Transfers to / from Earmarked Reserves on page 22.

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 (£47k) and accrued employee benefits (£66k).

The difference between the Other Income figure below and the figure reported in the CIES is a Government Grant of £27k and interest receivable of £16k.

The CIES also records capital charges and capital grants that affect the accounting deficit. These reporting differences are presented in Note 2: Expenditure and Funding Analysis on page 20.

	Core Budget £	Actual £	Variance £	Projects Actual £	Total Actual £
Employee Costs	4,207,332	4,561,835	(354,503)	1,660,923	6,222,758
Property Costs	216,500	216,500	0	0	216,500
Transport Costs	20,000	7,425	12,575	407	7,832
Supplies and Services	291,601	320,102	(28,501)	824,951	1,145,053
Transfer Payments	22,001	17,137	4,864	5,598	22,735
Support Costs	303,290	250,250	53,040	0	250,250
Total Expenditure	5,060,724	5,373,249	(312,525)	2,491,879	7,865,128
Requisitions from Member Authorities	(3,999,008)	(3,999,008)	0	0	(3,999,008)
Income from Projects	(248,000)	(621,136)	373,136	(3,094,257)	(3,715,393)
Other Income	(813,716)	(832,925)	19,209	(27,380)	(860,305)
Total Income	(5,060,724)	(5,453,069)	392,345	(3,121,637)	(8,574,706)
Net Draw on/(Contribution to) Reserves	0	(79,820)	79,820	(629,758)	(709,578)

The Balance Sheet at 31 March 2024

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 2024 to that of the prior year, an overall increase in net worth of the organisation of £640k can be seen. This is primarily driven by an increase in current assets.

Non-current assets held by the Joint Committee include IT equipment and software. Details can be found in Note 7: Intangible Assets and Note 8: Plant and Equipment on page 25.

Net Pension Position

The disclosure requirements for pension benefits under IAS19 are detailed at Note 15: Retirement Benefits on page 28.

The appointed actuaries have confirmed a net asset of £7.835m (£7.635m in 2022/23), an improvement of £0.200m, in their assessment of the position of the pension fund. Some of this can be attributed to the LGPS Fund investment performance returns being higher than assumed. However, there is a cap on the value of a pension asset that can be reported for accounting purposes. For 2023/24, this adjusts the value of the pension asset shown in the balance sheet to £0, as in 2022/23.

A potential change to pension rules is outlined in Note 16: Contingent Liabilities on page 31; however, this has not been reflected in the pension liability reported in the Balance Sheet.

Reserves

Scotland Excel holds a Revenue Reserve balance that comprises an uncommitted element to mitigate the impact of future cost pressures, along with balances specifically earmarked for the future delivery of Projects. Further detail on these balances can be found in Note 4: Transfers to / from Earmarked Reserves on page 22. The closing balance of Usable Reserves at 31 March 2023 has been restated as explained in Note 1: Prior Year Restatement on page 19. The closing balance of Usable Reserves at 31 March 2024 was £2.674m.













Principal Risks and Uncertainty

Scotland Excel maintains a Strategic Risk Register to assess risks that could adversely impact on the delivery of organisational objectives and identifies actions currently undertaken to control and mitigate the likelihood and impact of these risks. The Strategic Risk Register is reviewed quarterly by the organisation's Senior Management Team and is presented regularly to the Scotland Excel Executive Sub-Committee and bi-annually to the Joint Committee.

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

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

Residual Risk Movement Over the Last 4 Periods

Risk Ref.	Risk Title	Period				Trend
		Q2 23/24	Q3 23/24	Q4 23/24	Q1 24/25	
SXL001 – 24/25	Organisational Sustainability	15	15	15	15	
SXL002 - 24/25	Managing Growth and Diversity	12	12	16	12	
SXL003 - 24/25	Political, Legislative and Policy Change	16	16	20	20	
SXL004 - 24/25	Reputational Risk	12	12	16	16	
SXL005 - 24/25	Supply Chain Resilience	20	20	20	16	
SXL006 - 24/25	Staff Recruitment and Retention	16	16	16	12	
SXL007 - 24/25	Corporate Social Responsibility	9	9	9	9	
SXL008 - 24/25	Meeting Member and Stakeholder Expectations	12	12	16	16	
SXL009 - 24/25	Environmental Impact and Climate Change	12	12	12	16	
SXL010 - 24/25	National Emergency Including Pandemic	12	12	12	8	
SXL011 - 24/25	Redesign of Scottish Public Services	16	16	12	12	
SXL012 - 24/25	ICT and Cyber Security	16	16	16	16	

Outlook and Future Plans

While 2023/24 presented a range of continuing challenges for Scotland Excel, the organisation has performed well during the year both financially and operationally, with services delivered to a high standard. Income streams continued to develop and performed above expectations. While the sector adapts to an ever more challenging financial environment, Scotland Excel will continue to work with its partners to ensure that ongoing service delivery requirements for public services are met and exceeded and that best value is consistently achieved.

Conclusion

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

Councillor John Shaw
Convener

Alastair MacArthur
Treasurer

Julie Welsh
Chief Executive

Statement of Responsibilities for the Annual Accounts

The Joint Committee's Responsibilities

The Joint Committee is required to:

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

I confirm that these Annual Accounts were approved for signature by the Joint Committee at its meeting on 21 June 2024.

Signed on behalf of Scotland Excel.

Councillor John Shaw
Convener

The Treasurer's Responsibilities

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

In preparing the Annual Accounts, the Treasurer has:

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

The Treasurer has also:

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

I certify that the financial statements give a true and fair view of the financial position of the Joint Committee at the reporting date and the transactions of the Joint Committee for the year ended 31 March 2024.

Alastair MacArthur
Treasurer

Annual Governance Statement

Scope of Responsibility

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

The Joint Committee’s Governance Framework

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

The Joint Committee has also put in place a system of internal control designed to manage risk to a reasonable level. Internal control cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Joint Committee’s policies aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

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

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

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

The system includes:

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

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

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

Review of Effectiveness

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

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

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

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

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

The Council's Chief Auditor provides an annual report to the Joint Committee and an independent opinion on the adequacy and effectiveness of the system of internal control. The 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 2023/24 and no actions arising for the 2022/23 governance statement that require to be reported on. This governance framework has been in place throughout the year.

Assurance

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

Councillor John Shaw
Convener

Julie Welsh
Chief Executive

Remuneration Report

All information disclosed in the tables in this Remuneration Report will be audited by the appointed auditor, Azets. The other sections of the Remuneration Report will be reviewed by Azets 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

2022/23 Total Salary, fees and allowances £	Name	Post Held	2023/24 Total Salary, fees and allowances £
120,592	Julie Welsh	Chief Executive	127,513
99,438	Hugh Carr	Head of Strategic Procurement	105,434
99,438	Stephen Brannagan	Head of Customer & Business Services	105,434

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 2024, 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 2023/24		Equivalent bandings for 2022/23
Up to £25,300	5.5%	Up to £23,000
£25,301 to £31,000	7.25%	£23,001 to £28,100
£31,001 to £42,500	8.5%	£28,101 to £38,600
£42,501 to £56,600	9.5%	£38,601 to £51,400
Over £56,601	12%	Over £51,401

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 2024		Change from 31 March 2023		2023/24	2022/23
		Pension	Lump Sum	Pension	Lump Sum	2023/24	2022/23
		£000	£000	£000	£000	£	£
Julie Welsh	Chief Executive	39	2	7	0	24,678	23,274
Hugh Carr	Head of Strategic Procurement	28	0	6	0	20,349	19,191
Stephen Brannagan	Head of Customer & Business Services	19	0	5	0	20,349	19,191

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 2023/24, in bands of £5,000. Bands not shown contain nil employees.

2022/23 Number of employees	Remuneration Band	2023/24 Number of employees
14	£50,000 - £54,999	12
6	£55,000 - £59,999	7
3	£60,000 - £64,999	5
1	£65,000 - £69,999	3
0	£70,000 - £74,999	1
0	£75,000 - £79,999	1
2	£100,000 - £104,999	0
0	£105,000 - £109,999	2
1	£120,000 - £124,999	0
0	£125,000 - £129,999	1
27		32

Exit packages

Three exit packages were agreed in 2023/24 as detailed in the table below. These were all agreed on a voluntary basis; there were no compulsory redundancies. Scotland Excel only agrees exit packages where they are consistent with wider workforce planning and service delivery objectives; and where the savings accruing from an individual ceasing employment are sufficient to pay back the costs of the exit package within an acceptable period. The assessment of the payback period takes account of the total cost of the exit package.

The total exit package costs in the table below include redundancy, pension strain and compensatory lump sum payments.

2022/23	Exit Packages	2023/24	
Value		Number of employees	Value
£			£
0	£20,001 - £40,000	2	48,611
0	£40,001 - £60,000	1	46,269
0		3	94,880

Councillor John Shaw
Convener

Julie Welsh
Chief Executive

Comprehensive Income and Expenditure Statement

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

2022/23 (restated)			Note	2023/24		
Gross Expenditure £	Gross Income £	Net Expenditure £		Gross Expenditure £	Gross Income £	Net Expenditure £
6,674,420	0	6,674,420	Employee Costs	6,242,010	0	6,242,010
216,500	0	216,500	Property Costs	216,500	0	216,500
990,556	0	990,556	Supplies and Services	1,124,739	0	1,124,739
271,925	0	271,925	Support Costs	250,250	0	250,250
21,167	0	21,167	Transfer Payments	22,735	0	22,735
4,537	0	4,537	Transport Costs	7,832	0	7,832
21,159	0	21,159	Capital Charges	23,866	0	23,866
0	(3,050,659)	(3,050,659)	Income from Projects	0	(3,715,392)	(3,715,392)
0	(98,000)	(98,000)	Government Grants	0	(27,380)	(27,380)
0	(742,467)	(742,467)	Other Income	0	(816,844)	(816,844)
8,200,264	(3,891,126)	4,309,139	Cost of Services	7,887,932	(4,559,616)	3,328,316
			Financing and Investment Income and Expenditure			
0	(1,167)	(1,167)	Interest receivable	0	(16,081)	(16,081)
71,000	0	71,000	Pension interest cost 15	0	(2,000)	(2,000)
			Taxation and Non-Specific Grant Income			
0	(3,883,006)	(3,883,006)	Requisitions from Member Authorities 14	0	(3,999,008)	(3,999,008)
8,271,264	(7,775,299)	495,966	Deficit on the provision of services	7,887,932	(8,576,705)	(688,773)
			Other Comprehensive Income and Expenditure			
		(3,209,000)	Actuarial (Gains) or losses on pension assets and 15			49,000
		(2,713,034)	Total Comprehensive Income and Expenditure			(639,773)

Note that figures in brackets represent income or gains and figures without brackets represent expenditure or losses. For information on the 2022/23 restatement, please see Note 1: Prior Year Restatement on page 19.

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 2023		(1,964,262)	(57,265)	(2,021,527)
Total Comprehensive Income and Expenditure		(688,773)	49,000	(639,773)
Adjustments between accounting basis and funding basis under regulations	6	(20,804)	20,804	0
Increase or (decrease) in year		(709,577)	69,804	(639,773)
Balance at 31 March 2024		(2,673,839)	12,539	(2,661,300)

Comparative movements in 2022/23 (restated)	Note	Usable Reserves £	Unusable Reserves £	Total Reserves £
Balance at 1 April 2022		(1,359,130)	2,050,637	691,507
Total Comprehensive Income and Expenditure		495,966	(3,209,000)	(2,713,034)
Adjustments between accounting basis and funding basis under regulations	6	(1,101,098)	1,101,098	0
Increase or (decrease) in year		(605,132)	(2,107,902)	(2,713,034)
Balance at 31 March 2023		(1,964,262)	(57,265)	(2,021,527)

For information on the 2022/23 restatement, please see Note 1: Prior Year Restatement on page 19.

Balance Sheet

The balance sheet shows the value as at 31 March 2024 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 2023 (restated) £		Note	As at 31 March 2024 £
82,332	Intangible Assets	7	69,366
40,441	Plant and Equipment	8	49,857
122,773	Long-term Assets		119,223
814,313	Funds held by Renfrewshire Council		937,366
1,510,533	Short-term Debtors and Prepayments	10	2,146,842
150	Cash in Hand		0
2,324,996	Current Assets		3,084,208
(426,242)	Creditors And Accruals	11	(542,131)
(426,242)	Current Liabilities		(542,131)
0	Pension (liability)/Asset	15	0
0	Long Term Liabilities		0
2,021,527	Net Assets / (Liabilities)		2,661,300
(1,964,262)	Usable Reserves	4	(2,673,839)
(57,265)	Unusable Reserves	5	12,539
(2,021,527)	Total Reserves		(2,661,300)

The unaudited accounts were issued on 21 June 2024. For information on the 2022/23 restatement, please see Note 1: Prior Year Restatement on page 19.

Alastair MacArthur
Treasurer

Note 1: Prior Year Restatement

In closing the accounts for 2022/23, rebate income anticipated and not yet received was accrued. During 2023/24 it transpired that the level of rebate income receivable was £224k higher than that accrual. This means that the outturn position was £224k higher than reported in the audited accounts for 2022/23. The 2022/23 accounts require to be restated so that opening reserve balances are correct for the 2023/24 accounts. The effect on the CIES, presented on page 16 is as follows:

CIES	Originally Stated at 31 March 2023 £	Restated as at 31 March 2024 £	Amount of Restatement £
Income from Projects	(2,826,283)	(3,050,659)	(224,376)
Cost of Services	4,533,515	4,309,139	(224,376)
(Surplus)/Deficit on the Provision of Services	720,342	495,966	(224,376)
Total Comprehensive Income and Expenditure	(2,488,658)	(2,713,034)	(224,376)

The Code requires that a third Balance Sheet is presented for the beginning of the preceding financial year when a retrospective restatement affects opening balances. There is no impact on 2022/23 opening balances for this restatement. The effect on the 2022/23 Balance Sheet (and associated Notes) is as follows:

Balance Sheet	Originally Stated at 31 March 2023 £	Restated as at 31 March 2024 £	Amount of Restatement £
Short-term Debtors and Prepayments	1,286,157	1,510,533	224,376
Current Assets	2,100,620	2,324,996	224,376
Net Assets / (Liabilities)	1,797,151	2,021,527	224,376
Usable Reserves	(1,739,886)	(1,964,262)	(224,376)
Total Reserves	(1,797,151)	(2,021,527)	(224,376)

The following restatement was also required for the Movement in Reserves Statement. The restated prior period Movement in Reserves Statement is provided with the current year information on page 17. The Usable Reserve affected was the Small Value Procurement Project.

Usable Reserves	Originally Stated at 31 March 2023 £	Restated as at 31 March 2024 £	Amount of Restatement £
Balance at 1 April 2022	(1,359,130)	(1,359,130)	0
Total Comprehensive Income and Expenditure	720,342	495,966	(224,376)
Adjustments between accounting basis and funding basis under regulations	(1,101,098)	(1,101,098)	0
Increase or (decrease) in year	(380,756)	(605,132)	(224,376)
Balance at 31 March 2023	(1,739,886)	(1,964,262)	(224,376)

Note 2: 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. For information on the 2022/23 restatement, please see Note 1: Prior Year Restatement on page 19.

2023/24	Net Expenditure chargeable to Scotland Excel £	Adjustments for capital £	Adjustments for pensions £	Other adjustments £	Net Expenditure in the CIES £
Employee Costs	6,222,758		(47,000)	66,254	6,242,010
Property Costs	216,500				216,500
Supplies and Services	1,145,053	(20,316)			1,124,739
Support Costs	250,250				250,250
Transfer Payments	22,735				22,735
Transport Costs	7,832				7,832
Capital Charges	0	23,866			23,866
Income from Projects	(3,715,393)				(3,715,392)
Government Grants	0			(27,380)	(27,380)
Other Income	(860,305)			43,461	(816,844)
Cost of Services	3,289,430	3,550	(47,000)	82,335	3,328,316
Other income and expenditure	(3,999,008)	0	(2,000)	(16,081)	(4,017,089)
(Surplus) or deficit on the provision of service	(709,578)	3,550	(49,000)	66,254	(688,773)

2022/23 (restated)	Net Expenditure chargeable to Scotland Excel £	Adjustments for capital £	Adjustments for pensions £	Other adjustments £	Net Expenditure in the CIES £
Employee Costs	5,651,949		1,042,000	(19,529)	6,674,420
Property Costs	216,500				216,500
Supplies and Services	1,004,088	(13,532)			990,556
Support Costs	271,925				271,925
Transfer Payments	21,167				21,167
Transport Costs	4,537				4,537
Capital Charges	0	21,159			21,159
Income from Projects	(3,050,659)				(3,050,659)
Government Grants	0			(98,000)	(98,000)
Other Income	(841,634)			99,167	(742,467)
Cost of Services	3,277,874	7,627	1,042,000	(18,362)	4,309,139
Other income and expenditure	(3,883,006)	0	71,000	(1,167)	(3,813,173)
(Surplus) or deficit on the provision of service	(605,132)	7,627	1,113,000	(19,529)	495,966

Note 3: 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 2024/25 Code:

- IFRS 16 Leases
- Classification of liabilities as Current or Non-current (Amendments to IAS1)
- Lease liability in a Sale and Leaseback (Amendments to IFRS 16)
- Non-current Liabilities with Covenants (Amendments to IFRS 16)

There is no material impact anticipated in future years from the implementation of these standards, other than IFRS 16 Leases.

CIPFA LASAAC has issued a formal decision to defer the implementation of IFRS 16 until 1 April 2024 when Scotland Excel will apply IFRS 16 in the 2024/25 accounts. The impact of the new requirement is that arrangements previously accounted for as operating leases, a right of use asset and a lease liability will be brought into the balance sheet at 1 April 2024.

IFRS 16 will be applied retrospectively, but with the cumulative effect recognised at 1 April 2024. This means that right of use assets and lease liabilities will be calculated as if IFRS 16 had always applied but recognised in 2024/25 and not by adjusting prior year figures.

Recognition exemptions will apply to short term leases, meaning that right of use assets and lease liabilities that have a term of 12 months or less, as well as leases of low value assets, will not be recognised.

It is anticipated that the application of the Code's adaptation of IFRS 16 will result in the additions to the balance sheet in 2024/25 of Property, Plant and equipment (right of use assets) amounting to £375,510.

Note 4: 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. For information on the 2022/23 restatement, please see Note 1: Prior Year Restatement on page 19.

	Balance at 1 April 2023 (restated) £	Transfers out £	Transfers in £	Balance at 31 March 2024 £
Revenue Reserve - uncommitted balance	(244,544)	0	(79,820)	(324,364)
The Academy	(159,580)	20,380	0	(139,200)
Digital Transformation	(19,186)	5,116	0	(14,070)
Dumfries & Galloway Project	(36,800)	87,425	0	50,625
Early Learning and Childcare	(75,482)	75,482	0	0
East Lothian Project	16,782	0	0	16,782
East Renfrewshire Project	(16,652)	0	0	(16,652)
Hosted Procurement	(214,174)	0	(17,769)	(231,943)
National Care Home Contract	(57,498)	22,700	0	(34,798)
New Build Project	169,216	0	(176,883)	(7,667)
South Lanarkshire Council	(123,589)	0	(35,373)	(158,962)
Small Value Procurement	(1,126,464)	0	(592,209)	(1,718,673)
Stirling Council	(18,612)	0	(32,013)	(50,625)
Scottish Government Rehab Project	(44,339)	40,638	0	(3,701)
Dundee City Council	(4,751)	0	(35,840)	(40,591)
SEEMIS	(8,588)	8,588	0	0
Total Usable Reserves	(1,964,261)	260,329	(969,907)	(2,673,839)

	Balance at 31 March 2024 £	Committed £	Uncommitted Balance £	Note
Revenue Reserve - uncommitted balance	(324,364)	0	(324,364)	(a)
The Academy	(139,200)	(139,200)	0	(b)
Digital Transformation	(14,070)	(14,070)	0	(b)
Dumfries & Galloway Project	50,625	50,625	0	(b)
East Lothian Project	16,782	16,782	0	(b)
East Renfrewshire Project	(16,652)	(16,652)	0	(b)
Hosted Procurement	(231,943)	(231,943)	0	(b)
National Care Home Contract	(34,798)	(34,798)	0	(b)
New Build Project	(7,667)	(7,667)	0	(b)
South Lanarkshire	(158,962)	(158,962)	0	(b)
Small Value Procurement	(1,718,673)	(1,718,673)	0	(b)
Stirling Council	(50,625)	(50,625)	0	(b)
Scottish Government Rehab Project	(3,701)	(3,701)	0	(b)
Dundee City Council	(40,591)	(40,591)	0	(b)
Total Usable Reserves	(2,673,839)	(2,349,475)	(324,364)	

Notes

- a) The balance on the Revenue Reserve represents 5.7% of the Cost of Services in 2023/24 (5.5% in 2022/23);
b) Balances are ring-fenced for continuing 2024/25 Project delivery.

Note 5: 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 credit balance on the Pension Reserve at 31 March 2024 (before the asset cap is applied) indicates a net asset position in the Joint Committee's share of Strathclyde Pension Fund resources available to meet the cost of benefits earned by past and current employees (£7.635m at March 2023). Statutory arrangements, such as the triennial valuations, ensure that sufficient funding will have been set aside by the time that benefits come to be paid.

2022/23 £	Pension Reserve	2023/24 £
2,096,000	Balance as at 1 April	0
(10,844,000)	Actuarial (gains) and losses on pension assets and liabilities	212,000
7,635,000	Restriction to pension asset ceiling	(163,000)
1,113,000	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the CIES	(49,000)
0	Balance as at 31 March	0

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.

2022/23 £	Employee Statutory Adjustment Account	2023/24 £
85,036	Balance as at 1 April	65,507
(85,036)	Reversal of prior year accrual for short-term accumulating compensated absences	(65,507)
65,507	Accrual for short-term accumulating compensating absences at 31 March	131,761
65,507	Balance as at 31 March	131,761

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.

2022/23 £	Capital Adjustment Account	2023/24 £
(130,399)	Balance as at 1 April	(122,772)
21,159	Charges for depreciation of non-current assets	23,866
(13,532)	Capital expenditure charged against Revenue balances	(20,316)
(122,772)	Balance as at 31 March	(119,222)

Note 6: Adjustments between Accounting Basis and Funding Basis under Regulations

The surplus for the year on the Revenue Reserve was £20,804 more than the surplus 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.

2023/24	Usable Reserves £	Unusable Reserves £
Adjustments primarily involving the Capital Adjustment Account:		
Charges for depreciation of non-current assets	(23,866)	23,866
Capital expenditure charged against Revenue balances	20,316	(20,316)
Adjustments primarily involving the Pension Reserve:		
Net charges made for retirement benefits in accordance with IAS19	(777,000)	777,000
Employers contributions payable to the Strathclyde Pension Fund	826,000	(826,000)
Adjustments primarily involving the Employee Statutory Adjustment Account:		
Net charges for employment short-term accumulating absences	(66,254)	66,254
Total adjustments	(20,804)	20,804

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

Note 7: Intangible Assets

2022/23 £	Software	2023/24 £
	Opening balance	
129,660	Gross carrying amounts	129,660
(34,362)	Accumulated amortisation	(47,328)
95,298	Net carrying amount at 1 April	82,332
0	Additions	0
(12,966)	Amortisation for the year	(12,966)
82,332	Net carrying amount at 31 March	69,366
	Comprising:	
129,660	Gross carrying amounts	129,660
(47,328)	Accumulated amortisation	(60,294)
82,332		69,366

Note 8: Plant and Equipment

2022/23 £	Plant and Equipment	2023/24 £
	Cost or Valuation	
55,171	Opening balance at 1 April	68,703
13,532	Additions	20,316
68,703	Gross Book Value at 31 March	89,019
	Depreciation and Impairment	
(20,069)	Accumulated depreciation at 1 April	(28,262)
(8,193)	Depreciation charge for year	(10,900)
(28,262)	Accumulated depreciation at 31 March	(39,162)
35,102	Opening Net Book Value	40,441
40,441	Closing Net Book Value	49,857

Note 9: External audit costs

2022/23 £		2023/24 £
10,510	Fees payable in respect of external audit services	9,790

Note 10: Debtors

As at 31 March 2023 (restated) £	Short-term debtors	As at 31 March 2024 £
108,630	Prepayments	112,694
1,401,903	Other receivable amounts	2,034,148
1,510,533	Total	2,146,842

For information on the 2022/23 restatement, please see Note 1: Prior Year Restatement on page 19.

Note 11: Creditors

As at 31 March 2023 £	Short-term creditors	As at 31 March 2024 £
(61,779)	Trade payables	(46,148)
(364,463)	Other payables	(495,983)
(426,242)	Total	(542,131)

Note 12: 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 (2022/23 £97,000). The 2022/23 figures have been restated to reflect the exact number of days to the end of the lease, which is 12 February 2029.

2022/23 (restated) £	Future Minimum Lease Payments	2023/24 £
97,000	Not later than one year	97,000
388,000	Between one and five years	375,510
84,510	Later than five years	0
569,510	Total	472,510

Note 13: Events after the balance sheet date

The unaudited accounts are issued to the Joint Committee on 21 June 2024. Where events taking place before this date provided information about conditions existing at 31 March 2024, 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 14: Related parties

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

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

Elected member interests in related parties

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

Elected Members and senior officers

Members of the Joint Committee and senior officers have control over Scotland Excel's financial and operating policies. They have the responsibility to adhere to a Code of Conduct, requiring them to declare an interest in matters that directly or indirectly influence, or appear to influence, their judgement or decisions taken during the course of their work. The total senior officers' remuneration allowances paid in 2023/24 is shown in the Remuneration Report on page 13.

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

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

The Executive Sub-Committee is a sub-group of elected members from the Joint Committee who meet regularly to approve contract awards and other business decisions. At 31 March 2024, it was comprised of the following councillors:

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

Key Related Parties – member authorities

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

2022/23 £	Council	%	2023/24 £
154,289	Aberdeen City	3.9%	157,769
172,791	Aberdeenshire	4.5%	178,354
90,340	Angus	2.3%	92,786
73,094	Argyll and Bute	1.9%	75,330
53,574	Clackmannanshire	1.4%	55,083
108,910	Dumfries and Galloway	2.8%	111,858
109,171	Dundee City	2.8%	111,234
93,643	East Ayrshire	2.4%	96,230
86,041	East Dunbartonshire	2.2%	88,571
85,160	East Lothian	2.2%	88,967
78,587	East Renfrewshire	2.0%	81,378
322,741	City of Edinburgh	8.3%	332,351
39,462	Eilean Siar	1.0%	40,547
115,750	Falkirk	3.0%	118,812
236,667	Fife	6.1%	243,764
384,257	Glasgow City	9.9%	395,787
158,361	Highland	4.1%	163,975
68,506	Inverclyde	1.7%	69,772
76,841	Midlothian	2.0%	80,269
78,752	Moray	2.0%	81,279
100,881	North Ayrshire	2.6%	103,352
218,370	North Lanarkshire	5.6%	224,305
36,932	Orkney Islands	1.0%	38,153
110,667	Perth and Kinross	2.9%	114,789
126,104	Renfrewshire	3.3%	130,044
89,947	Scottish Borders	2.3%	92,727
37,301	Shetland Islands	1.0%	38,387
88,298	South Ayrshire	2.3%	90,643
206,520	South Lanarkshire	5.3%	213,347
77,836	Stirling	2.0%	79,562
74,834	West Dunbartonshire	1.9%	76,246
128,379	West Lothian	3.3%	133,337
3,883,006	Total	100%	3,999,008

A number of councils participated in targeted procurement projects over the course of 2023/24, as well as contributing towards participation in work related to the National Care Home Contract- (NCHC). Income received for 2023/24 was as follows:

Council	NCHC	Projects
	£	£
Aberdeen City	8,868	151,995
Aberdeenshire	10,014	140
Angus	5,248	0
Argyll and Bute	4,276	0
Clackmannanshire	3,148	813
Dumfries and Galloway	6,311	47,649
Dundee City	6,276	166,450
East Ayrshire	5,440	0
East Dunbartonshire	5,014	0
East Lothian	5,036	1,130
East Renfrewshire	4,613	0
City of Edinburgh	18,591	9,000
Eilean Siar	2,339	0
Falkirk	6,698	0
Fife	13,657	0
Glasgow City	22,125	5,800
Highland	9,213	845
Inverclyde	3,967	532
Midlothian	4,551	130
Moray	4,607	813
North Ayrshire	5,837	1,659
North Lanarkshire	12,574	4,450
Orkney Islands	0	140
Perth and Kinross	6,474	140
Renfrewshire	7,324	0
Scottish Borders	5,245	820
Shetland Islands	0	3,750
South Ayrshire	5,129	850
South Lanarkshire	11,963	278,203
Stirling	4,512	32,000
West Dunbartonshire	4,327	565
West Lothian	7,507	0
Total	220,884	707,874

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

2023/24, Scotland Excel paid Renfrewshire Council £159,250 for support services (2022/23 £159,250).

Scotland Excel also received £16k from Renfrewshire Council for interest earned on cash balances (reserves) held by the Council on its behalf.

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

Other public bodies

Strathclyde Pension Fund is the principal administrators of the post-retirement funds held on behalf of the current and former employees of Scotland Excel. Information about transactions during the year and outstanding assets and liabilities in relation to Scotland Excel's pension fund can be found in Note 15: Retirement Benefits.

Scotland Excel has a number of public bodies, including Housing Associations who are associate members and pay an annual fee to access its frameworks. In addition, a number of public bodies participated in targeted procurement projects over the course of 2023/24. Those bodies contributing a material level of income for 2023/24 were as follows:

Other Public and Associated Bodies	£
City Property Glasgow LLP	23,000
Crown Estate Scotland	10,000
Department of Health Northern Ireland	75,482
Forestry and Land Scotland	21,590
Highlands and Islands Airports Ltd	12,050
Kingdom Housing Association Ltd	23,616
Link Group Ltd	14,770
North Glasgow Housing Association Ltd	8,457
River Clyde Homes	9,126
Scottish Government	54,813
SEEMiS Group LLP	35,550
Strathclyde Partnership for Transport	10,815
The Scottish Parliament Corporate Body	33,550
Wheatley Housing Group Limited	42,700
Total	375,519

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

Note 15: 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.

15a: 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 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 2023/24 these amounted to £27,938 (2022/23 £25,530).

The following transactions have been made in the accounting statements in 2023/24:

2022/23 £		2023/24 £
	Comprehensive Income & Expenditure Statement (CIES)	
1,787,000	Current service cost	779,000
1,787,000		779,000
	Financing & Investment Income & Expenditure	
71,000	Net Interest	(2,000)
1,858,000	Total post employment benefit charged to the Surplus or Deficit on the Provision of Services	777,000
	Other post employment benefit charged to the CIES	
1,022,000	Return on assets excluding amounts included in net interest	(1,240,000)
(11,866,000)	Actuarial (gains) and losses arising on changes in financial assumptions	1,452,000
(10,844,000)	Total Actuarial (gains) and losses	212,000
(8,986,000)	Total post employment benefit charged to the CIES	989,000
	Movement in Reserves Statement	
9,731,000	Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post employment benefits according with the Code	(163,000)
745,000	Employers Contributions paid to Strathclyde Pension Fund	826,000

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.

15b: Assets and liabilities in relation to retirement benefits

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

2022/23 £000		2023/24 £000
25,688	Opening present value	16,304
1,787	Current service cost	779
717	Interest Cost	790
266	Contributions from employees	292
(288)	Benefits Paid	(468)
	Remeasurement (gains)/losses:	
(11,866)	Actuarial (gains)/losses arising from changes in financial assumptions	107
16,304	Balance as at 31 March	17,804

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

2022/23 £000		2023/24 £000
23,592	Opening Fair Value	23,939
646	Interest Income	1,155
745	Contributions from employer	826
266	Contributions from employees	292
(288)	Benefits Paid	(468)
	Remeasurement gain/(loss):	
(1,022)	Return on assets excluding amounts included in net interest	(105)
23,939	Closing fair value of scheme assets	25,639

15c: Fund history

	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
Present Value of Liabilities	(18,074)	(25,995)	(25,688)	(16,304)	(17,804)
Fair value of assets	16,152	21,322	23,592	23,939	25,639
Restriction to asset ceiling	0	0	0	(7,635)	(7,835)
Surplus/(deficit) in the Fund	(1,922)	(4,673)	(2,096)	0	0

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

The total asset of £7.835m has a significant impact on the net worth of the Joint Committee, as recorded in the Balance Sheet. However, any deficit (as in 2021/22) on Strathclyde Pension Fund will be made good by increased contributions over the remaining working life of employees, as assessed by the Fund actuary.

However, this surplus of scheme assets is restricted to the 'asset ceiling' i.e. the net present value of future service costs less net present value of future contributions over the future working lifetime as at 31 March 2024. This ceiling, or cap, has been calculated to be £0.

2022/23 £000		2023/24 £000
(16,304)	Present value of defined benefit obligation	(17,804)
23,939	Fair Value of scheme assets	25,639
(7,635)	Restriction to asset ceiling	(7,835)
0	Net asset/(liability) arising from defined benefit obligation	0

15d: 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 2023/24 and 16.5% for 2024/25.

The total contributions expected to be made by the Joint Committee to the Strathclyde Pension Fund in the forthcoming year to 31 March 2025 is £278k.

15e: Basis for estimating assets and liabilities

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

2022/23	Mortality assumptions	2023/24
Longevity at 65 for current pensioners (years)		
19.3	Men	19.6
22.2	Women	22.3
Longevity at 65 for Future pensioners (years)		
20.5	Men	20.6
24.2	Women	24.2
Other assumptions		
3.65%	Rate of increase in salaries	3.50%
2.95%	Rate of increase in pensions	2.80%
4.75%	Rate for discounting scheme liabilities	4.80%
Take-up of option to convert annual pension into retirement lump sum:		
50.0%	Pre-April 2009 service	50.0%
75.0%	Post-April 2009 service	75.0%

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

Impact on Pension Scheme Liability	%	£000
0.1% decrease in Real Discount Rate	2.0%	400
1 Yr increase in member life expectancy	4.0%	712
0.1% increase in Salary Increase Rate	0.0%	20
0.1% increase in Pension Increase Rate	2.0%	387

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

2022/23 £000		%	2023/24 £000
10,601	Equity instruments	44.1%	11,305
1,974	Real Estate	7.9%	2,016
10,910	Investment Funds and Unit Trusts	46.2%	11,843
454	Cash and Cash Equivalents	1.9%	475
23,939	Total	100.0%	25,639

Note 16: Contingent Liabilities

Following two court cases, including Mrs Goodwin v Department for Education, it is expected that proposed changes to public service pension schemes will be required, to ensure that surviving same-sex spouses and civil partners receive benefits equivalent to those received by the surviving spouses of opposite-sex marriages. Strathclyde Pension Fund's actuary estimates that the potential impact may be in the range of 0.1% of gross obligations, around £26k for Scotland Excel. This estimate is not reflected in the Primary Financial Statements because the remedy is still uncertain.

The actuary is aware of two further two court cases that may affect future LGPS benefits (Walker and O'Brien), however, these are not expected to have a significant impact on the pension fund obligations.

Note 17: Summary of Significant Accounting Policies

A General Principles

The Annual Accounts summarise the Joint Committee's transactions for the 2023/24 financial year and its financial position as at 31 March 2024. The Joint Committee is required to prepare Annual Accounts by the Local Authority (Scotland) Regulations 2014 and section 12 of the Local

Government in Scotland Act 2003 requires these accounts to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom (the Code), supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under section 12 of the 2003 Act.

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

B Accruals of Expenditure and Income

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

- revenue from the sale of goods is recognised when the Joint Committee transfers the significant risks and rewards of ownership to the purchaser, and it is probable that the economic benefits or service potential associated with the transaction will flow to the Joint Committee;
- revenue from the provision of services is recognised when the Joint Committee has satisfied the performance obligation and it is probable that the economic benefits or service potential associated with the transaction will flow to the Joint Committee;
- expenditure in relation to services received (including services provided by employees) is recorded when the service is received rather than when payment is made;
- supplies are recorded as expenditure when they are consumed. Where there is a gap between the

date supplies are received and their consumption, they are carried as inventories on the Balance Sheet;

- where income and expenditure have been recognised, but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where there is evidence that debts are unlikely to be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

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

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

Changes in accounting policies are made only when required by proper accounting practices, or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Joint Committee's financial position or financial performance. Where a change is made, it is applied retrospectively (unless otherwise stated) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

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

D Contingent Liabilities

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

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

E Employee Benefits

Benefits payable during employment

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

Post-employment benefits

The Joint Committee participates in the Local Government Pension Scheme (LGPS), administered by Strathclyde Pension Fund. The LGPS is accounted for as a defined benefit scheme and in accordance with International Accounting Standard 19 (IAS19) the Joint Committee has disclosed certain information concerning the assets, liabilities, income and expenditure relating to the pension scheme. IAS19 requires that an organisation must account for retirement benefits when it is committed to giving them, even if the payment will be many years into the future.

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

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

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

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

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

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

- **current service cost** – the increase in liabilities as a result of years of service earned this year, allocated in the CIES to the services for which the employees worked;
- **past service cost** – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years, which is debited to the Surplus or Deficit on the Provision of Services in the CIES;
- **net interest cost on the defined benefit liability** – the change during the period in the net defined benefit liability that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the CIES. This is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit

liability at the beginning of the period, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments;

- **return on scheme assets** – excluding amounts included in net interest on the net defined benefit liability which are charged to the Pensions Reserve as Other Comprehensive Income and Expenditure;
- **actuarial gains and losses** – changes in the net pension liability that arise because events have not coincided with assumptions made at the last actuarial valuation, or because the actuaries have updated their assumptions, which is charged to the Pensions Reserve. Actuarial gains and losses are shown within Other Comprehensive Income and Expenditure within the CIES; and
- **contributions paid to the pension fund** – cash paid as employer’s contributions to the pension fund in settlement of liabilities which are not accounted for as an expense.

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

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

F Events after the Balance Sheet date

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

There are two types of events:

- **Adjusting events** – those that provide evidence of conditions that existed at the end of the reporting

period and the accounts are adjusted to reflect such events; and

Non-adjusting events – those that are indicative of conditions that arose after the reporting period and the accounts are not adjusted. Where a category of events would have a material effect, disclosure is made in the notes of the nature of the event and its estimated financial effect.

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

G Government Grants and other Contributions

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

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

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

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

H Leases

Operating Leases: Joint Committee as Lessee

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

Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g., there is a rent-free period at the

commencement of the lease). The risks and rewards of ownership remain with the lessors along with the title of the property.

I Plant and Equipment

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

Recognition

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

Measurement

Assets are initially measured at cost, comprising:

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

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

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

Impairment

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

Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated, an impairment loss is

recognised for the shortfall and the carrying amount of the asset is written down in the CIES.

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

Disposals

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

Depreciation

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

J Intangible Assets

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

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

An asset is tested for impairment whenever there is an indication that the asset might be impaired and any losses recognised are posted in the CIES. Any gain

or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the CIES.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the Revenue Reserve. The gains and losses are therefore reversed out of the Revenue Reserve in the Movement in Reserves Statement and posted to the Capital Adjustment Account and a Capital Receipts Reserve. All capital expenditure is charged to the constituent authorities, meaning that the Joint Committee has no requirement to borrow. A notional capital grant is applied to the CIES in the year of spend and removed from affecting the Revenue Reserve through the Movement in Reserves Statement. Software costing less than £9,000 is not treated as an intangible asset and is charged to the CIES. This de minimis does not apply where certain categories of assets are grouped together.

K Reserves

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

Usable Reserves

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

Unusable Reserves

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

L Value Added Tax (VAT)

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

Note 18: Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in Note 17, 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 12: Operating Leases.

Note 19: 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 2024 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 £0.400m, equating to a 2% increase. The carrying value of the pension liability was £7.835m as at 31 March 2024 (capped at £0). For further details see Note 15: Retirement Benefits.






Scotland Excel**To: Joint Committee****On: 21 June 2024****Report by:
Chief Executive of Scotland Excel****Operating Plan Update 2023-24****1. Summary**

- 1.1 In December 2022, Scotland Excel's Joint Committee approved a new five-year corporate strategy outlining the organisation's business goals and priorities from 2023-2028.
- 1.2 The strategy was developed around five corporate goals, agreed with stakeholders, which influence all aspects of Scotland Excel's work:
- Journey towards a net zero Scotland.
 - Drive for efficiency to support the financial sustainability of local public service.
 - Community wellbeing with equal access to services, economic development, and fair work.
 - Resilient supply chains that maximise opportunities for Scottish businesses and the third sector.
 - Advancement of skills to deliver Scotland's economic transformation.
- 1.3 The strategy is supported by annual operating plans. A plan covering the period from 01 April 2023 to 31 March 2024 was also approved at December's Joint Committee meeting.
- 1.4 Since approval, further discussions with senior local authority stakeholders have indicated that one of the five corporate goals – the drive for efficiency to support the financial sustainability of local public service – should be prioritised during 2023-24 and for the foreseeable future. A dedicated team has been established to manage this work.
- 1.5 In December 2023, the Joint Committee agreed that a small number of actions from the 2023-24 operating plan would be rescheduled to form part of future operating plans. These actions are noted within the relevant progress summary information in the attached report.

- 1.6 This paper presents an update on activity that has taken place between 01 January and 31 March 2024, and is the final update report for the 2023-24 operating plan.
- 1.7 There are twenty-three actions are indicated as green within the report and represent projects and activities which are progressing in line with expected timelines and results. These activities form part of ongoing plans to deliver the corporate strategy and will continue as part of the 2024-25 operating plan.
- 1.8 Four actions are indicated as amber within the report due to extended timescales for delivery. Two actions – refreshed categories strategies and Real Living Wage reporting – have been impacted by changes to the organisational structure and will be completed in the coming months. The Procurement & Commercial Improvement Programme (PCIP) assessment programme was extended to May and has now been completed. Finally, work to develop options to reduce the organisation’s carbon footprint has been slower than anticipated due to a lack of benchmarking data.
- 1.9 One action is indicated as black within the report. Scotland Excel’s business intelligence strategy was approved by the Executive Sub-Committee in February.
- 1.10 Seven actions are indicated as white within the report. These represent the activities which were rescheduled from the 2023-24 operating plan to allow greater focus to be placed on delivering financial efficiencies.

2. Background

- 2.1 Progress reports are produced quarterly to track Scotland Excel’s activity against operating plan commitments. Reports are produced at the end of each quarter and submitted to Executive Sub-Committee meetings.
- 2.2 The reports summarise the progress made against operating plan commitments and uses a ‘traffic light’ symbol to provide a guide to the status of each activity.

	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

- 2.3 Scotland Excel is working on developing Key Performance Indicators (KPIs) which will measure performance against the delivery of the five-year corporate strategy on an annual basis. The KPIs will be presented to the Joint Committee for approval in December 2024, and will be supported by a new performance management framework being introduced in 2024-25 to provide more detailed performance metrics.

3. Recommendations

- 3.1 The members of the Executive Sub-Committee are invited to note Scotland Excel's progress in delivering the actions contained within the operating plan for 2023-24.













Operating Plan

2023 – 2024






Q4 Progress Report

Value delivery: procurement & commissioning






Action	RAG status	Progress summary
<ul style="list-style-type: none"> Implement refreshed category strategies to inform the development of contract delivery plans and market shaping activities. 		<ul style="list-style-type: none"> Scotland Excel is continuing to restructure its strategic procurement and commissioning function. This will support the alignment of new category strategies, which will also benefit from the introduction of segmentation around each framework's commercial, social and/or environmental value.
<ul style="list-style-type: none"> Review and refresh Scotland Excel's approach to contract delivery planning, extending the visibility of the decision-making and delivery process over a longer timeframe to support contract utilisation. 		<ul style="list-style-type: none"> Ongoing improvements to Scotland Excel's contract delivery planning process continue to increase the predictability of framework delivery timelines. Measures already in place include training, process automation, standardisation, and changes to the review process.
<ul style="list-style-type: none"> Review and refresh Scotland Excel's approach to key supplier management (KSM) and contract and supplier management (CSM) to identify further savings and efficiency opportunities for members. 		<ul style="list-style-type: none"> Scotland Excel continues to evolve its KSM/CSM activities, supported by the ongoing restructuring of the strategic procurement and commissioning function. Savings opportunities are currently being explored with key education and facilities management suppliers.
<ul style="list-style-type: none"> Continue to develop and deliver savings projects to maximise the commercial value returned to members through optimal use of our frameworks. 		<ul style="list-style-type: none"> Since it was established in August 2023, Scotland Excel's savings team has explored 30 opportunities, 25 of which have progressed following further data analysis. Thirteen opportunities, with a value of £4.2m, have now been delivered. The team is forecasting that the value of savings opportunities will reach c. £7.6m during the first year of operation against a target of £5m.
<ul style="list-style-type: none"> Develop and deliver a methodology for assessing and presenting the total value of membership including framework savings, rebates, community benefits, service delivery, skills development, and other benefits. 		<ul style="list-style-type: none"> Work is ongoing to develop a performance management framework which will strengthen and extend the measurement of the value created by Scotland Excel for members, and support the implementation of strategic and operational Key Performance Indicators (KPIs). The framework will be introduced during 2024-25.

<ul style="list-style-type: none"> Continue to support local economic development through identifying and promoting supply chain opportunities for Scottish businesses. 		<ul style="list-style-type: none"> During Q4, Scotland Excel delivered a training session for suppliers on behalf of the Supplier Development Programme, and exhibited at Meet the Buyer Tayside event. Scotland Excel continues to take part in the Scottish Government's cross-sectoral Supplier Development Group, and is supporting a number of related workstreams.
<ul style="list-style-type: none"> Develop and deliver an action plan to monitor payment of the Real Living Wage by suppliers, providing reports to members which enable them to evaluate and select suppliers on this basis. 		<ul style="list-style-type: none"> Real Living Wage descriptors have been changed to improve the alignment of each Scotland Excel supplier to its Real Living Wage status. Work is ongoing to develop reporting capability as part of the wider refresh of Scotland Excel's procurement processes.
<ul style="list-style-type: none"> Implement actions from Scotland Excel's net zero strategy, via a whole organisation approach, to support our members' net zero journey. 		<ul style="list-style-type: none"> Scotland Excel is continuing to make progress in the delivery of its net zero strategy, supported by a multi-disciplinary delivery group which oversees the implementation of the accompanying action plan. Net zero considerations form part of ongoing improvements to contract governance and processes, and a new sustainability policy is close to completion. An annual report on progress against the strategy and action plan will be presented to the executive sub-committee in May.
<ul style="list-style-type: none"> Continue to work with cross-sector partners to develop positive carbon impact initiatives linked to procurement activities. 		<ul style="list-style-type: none"> Work is continuing with partners to develop opportunities for district heat networks, electric vehicle charging concession models, and rural mobility. Scotland Excel is also engaging with stakeholders to inform a consistent approach to monitoring, recording and reporting on net zero commitments.
<ul style="list-style-type: none"> Monitor, respond to, and report on national policy changes that affect Scotland Excel's procurement portfolio, including the National Care Service, contributing to policy discussions where appropriate. 		<ul style="list-style-type: none"> Scotland Excel gave oral evidence on the impact of the Procurement Reform Act to the Scottish Parliament's Economy and Fair Work Committee in March. Participation in National Care Service (NCS) forums and meetings continues, including the newly formed Expert Legislative Advisory Group.







Value delivery: services








Action	RAG status	Progress summary
<ul style="list-style-type: none"> Explore alternative business models to support sustainable growth and reduce reliance on membership fees. 		<ul style="list-style-type: none"> This action has been removed from current operating plan as Scotland Excel's existing business model supports the delivery of current strategic priorities.
<ul style="list-style-type: none"> Continue to grow and develop procurement capability projects, initiative and services for members including support for the next tranche of Procurement & Commercial Capability Services (PCIPs). 		<ul style="list-style-type: none"> Procurement & Commercial Improvement Programme (PCIP) assessments have been delivered for 17 councils that elected to participate in the current assessment cycle. The timeline for completing the final three assessments has been extended until May 2024 due to scheduling constraints. Once completed, a series of workshops will be held to discuss and share best practice.
<ul style="list-style-type: none"> Implement Scotland Excel's business development strategy to increase demand for services and grow associate membership. 		<ul style="list-style-type: none"> Scotland Excel continues to grow its associate membership. In Q4, membership was approved for a housing association, bringing the total number of new members during 2023-24 to 19, contributing £30,627 in annual fee income.
<ul style="list-style-type: none"> Develop and implement plans to deliver Scotland Excel's new Academy strategy, based on a sector training needs analysis and recognising member requirements for affordable training options. 		<ul style="list-style-type: none"> The Scotland Excel Academy continues to deliver a range of accredited learning programmes, practitioner skills short courses, and professional development support. A new strategy for 2024-26 will be presented to the executive sub-committee for approval in April, and will include free commercial acumen training for local government procurement practitioners.
<ul style="list-style-type: none"> Continue to explore the development of progressive, sustainable learning pathways, working with educational and/or cross-sector partners to address skills gaps, support career development, and attract new entrants to procurement 		<ul style="list-style-type: none"> The Academy and the Scottish Procurement & Property Directorate have co-designed a new Graduate Apprenticeship in Business Management with Procurement and Supply Chain Management with Glasgow Caledonian University (GCU). The university has advised that the programme is on track for a launch date of September 2024.



Value delivery: partnerships

Action	RAG status	Progress summary
<ul style="list-style-type: none"> Develop and implement a Scotland Excel partnership strategy which sets out objectives and plans for key partner relationships, assigns ownership, and prioritises activities that support the delivery of our five-year strategy. 		<ul style="list-style-type: none"> Scotland Excel's partnership strategy has been rescheduled to form part of the 2024-25 operating plan. In the meantime, all strategically important partnership relationships continue to be managed effectively.
<ul style="list-style-type: none"> Continue to build and develop relationships with the Scottish Government and Centres of Expertise to support the delivery of cross-sector procurement projects and programmes. 		<ul style="list-style-type: none"> Scotland Excel is continuing to work closely with the Scottish Government and other Centres of Expertise on a range of initiatives including social care, net zero, food, supply chain opportunities, and skills.
<ul style="list-style-type: none"> Continue to develop and deliver projects and activities with local government partners including COSLA, CIPFA Local Government Finance Directors, Solace, the Improvement Service, and the Digital Office for Scottish Local Government that benefit our mutual stakeholders. 		<ul style="list-style-type: none"> Scotland Excel continues to work closely with local government partners on a range of initiatives including providing procurement expertise for the transformation programme led by Solace/ Improvement Service. Work is continuing with the Digital Office to support implementation of the shared digital alarm receiving centre (ARC) framework, with one council now live.
<ul style="list-style-type: none"> Implement Scotland Excel's third sector engagement strategy in support of local community wealth-building, helping them to reduce costs through associate membership where appropriate. 		<ul style="list-style-type: none"> A number of supported businesses have reported increased business and engagement following the event in November to help them build relationships with the local government procurement community. Scotland Excel also held a series of meetings with supported businesses during Q4 to explain the benefits of associate membership.
<ul style="list-style-type: none"> Continue to build relationships with education and academic partners to support the delivery of Scotland Excel's new Academy strategy. 		<ul style="list-style-type: none"> The Scotland Excel Academy continues to work with academic partners on the development learning programmes including SQA, Glasgow Caledonian University, and the City of Glasgow College.






Strategic enablers

Business Area	Commitment	RAG status	Progress summary
Corporate, Finance & ICT	<ul style="list-style-type: none"> Provide legal and financial support for exploring new business model options. 		<ul style="list-style-type: none"> This strategic enabler links to the value delivery objective on business models which has been removed from the current operating plan. Scotland Excel's existing business model supports the delivery of current strategic priorities.
	<ul style="list-style-type: none"> Develop a methodology and tool for monitoring and managing all rebates due from Scotland Excel frameworks. 		<ul style="list-style-type: none"> Work to update the modelling, mobilisation and management of rebates continues, and a rebate modelling tool is now being used by all category teams. A new Income and Finance Specialist role is being established to manage rebates and other non-requisition income.
	<ul style="list-style-type: none"> Monitor the effectiveness of Scotland Excel's hybrid working policy, proposing improvements which will benefit customers and staff. 		<ul style="list-style-type: none"> Scotland Excel's hybrid and flexible working policies have worked well throughout 2023-24. Monitoring is ongoing to ensure that these policies continue to benefit customers and staff.
	<ul style="list-style-type: none"> Implement a new five-year ICT strategy to support staff efficiency and increase digital delivery for customers. 		<ul style="list-style-type: none"> Scotland Excel's ICT strategy has been rescheduled to form part of the 2024-25 operating plan. Resources such as SharePoint are being rolled out to support the delivery of a new strategy.
	<ul style="list-style-type: none"> Continue to strengthen Scotland Excel's data management and reporting capability across a range of value measurements. 		<ul style="list-style-type: none"> Scotland Excel is continuing to improve data management and reporting, with work being aligned to the new performance management framework currently in development. A new role of Lead Commercial Analyst has been established to maximise the efficiency and effectiveness of complex social care data collation and analysis.
	<ul style="list-style-type: none"> Consider options for a future business intelligence strategy. 		<ul style="list-style-type: none"> Scotland Excel's business intelligence strategy was approved by the executive sub-committee in February 2024. The strategy covers the period from 2024-26 and is accompanied by an action plan to support delivery.

	<ul style="list-style-type: none"> Consider options for reducing Scotland Excel's carbon footprint. 		<ul style="list-style-type: none"> Options continue to be considered as part of the net zero action plan which involves staff from across the organisation.
Organisational Development	<ul style="list-style-type: none"> Implement Scotland Excel's people strategy and Investors in People plan by embedding personal development plans that supports organisational performance and individual career goals. 		<ul style="list-style-type: none"> Scotland Excel's Investors in People (IiP) midterm assessment took place in Q4. Recommendations from the review will be incorporated into plans for retaining Gold Standard accreditation at the next full assessment in 2025.
	<ul style="list-style-type: none"> Develop an approach to succession planning which to support career development and create a steady pipeline of talent at all levels. 		<ul style="list-style-type: none"> An approach to succession planning will now be developed as part of the 2024-25 operating plan. Organisational restructuring currently taking place will provide foundations for this approach.
	<ul style="list-style-type: none"> Build on Scotland Excel's commitment to training, ensuring all staff have the opportunity to acquire the skills required for the delivery of the new five-year strategy such as commercial acumen and climate change literacy. 		<ul style="list-style-type: none"> Scotland Excel staff continue to have access to a wide range of online and in-person training opportunities promoted via the staff intranet. Employees will take part in the new commercial acumen training programme which will be launched in 2024-25.
	<ul style="list-style-type: none"> Continue to develop and improve resources which support recruitment, induction and retention through a seamless and supportive employee journey. 		<ul style="list-style-type: none"> As part of Scotland Excel's commitment to continuous improvement of the employee journey, a development day for all line managers took place in March. The event provided managers with a range of tools to support their role and ensure a consistent approach across the organisation. A second event is being planned for the autumn.
	<ul style="list-style-type: none"> Research and explore options for developing an employment and training strategy that supports new entrants to public procurement. 		<ul style="list-style-type: none"> Scotland Excel has launched a new cycle of its two-year graduate programme with a recruitment campaign for four graduate trainees in March. A range of training courses which support new entrants to procurement continue to be available through the Scotland Excel Academy.
Engagement & Communication	<ul style="list-style-type: none"> Support the development and implementation of Scotland Excel's partnership strategy, including the use of stakeholder mapping and competitor modelling tools across the organisation. 		<ul style="list-style-type: none"> This strategic enabler links to the value delivery objective on the partnership strategy which now forms part of the 2024-25 operating plan.

	<ul style="list-style-type: none"> Implement the recommendations of Scotland Excel's value project to articulate and demonstrate the value of membership to customers 		<ul style="list-style-type: none"> Scotland Excel continues to explore ways to maximise value for members. This activity will be supported by the new performance management framework which will be introduced in 2024-25.
	<ul style="list-style-type: none"> Re-establish a customer satisfaction survey programme, and baseline satisfaction rates for future improvements. 		<ul style="list-style-type: none"> The delivery of a customer satisfaction programme now forms part of the 2024-25 operating plan to allow current operational and delivery changes to take effect. In the meantime, Scotland Excel continues to solicit and respond to customer satisfaction feedback.

Report Key

	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

Report issued: May 2024

Scotland Excel

To: Joint Committee

On: 21 June 2024

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

Annual Procurement Report

1. Introduction

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

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

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

The annual procurement report sets out relevant and proportionate information to provide transparency of purchasing activities in the preceding financial year. The report must be published as soon as reasonably practicable after the end of the financial year, which for Scotland Excel was 31 March 2024.

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 six months following the end of the contracting authority's financial year. For Scotland Excel this means the annual procurement report for the financial year 2023/24 should be published no later than the end of September 2024, 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 at section 18(2), 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) to the extent that any regulated procurements did not comply, a statement of how the authority intends to ensure that future regulated procurements do comply,
- (d) a summary of any community benefit requirements imposed as part of a regulated procurement that were fulfilled during the year covered by the report,
- (e) a summary of any steps taken to facilitate the involvement of supported businesses in regulated procurements during the year covered by the report,
- (f) a summary of the regulated procurements the authority expects to commence in the next two financial years,
- (g) such other information as the Scottish Ministers may by order specify

4. Scotland Excel's Annual Procurement Report

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

5. Recommendation

Committee members are requested to note the content of this report and approve publication of the Annual Procurement Report as provided at Addendum A, and subsequently for submission to the Scottish Government by 30 September 2024.

Addendum A

**Scotland Excel
Annual Procurement Report
(1 April 2023 – 31 March 2024)**

Prepared May 2024

Contents

Introduction

Section 1: Summary of Regulated Procurements Completed

Section 2: Review of Regulated Procurement Compliance

Section 3: Community Benefits and Fair Work First

Section 4: Supported Business Summary

Section 5: Future Regulated Procurements Summary

Section 6: Additional Considerations

Appendix 1a: Procurements Completed 1 April 2023 – 31 March 2024

Appendix 1b: Appointments to DPS or Flexible Framework 1 April 2023 - 31 March 2024

Appendix 2a: Governance Gateways

Appendix 2b: Governance Gateways – application to contracts 2023/2024

Appendix 3: Review of Regulated Procurement – Performance against the strategy, operating plan and objectives for 2023/2024

Appendix 4a: Community Benefits per Council 2023-2024

Appendix 4b: Community Benefits Reported 2013-2024

Appendix 5: Planned Procurement - Frameworks due for renewal or extension by 31 March 2026 and New contract areas 2024/2025

Scotland Excel Annual Procurement Report 2023 - 2024

Introduction

Scotland Excel is the Centre of Procurement Expertise for the local government sector, established in 2008 as 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 the established operating model is the delivery of effective commercial solutions for members. At the heart of this is the contract portfolio, with a value of c £2bn, which provides support to a wide range of local government services. The portfolio includes solutions for social care services, construction and property management, roads, transport and fleet operations, environmental services, and a wide range of goods required for corporate and educational settings. Also offered, in partnership with SEEMiS and The Digital Office, is a range of Information and Communication Technology services.

Contracts are developed in consultation with local government representatives, from procurement, commissioning and technical backgrounds, to ensure 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 customers by ensuring contracts delivered 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 corporate strategy and summarise the value delivered through procurement activity. The report documents performance against agreed objectives and strategic targets including those associated with Fair Work First and Community Benefit.

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

1. Section 1 Summary of Regulated Procurements Completed

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

A regulated procurement is completed when the award notice is published or where the procurement process otherwise comes to an end. This includes contracts and framework agreements. Appendix 1a provides a summary of the regulated procurements Scotland Excel has completed between 1 April 2023 and 31 March 2024. The appendix includes the following:

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

Scotland Excel also operates a small number of dynamic purchasing systems (DPS) and flexible frameworks which are unique in that new suppliers or providers can apply to be added during the advertised period. Appendix 1b shows those suppliers or providers appointed between 1 April 2023 and 31 March 2024.

During 2023/24 there were no additional suppliers appointed to the following arrangements.

- Digital Telecare Goods (DPS)
- Bikeability Scotland Training Providers (DPS)
- Residential Rehabilitation (Alcohol and Drugs) Services National Flexible Framework Agreement (“Flexible Framework Agreement”)
- National Flexible Framework for Care and Support Services
- Care Homes for Adults with Learning Disabilities Including Autism (Flexible Framework)

2. 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)(b) and (c) state 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” respectively.

As a centre of procurement expertise, the Scotland Excel Corporate Strategy 2023-28 sets the values, objectives and principles of planned regulated procurements, providing value to members across key strategic areas as follows:

- Journey towards a net zero Scotland.
- Drive for efficiency to support the financial sustainability of local public service.
- Community wellbeing with equal access to services, economic development and fair work jobs.
- Resilient supply chains that maximise opportunities for Scottish businesses and the third sector.
- Advancement of skills to deliver Scotland’s economic transformation.

These corporate goals are enshrined in a new segmented approach which has been developed throughout 2023-2024 in support of the Public Procurement Strategy for Scotland. By segmenting the portfolio, priority is given to those sustainable objectives most relevant and proportionate for each procurement. This approach seeks to broaden how value is articulated and will be set out further in section 3.

Contract Strategies reflect the Corporate Strategy and are developed in collaboration with a User Intelligence Group (UIG). This ensures that the strategic procurement objectives for each exercise are targeted appropriately and will fulfil the requirements at the point of use. Scotland Excel’s approach to strategic procurement embeds extensive market and stakeholder consultation to establish the most effective blend of customer need to market capacity.

A review of each Contract Strategy is conducted as part of Scotland Excel’s established governance procedures. Throughout the Procurement Journey individual procurement exercises are reviewed, evaluated and monitored at a Contract Steering Group (CSG) before proceeding to the next stage in the procurement process.

The CSG is responsible for the governance of each appointed milestone of the procurement process from contract initiation through to contract award in line with the established gateways. These gateways are designed to ensure all Regulated Procurements are carried out in a manner compliant with the Act and with the corporate goals. Templates used in each exercise ensure relevant factors are captured and recorded against each arrangement.

A summary of how this process is used operationally is presented at Appendix 2a, including a table that sets out how the process was applied to live frameworks during the financial year 2023/24, Appendix 2b.

Those strategic procurement objectives agreed in consultation ensure each arrangement

incorporates the holistic set of economic, social and environmental outputs deliverable. These outputs are monitored and reviewed through ongoing contract and supplier management.

Performance against the corporate strategy and objectives for 2023/24 is shown at Appendix 3. This part of the report summarises the progress made against operating plan commitments and confirms the status of each activity.

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

Community Benefits

Section 18(2)(d) 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”.

A sustainable outcomes working group revised the community benefits process in 2022/2023, which increased stakeholder engagement, defined roles and responsibilities and embedded consistent thresholds, guidance and reporting templates.

Community Benefits submissions are made on a six-monthly basis by suppliers with more than £50,000 spend in the previous six months of recorded management information. The six-monthly cycle is aligned with Scotland Excel’s Joint Committee schedule, at which Community Benefits are reported. Community benefits reported for the period 1 April 2023 to 31 March 2024 are set out in Table 1. Community benefits reported per council area are set out in Appendix 4a.

Total number of apprenticeships recruited to deliver contracts	Total number of employees recruited to deliver the contract	Total number of work placement for adults	Total number of volunteering hours	Total number of hours of work experience for school/college/university students	Total monetary value of other community benefits
52	381	216	7,551	8,527	£1,501,238

Table 1: Community Benefits Reported 2023/2024

The summary below sets out examples of the range and type of community benefits reported by suppliers, delivered in 2023/24;

- Kibble Education and Care Centre appointed 10 apprentices in Renfrewshire Council to a one-year Career Start, Child & Youth care Worker Apprenticeship. This relates to spend reported against the Children’s Residential and Secure Care frameworks.
- Securigroup Limited appointed 14 Security Services apprentices and 50 employees across Glasgow City and Renfrewshire Councils in the delivery of the Security Services and Cash Collection framework.
- Initial Washroom have recruited 21 employees across 16 local authorities to deliver the Washroom Solutions and Sanitary Products framework.
- Suppliers awarded to the Domestic Furniture and Furnishings framework have appointed 38 employees across nine councils to deliver services. In addition, the reuse consortium, Circular Communities Scotland, have maintained 17 local employees across seven council areas in the performance of the contract.
- Under the Children’s Residential framework;
 - Moore House School Ltd appointed 11 employees in Perth and Kinross and 26 employees in West Lothian.
 - Harmeny Education Trust Limited have delivered 157 adult work placements in the City of Edinburgh council.
 - Aberdeen Association of Social Service provided over 3000 hours of work experience for student social work placements.
 - Hillside School (Aberdour) Ltd provided over 1750 hours of work experience in Fife council.
- Under the Care Homes for Adults with Learning Disabilities including Autism framework, Camphill (Blair Drummond) Trust have completed over 6000 volunteering hours in Stirling council.

- In North Ayrshire 56 hours of volunteering were completed by Dem-Master Demolition Ltd. to complete groundworks in preparation for Loudon Montgomery Primary School's sensory garden.
- Peacock Salt delivered over 900 hours of volunteering in South Ayrshire to renovate charitable premises and gardens for Enable Ayr and the South Ayrshire Autistic Society.
- In Highland Council Swansons Fruit Company Ltd provided 100 hours of work experience for a school pupil under the Milk Framework and over 400 hours of work experience was provided at The Furnishing Service's Dingwall depot.
- Under the Energy Efficiency Contractors framework in East Dunbartonshire community events were supported by E.ON Energy Solutions Ltd. This represented an estimated value of £12,000, and included offering advice on low carbon technology and help to access free, or heavily funded, energy efficiency measures.

Community Benefit requirements have been incorporated at the point of tender since 2013, with commitments made, monitored and reported over the lifetime of frameworks. Appendix 4b quantifies those benefits delivered over the last decade, with effective supply chain collaboration with the public sector delivering tangible outcomes for local communities.

Although the Covid-19 pandemic had an impact on individual measures in 2020/2021 and 2021/2022, recent reporting demonstrates that the volume of volunteering and work placements has increased considerably compared with work experience. While the number of new jobs and apprenticeships have returned to an upward trend the monetary value of community benefits has increased significantly since 2021/22.

Fair Work First

Another important aspect of framework development is the inclusion of Fair Work First, which was updated by SPPN 1/2024 in April 2024. This update provided further guidance on the implementation of criteria in all procurement processes and compliments statutory guidance published in May 2022 on Fair Work and Real Living Wage policy. Fair Work First is the Scottish Government's policy for ensuring high quality fair work across the labour market, the criteria for which are set out as follows;

- Payment of at least the Real Living Wage
- Provide appropriate channels for effective workers' 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
- Offer flexible and family friendly working practices for all workers from day one of employment and
- Oppose the use of fire and rehire practices.

The principle of Fair Work First has been embedded in all procurement exercises, with the mechanism for inclusion varying to take account of relevance and proportionality. Methodologies to incorporate Fair Work First range from targeted specification development to the introduction of appropriate selection and award criteria. This is informed by stakeholder engagement, market development and the strategic objectives of the

procurement. The established approaches will be refined as appropriate in accordance with recently updated guidance available via the sustainable procurement tools.

Scotland Excel has included formal consideration of the payment of the Real 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 bidder’s work practices, including payment of the Real Living Wage. In February 2022 the Executive Sub Committee were invited to note an update on matters relating to the payment of the Real Living Wage. This sought to improve the level of commitment suppliers make to paying the Real Living Wage and to mandate wherever legally possible.

At the close of the financial year 975 suppliers were awarded to Scotland Excel framework agreements, of which 872 (89.4%) notified that they pay the Real Living Wage. For frameworks awarded during 2023/24, 246 (89.1%) of suppliers notified that they pay the Real Living Wage. This is recorded in the following categories, recognising the accreditation of some suppliers and the self-assessment of others.

Paying and Accredited	Paying & Progressing to Accreditation	Paying & Commitment to Accreditation	Paying but No Commitment to Accreditation	Not Paying but Commitment to Pay	Not Paying
257 (26.36%)	49 (5.03%)	91 (9.33%)	475 (48.72%)	35 (3.59%)	68 (6.97%)

Table 2: Payment of Real Living Wage

Public Procurement Strategy for Scotland, Segmentation and Performance Management

In April 2023 the first Public Procurement Strategy for Scotland was published with the central purpose outlined *“To use our collective spending power to deliver sustainable and inclusive economic growth”*. Aligned with the enablers and outcomes of the Sustainable Procurement Duty the strategy is structured in accordance with the National Performance Framework setting a vision for procurement which is;

- Good for businesses and employees
- Good for society
- Good for places and communities
- Open and connected

In recognition of the power of procurement and the ambitious sustainable outcomes the sector can deliver, a segmentation approach has been developed and launched throughout 2023/2024. Each procurement exercise balances the economic, environmental and social benefits possible through a national collaborative exercise and establishes a segmented priority for the procurement. This priority will be derived from stakeholder consultation, an assessment of the risk and opportunities present and sphere of influence all in accordance with the sustainable procurement tools and principles of the Procurement Reform (Scotland) Act 2014.

Where a first generation or renewal is added to the Contract Delivery Plan, at contract initiation the segmented priority will be considered. Strategic procurement activity to establish the contract strategy will determine the segmented priority and seek endorsement from the established User Intelligence Group. This priority will be articulated by the strategic

procurement objectives with mechanisms to embed the approach set out in the sustainability section of the document. A record of how the success of the approaches will be measured will be drafted in accordance with the Scottish Government's Procurement Benefit Reporting Guidance. These measures will be embedded through tender, contract award and contract mobilisation stages of the procurement journey.

This will enable the launch of Scotland Excel's performance management framework in 2024/2025. Strategic procurement and commissioning teams have a range of commercial and social measures well established such that historical data is available for interrogation e.g. savings, community benefits and real living wage. Mechanisms to measure social impact are evolving to take account of Community Wealth Building and Wellbeing. Furthermore, procurement is innovating to attach a value to whole life costing initiatives. These developing measures require baselining in support of the Public Procurement Strategy for Scotland.

The primary driver for a new approach, however, is the scale of the transformation needed to deliver Net Zero 2045, which is currently under-represented in quantitative reporting. In March 2023, Scotland Excel's Executive Sub-Committee approved Scotland Excel's Net Zero Strategy 2023-2028. This Net Zero Strategy is used to support Scotland Excel member councils in the delivery of their individual and collective net zero goals linked to Scottish Government 'climate emergency' policy and legislation. Within the scope of the action plan is a revised sustainable procurement policy for publication in 2024, which will set out how the measurement of environmental measures will be developed.

The launch of the performance management framework, underpinned by a segmented approach, will transform the measurement and reporting of sustainable procurement outcomes over the term of the Public Procurement Strategy for Scotland.

4. Section 4 – Supported Businesses Summary

Section 18(2)(e) 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.

Regulation 21 of The Public Contracts (Scotland) Regulations 2015 defines a supported business 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 persons”. Regulation 21 also permits a contracting authority to reserve the right to participate in the procurement to a supported business.

Involvement of supported businesses is undertaken during strategy development and engagement facilitated through Prior Information Notices (PIN) or established networks e.g. the British Association for Supported Employment (BASE). Furthermore, during contract strategy development category teams consider appropriate interventions to facilitate involvement. For example, sub-lot product groupings to reduce barriers to entry or encourage tier one suppliers to target their community benefit commitments to the establishment of supply chain relationships with supported businesses. This model was introduced in the Domestic Furniture and Furnishings framework in recognition of the number of supported businesses operating in this market.

An opportunity assessment was undertaken for a reserved framework for Personal Protective Equipment (PPE) and added to the contract delivery plan for 2023/2024. The market did not develop as anticipated post-pandemic and the limited interest in a reserved PPE framework reduced the potential benefits deliverable from a national collaborative arrangement. This development would also have overlapped with the category A Dynamic Purchasing System and consideration was given to the duplicate tendering burden a category B arrangement in 2023-2024 would have placed on the market.

Although no procurements were reserved during 2023/24 a comparison was made of those supported business listed in the buyer guidance of the Scottish Government’s 2023 Dynamic Purchasing System (DPS). This includes both those awarded and those not awarded. Findings are that eight supported businesses are awarded a place on a Scotland Excel arrangement that was live in 2023/24 as set out below;

- Hey Girls Cic, are awarded to the Washroom Solutions and Sanitary Products framework and received c. £1.6m spend in 23/24.
- City Building (Contracts) LLP are awarded on three construction frameworks with spend of c.£34k reported in 23/24.
- Royal British Legion Industries Ltd T/a Scotland's Bravest Manufacturing Company has recently been re-awarded onto the Road Signage Materials framework. With a contract start date 1 April 2024 no spend is yet available, however, on the previous generation of the framework c.£787k was reported over four years.
- Five supported businesses were awarded to the Employability Services DPS, for which no spend data is collected.

Section 9 of The Procurement Reform (Scotland) Act 2014 places a duty on contracting authorities to “...*facilitate the involvement of small and medium enterprises, third sector bodies and supported businesses in the process...*”.

In November 2023, a Supported Business event was hosted with a focus on how local government and supported businesses can collaborate in support of Community Wealth Building. This event included speakers from BASE, Morison Construction and the Scottish Government’s National Collaborative Procurement Division. The keynote was delivered by Mr. Tom Arthur, Minister for Community Wealth and Public Finance, subsequently appointed as Minister for Employment and Investment in May 2024.

Early in 2024-2025 Scotland Excel signed up to the Buy Social Pledge a “*values-led initiative for those bodies looking to make a commitment to bring social enterprises into their supply chains*”. This commits action on the recognition of Fair Work for all, embracing a net zero policy, supporting social enterprises and prompt payment as well as measuring impact. In addition to the supported businesses spend listed above an additional c.£18.2m spend was reporting for social enterprises for financial year 23/24.

Scotland Excel will continue to work across the sector to promote the advancement of working relationships with local supported businesses. This is in recognition of the contribution made by those organisations in supporting local economies and providing essential job opportunities for disabled and disadvantage people within communities.

5. Section 5 – Future Regulated Procurements Summary

Section 18(2)(f) 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 undertakes extensive stakeholder engagement in the development of national collaborative arrangements. Portfolio information is available to encourage competition and achieve best value and can be accessed via the Contracts Register [here](#). Most commonly market engagement is facilitated by the issue of a Prior Information Notice, consistently providing advance notice of future opportunities.

Scotland Excel has 47 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 2 new contract areas in financial year 2023/24. Details of these anticipated contract requirements are shown in Appendix 5.

6. Section 6 – Additional Considerations

Scotland Excel submitted a response to the Procurement Reform (Scotland) Act 2014 (“the Act”) consultation in October 2023, and was invited to give evidence to the Economy and Fair Work Committee in March 2024. The scope of the consultation included views on whether the Act was working, barriers to accessing procurement in Scotland and examples of good practice.

The Scotland Excel submission recognised the significant progress made since the Act was introduced particularly on social outcomes, but that environmental outcomes were under-developed, given the call to action to deliver Net Zero 2045. Strategic procurement resources are currently being shaped to explore emerging markets and consider whether alternative procurement mechanisms are appropriate in response to the climate emergency. One year into the five-year strategy, progress against short-medium term objectives were reported to the Executive Sub Committee in May 2024. This included climate training, the redesign of frameworks, implementation of revised policy and extensive stakeholder engagement in the development of carbon monitoring.

Another central theme was the need for greater visibility on how the principles of Fair Work First are cascaded in the supply chain in support of Community Wealth Building (CWB) initiatives. This conflates with responses for both the Wellbeing and Sustainable Development (Scotland) Bill and the Building Community Wealth in Scotland consultations. While recognising that measures to advance CWB and Wellbeing are positive, these submissions sought clarity on how any additional duties would complement existing procurement legislation.

During 2023/2024 a dedicated savings team has explored commercial opportunities to increase savings obtainable through economies of scale. Projects completed until the end of March 2024 represented an additional £2.9 million savings for members through product swaps, collaboration and targeted negotiation.

Supporting the goals of Scotland’s Digital Agenda a single supplier framework agreement for a Shared Alarm Receiving Centre (ARC) technology solution was delivered in 2023/2024. Development of an arrangement for a Security Operations Centre(SOC) has commenced, to enhance the ability of members to protect their digital infrastructure. This is alongside the renewal of the Technology Enabled Care Goods framework in the delivery of the digital portfolio.

In March 2024 the first-generation Residential Rehabilitation (Alcohol and Drugs) Services National Flexible Framework Agreement was awarded. This arrangement enables purchasers to source residential rehabilitation services for people experiencing problematic use of alcohol and/or drugs, to support their recovery. Further development of services is underway over the course of 2024/2025, with research into effective commissioning and procurement of family-based support services. This is connected with the social welfare functions of the Scottish Ministers and local authorities.

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.

At Scotland Excel, there is a commitment to demonstrate innovation and continuous improvement in all aspect of delivery. To further promote innovation in public procurement, further to SPPN 3/2023, Scotland Excel are represented on the Scotland Innovates Triage

& Delivery Board, to assess proposals submitted via the new portal. This is alongside internal mechanisms to encourage category teams to signpost supply chain stakeholders to Scotland Innovates as arises.

The organisation has won several awards for its work, as well as holding accreditations which reflect a commitment to best practice in procurement, organisational development and workforce matters.

- CIPS Procurement Excellence Program - Standard Award - This award signifies that Scotland Excel has the procurement governance mechanisms in place for effective supply assurance and compliance.
- Investors in People (IiP) Gold accreditation - IiP is a UK government initiative, providing a best practice people management standard, and is regarded as an indication that Scotland Excel is a great employer, an outperforming place to work and has a clear commitment to sustainability.
- Chartered Management Institute Approved Centre- Scotland Excel is an approved centre for the delivery and assessment of CMI leadership and management qualifications.
- Living Wage - Scotland Excel is proud to be a Living Wage employer. Living wage is a voluntary hourly rate set independently and updated annually, calculated according to the basic cost of living in the UK.

At the 2023 Scottish GO Awards the Children's Residential framework won the collaborative procurement category in recognition of the detailed stakeholder work undertaken to develop the third-generation renewal. This resulted in a framework with an increased range of enhanced offerings and greater flexibility for members to purchase individualised services.

Appendix 1a: Procurement Completed 1 April 2023 to 31 March 2024

Schedule No.	Award Date	Title	Total Annual Value	Start Date	End Date	Supplier Name
0322	11/04/2023	Supply and Distribution of Fresh Meats, Cooked Meats and Fresh Fish	£10,000,000	17/04/2023	31/03/2027	Bernard Corrigan Limited, BFS Group Limited, Brake Bros Limited, Campbell Brothers Limited, Gordon McWilliam (Aberdeen) Limited, McLays Limited, Thos A Shaw
0822	12/04/2023	Supply, Delivery And Installation Of Audio Visual Equipment	£9,000,000	12/04/2023	02/04/2027	AVMI Kinly Ltd, Irruptus Limited, Learning Space Belfast Ltd, Mediascape Ltd, SSUK Limited
0920	19/04/2023	Building Construction Consultancy	£25,000,000	19/04/2023	18/04/2027	AECOM Ltd, AHR Architects Limited, AMP Architects LLP, Anderson Bayne Limited, Anderson Bell Christie Limited, Armour Construction Consultants, Atkins Limited, Austin-Smith:Lord Limited, Baker Hicks Limited, Barham Glen Architects Limited, Bayne Stevenson Associates LTD, Brown & Wallace LLP, WSP (Real Estate and Infrastructure) Ltd, Clancy Consulting Ltd, Clerk Of Works Inspection Services Limited, Collective Architecture Limited, Coltart Earley Limited, Core Associates Ltd, CRGP Limited, Currie & Brown UK Limited, Curtins Consulting Limited, Narro Associates Limited, Davie + McCulloch Ltd, Delta-Simons Limited, Doig and Smith Ltd, DSSR Limited, DWA Landscape Architects Limited, ECD Architects Ltd, EDP Consulting Engineers Ltd, F.G. Burnett Limited, Fairhurst Group LLP, Faithful+Gould Limited, Forbes Leslie Network Ltd, G3 Consulting Engineers Ltd, Gardiner & Theobald LLP, Gareth Hoskins Architects Limited, Gleeds Management Services Limited, Goodson Associates Limited, Graham + Sibbald Technical Services LLP, Grant/Murray Architects Ltd, Hardies LLP, Harley Haddow Limited, Hawkins Brown Design Limited, Hawthorne Boyle Limited, Helica (Scotland) Ltd, Hickton Quality Control Ltd, HLMAD Limited, Holmes Miller Ltd, Hydrock Consultants Limited, Hypostyle Design Limited, IMG Quality Control Ltd, Ironside Farrar Limited, John Gilbert Architects Limited, Kiloh Associates Limited, L A Simpson Ltd, Land Use Consultants Limited, LDA Design Consulting Ltd, Mackie Ramsay Taylor Limited, MASTARCH LTD, Max Fordham LLP, Mott MacDonald Limited, Nicoll Russell Studios Limited, NORR Consultants Limited, Oberlanders Architects LLP, Page \ Park Limited, Pick Everard, PJP Architects LLP, Rankin Fraser Landscape Architecture LLP, Robert Potter and Partners LLP, Robinson Low Francis LLP, RPS Consulting Services Limited, RSK Environment Limited, RSP Consulting Engineers LLP, Rybka Limited, Ryder Architecture Limited, Savills (UK) Limited, Sheppard Robson Architects LLP, Simpson & Brown, Smith Scott Mullen + Associates Ltd, Space Solutions (Scotland) Limited, Stellan Brand Architecture + Design Limited, Summers-Inman Construction and Property Consultants LLP, Tetra Tech Limited, Thomas & Adamson, Thomas C Stewart LLP, Thomson Gray Limited, Turner & Townsend Project Management Limited, Viridis Building Services Ltd, Waterman Structures Limited, Wellwood Leslie LLP, Will Rudd Davidson (Edinburgh) Limited, WSP UK Limited, Wylie Shanks Architects LLP
1322	24/05/2023	Supply, Delivery and Installation of Commercial Catering Equipment	£1,500,000	01/06/2023	31/05/2027	Airedale Catering Equipment Limited, Bunzl UK Limited trading as Lockhart Catering Equipment, E & R Moffat Limited, Instock Ltd, Lovat's Catering Engineering Services Limited T/A Lovat's Group, Merchant City Refrigeration (Scotland) Ltd, Nisbets PLC, Stephens Catering Equipment Company Limited

Appendix 1a continued: Procurement Completed 1 April 2023 to 31 March 2024

Schedule No.	Award Date	Title	Total Annual Value	Start Date	End Date	Supplier Name
1821	16/06/2023	Property Maintenance And Refurbishment	£75,000,000	16/06/2023	15/06/2027	A Macneil Painting & Taping Contractors Ltd, A Tech Heating Limited, Adman Int Ltd, Affiniti Response Limited, Ailsa Building Contractors Limited, Alexander Community Development Limited, Anderson Property Services (Scotland) Limited, Andrew P. Orr (Decorators) Limited, Andrew Shepherd Construction Limited, Bancon Construction Limited, Bell Group UK Limited, Blackrock Construction Group Ltd, Blantyre Park Services Ltd, Boyd Brothers (Fauldhouse) Limited, Braedale Roofing Limited, Brannock Decorators Ltd, BRB Electrical Limited, British Gas Social Housing Limited T/A PH Jones, C & S Facilities Management Limited T/A C&S Group, C R Smith Glaziers (Dunfermline) Limited, Cameron Painters & Decorators Limited, Care Electrical Contractors Limited, CBES Limited, CCG (Scotland) Limited, City Building (Contracts) LLP, Clark Contracts Limited, CM Camans (Partnership), Compass Building and Construction Services Ltd, Dalebay Limited T/A Noble & Bradford, Dean Chalmers T/A Chalmers Electrical, Dumbreck Decorators Limited, E.W. Edwardson (Electrical Contractors) Limited, Emac Engineering Limited, Emtec Property Services Limited, Everwarm Ltd, Faskin Group Ltd, Fergus T Davidson T/A FT Davidson, First Call Trade Services Limited, Frank Swords & Sons Limited, G A Davidson Limited, G K L Plumbing & Heating Ltd, G.D. Chalmers Limited, G.M.G. (Contractors) Limited, George B Grigg T/A Musselburgh Roofing and Building Services, GF (UK) Limited T/A F Forbes and Son, Gordon & Halliday Flooring Contractors LLP, Graham MacGregor Limited, Hugh Stirling Limited, I D Hubbard Ltd, Ideal Flooring Solutions Limited, Integrated Environments Limited, Invincible Security Ltd., J.S.K Construction Services Ltd, James Frew Limited, Lawrie (Furnishings) Limited, Lochlie Construction Limited, Magnus Electrical Services Limited, Martec Engineering Group Limited, Matrix Ceiling Distribution Limited, Maxi Construction Limited, MCK Windows & Doors Ltd, McKellars of Ayrshire Limited, McMillan Highland Ltd, MITIE Property Services (UK) Limited, Morris & Spottiswood Limited, Novus Property Solutions Limited, Ogilvie Construction Limited, Orbis Services Limited, Preah Building Services Limited, Prime Build Solutions Limited, Procast Building Contractors Ltd, PWM Contracts Limited, Quality Assured Property Maintenance Limited, Richard Irvin FM Limited, Robert P. Slight & Sons Limited, Robertson-Acom Limited, Saltire Facilities Management Limited, Sennit Construction Ltd, Sidey Solutions Limited, Spectrum Decorating Ltd, Stein Electrical & Mechanical Solutions Limited, Summit Facilities Services Ltd, Taggart Contract Flooring Limited, Thomson Glazing Limited, Trident Maintenance Services Ltd, Valley Group Limited, Ventro Ltd
0723	02/10/2023	Supply and Delivery of Fresh Bread, Rolls & Bakery Products	£2,000,000	02/10/2023	30/09/2027	George Anderson & Sons, Fergusons Bakers Limited, D. McGhee and Sons Ltd, Black of Dunoon (Bakers) Ltd
1122	09/10/2023	Supply, Delivery, Servicing And Maintenance Of Fire Safety Products	£875,000	09/10/2023	08/10/2027	Bell Fire And Security Limited, Core Fire Ltd, M & S Fire Protection (Glasgow) Limited, Lion Safety Limited, Churches Fire Security Ltd, Boyd Group (Scotland) Limited, Caledonia Fire And Security Limited, Tyco Fire & Integrated Solutions (UK) Limited
0422	03/11/2023	Provision of a Shared Alarm Receiving Centre (ARC) Technology solution	£2,500,000	06/11/2023	06/11/2029	Chubb Fire & Security Limited
0722	14/12/2023	Asbestos Related Works And Services	£7,000,000	14/12/2023	13/12/2027	A&C Asbestos Consultants Inc Ltd, Acorn Analytical Services Ltd, Addison Green Limited, Asbestos Analytical Services Limited, Asbestos Specialists (UK) Ltd, Aspect Contracts Limited, Carymar Construction Services Limited, Chamic Industrial Services Limited, Clarke's Environmental Limited, Enviraz (Scotland) Limited, Enviraz Surveys Ltd, Environtec Limited, Franks Portlock Consulting Limited, The Future Group (Highland) Limited, Gowrie Contracts Limited, Henderson Environmental Services Ltd, HSL Compliance Ltd, Intona Limited, Life Environmental Services Limited, Lucion Services Limited, Northern Asbestos Services Limited, OHS Limited, Rhodar Industrial Services Limited, SOCOTEC Asbestos Limited, Strada Environmental Limited, Tersus Consultancy Limited, Acron Asbestos Ltd, Asbestos Building Surveys Limited, Bradley Environmental Consultants Limited, Clyde Environmental Consultants LTD, DNKA LTD, E.D.P Health, Safety and Environment Consultants Limited, ENVIRONMENTAL ESSENTIALS LIMITED, WSP UK Limited

Appendix 1a continued: Procurement Completed 1 April 2023 to 31 March 2024

Schedule No.	Award Date	Title	Total Annual Value	Start Date	End Date	Supplier Name
1522	12/03/2024	Grounds And Plant Equipment	£8,000,000	13/03/2024	12/03/2028	Agricar Limited, Alex McDougall (Mowers) Limited, BOMAG (Great Britain) Limited, Bryson Tractors Limited, Capital Power Clean Limited, FAIRWAYS (GM) LTD. Finning (UK) Ltd, FRASER C ROBB LIMITED, Gammies Groundcare Ltd, H.R.N. Tractors Limited, HAMILTON BROS. (ENGINEERING) LIMITED, Henderson Grass Machinery Limited, Henry Sheach Lawnmower Services Limited, J.C. Peacock & Co., Limited, James A. Cuthbertson, Limited, Lloyd Limited, Mark Oman T/A Oman Mechanical Solutions, Morris Leslie Plant Hire LTD, Powerwasher Services Limited, Reesink UK Ltd, Spaldings Limited, Strath, Agrovista UK Limited, Balgownie Limited, Frank Nicol Farm and Garden Machinery Limited, Ravenhill Limited, Reid Hydraulic Services Limited, Scot J C B Limited bogie Forest & Garden Ltd, The Double A Trading Company Limited, Tudor (UK) Ltd T/A Tudor Environmental, Unilokomotive Limited, Wirtgen Limited, Agrovista UK Limited, Balgownie Limited, Frank Nicol Farm and Garden Machinery Limited, Ravenhill Limited, Reid Hydraulic Services Limited, Scot J C B Limited
2322	15/03/2024	Security Services And Cash Collection	£17,500,000	15/03/2024	14/03/2028	Allander Security Limited, Amberstone Security Limited, Anubis Security Limited, Chase Services Group Ltd, Amulet (Churchill Security Solutions) Limited, G4S Cash Solutions (UK) Limited, G4S Secure Solutions (UK) Limited, Kingdom Services Group Limited, Loomis UK Limited, Mitie Security Limited, Portal Security Ltd, Profile Security Services Limited, Protec Facilities Management Ltd, Securigroup Limited, Securitay Limited, Security Plus Limited, Triton Security & Facilities Management Limited, Vigilant Protect UK Limited
0623	01/03/2024	Supply and Delivery of Civic Supplies	£1,250,000	01/04/2024	31/03/2028	Tennent Caledonian Breweries Wholesale Limited
0123	27/03/2024	Residential Rehabilitation (Alcohol and Drugs) Services National Flexible Framework Agreement ("Flexible Framework Agreement")	£15,000,000	01/04/2024	31/03/2028	Abbeycare(uk) Limited, Alternatives West Dunbartonshire Cds, Castle Craig Hospital Limited, Crossreach (the Operating Name For The Church Of Scotland Social Care Council), Maxie Richards Foundation, Phoenix House, Ram 225 Limited, The Jericho Benedictine Society
2222	27/03/2024	Supply and Delivery of Road Signage Materials	£1,250,000	01/04/2024	31/03/2028	Anso Signs Limited, Coeval Ltd, Limelight Signs Ltd, Mallatite Limited, P. F. Cusack (tools Supplies) Ltd, Royal British Legion Industries Ltd T/a Scotland's Bravest Manufacturing Company, Stocksigns Limited, Street Lighting Supplies & Co Ltd, Swarco UK & Ireland Ltd, William Smith Group 1832 Limited

Appendix 1b - Appointments to DPS or Flexible Framework 1 April 2023 - 31 March 2024

Title	Supplier / Provider	Date of Award
Employability Services Flexible (DPS)	Helm Training Limited The Ridge SCIO Adopt an Intern Ltd (t/a AAI EmployAbility) Stepwell Consultancy Ltd.	04/04/2023 08/06/2023 03/07/2023 12/09/2023
Treatment and Disposal of Recyclable and Residual Waste (DPS)	Diverse Investments Scotland Ltd t/a New Town Skips Harper Contracts Insch Ltd John McGeady Ltd Viridor Energy Limited	06/06/2023 29/01/2024 21/03/2024 28/03/2024
Children's Residential Care and Education, including Short Break, Services Flexible Framework Agreement	Ardfern Limited Phoenix Abbey Limited Compass Child and Family Services The Governors of the Donaldson Trust Common Thread Limited House of Falkland Limited High Trees Limited Gilmourbanks Limited New Futures (Scotland) Limited	30/10/2023 13/11/2023 23/11/2023 27/11/2023 20/03/2024 20/03/2024 20/03/2024 20/03/2024 20/03/2024
Social Care Agency Workers Flexible Framework Agreement	Care Response 24/7 Ltd	04/04/2023

Appendix 2a: Contract Steering Group - Governance Gateways

Process Stage		Process Stage	
1	Contract Initiation	23	Tender Analysis Evaluation
2	Market Research and Analysis	24	Tender Evaluation Approved
3	Communicate Strategy Pack to UIG for Review	24a	Overall Evaluation Approved
4	Strategy Approved	24b	Approved that Strategy Requirements Met
4a	Initial Approval	24c	Recommendation and Benchmarking Approved
4b	Alignment with overall corporate objectives	24d	Recommendation communicated to UIG
4c	Approach for Participation & Benchmarking	24e	Feedback to HoSP post UIG for final decision as required
4d	Sustainable Procurement Duty	25	Prepare Sub Executive Committee Report
4e	Authorise release to UIG & CPM's for information with benchmarking requests	26	PTN Approved
5	Draft SPD	27	Conduct PTN
6	SPD Approved	28	Executive Sub-Committee Report Approved
7	SPD Issued	29	Executive Sub-Committee Authorisation to Award
8	SPD Period (Inc. Clarifications)	30	Prepare and Issue Standstill Letters
9	SPD Return Date	31	Standstill Period
10	SPD Opened and Recorded	32	De-brief Unsuccessful Tenderers
11	SPD Analysis	33	Standstill Period Expired
12	SPD Short List Approved	34	Prepare Contract Award Letters
13	SPD Decision and De-brief	35	Contract Award Letters Issued
14	Draft Contract Notice	36	Contract Award Notice Approved
15	Contract Notice Approved	37	Contract Award Notice Published
16	Contract Notice Published	38	Mobilisation Implementation Plan
17	Prepare Tender Documents	39	Contract Start Date
18	Tender Documents Approved	40	Contract Management Annual Review
18a	Overall Tender Approved	40a	40a. Overall CM Report Approved
18b	Approved that Strategy Requirements Met	40b	40b. Approved Strategy Requirements/Agreed Variations Met
18c	Evaluation Methodology and Weightings Approved	40c	40c. Next Steps Plans Approved
19	ITT Issued via PCS and benchmarking templates to Councils	41	Extension Reports
20	Tender Period (Incl Clarifications)	41a	Overall Extension Report Approved
21	Tender Return Date - Any Extension?	41b	Approved Strategy Requirements (and/or any agreed variations) Met by CM
22	Tenders Opened and Recorded	41c	Next Steps Plans Approved - inc. Exit Strategy

Appendix 2b: Governance Gateways and application to contracts 23/24

Contract	Governance Gateway						
	Options Appraisal	Strategy	Evaluation Methodology	Recommendations	Executive Sub Committee Report	Annual Report	Extension Report
Asbestos related Works and Services			04/05/2023	20/09/2023	27/09/2023		12/04/2023
Bitumen Products							14/02/2024
Bread and Rolls		24/05/2023	01/06/2023	22/08/2023	24/08/2023		
Building & Timber							27/09/2023, 13/03/2024
Care & Support Services Flexible Framework Agreement		30/08/2023	19/09/2023				31/01/2024
Catering Sundries		05/03/2024					19/07/2023
Civc Supplies		20/04/2023	19/07/2023	25/01/2024	25/01/2024		
Cleaning Equipment		20/04/2023	09/01/2024	13/03/2024	21/03/2024		
Commercial Catering Equipment					06/04/2023		
Community Meals		27/09/2023	14/03/2024				14/12/2023
Construction Materials		21/06/2023	30/08/2023	28/02/2024, 20/03/2024	28/02/2024		
Domestic Furniture and Furnishings							22/09/2023
Educational Materials							05/10/2023
Electrical Materials							27/09/2023, 13/03/2024
Fire Safety				22/08/2023	24/08/2023		
Flexible Framework for Residential Rehabilitation and Detoxification (Alcohol and Drugs) Services		12/04/2023	18/05/2023	31/01/2024	14/02/2024		
Fostering and Continuing Care							22/11/2023
Fresh Fruit & Vegetables		08/11/2023	09/01/2024	13/03/2024	21/03/2024		
Gounds and Plant Equipment			12/04/2023	16/11/2023	22/11/2023		
Groceries and Provisions							14/12/2023
Heavy and Municipal Vehicles							16/11/2023
LHEES Local Heat and Energy Efficiency Strategies		05/07/2023	24/08/2023				
Library Books						05/03/2024	
Milk						19/09/2023	
New Build Residential Construction							20/12/2023
Plumbing & Heating							27/09/2023, 13/03/2024
Road Signage				14/02/2024	28/02/2024		
Secure Care Services							10/08/2023
Security Services and Cash Collection		20/04/2023	19/09/2023	09/01/2024	09/01/2024		
Shared Digital ARC				03/08/2023	03/08/2023		
Sheriff Officers		13/03/2024	21/03/2024				
Technology Enabled Care				14/03/2024, 26/03/2024	26/03/2024		
Vehicle and Plant Hire							17/01/2024
Vehicle Parts							28/02/2024
Waste Disposal Equipment		14/02/2024					
Musical Instruments							21/03/2024
Fresh Bread, Rolls & Bakery Products		24/05/2023	01/06/2023	22/08/2023	24/08/2023		













Operating Plan

2023 – 2024






Year End Report

Value delivery: procurement & commissioning






Action	RAG status	Progress summary
<ul style="list-style-type: none"> Implement refreshed category strategies to inform the development of contract delivery plans and market shaping activities. 		<ul style="list-style-type: none"> Scotland Excel is continuing to restructure its strategic procurement and commissioning function. This will support the alignment of new category strategies, which will also benefit from the introduction of segmentation around each framework's commercial, social and/or environmental value.
<ul style="list-style-type: none"> Review and refresh Scotland Excel's approach to contract delivery planning, extending the visibility of the decision-making and delivery process over a longer timeframe to support contract <u>utilisation</u>. 		<ul style="list-style-type: none"> Ongoing improvements to Scotland Excel's contract delivery planning process continue to increase the predictability of framework delivery timelines. Measures already in place include training, process automation, standardisation, and changes to the review process.
<ul style="list-style-type: none"> Review and refresh Scotland Excel's approach to key supplier management (KSM) and contract and supplier management (CSM) to identify further savings and efficiency opportunities for members. 		<ul style="list-style-type: none"> Scotland Excel continues to evolve its KSM/CSM activities, supported by the ongoing restructuring of the strategic procurement and commissioning function. Savings opportunities are currently being explored with key education and facilities management suppliers.
<ul style="list-style-type: none"> Continue to develop and deliver savings projects to maximise the commercial value returned to members through optimal use of our frameworks. 		<ul style="list-style-type: none"> Since it was established in August 2023, Scotland Excel's savings team has explored 30 opportunities, 25 of which have progressed following further data analysis. Thirteen opportunities, with a value of £4.2m, have now been delivered. The team is forecasting that the value of savings opportunities will reach c. £7.6m during the first year of operation against a target of £5m.
<ul style="list-style-type: none"> Develop and deliver a methodology for assessing and presenting the total value of membership including framework savings, rebates, community benefits, service delivery, skills development, and other benefits. 		<ul style="list-style-type: none"> Work is ongoing to develop a performance management framework which will strengthen and extend the measurement of the value created by Scotland Excel for members, and support the implementation of strategic and operational Key Performance Indicators (KPIs). The framework will be introduced during 2024-25.

<ul style="list-style-type: none"> Continue to support local economic development through identifying and promoting supply chain opportunities for Scottish businesses. 		<ul style="list-style-type: none"> During Q4, Scotland Excel delivered a training session for suppliers on behalf of the Supplier Development Programme, and exhibited at Meet the Buyer Tayside event. Scotland Excel continues to take part in the Scottish Government's cross-sectoral Supplier Development Group, and is supporting a number of related workstreams.
<ul style="list-style-type: none"> Develop and deliver an action plan to monitor payment of the Real Living Wage by suppliers, providing reports to members which enable them to evaluate and select suppliers on this basis. 		<ul style="list-style-type: none"> Real Living Wage descriptors have been changed to improve the alignment of each Scotland Excel supplier to its Real Living Wage status. Work is ongoing to develop reporting capability as part of the wider refresh of Scotland Excel's procurement processes.
<ul style="list-style-type: none"> Implement actions from Scotland Excel's net zero strategy, via a whole organisation approach, to support our members' net zero journey. 		<ul style="list-style-type: none"> Scotland Excel is continuing to make progress in the delivery of its net zero strategy, supported by a multi-disciplinary delivery group which oversees the implementation of the accompanying action plan. Net zero considerations form part of ongoing improvements to contract governance and processes, and a new sustainability policy is close to completion. An annual report on progress against the strategy and action plan will be presented to the executive sub-committee in May.
<ul style="list-style-type: none"> Continue to work with cross-sector partners to develop positive carbon impact initiatives linked to procurement activities. 		<ul style="list-style-type: none"> Work is continuing with partners to develop opportunities for district heat networks, electric vehicle charging concession models, and rural mobility. Scotland Excel is also engaging with stakeholders to inform a consistent approach to monitoring, recording and reporting on net zero commitments.
<ul style="list-style-type: none"> Monitor, respond to, and report on national policy changes that affect Scotland Excel's procurement portfolio, including the National Care Service, contributing to policy discussions where appropriate. 		<ul style="list-style-type: none"> Scotland Excel gave oral evidence on the impact of the Procurement Reform Act to the Scottish Parliament's Economy and Fair Work Committee in March. Participation in National Care Service (NCS) forums and meetings continues, including the newly formed Expert Legislative Advisory Group.







Value delivery: services








Action	RAG status	Progress summary
<ul style="list-style-type: none"> Explore alternative business models to support sustainable growth and reduce reliance on membership fees. 		<ul style="list-style-type: none"> This action has been removed from current operating plan as Scotland Excel's existing business model supports the delivery of current strategic priorities.
<ul style="list-style-type: none"> Continue to grow and develop procurement capability projects, initiative and services for members including support for the next tranche of Procurement & Commercial Capability Services (PCIPs). 		<ul style="list-style-type: none"> Procurement & Commercial Improvement Programme (PCIP) assessments have been delivered for 17 councils that elected to participate in the current assessment cycle. The timeline for completing the final three assessments has been extended until May 2024 due to scheduling constraints. Once completed, a series of workshops will be held to discuss and share best practice.
<ul style="list-style-type: none"> Implement Scotland Excel's business development strategy to increase demand for services and grow associate membership. 		<ul style="list-style-type: none"> Scotland Excel continues to grow its associate membership. In Q4, membership was approved for a housing association, bringing the total number of new members during 2023-24 to 19, contributing £30,627 in annual fee income.
<ul style="list-style-type: none"> Develop and implement plans to deliver Scotland Excel's new Academy strategy, based on a sector training needs analysis and recognising member requirements for affordable training options. 		<ul style="list-style-type: none"> The Scotland Excel Academy continues to deliver a range of accredited learning programmes, practitioner skills short courses, and professional development support. A new strategy for 2024-26 will be presented to the executive sub-committee for approval in April, and will include free commercial acumen training for local government procurement practitioners.
<ul style="list-style-type: none"> Continue to explore the development of progressive, sustainable learning pathways, working with educational and/or cross-sector partners to address skills gaps, support career development, and attract new entrants to procurement 		<ul style="list-style-type: none"> The Academy and the Scottish Procurement & Property Directorate have co-designed a new Graduate Apprenticeship in Business Management with Procurement and Supply Chain Management with Glasgow Caledonian University (GCU). The university has advised that the programme is on track for a launch date of September 2024.



Value delivery: partnerships






Action	RAG status	Progress summary
<ul style="list-style-type: none"> Develop and implement a Scotland Excel partnership strategy which sets out objectives and plans for key partner relationships, assigns ownership, and <u>prioritises</u> activities that support the delivery of our five-year strategy. 		<ul style="list-style-type: none"> Scotland Excel's partnership strategy has been rescheduled to form part of the 2024-25 operating plan. In the meantime, all strategically important partnership relationships continue to be managed effectively.
<ul style="list-style-type: none"> Continue to build and develop relationships with the Scottish Government and <u>Centres</u> of Expertise to support the delivery of cross-sector procurement projects and programmes. 		<ul style="list-style-type: none"> Scotland Excel is continuing to work closely with the Scottish Government and other Centres of Expertise on a range of initiatives including social care, net zero, food, supply chain opportunities, and skills.
<ul style="list-style-type: none"> Continue to develop and deliver projects and activities with local government partners including COSLA, CIPFA Local Government Finance Directors, Solace, the Improvement Service, and the Digital Office for Scottish Local Government that benefit our mutual stakeholders. 		<ul style="list-style-type: none"> Scotland Excel continues to work closely with local government partners on a range of initiatives including providing procurement expertise for the transformation programme led by Solace/Improvement Service. Work is continuing with the Digital Office to support implementation of the shared digital alarm receiving centre (ARC) framework, with one council now live.
<ul style="list-style-type: none"> Implement Scotland Excel's third sector engagement strategy in support of local community wealth-building, helping them to reduce costs through associate membership where appropriate. 		<ul style="list-style-type: none"> A number of supported businesses have reported increased business and engagement following the event in November to help them build relationships with the local government procurement community. Scotland Excel also held a series of meetings with supported businesses during Q4 to explain the benefits of associate membership.
<ul style="list-style-type: none"> Continue to build relationships with education and academic partners to support the delivery of Scotland Excel's new Academy strategy. 		<ul style="list-style-type: none"> The Scotland Excel Academy continues to work with academic partners on the development learning programmes including SQA, Glasgow Caledonian University, and the City of Glasgow College.

Strategic enablers

Business Area	Commitment	RAG status	Progress summary
Corporate, Finance & ICT	<ul style="list-style-type: none"> Provide legal and financial support for exploring new business model options. 		<ul style="list-style-type: none"> This strategic enabler links to the value delivery objective on business models which has been removed from the current operating plan. Scotland Excel's existing business model supports the delivery of current strategic priorities.
	<ul style="list-style-type: none"> Develop a methodology and tool for monitoring and managing all rebates due from Scotland Excel frameworks. 		<ul style="list-style-type: none"> Work to update the modelling, mobilisation and management of rebates continues, and a rebate modelling tool is now being used by all category teams. A new Income and Finance Specialist role is being established to manage rebates and other non-requisition income.
	<ul style="list-style-type: none"> Monitor the effectiveness of Scotland Excel's hybrid working policy, proposing improvements which will benefit customers and staff. 		<ul style="list-style-type: none"> Scotland Excel's hybrid and flexible working policies have worked well throughout 2023-24. Monitoring is ongoing to ensure that these policies continue to benefit customers and staff.
	<ul style="list-style-type: none"> Implement a new five-year ICT strategy to support staff efficiency and increase digital delivery for customers. 		<ul style="list-style-type: none"> Scotland Excel's ICT strategy has been rescheduled to form part of the 2024-25 operating plan. Resources such as SharePoint are being rolled out to support the delivery of a new strategy.
	<ul style="list-style-type: none"> Continue to strengthen Scotland Excel's data management and reporting capability across a range of value measurements. 		<ul style="list-style-type: none"> Scotland Excel is continuing to improve data management and reporting, with work being aligned to the new performance management framework currently in development. A new role of Lead Commercial Analyst has been established to maximise the efficiency and effectiveness of complex social care data collation and analysis.
	<ul style="list-style-type: none"> Consider options for a future business intelligence strategy. 		<ul style="list-style-type: none"> Scotland Excel's business intelligence strategy was approved by the executive sub-committee in February 2024. The strategy covers the period from 2024-26 and is accompanied by an action plan to support delivery.

	<ul style="list-style-type: none"> Consider options for reducing Scotland Excel's carbon footprint. 		<ul style="list-style-type: none"> Options continue to be considered as part of the net zero action plan which involves staff from across the organisation.
Organisational Development	<ul style="list-style-type: none"> Implement Scotland Excel's people strategy and Investors in People plan by embedding personal development plans that supports organisational performance and individual career goals. 		<ul style="list-style-type: none"> Scotland Excel's Investors in People (IIP) midterm assessment took place in Q4. Recommendations from the review will be incorporated into plans for retaining Gold Standard accreditation at the next full assessment in 2025.
	<ul style="list-style-type: none"> Develop an approach to succession planning which to support career development and create a steady pipeline of talent at all levels. 		<ul style="list-style-type: none"> An approach to succession planning will now be developed as part of the 2024-25 operating plan. Organisational restructuring currently taking place will provide foundations for this approach.
	<ul style="list-style-type: none"> Build on Scotland Excel's commitment to training, ensuring all staff <u>have the opportunity to</u> acquire the skills required for the delivery of the new five-year strategy such as commercial acumen and climate change literacy. 		<ul style="list-style-type: none"> Scotland Excel staff continue to have access to a wide range of online and in-person training opportunities promoted via the staff intranet. Employees will take part in the new commercial acumen training programme which will be launched in 2024-25.
	<ul style="list-style-type: none"> Continue to develop and improve resources which support recruitment, <u>induction</u> and retention through a seamless and supportive employee journey. 		<ul style="list-style-type: none"> As part of Scotland Excel's commitment to continuous improvement of the employee journey, a development day for all line managers took place in March. The event provided managers with a range of tools to support their role and ensure a consistent approach across the organisation. A second event is being planned for the autumn.
	<ul style="list-style-type: none"> Research and explore options for developing an employment and training strategy that supports new entrants to public procurement. 		<ul style="list-style-type: none"> Scotland Excel has launched a new cycle of its two-year graduate programme with a recruitment campaign for four graduate trainees in March. A range of training courses which support new entrants to procurement continue to be available through the Scotland Excel Academy.
		<ul style="list-style-type: none"> Support the development and implementation of Scotland Excel's partnership strategy, including the use of stakeholder mapping and competitor modelling tools across the organisation. 	
Engagement & Communication			

	<ul style="list-style-type: none"> Implement the recommendations of Scotland Excel's value project to articulate and demonstrate the value of membership to customers 		<ul style="list-style-type: none"> Scotland Excel continues to explore ways to maximise value for members. This activity will be supported by the new performance management framework which will be introduced in 2024-25.
	<ul style="list-style-type: none"> Re-establish a customer satisfaction survey programme, and baseline satisfaction rates for future improvements. 		<ul style="list-style-type: none"> The delivery of a customer satisfaction programme now forms part of the 2024-25 operating plan to allow current operational and delivery changes to take effect. In the meantime, Scotland Excel continues to solicit and respond to customer satisfaction feedback.

Report Key	
	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

Report issued: May 2024

Appendix 4a – Community Benefits per Council 2023-2024

Council	Number of Community Benefits Reported	Total Number of Hours of Work Experience for School Pupils, College and University Students	Total Number of Apprenticeships Recruited to Deliver Contract	Total Number of Work Placements For Adults	Total Number of Volunteering Hours	Total Number of Employees Recruited to Deliver Contract	Total Monetary Value (£) of Other Community Benefits
TOTAL	730	8526.50	51.55	215.80	7551.49	380.73	£1,501,238
Aberdeen City Council	32	3388.00	1.05	0.00	140.00	23.70	£22,681
Aberdeenshire Council	40	0.00	0.10	0.00	0.00	3.50	£82,880
Angus Council	3	0.00	0.00	0.00	0.00	0.00	£4,132
Argyll & Bute Council	10	450.00	0.00	0.00	0.00	1.00	£4,900
Associate Member	54	351.00	2.10	0.00	80.00	13.75	£625,133
City Of Edinburgh Council	60	248.75	2.65	137.00	31.25	15.50	£128,413
Clackmannanshire Council	4	0.00	0.00	0.00	0.00	0.10	£72,660
Comhairle nan Eilean Siar	0	0.00	0.00	0.00	0.00	0.00	£0
Dumfries & Galloway Council	11	150.00	0.20	0.00	0.00	18.00	£8,270
Dundee City Council	11	250.00	0.25	0.00	3.00	0.80	£3,131
East Ayrshire Council	13	0.00	0.00	0.00	0.00	3.00	£13,699
East Dunbartonshire Council	11	0.00	0.00	0.00	0.00	3.10	£18,818
East Lothian Council	5	0.00	0.05	0.00	0.00	2.90	£3,622
East Renfrewshire Council	11	48.75	0.10	0.00	0.00	5.80	£19,945
Falkirk Council	19	0.00	4.00	0.00	0.00	14.20	£32,349
Fife Council	60	1784.50	1.75	4.80	0.00	21.10	£68,418
Glasgow City Council	67	154.60	17.70	0.00	69.04	79.69	£86,601
Highland Council	21	516.00	1.20	0.00	0.00	2.50	£27,740
Inverclyde Council	8	0.00	0.25	0.00	0.00	6.00	£1,526
Midlothian Council	8	0.00	0.10	0.00	0.00	0.80	£10,594
North Ayrshire Council	38	0.00	0.20	0.00	56.00	4.09	£28,594
North Lanarkshire Council	51	109.90	4.00	2.00	1.00	22.20	£44,364
Orkney Islands Council	0	0.00	0.00	0.00	0.00	0.00	£0
Perth & Kinross Council	25	0.00	0.00	0.00	0.00	12.50	£44,974
Renfrewshire Council	29	22.00	12.10	72.00	70.20	54.70	£29,786
Scottish Borders Council	12	105.00	0.05	0.00	0.00	2.40	£5,550
Shetland Islands Council	2	0.00	1.00	0.00	0.00	1.00	£0
South Ayrshire Council	23	0.00	0.00	0.00	905.00	2.10	£19,440
South Lanarkshire Council	56	708.00	1.00	0.00	6.00	35.30	£66,128
Stirling Council	17	240.00	0.00	0.00	6188.00	3.00	£4,840
The Moray Council	6	0.00	1.20	0.00	0.00	0.00	£10,458
West Dunbartonshire Council	12	0.00	0.00	0.00	2.00	1.20	£4,671
West Lothian Council	11	0.00	0.50	0.00	0.00	26.80	£6,923

Appendix 4b - Community Benefits Reported 2013-2024

Community Benefit Type	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	Total
No of Apprentices	9	92	49	18	52	34	37	26	41	49	52	459
No of New Jobs	78	43	29	53	146	280	249	340	432	296	381	2,327
No of Work Placements	0	5	6	17	30	107	43	47	39	14	216	524
Hours of Volunteering & Mentoring	95	377	1,279	1,570	1,637	803	853	608	607	3,815	7,551	19,195
Hours of Work Experience	5,305	28,214	16,734	7,852	2,541	667	10,360	19	1,292	15,411	8,527	96,922
Value of Other Community Benefits	£2,474	£16,550	£46,140	£87,814	£311,549	£437,443	£901,410	£858,590	£400,917	£783,214	£1,501,238	£5,347,339

**Appendix 5 - Planned Procurement - Frameworks due for renewal or extension by 31 March 2026 and;
New contract areas 2023/2024**

Schedule No.	Title	End Date
1419	Waste Disposal Equipment	31/03/2024
1422	Construction Materials	31/05/2024
1318	Care & Support	30/06/2024
0220	Organic Waste	30/06/2024
1020	Fostering	30/06/2024
1023	Sheriff Officers	30/06/2024
0622	Technology Enabled Care Goods	30/06/2024
2018	Community Meals	31/07/2024
1518	New Build Residential Construction	31/07/2024
1119	Demolition	31/07/2024
1919	Catering Sundries	31/07/2024
1220	Education Materials	31/07/2024
0420	Outdoor Play	31/07/2024
1918	Care Homes For Adults LD Inc Autism	15/09/2024
0423	Street Lighting Materials	31/10/2024
0222	Employability Services	30/11/2024
1321	Musical Instruments	30/11/2024
0721	Recycle And Refuse Containers	08/12/2024
1721	Social Care Agency Workers	15/01/2025
2019	Domestic Furniture and Furnishings	31/01/2025
1320	Energy Efficiency Contractors	31/01/2025
1221	Pest Control	31/01/2025
2717	Recyclable & Residual Waste	10/02/2025
1420	Social Care Case Management	14/02/2025

Schedule No.	Title	End Date
0320	Bitumen Products	28/02/2025
0820	Engineering Consultancy	17/03/2025
0720	Vehicle Parts	31/03/2025
0219	Secure Care	31/03/2025
0421	Supply Teacher And Others Bookings	31/03/2025
0920	Building Consultancy	18/04/2025
1219	Groceries & Provisions	30/04/2025
1921	Repair & Maintenance Of Catering Equipment	30/04/2025
1520	Waste Composition Analysis	08/06/2025
1821	Property Maintenance And Refurbishment	15/06/2025
2021	Water Coolers	06/07/2025
0921	Library Books And Textbooks	31/07/2025
1021	Digital Publications And Services	31/07/2025
0620	Education And Office Furniture	31/08/2025
0520	Online School Payments	19/09/2025
1122	Fire Safety Products	08/10/2025
0321	Heavy Vehicles	31/12/2025
0221	Tyres	31/12/2025
1022	First Aid	08/01/2026
0121	Vehicle And Plant Hire	20/02/2026
0521	Milk	28/02/2026
2222	Road Signage Materials	31/03/2026
1120	Frozen Foods	31/03/2026

New Contract	Forecast Delivery Date
LHEES (Local Heat and Energy Efficiency Strategies)	Aug-24
Security Operations Centre	Feb-25

Scotland Excel

To: Joint Committee

On: 21 June 2024

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

Procurement Commercial Improvement Programme (PCIP) Update

1. Introduction

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

2. Background

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

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

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

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

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

The model consists of eleven mandatory questions and nine discretionary questions. A number of these questions are from the previous assessment however some questions have additional elements included within the evidence criteria and an additional question focussed on climate. No council opted to utilise the discretionary questions.

Each question has four levels that an organisation may indicate it has achieved and will be assessed on the day. The levels are:

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

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

3. PCIP Assessments 2023/24

- 3.1 Scotland Excel worked with colleagues within Scottish Government and in conjunction with other public sector centres of expertise to consider the assessment route for 2023/24.
- 3.2 Of the thirty-two councils, twelve opted not to participate in the assessments. Generally, these councils made a strategic decision to focus their limited resources on more pressing matters. Irrespective of participation, all good practice and learning gathered as a result of the assessments will be shared with all members. A list of participating councils is provided in Appendix 1.
- 3.3 Four councils volunteered to undertake pilot assessments and these took place before the end of the year. Learnings from all of these assessments were shared with the wider community.
- 3.4 The sector agreed to proceed with assessments on the understanding that council level results will not be shared beyond individual councils. Sector reporting, where possible, will be shared beyond individual councils.
- 3.5 Throughout August, September and October last 2023, Scotland Excel undertook a series of workshops across the sector during which typical evidence was reviewed and each of the mandatory questions were discussed as a group to achieve a common understanding. These workshops were well attended and well received.
- 3.6 Suitable output is being provided by Scotland Excel at a council level. Unlike previous PCIPs, there is no score for each question and therefore no overall score that an organisation can compare with previous assessments or other organisations, or sectors. Any comparisons will have to be undertaken based on the four levels indicated in section 2 above.
- 3.7 Assessments have now completed although detailed reporting to each council is still underway.

4. Results

- 4.1 The initial sectoral results are shown in Diagram 1. This shows the number of councils achieving each of the four assessment levels (Developing, Improving, Good Practice and Advanced Practice) per question.
- 4.2 Each question is evidence based and comprises a number of required elements to achieve the level. Failure to evidence any of the elements typically means the organisation has not achieved the level.
- 4.3 The highest performing area for the sector is **Procurement influence** with 12 councils (60%) scoring the highest level. This question seeks to understand the level of influence the procurement function has over routine and major procurement activity.
- 4.4 **Procurement Strategy** was a strong area for many of the councils assessed. This shows that procurement team plans and objectives are closely linked with the overall council direction.
- 4.5 The area with the weakest performance is **Contract and Supplier Management**. This has always been a challenging area and suffered further during the pandemic period where focus was moved onto other priority areas. For this question, eight of the twenty councils (40%) were at the lower level of assessment.
- 4.6 The assessment of **contractual obligations** is strongly linked to contract and supplier management and therefore has a similar negative result.
- 4.7 For all areas of assessment, there are a number of councils achieving “Advanced Practice”, the highest level, and therefore affords the opportunity for sharing of best practice across the sector.
- 4.8 Statistical comparison with previous assessments is not possible due to the changing nature of the PCIP. Individual discussions have however taken place with councils where clear improvement has been evidenced.
- 4.9 A number of procurement teams invited other internal council colleagues to present evidence which was a useful practice overall. This was more evident with commissioning colleagues in a number of councils also joining the day.

Diagram 1



5. Sharing Best Practice and Development

- 5.1 One of the main benefits of sectoral assessment is the collection, sharing, and signposting of best practice. This is a key aim of this assessment cycle and Scotland Excel will be scheduling four workshops over the coming months to do this. Councils scoring Advanced Practice will be invited to share their methods with the wider local government procurement community.
- 5.2 Councils who undertook the assessment recorded actions that they felt could support development within the team or wider organisation. These will augment existing development plans.
- 5.3 The results of the assessments will support the delivery of any future development activities including skills development delivered by The Scotland Excel Academy.

6. Recommendation

The members of the Joint Committee are invited to note Scotland Excel’s progress in supporting sectoral assessment and community development.

Appendix 1

The following councils undertook an assessment:

ABERDEEN CITY COUNCIL
ABERDEENSHIRE COUNCIL
ARGYLL & BUTE COUNCIL
DUMFRIES & GALLOWAY COUNCIL
DUNDEE CITY COUNCIL
EAST LoTHIAN COUNCIL
EAST RENFREWSHIRE COUNCIL
EDINBURGH CITY COUNCIL
FALKIRK COUNCIL
FIFE COUNCIL
GLASGOW CITY COUNCIL
HIGHLAND COUNCIL
INVERCLYDE COUNCIL
NORTH AYRSHIRE COUNCIL
NORTH LANARKSHIRE COUNCIL
ORKNEY COUNCIL
RENFREWSHIRE COUNCIL
SCOTTISH BORDERS COUNCIL
STIRLING COUNCIL
WEST LoTHIAN COUNCIL

Scotland Excel

To: Joint Committee

On: 21 June 2024

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

Strategic Risk Register Update

1. Introduction

- 1.1 This report provides the Joint Committee with an update on the Strategic Risk Register which is maintained to monitor threats and risks that may impact the delivery of Scotland Excel's strategic objectives and to identify controls that are in place to mitigate these risks.

2. Background

- 2.1 The Strategic Risk Register has been developed using the methodology outlined in the Strategic Risk Strategy, approved by the Joint Committee in December 2022. The Strategic Risk Register identifies risks that may impact upon operations and the delivery of Scotland Excel's 5-year strategy. Specific and separate operational risk management will continue to be undertaken as part of day-to-day activities such as framework management and project management.
- 2.2 In line with the approved Strategic Risk Strategy, an organisational action plan runs alongside the risk register. On completion of each action, the resultant mitigation will be added to the Current Risk Controls area of each risk template and will be taken into consideration at the next review meeting when assessing the Residual Risk Score.

3. Risk Management update

- 3.1 The Strategic Risk Register is maintained and reviewed quarterly by the Senior Management Team (SMT) and key officers with expertise in certain risk areas. Actions to mitigate the identified risks are ongoing and undertaken throughout the year. The most recent review of the Strategic Risk Register took place on Friday 10th May 2024.
- 3.2 There are currently 12 strategic risks identified within the Strategic Risk Register ranging in assessed risk score from 6 to 20. A summary of key elements relating to each identified risk is shown in Appendix 1 of this report.
- 3.3 Key factors influencing the latest review of the Strategic Risk Register included political uncertainty following the dissolution of the Bute House Agreement and changes to political leadership in Scotland, continued financial pressures on local government bodies, ongoing policy changes in relation to public sector redesign,

and the ongoing collaboration between Scotland Excel and public sector leaders including Solace and the Improvement Service.

- 3.4 This review took place in advance of the announcement of the upcoming General Election in July 2024. The impacts of the General Election and potential further changes to leadership will be represented in the subsequent Strategic Risk Register that will be presented to the Executive Sub Committee.
- 3.5 One residual risk score was amended downwards in the most recent review of the Strategic Risk Register in May 2024. For the risk scores that remained unchanged, it was decided that the changes to the external factors affecting these risks were not significant enough to result in a change of risk score, and that the internal controls in place were sufficient in maintaining residual risk at the current levels.
- 3.6 At the next Strategic Risk Register review, if substantial changes are identified to the external factors affecting each strategic risk or the effectiveness of internal controls in place, Scotland Excel will adjust the appropriate risk evaluation score accordingly.
- 3.7 The Strategic Risk with the highest residual risk score (20) relates to Political, Legislative and Policy Change (SXL003 24/25). This residual score reflects the ongoing uncertainty across the Scottish and UK political environment, the dissolution of the Bute House Agreement, changes to political leadership in Scotland, and the pending General Election in 2024.
- 3.8 While most identified risks have maintained their residual score, the risk evaluation for Corporate Social Responsibility (SXL007 24/25) has been assessed downwards. This amendment reflects the ongoing commitment to Corporate Social Responsibility that Scotland Excel has evidenced through activities including the renewal of the organisation's Sustainable Procurement Policy, the segmentation of frameworks to outline the economic, social, and environmental priorities incorporated within its portfolio of frameworks, living wage commitments in frameworks, and the role of the organisation in ensuring ethical commissioning within public sector contracts.
- 3.9 Following review of external factors, the Scotland Excel Risk Register as of May 2024 is shown in Appendix 1.
- 3.10 Over the next 6 months, Scotland Excel will review the existing processes for monitoring, reporting, and managing the Strategic Risk Register. This review will aim to clarify the scope of each risk, the activities taking place to mitigate the potential impact and likelihood of each identified strategic risk, and the alignment of these activities to the strategic objectives of the organisation.
- 3.11 Scotland Excel will propose a revised approach to monitoring, reporting, and managing Strategic Risk to the Joint Committee for approval in December 2024.

4. Recommendation

Members are invited to note the Strategic Risk Register and provide any feedback in relation to any of the risks identified.

Strategic Risk Register

May 2024

Professional – Respectful – Courageous – Integrity

Background

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

Risk Management

Strategic risk is a quantifiable level of exposure to the threat of an event or action that could adversely affect Scotland Excel’s ability to achieve its strategic goals successfully. Scotland Excel’s risk management methodology is deployed to systematically identify, record, and monitor strategic risks. An effective response to these risks is required by Scotland Excel’s Senior Management Team and key officers in certain risk areas, to maximise the likelihood of Scotland Excel achieving its objectives and ensuring the best use of resources.

Strategic Risk Register Review Schedule

The Strategic Risk Register is reported to the Joint Committee and the Executive Sub Committee on a 6 monthly basis. The Scotland Excel Strategic Risk Register will be reviewed internally by the Senior Management Team (SMT) and other key officers as scheduled below:

Table 1: Strategic Risk Register Review Schedule

Review Date	Joint Committee Date
Mar-24	Jun-24
May-24	
Aug-24	Dec-24
Nov-24	

Ranked Strategic Risk Register

Table 2 summarises risks identified within the Scotland Excel Risk Register and orders them according to their Residual Risk Score as of May 2024. The Residual Risk Score represents the assessed risk score taking into consideration all risk controls and mitigations in place in relation to that specific risk on that date.













Table 2: Risk – Highest to Lowest Risk Score, May 2024

Risk Ref.	Risk Title	Residual Risk Score
SXL003 - 24/25	Political, Legislative and Policy Change	20
SXL004 - 24/25	Reputational Risk	16
SXL005 - 24/25	Supply Chain Resilience	16
SXL008 - 24/25	Meeting Member and Stakeholder Expectations	16
SXL009 - 24/25	Environmental Impact and Climate Change	16
SXL012 - 24/25	ICT and Cyber Security	16
SXL001 - 24/25	Organisational Sustainability	15
SXL002 - 24/25	Managing Growth and Diversity	12
SXL006 - 24/25	Staff Recruitment and Retention	12
SXL011 - 24/25	Redesign of Scottish Public Services	12
SXL010 - 24/25	National Emergency Including Pandemic	8
SXL007 - 24/25	Corporate Social Responsibility	6

Quarterly Risk Trend Movements

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

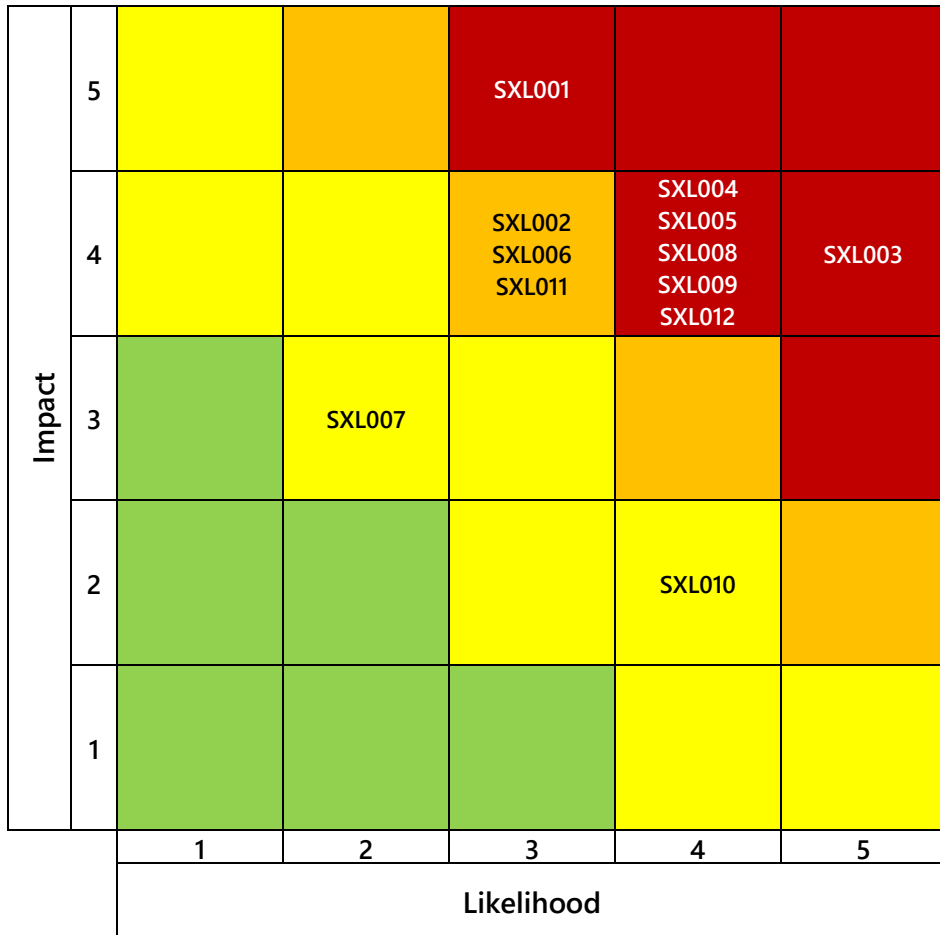
Table 3: Quarterly Risk Trend Movements

Risk Ref.	Risk Title	Period				Trend
		Q3 23/24	Q4 23/24	Q1 24/25	Q2 24/25	
SXL001 – 24/25	Organisational Sustainability	15	15	15	15	
SXL002 - 24/25	Managing Growth and Diversity	12	16	12	12	
SXL003 - 24/25	Political, Legislative and Policy Change	16	20	16	20	
SXL004 - 24/25	Reputational Risk	12	16	12	16	
SXL005 - 24/25	Supply Chain Resilience	20	20	20	16	
SXL006 - 24/25	Staff Recruitment and Retention	16	16	16	12	
SXL007 - 24/25	Corporate Social Responsibility	9	9	9	6	
SXL008 - 24/25	Meeting Member and Stakeholder Expectations	12	16	12	16	
SXL009 - 24/25	Environmental Impact and Climate Change	12	12	12	16	
SXL010 - 24/25	National Emergency Including Pandemic	12	12	12	8	
SXL011 - 24/25	Redesign of Scottish Public Services	16	12	16	12	
SXL012 - 24/25	ICT and Cyber Security	16	16	16	16	

Consolidated Risk Matrix

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

Diagram 1: Consolidated Risk Matrix (May 2024)



Risk Ref.	Risk Title
SXL001 – 24/25	Organisational Sustainability
SXL002 – 24/25	Managing Growth and Diversity
SXL003 – 24/25	Political, Legislative and Policy Change
SXL004 – 24/25	Reputational Risk
SXL005 – 24/25	Supply Chain Resilience
SXL006 – 24/25	Staff Recruitment and Retention
SXL007 – 24/25	Corporate Social Responsibility
SXL008 – 24/25	Meeting Member and Stakeholder Expectations
SXL009 – 24/25	Environmental Impact and Climate Change
SXL010 – 24/25	National Emergency Including Pandemic
SXL011 – 24/25	Redesign of Scottish Public Services
SXL012 – 24/25	ICT and Cyber Security

Alignment with 5-Year Strategy Goals

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

Table 4: Alignment With 5-Year Strategy Goals

Scotland Excel Strategic Objective	Risk Ref.	Risk Title	Risk Score
Journey towards a net zero Scotland by 2045.	SXL003 - 24/25	Political, Legislative and Policy Change	20
	SXL009 - 24/25	Environmental Impact and Climate Change	16
Drive for efficiency to support the financial sustainability of public services.	SXL012 - 24/25	ICT and Cyber Security	16
	SXL001 - 24/25	Organisational Sustainability	15
	SXL004 - 24/25	Reputational Risk	16
	SXL002 - 24/25	Managing Growth and Diversity	12
	SXL008 - 24/25	Meeting Member and Stakeholder Expectations	16
Community wellbeing with equal access to services, economic development and fair work jobs across Scotland.	SXL011 - 24/25	Redesign of Scottish Public Services	12
	SXL007 - 24/25	Corporate Social Responsibility	6
Development of resilient supply chains that maximise opportunities for Scottish businesses and the third sector.	SXL005 - 24/25	Supply Chain Resilience	16
	SXL010 - 24/25	National Emergency Including Pandemic	8
Advancement of skills to deliver Scotland’s economic transformation.	SXL006 - 24/25	Staff Recruitment and Retention	12

Appendix 1: Strategic Risk Scoring Methodology and Definitions

Scotland Excel uses a robust strategic risk management methodology. This methodology has been developed based on prior risk management experience and in consultation with risk management experts within the public sector.

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

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

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

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

Table 5: Descriptions of Risk Template Elements

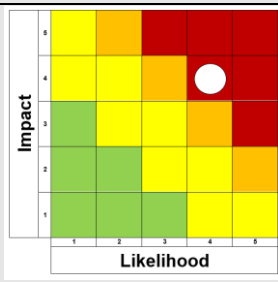

Element	Description
Reference	Unique risk identifier and risk title
Context	Context of identified risk
Risk Statement	Description of identified risk
Risk Owner	Executive team risk owner
Current Risk Controls	Specific risk controls currently in place
Risk Score	Risk assessment detail
Likelihood	How likely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

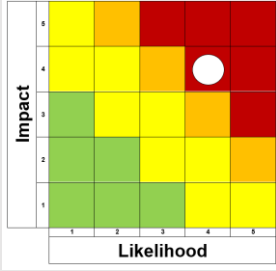

Appendix 2: Scotland Excel Risk Register (May 2024)

Organisational Sustainability				
Reference	SXL001-24/25			Risk Matrix Position
Owner	JW			
Original Evaluated Risk Score				
Likelihood	Impact	Evaluation	Trend	
4	4	16		
Residual Risk Score				
Likelihood	Impact	Residual		
3	5	15		
Context				
As a membership organisation, Scotland Excel must constantly evidence its value to members and stakeholders during challenging financial, environmental, and socio-economic times. Organisational sustainability depends on meeting and exceeding member and stakeholder expectations.				
Risk Statement				
<p>Risks caused by the membership nature of Scotland Excel include:</p> <ul style="list-style-type: none"> • Failure to maintain excellent customer service and satisfaction levels across membership. • Failure to clearly evidence the Value of Scotland Excel and meet expectations of members. • Failure to meet varying and expanding expectations and requirements of members. <p>Risks associated with continuous public sector financial pressures:</p> <ul style="list-style-type: none"> • Reduced utilisation of Scotland Excel frameworks. • Reluctance of members to increase requisition fees. • Reduced real terms operational budget impacting existing service delivery. • Failure to diversify and generate financial income from alternate sources to reduce financial reliance on membership requisition/fees. 				
Current Risk Controls				
<ul style="list-style-type: none"> • Continuing focus on delivering and evidencing Core Value for all member Councils and Associate Members. • Scotland Excel Savings Team established to identify Sectoral Savings Opportunities for Local Authority Members. • Continuing development of Sectoral Savings Options for Councils and Associate members. • Funding approved to extend contracts of Savings Team members for further 2-years. • On-going development of projects offering new services and increased benefits for stakeholders. • Identification of new opportunities to provide additional chargeable services based on customer demand. • Ongoing robust market testing of all new shared service propositions. • Ongoing robust business model is in place for all new services. • Regular engagement with Chief Execs, Finance Directors, Corporate Procurement Leads and Elected Members demonstrating the value added by Scotland Excel. • 30% of total funding for 2024/25 self-generated. • Reduction in Employer's contribution charge to pension payments till May 2026. • Small operating surplus reported for financial year 2023/24. 				

Managing Growth and Diversity				
Reference	SXL002-24/25			Risk Matrix Position
Owner	SB			
Original Evaluated Risk Score				
Likelihood	Impact	Evaluation	Trend	
3	4	12		
Residual Risk Score				
Likelihood	Impact	Residual		
3	4	12		
Context				
<p>Changing and competing demands from members require Scotland Excel to grow and diversify its framework portfolio and services within a changing financial, environmental, social and political environment.</p>				
Risk Statement				
<p>Potential barriers to the diversification of Scotland Excel’s framework portfolio and services include:</p> <ul style="list-style-type: none"> Financial, legal, and other restrictions impacting ability to evolve framework and service offering. Failure to recruit and retain staff with expertise required to deliver member requirements and grow the organisation. Failure to source suppliers with capability, capacity and expertise required to deliver member demands. Failure to identify and manage emerging opportunities and threats to organisation. <p>Risks caused by failure of Scotland Excel to diversify its framework portfolio and services include:</p> <ul style="list-style-type: none"> Negative reputational impact and reduced confidence in the organisation. Inability to clearly evidence the Value of Scotland Excel to members. Reduced utilisation of Scotland Excel’s framework portfolio by councils and associate members Reduced ability to generate income out with member requisition and associate member fees. 				
Current Risk Controls				
<ul style="list-style-type: none"> Horizon Scanning and stakeholder engagement will continue to be used to identify market development opportunities. People Strategy and workforce planning tools used to ensure that Scotland Excel has staff with relevant expertise to deliver and grow a quality service offering. Ongoing discussions with partners and stakeholders on future project opportunities. Ongoing development and identification of non-requisition income streams. Approval and implementation of Scotland Excel Carbon Net Zero Strategy. Measures such as fixed-term contracts and council placements ensure that the Scotland Excel workforce can adapt to changing demands of members. Development and implementation of diversified workforce training to ensure that Scotland Excel staff have relevant expertise to deliver and grow service offering. Ongoing and pro-active engagement with members and suppliers to develop and maintain constructive relationships. Regular engagement with Chief Execs, Finance Directors, Corporate Procurement Leads and Elected Members demonstrating the value added by Scotland Excel. Scotland Excel Savings Team established to identify Sectoral Savings Opportunities for Local Authority Members. Continuing development of Sectoral Savings Options for Councils and Associate members. Funding approved to extend contracts of Savings Team members for further 2-years. Continued growth of Flexible Procurement Team. Driving Commercial Improvement training programme announced by Scotland Excel. 				

Political, Legislative and Policy Change				
Reference	SXL003-24/25			Risk Matrix Position
Owner	SB			
Original Evaluated Risk Score				
Likelihood	Impact	Evaluation	Trend	
4	4	16		
Residual Risk Score				
Likelihood	Impact	Residual		
5	4	20		
Context				
Political, Legislative and Policy changes at local, national, UK and international levels impact Scotland Excel operations and practice.				
Risk Statement				
<p>Challenges caused by political change may include:</p> <ul style="list-style-type: none"> • Brexit impacting the delivery of Scotland Excel frameworks and suppliers. • Increasing focus on Carbon Net Zero issues which Scotland Excel must respond to. • Conflict around the world impacting supply chains across Scotland Excel frameworks. • Changes in political direction causing changes to procurement guidelines and local government policy in Scotland. <p>Challenges caused by legislative changes may include:</p> <ul style="list-style-type: none"> • Changes to procurement guidelines and best practice impacting framework development and relevance. • Changes to legislation impacting framework utilisation, for example: food standards, care guidance, building standards. • Changes to environmental objectives impacting supplier resilience and framework development. <p>Challenges caused by policy changes may include:</p> <ul style="list-style-type: none"> • Local policy changes such as community wealth building, budget allocation, school meal menus and capital expenditure plans impact utilisation of Scotland Excel frameworks. • Requirement for Scotland Excel to adapt their frameworks to adhere to policy changes. • Requirement for Scotland Excel to deliver against competing policy priorities. • Centralisation and commercialisation of services impacting the demand for Scotland Excel services. 				
Current Risk Controls				
<ul style="list-style-type: none"> • An effective and properly resourced public affairs strategy is in place. • Research, engagement, partnership working and briefings to ensure the organisation is aware of and able to respond to challenges and opportunities in the external environment. • Active participation by the organisation in various groups and boards influencing policy developments. • Active participation by the organisation in collaborative procurement opportunities. • Active engagement with the Scottish Government to influence and support policy development. • Development of Business Intelligence function in Scotland Excel to give early warning of pending change and support future development. • Monitoring of outcomes of The Procurement Reform (Scotland) Act 2014 on public procurement, response to reform approved by Scotland Excel's Executive Sub Committee. • Monitoring of Scottish Government consultations, with responses submitted where appropriate. 				

Reputational Risk				
Reference	SXL004-24/25			Risk Matrix Position 
Owner	JW			
Original Evaluated Risk Score				
Likelihood	Impact	Evaluation	Trend	
2	4	8		
Residual Risk Score				
Likelihood	Impact	Residual		
4	4	16		
Context				
Negative publicity caused by a service issue or failure damages the organisational reputation of Scotland Excel and may adversely impact the reputation of members and stakeholders.				
Risk Statement				
Reputational damage may adversely impact: <ul style="list-style-type: none"> • Scotland Excel’s ability to recruit staff and retain members. • Utilisation of Scotland Excel’s framework portfolio by member organisations. • Scotland Excel’s ability to recruit and retain staff. • Supplier participation in Scotland Excel frameworks. • Ability to attract new projects and meet funding requirements. • Scotland Excel’s ability to meet conflicting demands of stakeholders. • Success/Uptake of Scotland Excel savings projects. • Confidence in Scotland Excel’s ability to deliver its Social Care portfolio. 				
Current Risk Controls				
<ul style="list-style-type: none"> • Clear processes and procedures in relation to potential media issues are in place. • Pro-active monitoring of press coverage carried out by Marketing Team and wider organisation. • Pro-active and robust engagement with press organisations to ensure positive relationships and coverage. • Development and maintenance of easier to use and accessible corporate website. • Organisational promotion of corporate values to ensure individuals, teams and the organisation operates in line with its Values. • Ongoing and pro-active engagement with members and suppliers to develop constructive relationships. • Delivery of periodic events and enhanced marketing campaigns in support of recruitment. • Ongoing support of ‘Meet the Buyer’ events across Scotland. • Ongoing marketing campaigns in support of project delivery, The Academy, and frameworks. • Development and implementation of Value Project aimed at communicating the wider value of Scotland Excel to its members and stakeholders. • Scotland Excel Savings Team established to identify Sectoral Savings Opportunities for Local Authority Members. • Supported Business and Construction events hosted by Scotland Excel. • Attendance and presentation at sectoral events such as Procurex, CIPFA, COSLA and Solace conferences. • Articles promoting Supported Businesses, flexible procurement, and graduate recruitment featured in the Herald. • Commitment made to report annual spend with Social Enterprises, through involvement with Buy Social Scotland programme run by Social Enterprise Scotland. 				

Supply Chain Resilience				
Reference	SXL005-24/25			Risk Matrix Position 
Owner	HC			
Original Evaluated Risk Score				
Likelihood	Impact	Evaluation	Trend	
3	4	12		
Residual Risk Score				
Likelihood	Impact	Residual		
4	4	16		
Context				
<p>Suppliers on Scotland Excel frameworks are required to navigate changeable and increasingly challenging supply chains circumstances. These challenges include high energy costs, inflation, recruitment and resourcing barriers, policy changes and maintaining positive employee relations.</p> <p>Suppliers are increasingly required to innovate or resource more efficient and environmentally aware products, services, and materials to meet the changing demands of market. Failure of a service provider, or breakdown within the supply chain of a Scotland Excel framework could have significant implications for service provision within member council areas.</p>				
Risk Statement				
<p>Financial and socio-economic factors impacting the resilience of Scotland Excel framework suppliers include:</p> <ul style="list-style-type: none"> National emergencies i.e., Covid pandemic. Strikes and recruitment challenges. Rising energy costs. International conflict. Policy changes including Brexit. Technological failures and challenges. The impact of demographic change on utilisation of Scotland Excel frameworks. <p>Environmental and carbon net zero factors impacting the resilience of Scotland Excel framework suppliers include:</p> <ul style="list-style-type: none"> Disruption caused by Climate Change. Demand for environmentally aware products outstripping supply across framework. Failure to develop and provide environmentally aware product/service options. Seasonal changes impacting both the supply and demand for social care services <p>Impacts of supplier failure on Scotland Excel include:</p> <ul style="list-style-type: none"> The failure to deliver goods and services to customers through frameworks resulting in reduced confidence in Scotland Excel. Negative reputational damage to Scotland Excel. Reduction in member confidence in the resilience of Scotland Excel frameworks. 				
Current Risk Controls				
<ul style="list-style-type: none"> Robust processes for monitoring financial stability of suppliers are carried out prior to award and throughout the life of a contract. Utilisation of external advice as required and a tailored approach for high-risk contracts is in place. Specific measures are in place to meet the management of Social Care contracts and these key areas of risk. “Step-in Right” within relevant and appropriate social care contracts maintained. 				

- Participation in multi-sector groups aimed at supporting provider sustainability and supply chain development.
- Robust Market Analysis Strategy practiced across procurement categories.
- Frameworks are established with lotting structures developed to provide variety and capacity for each local authority area, providing resilience in local supply chains.
- Scotland Excel monitors and reviews key supply chains across our frameworks and distributes supply chain resilience reports to customers.
- Development and implementation of Carbon Net Zero strategy.
- Roll out of Sustainable Procurement training across procurement teams.
- On-going monitoring of factors affecting suppliers and issue of Supply Chain Intelligence Report.
- Agreement of National Care Home Contract Nursing Placement fees and Residential Placement fees for 2024/25.
- Commitment made to report annual spend with Social Enterprises, through involvement with Buy Social Scotland programme run by Social Enterprise Scotland.

Staff Recruitment and Retention				
Reference	SXL006-24/25			Risk Matrix Position
Owner	SB			
Original Evaluated Risk Score				
Likelihood	Impact	Evaluation		
3	3	9		
Residual Risk Score				
Likelihood	Impact	Residual		
3	4	12		
Context				
Failure to recruit and retain staff of suitable skill, quality, and experience may negatively impact Scotland Excel's ability to deliver its operating plan, five-year strategy and meet increasing customer expectations.				
Risk Statement				
<p>Factors impacting Scotland Excel's ability to recruit and retain staff include:</p> <ul style="list-style-type: none"> • High demand in the competitive public sector market for experienced procurement staff. • Demographic changes including a reducing workforce population impacting ability to recruit staff and aging population impacting staff retention as more staff approach retirement age. • Changing expectations in relation to hybrid working. • Scotland Excel's terms and conditions of employment and salary scales must be kept in line with local authority guidelines limiting flexibility within recruitment and retention process. • Staff turnover adversely impacting service delivery and increasing costs in relation to recruitment. • Employment market uncertainty about the Procurement Profession adversely impacts Scotland Excel's ability to recruit staff. • Language used in job advertisements impacting Scotland Excel's ability to recruit social care professionals. 				
Current Risk Controls				
<ul style="list-style-type: none"> • People Strategy and workforce planning tools are used to ensure that Scotland Excel's staff has the appropriate mix of skills and experience to deliver and grow a quality service. • Recruitment and retention processes constantly reviewed and updated. • PDP process reviewed and updated in consultation with Scotland Excel staff. • Delivery of periodic events and enhanced marketing campaigns in support of recruitment. • Investors in People Gold accreditation achieved and maintained. • Staff turnover figures collated and presented to SMT on a regular basis. • Ongoing investment in staff learning and development programme. • Development and implementation of a successful graduate training programme. • Participation in relevant graduate and modern apprenticeship opportunities • Development and implementation of a Scotland Excel Employee Journey procedure. • Broad range of flexible working options and patterns available to staff. • Extensive range of employee benefits available to staff. • Development and implementation of Recruitment Strategy. • Existing graduates appointed into permanent and fixed-term positions, and new graduate recruitment process underway. • Voluntary Redundancy and Voluntary Early Retirement processes complete. • Workforce Development underway. • Scotland Excel Academy Strategy approved by Executive Sub Committee. 				

Corporate Social Responsibility				
Reference	SXL007-24/25			Risk Matrix Position
Owner	HC			
Original Evaluated Risk Score				
Likelihood	Impact	Evaluation	Trend	
2	3	6		
Residual Risk Score				
Likelihood	Impact	Residual		
2	3	6		
Context				
<p>The growing importance of corporate social responsibility among members and stakeholders requires Scotland Excel to evidence contribution to this shared priority across their framework portfolio and operational services.</p>				
Risk Statement				
<p>Risks associated with evolving corporate social responsibility commitments include:</p> <ul style="list-style-type: none"> • Underutilisation of Scotland Excel frameworks due to failure to promote, include and deliver community benefits. • Challenges exist relating to how to deliver Community Benefits within a financially challenging environment. • Reputational damage and reduced utilisation of Scotland Excel’s frameworks due to failure to promote ethical sourcing of products and suppliers across portfolio supply chains. • Reputational damage caused by failure to ensure that Scotland Excel delivers Community Benefits in its day-to-day operations. • Scotland Excel’s ability to recruit and retain staff and members being negatively impacted by failure to evidence measures taken to deliver corporate social responsibility. 				
Current Risk Controls				
<ul style="list-style-type: none"> • Management and Reporting of Community Benefits developed and embedded within established reporting cycle. • Community benefit requirements issued to suppliers at tender stage. Active promotion of community benefits is delivered through contract management. • Living Wage Employer accreditation secured and promoted across stakeholders and suppliers. • Workforce elements and living wage considerations are built into each procurement exercise at strategy stage. • Ethical sourcing strategies provided by suppliers as part of the tender process. • Staff have become mentors for children in schools under MCR Pathways. • Partnership with Founders 4 Schools supporting CV writing, mock interviews etc. • Incorporation of “Fair Work First” into Scotland Excel frameworks. • Establishment of Scotland Excel Employee Forum which carries out an annual programme of charitable activities. • Participation in relevant modern apprenticeship / graduate apprenticeship opportunities. • Attendance at Community Wealth Building Workshops. • Hosting of Supported Business event. • Net Zero Group exploring methods of measuring, recording, and reporting carbon footprint. • Increasing Community Benefit focus in the development of new and renewal of existing frameworks. • Commitment made to report annual spend with Social Enterprises, through involvement with Buy Social Scotland programme run by Social Enterprise Scotland. • Stakeholder segmentation process underway to provide members with clarity around priorities of framework usage. 				

Meeting Member and Stakeholder Expectations				
Reference	SXL008-24/25			Risk Matrix Position
Owner	SB			
Original Evaluated Risk Score				
Likelihood	Impact	Evaluation	Trend	
2	4	8		
Residual Risk Score				
Likelihood	Impact	Residual		
4	4	16		
Context				
As a membership organisation it is important for Scotland Excel to meet the varying and competing political, social, environmental, and financial expectations of its members.				
Risk Statement				
<p>Risks associated with changing stakeholder and member expectations include:</p> <ul style="list-style-type: none"> • Loss of confidence in Scotland Excel due to failure to meet the expectations of members and stakeholders. • Challenges exist relating to how meet stakeholder expectations within a financially challenging environment. • Failure to perform and meet delivery targets in line with member and stakeholder expectations. • Failure to ensure appropriate mechanisms are in place to support operational performance and adaptability. • Insufficient resource available to Scotland Excel to meet evolving member and stakeholder expectations. • Failure to clearly evidence the value of Scotland Excel and meet expectations of members. 				
Current Risk Controls				
<ul style="list-style-type: none"> • Continuing focus on delivering and evidencing core value for all member Councils and Associate Members. • Continuing development of Sectoral Savings Options for Councils and Associate members. • Approved 5-year strategy and one-year operating plan in place addressing current member expectations. • Regular operating plan updates given to Executive Sub Committee to ensure robust governance. • Regular financial period review and reporting across core and projects. • Regular infrastructure reviews undertaken to support operational delivery in line with member and stakeholder expectations. • Ongoing development of services in response to changing member and stakeholder demands. • Scotland Excel Savings Team established to identify Sectoral Savings Opportunities for Local Authority Members. • Approval of Business Intelligence Strategy and Academy Strategy by Executive Sub Committee. • Attendance and presentation at sectoral events such as Procurex, CIPFA, COSLA and Solace conferences. • Contract Delivery Plan update rereported to Executive Sub Committee. • Workforce development underway to ensure organisation is well positioned to meet needs of member and stakeholders. • Stakeholder segmentation process underway to provide members with clarity around priorities of framework usage. • Monitoring of Scottish Government consultations, with responses submitted where appropriate. • Restructuring of procurement resources and teams. 				

Environmental Impact and Climate Change				
Reference	SXL009-24/25			Risk Matrix Position
Owner	JW			
Original Evaluated Risk Score				
Likelihood	Impact	Evaluation	Trend	
2	3	6		
Residual Risk Score				
Likelihood	Impact	Residual		
4	4	16		
Context				
<p>Members and stakeholders demand best value contracts that support their aspirations to achieve net zero carbon emissions and tackle climate change. The service demands of Scotland Excel are likely to evolve as members and stakeholders navigate changes to their working environments caused by climate change.</p> <p>Scotland Excel must demonstrate how their own operations are driving down emissions and reducing environmental impact.</p>				
Risk Statement				
<p>The national effort to reach Net Zero Emissions and the impacts of climate change may impact the demands of Scotland Excel by:</p> <ul style="list-style-type: none"> • The rising financial costs of carbon reduction and climate change affects to suppliers impacting the delivery of best value for members. • The demands of members changing to include climate change adaptation services. <p>An ineffective environmental response from Scotland Excel may result in:</p> <ul style="list-style-type: none"> • Organisational activity having an adverse impact on the environment. • Current and future frameworks and services having an adverse impact on the environment. • Failure to maximise influence and impact on environmentally friendly public service delivery. • Measurement and reporting of environmental performance that is not representative of true impact on the environment. • Failure to deliver services to member organisations. 				
Current Risk Controls				
<ul style="list-style-type: none"> • Review and ongoing adoption of environmentally aware operating practices within Scotland Excel. • Ongoing review of Scotland Excel frameworks and their impact on the environment. • Requirement for Environmental Policy, ISO certificate or equivalent for access to certain frameworks. • Actions in relation to reducing carbon footprint scored in assessment for certain frameworks. • Information in relation to environmental practices and plans requested across all applicable frameworks. • Sustainability testing carried out as appropriate. • Launching of Net Zero Group. • Net Zero Group exploring methods of measuring, recording, and reporting organisational carbon footprint. • Ongoing training of Scotland Excel staff on environmental impact and climate change issues. • Revision of organisation’s Sustainable Procurement Policy. • Monitoring of Scottish Government consultations, with responses submitted where appropriate. 				

National Emergency Including Pandemic				
Reference	SXL0010-24/25			Risk Matrix Position
Owner	JW			
Original Evaluated Risk Score				
Likelihood	Impact	Evaluation	Trend	
5	5	25		
Residual Risk Score				
Likelihood	Impact	Residual		
4	2	8		
Context				
A National Emergency or Pandemic being declared by the Scottish Government and/or the UK Government will impact the day-to-day operations of Scotland Excel.				
Risk Statement				
<p>A National Emergency or Pandemic may result in:</p> <ul style="list-style-type: none"> • Impeded ability of Scotland Excel to deliver services to members and stakeholders. • Reputational damage to Scotland Excel caused by failure to deliver services to and stakeholders. • Negative impact on health and wellbeing of Scotland Excel employees. • Failure to offer flexible working arrangements limiting organisational ability to adapt service delivery and operational processes following/during National Emergency or Pandemic. • Failure to ensure supply chain resilience in case of National Emergency or Pandemic impacting the supply of goods and services through Scotland Excel frameworks impacting organisational reputation, member confidence and customer satisfaction levels. • Impacts specific to social care/NHS – pressure on services. 				
Current Risk Controls				
<ul style="list-style-type: none"> • Hybrid and ICT working arrangements are flexible allowing easy adaptability in case of National Emergency or Pandemic. • ICT and Business Continuity Strategy and Plan in development. • Employee support mechanisms (Occupational Health, Time to Talk, Mental Health First Aiders etc.) remain in place during flexible working scenarios. • Access to a range of video communication software allows business meetings to take place online and ensures employees living alone or experiencing difficulties can be supported. • Governance of the organisation can be maintained in line with governing documents. • Framework nature of managed contracts ensure minimum dependence on single suppliers. • Adaptability of organisational resources ensures flexibility in the allocation of resources to meet demand and changing priorities. E.g. PPE and Food during Covid pandemic. • Review of framework contract terms and conditions every 2 years. • Issuing Scotland Excel Supply Chain Intelligence Report. 				

Redesign of Scottish Public Services				
Reference	SXL0011-24/25			Risk Matrix Position
Owner	HC			
Original Evaluated Risk Score				
Likelihood	Impact	Evaluation	Trend	
5	4	20		
Residual Risk Score				
Likelihood	Impact	Residual		
3	4	12		
Context				
Redesign of public services may adversely impact the ongoing operations, framework delivery and future service development plans of Scotland Excel.				
Risk Statement				
Redesign of Scottish Public Sector services may: <ul style="list-style-type: none"> • Require Scotland Excel to adapt their current service offering to members. • Broaden the risk of under-utilisation of Scotland Excel frameworks and services. • Create conflict between national and local priorities complicating framework development. • Adversely impact the spend across a broad range of Scotland Excel frameworks. • Potentially impact the financial viability of Scotland Excel through recalculation of requisition requirements. • Adversely impact Scotland Excel's position as a centre of excellence for procurement. 				
Current Risk Controls				
<ul style="list-style-type: none"> • On-going liaison with key organisational stakeholders in relation to public service delivery. • Participation in key Scottish Government working groups relating to public service redesign. • Supplier and customer trust and utilisation of existing Scotland Excel frameworks. • Consultation with key stakeholders in relation to Parliamentary Process and responding to the Call for Views and co-design. • Development of Scotland Excel Partnership Working Strategy. • Continued monitoring of implication of The Verity House Agreement on the delivery of public services. 				

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

Scotland Excel

To: Joint Committee

On: 21 June 2024

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

Supporting Attendance, Special Leave and Hospitality

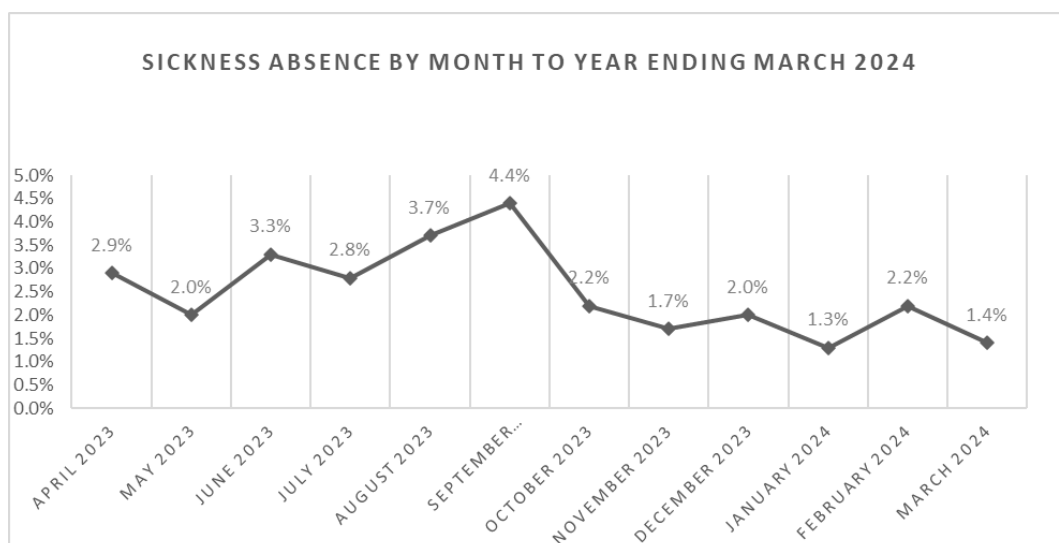
1. Introduction

As part of the governance process, members of the Joint Committee are advised on an annual basis of staff absence rates, special leave given to staff and hospitality granted by the organisation. The information for the 2023/24 financial year is detailed below.

2. Scotland Excel Staff Absence

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

During 2023/24, the average sickness absence rate per full time equivalent member of staff has been 5.7 days. In total, 596.5 sickness leave days were reported across all staff during 2023/24 representing an average Sickness Absence Rate of 2.5%. The organisation will continue to monitor sickness absence to ensure that, where required, staff are given appropriate support to maintain their attendance at work and return to work. The following graph shows monthly percentage absence figures for staff during 2023/24.



3. Overview of supporting attendance initiatives

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

Scotland Excel recognises that positive mental health amongst staff members is an area that must be supported and encouraged. In addition to active promotion of good mental health practices and initiatives, the organisation has 24 staff from across all operational areas and grades who have trained as accredited Mental Health First Aiders. In providing this confidential support opportunity to staff members it is hoped that any personal difficulties they may be experiencing can be addressed at an early stage with appropriate signposting to professional support as appropriate.

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

In addition to supporting staff members with their mental wellbeing, Scotland Excel is implementing a programme of awareness and support for those who may be experiencing difficulties through menopause. The aim is to raise awareness of the subject across all staff members and put in place measures where those affected feel able to discuss any concerns and know how to access support. An awareness session took place for all staff members in mid-April and support groups will be established during the coming year.

4. Special Leave

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

Scotland Excel follows the HR policies and procedures of the lead authority, Renfrewshire Council. When approving requests for special leave, consideration is always given to the operational requirements of Scotland Excel together with requests that may have been previously granted and outstanding annual leave. Categories of special leave include some medical appointments, illness of family

dependants, bereavements, civic duties and exam / study leave. A total of 126 days are recorded, all as paid leave against the undernoted categories.

Reason	Paid or Unpaid	Days
Support family dependants	Paid	7
Support family dependants	Unpaid	0
Bereavement	Paid	43
Exam / Study leave	Paid	65
Jury Duty	Unpaid	7.5
Hospital	Paid	3.5
Election Duties	Paid	0

5. Hospitality

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

In the last financial year (2023/24) there was no spend.

6. Recommendation

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

Scotland Excel

To: Joint Committee

On: 21 June 2024

**Report by:
The Clerk**

Membership of Scotland Excel Chief Executive Officers Management Group

1. Summary

- 1.1 At the meeting of the Joint Committee held on 8 December 2023 it was agreed that the membership of Scotland Excel Chief Officers Management Group (CEOMG) remain as detailed below until December 2024:

Angela Scott	Aberdeen City Council
David Robertson	Borders Council
Greg Colgan	Dundee City Council
Eddie Fraser	East Ayrshire Council
Annemarie O'Donnell	Glasgow City Council
Alan Russell	Renfrewshire Council

- 1.2 Since that meeting, Annemarie O'Donnell has retired as Chief Executive of Glasgow City Council. The SOLACE Executive sought nominations for a replacement member and a nomination was received from Paul Manning, Chief Executive of South Lanarkshire Council.

2. Recommendation

- 2.1 That it be noted that Annemarie O'Donnell had retired as Chief Executive of Glasgow City Council;
- 2.2 That it be agreed that Paul Manning be appointed as a member of the CEOMG until December 2024; and
- 2.3 That it be noted that membership of the CEOMG would again be reviewed in December 2024.

