

Scotland Excel

To: Executive Sub-Committee

On: 17 May 2024

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

Project Proposal : Commercial Analysis

1. Introduction

- 1.1 This report sets out details of a project which is proposed to be funded from the use of reserves created as a result of surpluses generated by changes to the Strathclyde Pension Fund employer's contributions.

2. Background

- 2.1 Following actuarial review (the triennial valuation), Strathclyde Pension Fund (SPF) advised that, due to higher than anticipated returns from investments, the fund is 147% funded against current and anticipated future commitments.
- 2.2 The meeting of the Joint Committee of Scotland Excel in December 2023 agreed to retain the anticipated operating surplus, ring-fenced within reserves. Agreement was made that any proposals for in-year draw down would be brought before the Executive Sub-Committee.
- 2.3 The in-year impact of these changes to the SPF for 2024/25 and 2025/26 will be an anticipated operating surplus of £460k and £459k, respectively.

3. Project – Commercial Analysis

- 3.1 This project proposes to introduce a new role to lead a technical review of procurement processes with the purpose of identifying efficiency improvements in data analysis and opportunities for automation.
- 3.2 This proposal seeks to appoint dedicated resource to manage detailed commercial analysis. This is required to ensure the local government community is furnished with appropriate information, extracted from the analysis of markets and supplier responses to enable councils to drive great efficiency from procurement work.
- 3.3 The project would develop business cases for improving data analysis activity and make recommendations on the use additional digital tools, where beneficial.
- 3.4 The appointed post holder would be a suitably qualified specialist to advise on opportunities for future use of advanced technology within Scotland Excel's

procurement function and by sharing improvement plans with councils drive the potential for greater collaboration in this area.

- 3.5 Scotland Excel can bring benefit to councils by ensuring improved data handling and automation ensures frameworks are as effective in delivering value to councils as possible, this project would enhance value by improving access to commercial information on contracts, suppliers, and framework usage.
- 3.6 The additional role would be appointed on a 12-month basis. Any potential to extend the term of the role would be determined based on interest in chargeable services delivered by the additional capacity and capability created.
- 3.7 It is intended to offer training and coaching on automation and data analysis within the procurement professional community as part of this project. Scotland Excel will collaborate with members to establish a suitable engagement programme that meets the wider skills needs of the community.
- 3.8 The funding requirement is for the addition of a Lead Commercial Analyst at Grade 11, for a 12-month period, on a fixed term contract. This would bring an estimated cost of £54,798 for year 1 (10 months), and £13,699 for year 2 (2 months). Costs are based on the entry-point of Grade 11. The figures include employment on-costs at 31%, an assumed salary uplift at 3% and the annual incremental movements on the pay scale.
- 3.9 It is proposed to make an offer of employment to a suitable individual during May 2024, subject to the conclusion of a successful recruitment exercise.

4 Recommendation

- 4.1 Members are invited to approve the project funding and drawdown from agreed reserves for 2024/25 and 2025/26 of a total commitment of £68,497, the breakdown of which is shown below:
 - £54,798 in 2024/25 (10 months)
 - £13,699 in 2025/26 (2 months)