

Scotland Excel

To: Executive Sub-Committee

On: 17 May 2024

Report by:
Chief Executive of Scotland Excel

Update on the Contract Delivery Plan

1. Progress to Date

This report provides a progress update on the 2024/ 2025 Contract Delivery Plan.

Appendices 1 – 4 of this report on the 2024/ 2025 Contract Delivery Plan detail new framework developments and renewals, flexible frameworks, framework extensions and frameworks with ongoing contract management activity.

At any given point there are around 70 frameworks in the Scotland Excel contract portfolio. It is intended that two further frameworks will be developed and added to the portfolio during 2024/2025, with 20 frameworks remaining to be renewed before the end of 2025 (Appendix 1).

A further 14 of the frameworks in the current portfolio have extension options that are available to be exercised in 2024/2025; three of these extensions are already approved (Appendix 3).

The estimated forecast value of the Scotland Excel framework portfolio is approximately £2.14 Billion.

On average efficiencies created by frameworks awarded so far during 2024/2025 are benchmarked at 1.67% of the value of those frameworks. Appendix 5 sets out Scotland Excel's updated methodology for calculating efficiencies which is in accordance with the [Scottish Government procurement benefits reporting guidance](#).

A summary of spend per council across the portfolio between January 2023 and December 2023 can be found in Appendix 6.

A summary of activity relating to the framework portfolio is set out in the remainder of this report.

Social Care

A new national flexible framework agreement for **Residential Rehabilitation (Alcohol and Drugs) Services** commenced on 1 April 2024. Mobilisation sessions have commenced with both purchasers and providers and will offer a new opportunity for commissioners to use standard national documentation and processes for purchasing and contracting these services across Scotland.

The second-generation **Care and Support** flexible framework closing date for submission of applications was 15 March 2024. The evaluation of the submissions is in progress, including scoring of agreed elements in line with the published evaluation criteria and methodology. It is anticipated that the framework agreement will be in place by 1 July 2024, subject to the successful conclusion of the commercial evaluation processes.

The flexible framework for **Care Homes for Adults** documentation is at final development phase. It is anticipated that the framework agreement will be in place by November 2024 pending formal governance approvals.

The tender for the renewal of the **Supply and Delivery of Community Meals** flexible framework agreement was published on 4th April and is due to close on 7th May 2024. The framework includes new innovations around product types for meals offered, while rationalising the lotting structure.

Contract management activities continue on the **Social Care Agency** flexible framework. A regular programme of meetings is in place with the purchasers and suppliers to ensure successful operation of the framework, including actions to mitigate risk.

Scottish Care members accepted the increase to the **National Care Home Contract (NCHC)** placement rates for 2024/25. The settlement letter and Minute of Variation (MOV) have been distributed. This does not include an increase for nursing staff as pay negotiations between NHS Scotland and the unions are in their early stages.

An updated NCHC has been drafted and is in the process of being agreed with the sector. It is anticipated that the new NCHC documents will be issued, via a further MOV, along with an updated rate following conclusion of nursing pay negotiations. The NCHC re-design strategy is being reviewed with potential changes to the operation of the NCHC being discussed with key stakeholders. This new strategy will focus on agreeing incremental improvements and will be communicated in due course.

Scotland Excel continues to engage in contract management activities on the **Children's Residential Care and Education, including Short Breaks, Services** flexible framework which has been live since 1st October 2022. This includes gathering of regular management information through the new streamlined process, and the evaluation of new bids and variations.

Scotland Excel is engaging with stakeholders regarding the renewal contracts for **Secure Care Services**. The current contracts have been extended to 31st March 2025 under Regulation 72, due to the policy work ongoing in this area including the

“Reimagining Secure Care” work. Work on the next generation contracts will continue throughout 2024, to ensure that the contracts are fit for purpose, meet the needs of children and young people, and align with the policy direction.

In addition, across the Children’s team, the fee uplift process for 2024/2025 is currently being developed and will include the new Scottish Government commitment to pay £12 per hour to the children’s social care workforce for the first time. This is requiring adjustments to processes to ensure alignment with the policy and the team are working with COSLA and the Scottish Government on implementation.

Construction, Transport and Environmental (CTE)

A number of frameworks have recently been awarded at Executive Sub-Committee and following mobilisation are now operational. **Security Services and Cash Collection** framework was awarded in mid-March and has now been mobilised with suppliers and councils, including changes to pricing to reflect the updated Real Living Wage rates from 1 April 2024.

Grounds and Plant Equipment framework is also awarded and operational.

A consolidated **Construction Materials** framework which brings six mature goods-based frameworks together was approved at the April Executive Sub-Committee and at the time of writing this report is within its standstill period. If no legal challenges are forthcoming, it is anticipated that this framework will be operational in May.

The renewal of **Waste Disposal Equipment** was published on 15 April 2024 and bids are invited by 14 May 2024. This framework will replace the current framework for the supply and delivery of waste disposal equipment including large containers, skips, compactors, balers and roll packers.

The contract notice for the second generation of **New Build Residential Construction** was published on 5 April. This framework builds on the experience gained through the first generation of the framework. The tender has been published with updated and innovative specifications to include bronze, silver, gold, Passivhaus and Net Zero standards. It is anticipated that the approval for award paper will be presented at the August Executive Sub-Committee.

Development work continues on a new framework for the provision of services for Scottish local authorities and the Scottish Government related to **Local Heat and Energy Efficiency Strategies (LHEES)**, heat network zoning and Local Area Energy Planning (LAEP). Tender documents are subject to final legal review prior to publishing the tender.

The procurement strategy for the next iteration of **Demolition and Deconstruction Services** has been approved. This framework will enable members to procure demolition and deconstruction works, ranging from shoring to complex multi-storey demolitions and will also provide emergency demolition services.

Scotland Excel is currently establishing a new technical group to re-commence development of a framework for **Street Lighting Materials**, it is anticipated that a framework will be operational in the final quarter of 2024. Previously, an evaluated outcome for Street Lighting was prepared for submission to the Executive Sub Committee in early 2023 but was subject to judicial interruption. An abandonment notice, in line with regulations 85(7) and (8) of the Public Contracts (Scotland) Regulations 2015, was published to all tenderers, through the PCS-T message board facility, for this tender exercise.

Development projects have now been initiated for the renewal developments for **Engineering and Technical Consultancy**, **Bitumen**, and **Vehicle Parts** frameworks which are due to be delivered in early 2025. Prior Information Notices (PIN) were published on Public Contracts Scotland on 10 April 2024 for Engineering and Technical Consultancy and 22 April 2024 for Bitumen. A PIN will follow in due course for Vehicle Parts.

Scotland Excel continues to support to councils in effective utilisation of the **Energy Efficiency Contractors (EEC)** framework. This framework provides local authorities with the means to improve the integrity and efficiency of builds' fabric.

The **Property Maintenance and Refurbishment (PMR)** framework gives local authorities a route to market for a broad range of repair, maintenance, and refurbishment services, and contract management of these arrangements is ongoing.

Scotland Excel is in early discussion with one the of local authority clusters working together under a transport partnership, on the potential to support a procurement for a group of concession agreements for **Electric Vehicle Charging Infrastructure** which will facilitate private sector investment and accelerate capability in this area.

Corporate, Education and Operational Supplies and Services

Scotland Excel has now mobilised second generation frameworks for **Civic Supplies** and **Road Signage** with suppliers and councils. Additionally, recommendations for **Fresh Fruit and Vegetables** and **Cleaning Equipment** were approved by the Executive Sub Committee in April 2024 and at the time of writing this report are both within the standstill period. If no legal challenges are forthcoming, it is anticipated that both frameworks will be fully operational by 1st June 2024.

Development work is under way for the fifth-generation framework for **Catering Sundries**, with a strategy UIG held during January 2024, and the procurement strategy approved in April 2024. A prior information notice (PIN) has been published on Public Contracts Scotland for the renewal framework for **Domestic Furniture and Furnishings**. Work has also commenced on the next generation framework for **Groceries and Provisions**, with work on the renewal of **Education Materials** and **Education and Office Furniture** scheduled for summer 2024.

An important part of Scotland Excel's portfolio is the group of food frameworks. Data released last week from the Office of National Statistics finds that overall inflation has fallen to 3.2% (CPI) in the 12 months to March 2024. Food inflation has also continued to ease, falling to 4.0% (CPIH). High food inflation has been a major contributor to

overall inflation and the recent decreases have played a large part in inflation slowing. Falling inflation does not mean that prices are coming down but that they are rising more slowly. Contract management activities in this part of the portfolio continue to ensure prices paid are reflective on market changes.

The operational supplies and services team are also working on opportunity assessments for two opportunities – a renewal framework for **Bottled Gas** and a new framework relation to **Election Printing and Services**. These opportunities will be considered in detail and added to the contract delivery plan if a viable collaborative approach is determined.

Digital Contracts

A new Category Manager has been appointed to oversee the management of frameworks within the digital category, including the digital services already in place. The new post holder will lead the development of sourcing strategies to deliver enhanced efficiency, value for money and improved services for members. The Category Manager will work with strategic partners including the Digital Office for product/service development, research, innovation to improve digital access across Scotland. To support this partnership, a strategic development workshop with the Digital Office is taking place on May 20th.

The recommendations for **Technology Enabled Care Goods** will be presented to the Executive Sub Committee in May 2024, with the framework due to go live in June 2024.

The team is engaged in several projects in partnership with the Scottish Local Government Digital Office, including **Office 365** and a new arrangement for a **Security Operation Centre**.

The roll out of the **Digital Alarm Receiving Centre** continues with 12 councils making progress in moving telecare customers from analogue support systems to the new digital platform.

The team regularly attends and provides procurement input for the following boards: Digital Assurance, Public Sector Innovation and Telecare Steering Group.

2. Conclusion

Members are invited to note the progress made to date.

Appendix 1 – List of New or Renewal Contracts during 2023/2024

Service	Estimated Annual Collaborative Contract Opportunity	Activity	Original Forecast Date	Previous Forecast Date	Delivered Date	Latest Forecast Date if Different	Forecast Savings Range	Delivered Savings Forecast	Comments
2024/25 Executive Sub Committees									
Contracts Approved since April 2024									
Cleaning Equipment	£2,000,000	Renew	Mar-23	Apr-24	Apr-24	Apr-24	2%-4%	-11%	Approved by Exec Sub Committee April 2024
Fresh Fruit and Vegetables	£6,000,000	Renew	Feb-24	Apr-24	Apr-24	Apr-24	2% - 4%	7.19%	Approved by Exec Sub Committee April 2024
Construction Materials	£70,000,000	Renew	Apr-23	Sep-23	Apr-24	Apr-24	2%-4%	4.31%	Approved by Exec Sub Committee April 2024
May 2024 Executive Sub Committee									
Technology Enabled Care Goods	£9,000,000	Renew	Dec-22	Apr-24		May-24	2%-4%		Recommendations will be presented to Executive Sub Committee in May 2024 for approval.
June 2024 Executive Sub Committee									
Supply and Delivery of Community Meals	£4,000,000	Renew	Aug-23	May-24		Jun-24	2% - 4%		Tender published early April and will close May 2024. It is anticipated that recommendations will go to the executive subcommittee in June 2024 for approval.
Waste Disposal Equipment	£1,250,000	Renew	Feb-24			Jun-24	2% - 4%		Framework was published on 15th April 2024 and closes 14 May 2024.
Care and Support	£159,469,383	Renew	Mar-24	May-24		Jun-24	n/a		Closing date for submission of applicants was 15 March 2024. Currently under evaluation with recommendations due to be presented to the Executive Sub Committee in June 2024.

Service	Estimated Annual Collaborative Contract Opportunity	Activity	Original Forecast Date	Previous Forecast Date	Delivered Date	Latest Forecast Date if Different	Forecast Savings Range	Delivered Savings Forecast	Comments
2024/25 Executive Sub Committees									
August 2024 Executive Sub Committee									
Sheriff Officers	£1,100,000	Renew	Nov-23	May-24		Jun-24	2%-4%		Prior Information Notice Issued. Strategy and Evaluation Methodology Under Development
Catering Sundries	£4,000,000	Renew	Jun-24	Jun-24		Aug-24	2%-4%		Prior Information Notice Issued. Strategy Approved. Evaluation Methodology Under Development
LHEES (Local Heat and Energy Efficiency Strategies)	£1,000,000	New Contract	Sep-23	May-24		Aug-24	0%		Documents subject to final legal review prior to tender release.
New Build Residential Construction	£375,000,000	Renew	Jun-23	Jun-24		Aug-24	2%-4%		Tender was published on 5th April with a closing date of 27th May 2024.

Service	Estimated Annual Collaborative Contract Opportunity	Activity	Original Forecast Date	Previous Forecast Date	Delivered Date	Latest Forecast Date if Different	Forecast Savings Range	Delivered Savings Forecast	Comments
2024/25 Executive Sub Committees									
Future 2024/25 Executive Sub Committee									
Security Operating Centre	TBC	New Contract	Nov-22			TBC	2%-4%		Pending
Demolition	£18,000,000	Renew	Jun-24	Aug-24		Sep-24	2%-4%		Strategy approved and tender development stage.
Care Homes for Adults	TBC	Renew	Oct-23			Sep-24	n/a		Development stage: scoping work underway.
Street Lighting Materials	£15,000,000	Renew	Aug-22	Aug-23		Oct-24	2%-4%		Scotland Excel are currently establishing a revised project plan for the publication of this tender.
Domestic Furniture and Furnishings	£26,000,000	Renew	Nov-24			Nov-24	2%-4%		Strategy development underway
Engineering and Technical Consultancy	£17,125,000	Renew	Jan-25			Jan-25	2%-4%		Pending - PIN published on Public Contracts Scotland on 10 April 2024.
Bitumen	£15,000,000	Renew	Jan-25			Jan-25	2%-4%		Pending - PIN published on Public Contracts Scotland on 22 April 2024.
Vehicle Parts	£12,000,000	Renew	Feb-25			Feb-25	2%-4%		Project development underway.
Booking Of Current Employees of Local Authorities for Temporary Vacancies	£1,200,000	Renew	Feb-25			Feb-25	2%-4%		Pending

Groceries & Provisions	£30,000,000	Renew	Feb-25			Feb-25	2%-4%		Regulation 72 extension approved until May 2025. Early UIG engagement underway.
Secure Care services	£17,500,000	Renew	Mar-24			Mar-25	n/a		Regulation 72 extension approved until March 2025. Early provider, UIG and policy team engagement underway.
Education Materials	£17,000,000	Renew	Jun-25			Jun-25	2%-4%		Pending
Education and Office Furniture	£8,000,000	Renew	Jun-25			Jun-25	2%-4%		Pending
Online School Payments, Cashless Catering and Kitchen Management	£2,000,000	Renew	Aug-25			Aug-25	2%-4%		Pending

Appendix 2 – Flexible Contracts

Service	Estimated Annual Collaborative Contract Opportunity	Activity	Anticipated Re-Opening Date	Comments
Care and Support	£140,000,000	Flexible Framework Agreement	N/A	New entrants may be approved on a 6 monthly basis during the lifetime of the Flexible Framework dependent on the circumstances and demand. Progressing with a renewal framework.
Social Care Agency Workers	£20,000,000	Flexible Framework Agreement	N/A	New entrants may be approved at any point during the lifetime of the Flexible Framework dependent on the circumstances and demand for suppliers to be added on either a National or Regional basis.
Care Homes For Adults With Learning Disabilities Including Autism	£26,500,000	Flexible Framework Agreement	N/A	New entrants may be approved on an annual basis during the lifetime of the Flexible Framework dependent on the circumstances and demand. Progressing with a renewal framework.
Bikeability Scotland Training Providers	£300,000	Dynamic Purchasing System (DPS)	N/A	New entrants may be approved at any point during the lifetime of the DPS
Recyclable and Residual Waste	£40,000,000	Dynamic Purchasing System (DPS)	N/A	New entrants may be approved at any point during the lifetime of the DPS
Digital Telecare	£4,000,000	Dynamic Purchasing System (DPS)	N/A	New entrants may be approved at any point during the lifetime of the DPS
Employability Services	£20,000,000	Flexible Dynamic Purchasing System (DPS)	N/A	New entrants may be approved at any point during the lifetime of the DPS
Children's Residential	£158,300,000	Flexible Framework Agreement	N/A	New entrants may be approved at any point during the lifetime of the Flexible Framework

Appendix 3 – Contracts with extension options and contract management activity ongoing during 2024/2025

Contract Description	Est Annual Value
Secure Care Services	£17,500,000
Heavy Vehicles	£25,000,000
Vehicle and Plant Hire	£15,000,000
Organic Waste	£12,000,000
Outdoor Play and Sports Facilities	£15,000,000
Electric Vehicle Charging Infrastructure	£20,000,000
Library Books	£14,000,000
Digital Publications	£1,000,000
Pest Control	£1,000,000
Repair and Maintenance of Catering Equipment	£1,500,000
Water Coolers	£1,000,000
Recycle and Refuse Containers	£12,500,000
Energy Efficiency Contractors	£200,000,000
Building Construction Consultancy	£25,000,000

**Contracts which are shaded have been approved for extension*

Appendix 4 - Contracts with no renewal or extension activity and contract management activity ongoing during 2024/2025

Contract Description	Est Annual Value	Contract Description	Est Annual Value
Waste Composition Analysis	£750,000	Social Care Case Management Solutions	£7,000,000
Fostering and Continuing Care	£34,000,000	Vehicle Purchase RM6244	£10,000,000
Salt	£17,500,000	Roadstone	£25,000,000
Tyres for Vehicles and Plant	£6,500,000	Milk	£8,000,000
Frozen Foods	£25,000,000	Janitorial	£12,000,000
Fresh Meats	£10,000,000	PPE	£15,000,000
Washroom Solutions	£6,000,000	First Aid	£2,000,000
Audio Visual	£9,000,000	Commercial Catering Equipment	£4,000,000
Fire Safety Products	£2,500,000	Civic Supplies	£1,250,000
Bread and Rolls	£1,500,000	Road Signage	£1,250,000
Fresh Fruit and Vegetables	£6,000,000	Cleaning Equipment	£2,000,000
Grounds and Plant Equipment	£8,000,000	Security Services And Cash Collection	£17,500,000
Asbestos	£7,000,000	Property Maintenance and Refurbishment	£75,000,000

Appendix 5 – Savings Summary 2024/2025

Savings Reference/Type	BT1	BT2	BT3
Framework	Direct price-based savings	Price versus market savings	Process savings from use of collaborative arrangements
Supply and Distribution of Fresh Fruit & Vegetables	£297,281	10%	£225,000
Supply Delivery Maintenance and Repair of Cleaning Equipment	-£60,740	11%	£337,000
Supply and Delivery of Construction Materials	£2,573,891	0%*	£2,400,000
Cumulative	£2,810,432		£2,962,000

* BT2 value unknown until Indexation model can be established.

Appendix 6 – Expenditure summary per Council: January 2023 – December 2024

Member Organisation	Actual Spend	Forecast Spend	Variance	% of Total Actual Spend	Estimated Saving	% Saving
Aberdeen City Council	£53,534,140	£25,166,053	212.70%	5.78%	£822,255	1.54%
Aberdeenshire Council	£41,560,211	£28,779,563	144.40%	4.49%	£189,971	0.46%
Angus Council	£14,993,586	£21,181,967	70.80%	1.62%	£23,949	0.16%
Argyll and Bute Council	£13,121,158	£7,864,093	166.80%	1.42%	£143,861	1.10%
Associate Members	£44,554,849	£63,315,087	70.40%	4.81%	£638,777	1.43%
Clackmannanshire Council	£14,356,006	£8,674,140	165.50%	1.55%	£113,557	0.79%
Comhairle nan Eilean Siar	£3,627,058	£2,637,435	137.50%	0.39%	£15,771	0.43%
Dumfries and Galloway Council	£53,202,523	£7,365,632	722.30%	5.74%	£30,037	0.06%
Dundee City Council	£18,855,054	£23,020,839	81.90%	2.04%	£201,027	1.07%
East Ayrshire Council	£17,331,886	£6,963,441	248.90%	1.87%	£146,117	0.84%
East Dunbartonshire Council	£32,614,913	£9,539,348	341.90%	3.52%	£126,493	0.39%
East Lothian Council	£16,800,203	£18,587,451	90.40%	1.81%	£171,384	1.02%
East Renfrewshire Council	£25,160,201	£13,379,262	188.10%	2.72%	£122,971	0.49%
Falkirk Council	£43,913,719	£43,231,256	101.60%	4.74%	£523,159	1.19%
Fife Council	£47,183,577	£96,676,541	48.80%	5.09%	£66,186	0.14%
Glasgow City Council	£51,114,229	£31,126,801	164.20%	5.52%	£636,636	1.25%
Inverclyde Council	£21,312,798	£5,527,945	385.50%	2.30%	£72,498	0.34%
Midlothian Council	£14,421,599	£8,557,190	168.50%	1.56%	£2,806	0.02%
North Ayrshire Council	£26,658,291	£41,407,562	64.40%	2.88%	£160,946	0.60%
North Lanarkshire Council	£62,951,818	£57,371,114	109.70%	6.80%	£731,116	1.16%
Orkney Islands Council	£2,852,629	£1,794,733	158.90%	0.31%	-£678	-0.02%
Perth and Kinross Council	£12,964,449	£16,392,970	79.10%	1.40%	£103,745	0.80%
Renfrewshire Council	£31,582,034	£36,861,843	85.70%	3.41%	£130,369	0.41%
Scottish Borders Council	£15,890,877	£10,096,130	157.40%	1.72%	£42,754	0.27%
Shetland Islands Council	£5,885,481	£1,525,410	385.80%	0.64%	£66,048	1.12%
South Ayrshire Council	£15,728,393	£11,241,873	139.90%	1.70%	£46,882	0.30%
South Lanarkshire Council	£44,597,721	£64,283,956	69.40%	4.81%	£241,238	0.54%
Stirling Council	£23,062,068	£5,719,651	403.20%	2.49%	£32,411	0.14%
Tayside Contracts	£14,556,195	£8,588,418	169.50%	1.57%	-£296	0.00%
The City of Edinburgh Council	£49,261,854	£32,727,287	150.50%	5.32%	£20,318	0.04%
The Highland Council	£22,731,459	£11,959,573	190.10%	2.45%	-£90,455	-0.40%
The Moray Council	£16,004,752	£28,160,924	56.80%	1.73%	£98,836	0.62%
West Dunbartonshire Council	£28,644,958	£22,362,712	128.10%	3.09%	£246,339	0.86%
West Lothian Council	£25,327,151	£16,853,800	150.30%	2.73%	£189,508	0.75%
Total	£926,357,840	£788,942,000	117.42%	100%	£6,066,536	0.65%