

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