SCOTLAND EXCEL

Notice of Meeting and Agenda
Scotland Excel Executive Sub-committee

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

MARK CONAGHAN
Clerk

Membership

Councillor John Shaw (Renfrewshire Council) (Convener) and Councillor Altany Craik (Fife Council) (Vice Convener).

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 Carolyne Wilson (Dumfries & Galloway Council): Councillor Ruairi Kelly (Glasgow City Council): Councillor Derek Louden (Highland Council): Councillor Christina Larsen (North Ayrshire Council): Councillor Michael McPake (North Lanarkshire Council): Councillor Dennis Leask (Shetland Islands Council): Councillor Chris Cullen (South Ayrshire Council): Councillor Walter Brogan (South Lanarkshire 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.

10   Date of Next Meeting

Note that the next meeting of the Executive Sub-committee will be held remotely on MS teams at 9.30 am on 21 June 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 Carolyne 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.

SCOTLAND EXCEL

Scotland Excel

To: **Executive Sub-Committee**

On: **17 May 2024**

Joint Report by:
The Treasurer and the Chief Executive

Revenue Budget Monitoring Report to 31 March 2024

1. **Summary**

1.1 At the end of financial year 2023/24, Scotland Excel has generated a small surplus of £0.080m in its Core activities and an increase of £0.853m in committed Project Reserves. This is after a contribution from Projects to Core services of £0.587m. Further detail on the outturn position is provided at section 3.

1.2 The Unaudited Annual Accounts for the year 2023/24 will be presented to the Joint Committee in June.

2. **Recommendations**

2.1 It is recommended that members note the report.

3. **Background**

Core

3.1 As at 31 March 2023 (financial year-end), the net expenditure for Core was (£0.080m), comprising gross expenditure of £5.373m, less gross income of (£5.453m).

3.2 The movement in full year projection from period 11 is detailed below.

- **Employee Costs**
  The outturn for Employee Costs is £13k more than projected at period 11 due to year-end adjustments and vacancies being filled earlier than anticipated.

- **Transport Costs**
  The outturn for Transport Costs is £10k less than projected at period 11 due to less travel taking place prior to financial year end.

- **Support Costs**
  The outturn for Support Costs is £31k lower than projected at period 11 reflecting lower than anticipated expenditure prior to financial year end coupled with the savings accrued from a competitive tender process for Professional Indemnity Insurance renewal costs for 2023/24.

- **Capital Charges**
  Purchases in respect of new ICT equipment have been identified as capital and recorded as so. (qualifying expenditure over £9,000).

- **Income from Projects:** Income from projects exceeded projections reflecting the over recovery of Rebate income accrued from financial year 2022/23 (£337k), Interest accrued during 2023/24 (£16k) and higher than anticipated income generated from the New Build framework, the Scotland Excel Academy and the Flexible Procurement team (£36k).

3.4   Appendix 1 provides an analysis of the actual spend at year end for Core along with a summary of movement in the Revenue Reserves, as well as a glossary of terms.

Projects

3.5   At year-end, the outturn for Projects was a £0.853m increase to earmarked Project reserves. This figure comprises gross expenditure of £1.906m, gross income of (£3.346m) and a Transfer to Core of £0.587m.

3.6   Significant movements in budget variances compared to the projection at Period 11 are as follows:

- **Employee Costs:** spend increased by £0.075m since the projection at Period 11 due to year-end adjustments and the inclusion of the Savings Team costs from December to March 2024. The Executive Sub Committee has approved funding for the Savings Team from reserves accrued due from pension savings for the next 2 financial years.

- **Third Party Payments:** spend increased by £0.017m since the projection at Period 11 due to increased clarity around payments being made to accreditation bodies by the Scotland Excel Academy and to New Build Project partners following confirmation of anticipated spend through the framework for 2023/24.

- **Income from Projects:** income increased by £0.574m since the projection at Period 11 due to final outturn figures being available for the Scotland Excel Academy, for the Flexible Procurement Team and for Rebates accrued from expenditure made via Frameworks.

3.7   Appendix 1 provides an analysis of the actual spend at year-end for Projects along with a summary of movement in the Project Reserves, as well as a glossary of terms.

SCOTLAND EXCEL

REVENUE BUDGET MONITORING STATEMENT 2023/24
1 April to 31 March 2024

Core Operations	Approved Budget	Year to Date Actual	Full Year Actual	Full Year Variance (Adverse) / Favourable	Prior Period Projection P11	Movement in Projection Adverse / (Favourable)
£000s	£000s	£000s	£000s	£000s	£000s	£000s
Employee Costs	4,207	4,562	4,562	(355)	4,549	13
Property Costs	217	217	217	0	217	0
Transport Costs	20	7	7	13	17	(10)
Supplies and Services	291	300	300	(9)	301	(1)
Transfer Payments	22	17	17	5	17	0
Support Costs	303	250	250	53	281	(31)
Capital Charges	0	20	20	(20)	0	20
Gross Expenditure	**5,060**	**5,373**	**5,373**	**(313)**	**5,382**	**(9)**
Council Requisitions	(3,999)	(3,999)	(3,999)	0	(3,999)	0
Associate Income	(230)	(234)	(234)	4	(240)	6
Income from Projects	(248)	(637)	(637)	389	(617)	(20)
Rebates	(583)	(583)	(583)	0	(583)	**0**
Gross Income	**(5,060)**	**(5,453)**	**(5,453)**	**393**	**(5,439)**	**(14)**
Drawdown from Reserves	**0**	**(80)**	**(80)**	**80**	**(57)**	**(23)**

Summary of in-year Movement in Reserves	£000s
Opening Revenue Reserve at 1 April 2023	244
Budgeted Draw on Reserves	0
Projected Year-end variance	80
Closing Revenue Reserve at 31 March 2024	324
% of Operating Income	5.9%

Glossary
Employee Costs: Includes direct employee costs such as salary costs, overtime and indirect employee costs such as training, recruitment advertising
Property Costs: Includes expenses directly related to the running of premises and land, eg rates, rents and leases, utilities, contract cleaning
Transport Costs: Includes all costs associated with the provision, hire or use of transport, including travelling allowances, taxi and car hire costs and staff mileage
Supplies and Services: Includes all supplies and service expenses, such as ICT costs, and administrative costs such as stationery, postages, printing and advertising
Transfer Payments: Includes costs of payments for which no good or services are received in return e.g. Apprenticeship Levy
Support Costs: Includes central support charges e.g. Renfrewshire Council SLA and telephony recharges ('Administration Costs' in approved budget)

REVENUE BUDGET MONITORING STATEMENT 2023/24
1 April 2023 to 31 March 2024

Projects	Approved Budget	Year to Date Actual	Full Year Actual	Full Year Variance (Adverse) / Favourable	Prior Period Projection P11	Movement in Projection Adverse / (Favourable)
£000s	£000s	£000s	£000s	£000s	£000s	£000s
Employee Costs	1,534	1,661	1,661	(127)	1,586	75
Transport Costs	3	0	0	3	0	0
Supplies and Services	54	118	118	(64)	123	(5)
Transfer Payments	7	6	6	1	6	0
Third Party Payments	848	121	121	727	104	17
Gross Expenditure	**2,446**	**1,906**	**1,906**	**540**	**1,819**	87
Income from Projects	(2,868)	(3,346)	(3,346)	478	(2,772)	(574)
Gross Income	**(2,868)**	**(3,346)**	**(3,346)**	**478**	**(2,772)**	(574)
Net Expenditure Sub-Total	**(422)**	**(1,440)**	**(1,440)**	**1,018**	**(953)**	**(487)**
Transfer to Core	**248**	**587**	**587**	**(339)**	**595**	**(8)**
Net Expenditure	**(174)**	**(853)**	**(853)**	**679**	**(358)**	**(495)**

Summary of in-year Movement in Reserves	£000s
Opening Projects Reserves at 1 April 2023	**1,496**
Projected Contribution to Reserves	**174**
Projected year-end variance	**679**
Closing Project Reserves at 31 March 2024	**2,349**
% of Operating Income	70.2%

Glossary

Employee Costs: Includes direct employee costs such as salary costs, overtime and indirect employee costs such as training, recruitment advertising

Transport Costs: Includes all costs associated with the provision, hire or use of transport, including travelling allowances, taxi and car hire costs and staff mileage

Supplies and Services: Includes all supplies and service expenses, such as ICT costs, and administrative costs such as stationery, postages, printing and advertising

Transfer Payments: Includes costs of payments for which no good or services are received in return e.g. Apprenticeship Levy

Third Party Payments: Includes payments to other agencies and organisations in return for services, e.g. CMI/SQA fees

SCOTLAND EXCEL

Scotland Excel

To: Executive Sub-Committee

On: 17 May 2024

Report by:
Chief Auditor

Internal Audit Annual Report 2023/24

1.   Summary

1.1   The Public Sector Internal Audit Standards require the Chief Auditor to prepare a report, at least annually, to senior management and the Board on the internal audit activity's purpose, authority, and responsibility, as well as performance relative to its plan.

1.2   The annual report must also provide an annual audit opinion on the overall adequacy and effectiveness of Scotland Excel's internal control environment.

1.3   The Annual Report for Scotland Excel is attached at Appendix 1 and outlines 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 contains an audit assurance statement.

2.   Recommendations

2.1   Members are invited to consider and note the contents of the Internal Audit Annual Report.

Scotland Excel
Internal Audit Annual Report
2023-2024

**Renfrewshire Council
Internal Audit**

May 2024

Scotland Excel
Internal Audit Annual Report 2023/2024

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Scotland Excel
Internal Audit Annual Report
1 April 2023 – 31 March 2024

1. Introduction

1.1 As host Authority, Renfrewshire Council provides an internal audit service to Scotland Excel. This includes:

- The compilation of an annual audit plan following consideration and evaluation of those areas of greatest risk in the organisation's operation, and consultation with the Chief Executive;
- Delivery of the planned audit assignments;
- Follow up of previous audit recommendations;
- Provision of any ongoing advice and support on audit and risk management related matters;
- Provision of an Annual Report and Assurance Statement, and presentation to elected members of Scotland Excel.

1.2 The Service operates in accordance with the Public Sector Internal Audit Standards (PSIAS) which defines Internal Audit's role as:

"......an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes."

1.3 In line with the Standards, the purpose of this Annual Report is to report on:

- The status/outcome of the planned Internal Audit reviews 202324 relating to Scotland Excel;
- The outcome of Internal Audit reviews of supporting Renfrewshire Council corporate systems;
- Internal audit performance;
- Planned audit work for 2024/25;
- The annual assurance statement which provides an opinion on the overall adequacy and effectiveness of the organisation's internal control environment.

2.   Responsibilities of Management and Internal Audit

2.1   It is the responsibility of management to ensure that for the areas under their control there is an adequate and effective system of internal control which facilitates the effective exercise of the organisation's functions and which includes arrangements for the management of risk.

2.2   Internal Audit is not a substitute for effective control exercised by management as part of their responsibilities. Internal Audit's role is to independently assess the adequacy of the risk management, internal controls and governance arrangements put in place by management and to undertake sufficient work to evaluate and conclude on the adequacy of those controls for the period under review.

2.3   The internal audit team will ensure that independence and objectivity are maintained in line with the PSIAS including where non-audit work is undertaken. Internal auditors will have no operational responsibilities. There have been no impairments impacting on the Chief Auditor's independence and the team has been adequately resourced during the year.

3.   Internal Audit Activity during 2023/2024

3.1   One specific engagement on the contract monitoring – implementing collaborative procurement is nearing completion and will be reported to management as soon as possible. The 2022/23 review of contract management of Social Care Contracts was completed during the year and reported to the Executive Sub-Committee on 17 November 2023. The main findings in relation to this review is summarised in table 1 below:

Table 1

Audit Area	Conclusion
Contract Management – Social Care Contracts	**Substantial Assurance** • The audit has identified that satisfactory arrangements were in place to develop social care framework contracts and there were no recommendations made during the review.

3.2   The Annual Report for 2022/2023 was submitted to the Executive Sub-committee on 19 May 2023.

3.3   The implementation rate of audit recommendations is a measure of operational culture and effectiveness. During 2023/24, one recommendation was followed up and found to be completed.

3.4 Internal Audit also carried out reviews of the main corporate systems operating within Renfrewshire Council which support Scotland Excel's activity. The main findings in relation to these are summarised in Table 2 below and Renfrewshire Council management have agreed to implement the audit recommendations made in relation to each review:

Table 2

Audit Area	Conclusion
Debt Management	**Reasonable Assurance** Minor improvements have been recommended in relation to timeous raising of invoices and documenting the strategy for debt management.
Disaster Recovery	**Limited Assurance** The audit identified scope for improvement in the existing arrangements. Recommendations were made to enhance and strengthen controls; including development of a central register of critical systems, formalizing ICT procurement guidance, and seeking assurance from software as a service providers regarding their ability to meet disaster recovery requirements.
Payroll Overpayment Process	**Reasonable Assurance** Improvements in processes and increased awareness over recent years has resulted in the value of overpayments being significantly reduced. By far, the main reason for overpayments occurring is late notification of changes by managers within the employing service. The auditor has recommended that clear and accessible guidance should be made available to service management, along with regular communications to ensure that newer managers are aware of the deadlines and where they can access relevant guidance.
Health and Safety	**Limited Assurance** The corporate arrangements for health and safety require to be improved. It was identified that procedures require to be reviewed and updated. Improvements are required in terms of corporate oversight, compliance and performance reporting.
Purchasing Processes (Corporate	**Limited Assurance** The review focused on corporate

Purchase Cards)	purchase card procedures. The main areas for improvement identified relates to purchasing goods outwith the agreed procurement routes and the authorisation of goods ordered. There was also a lack of evidence relating to the authorisation of the increase of PCard spend limits.

4. Review of Internal Audit Performance

4.1 Internal Audit produces regular reports on its performance during the year to the Renfrewshire Council, Audit, Risk and Scrutiny Board, against a range of measures set annually by the Director of Finance and Resources. These targets are set for all internal audit engagements and include Renfrewshire Council and other associated bodies, for which the team provides internal audit services. Table 3 shows the actual performance against targeted performance for the year.

Table 3

Internal Audit Performance 2023/24

Performance measure	Target 2023/24	Actual 2023/24
% of audit assignments completed by target date	95%	92%
% of audit assignments completed within time budget	95%	98.5%
% completion of audit plan for the year*	95%	98.5%

* *this measures the completion percentage as at 31 March. 100% of the plan is ultimately delivered through the finalisation of the outstanding elements in the new financial year.*

4.2 The percentage completion of the audit plan is slightly below the target set for the year. This was due to the level of unplanned leave and the additional time attributed to unplanned work. It should be noted that this had no effect on the planned reviews for Scotland Excel for 2023/24. The actual performance for the year for the two other indicators, is above the target performance level.

4.3 The PSIAS require the Chief Auditor to develop and maintain a quality assurance and improvement programme (QAIP) that covers all aspects of the internal audit activity. The QAIP must include both periodic internal self-assessments and five-yearly external assessments, carried out by a qualified, independent assessor from outwith the organisation.

4.4 We continued to participate in the Scottish Local Authorities Chief Internal Auditors' Group peer review process. Our most recent external assessment was reported to the Council's Audit, Risk and Scrutiny Board in May 2023 and

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included 7 recommendations for improvement, all recommendations have now been completed. The annual internal self-assessment process has concluded that the internal audit service fully complies with the PSIAS.

Risk Management

4.6   The internal audit service through the Risk Manager, provides advice and support to Scotland Excel officers, as required.

5.   Planned Audit Work for 2024/25

5.1   Following a risk based assessment of the activities of Scotland Excel and consultation with the Chief Executive, the following internal audit work has been agreed for 20243/25:

- A review of contract monitoring – contract delivery plan;
- Follow up of previous audit work;
- Ad-hoc internal audit and risk management advice.

6.   Audit Assurance Statement

6.1   Internal Audit has performed its work in accordance with the role defined in paragraph 1.2. The audit work performed and completed has been reported to the Chief Executive, and to the Executive Sub Committee in this annual report. Where areas for improvement in internal control have been identified appropriate recommendations have been made and accepted for action by management.

6.2   In view of the continued challenges common to all public bodies, there will be a requirement for the council and the bodies for which it is host authority to exercise very close scrutiny over revenue spending over financial management and compliance with overarching governance arrangements, and this will continue to receive due internal audit attention.

6.3   It is not feasible for the system of internal control to be without any weakness. It is important to balance the risks involved in accepting systems limitations with the consequences if a problem emerges. Internal Audit recognises this and assesses this in its reporting mechanism.

6.4   There are corporate systems and processes within Renfrewshire Council that Scotland Excel rely upon. It can be seen from Table 2 above that some of these processes require to be improved to provide a reasonable level of assurance. Renfrewshire Council management has agreed to implement the recommendation made by internal audit, in relation to these reviews. In this context, it is considered that reasonable assurance can be placed upon the adequacy and effectiveness of Scotland Excel Joint Committee's internal control, risk management and governance arrangements, as evidenced by:-

- The results of the audit work in 2023/24 in relation to the corporate systems which supported Scotland Excel's activities.

- Management action in response to audit recommendations.

- Management self assessment of internal control, risk management and governance arrangements.

- The regular review and updating of the Local Code of Corporate Governance by the Council in accordance with the Chartered Institute of Public Finance and Accountancy and Society of Local Authority Chief Executives framework for corporate governance requirements, and of the corporate governance arrangements within Scotland Excel.

Signed.

Chief Auditor

Date   17 May 2024

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%**

SCOTLAND EXCEL

Scotland Excel

To: **Executive Sub-Committee**

On: **17 May 2024**

Report by:
Chief Executive of Scotland Excel

Tender: **Supply and Delivery of Technology Enabled Care Goods**

Schedule: 0622

Period: **48 months (if all extension options are exercised)**

1.   Introduction and Background

This recommendation is for the award of the renewal framework for the Supply and Delivery of Technology Enabled Care Goods.

This framework will provide councils with a mechanism to procure a range of Technology Enabled Care Goods including but not limited to, digital dispersed alarms, alarm triggers, health and care peripherals, smoke alarms, GPS devices with ancillary monitoring and phones and key storage compartments and other associated products.

Technology enabled care refers to the use of telecare in providing care for patients with long term conditions that is convenient, accessible and cost-effective. These solutions transform the way people engage in and control their own healthcare, empowering them to manage their care in a way that is right for them.

The framework will be for a period of up to 24 months from the commencement date with an option to extend for a further two 12-month periods subject to satisfactory operation and performance. Any period of extension will be at the sole discretion of Scotland Excel.

This report summarises the outcome of the procurement process for this national framework agreement and presents recommendations for award.

2.   Scope, Participation and Spend

In developing the strategy for this renewal framework, Scotland Excel has taken on board the feedback received from the User Intelligence Group (UIG) and principal stakeholders. As agreed with the UIG, the new framework scope has been designed to focus on digital products, with the lotting structure shown in Table 1. This supports the migration within the telecare commodity from analogue to digital.

Table 1: Lotting Structure

Lot No.	Description	Estimated % Spend through lot
1	Digital dispersed alarm units	34%
2	Alarm triggers	22%
3	Peripherals and accessories	12%
4	Health and care peripherals	8%
5	Environmental devices	13%
6	GPS devices with ancillary monitoring and telecare mobile phones	5%
7	Lifestyle monitoring with ancillary monitoring service	3%
8	Key storage compartments	1%
9	Warden call systems	2%

As detailed in Appendix 1, 32 councils plus Tayside Contracts have confirmed their intention to participate in this framework, with all councils included in the advertised contract notice.

The framework was advertised with a value of up to £6.25 million per annum which reflects estimated spend of £25 million over the maximum 4-year period. This figure was derived from historical spend information and spend forecasting as confirmed by Scotland Excel members.

3. Procurement Process

A Prior Information Notice (PIN) was published on 28th March 2022 which resulted in expressions of interest from 54 suppliers.

Thereafter, the Contract Notice was published via the Find a Tender and Public Contract Scotland (PCS) portal on 4th January 2024, with the tender documentation being immediately available via the Public Contracts Scotland Tender (PCS-T) system. The tender exercise was conducted and concluded in accordance with the law and procedures currently in force.

After publication, the Contract Notice was shared on social media sites to encourage new entrants and smaller organisations to participate in the tender.

The procurement exercise followed an open tender procedure to encourage maximum competition and the framework was advertised with 9 lots representing a range of supplies. Each lot was evaluated on a discrete and independent basis.

The tender followed a two-stage tendering procedure.

Stage one, Qualification, was conducted using the Single Procurement Document (SPD). Within the SPD, tenderers were required to answer a set of exclusionary questions along with providing details and/or acknowledgement of

insurance, financial standing, quality management, and environmental management policies and/or procedures.

At the second stage of the process, compliant offers were evaluated against the award criteria and weightings outlined in Table 2.

Table 2: Evaluation Criteria/Weighting

Award Criteria	Total Available Scores
Qualification Section (SPD)	Pass/Fail
Technical Section	20
Commercial Section	80

Tenderers were required to indicate which local authorities they had an ability to service.

Tenderers were invited to bid on the following basis:

- Within the commercial section, bidders were invited to offer on a lot by lot basis and provide prices for a range of technology enabled care products. Fixed pricing was required for the first 12 months of the framework.

- In the Technical Section, as outlined in Table 3, by the evaluation of scored method statements on:
  - Fair Work First
  - Community Benefits; and
  - Delivery Support and Sustainability

  Further non scored technical questions had important contractual effects and included:
  - Ability to Service
  - Ability to transact; and
  - E-Invoicing Capability

Table 3: Method Statement Scoring

Section	Question	Maximum Score Available
Technical 20%	Fair Work First	3
	Community Benefits	3
	Delivery Support	7
	Sustainability	7

Scoring was completed in accordance with the published tender evaluation methodology to calculate a total score.

Scotland Excel took cognisance of the situation relative to the Coronavirus pandemic in considering this tender exercise. Balancing the current situation with the need to provide a route to market for councils to obtain, Scotland Excel determined to proceed with the tender exercise to establish this framework. Scotland Excel has carefully monitored the situation throughout the period of the tender exercise and has determined it is appropriate to recommend the establishment of the framework as set out in this report.

4. Report on Offers Received

The tender documents were downloaded by 54 suppliers, with 22 tender responses received by the tender closing date and time.

Based on the criteria and scoring methodology set out in the tender documents, a full evaluation of offers received was completed. A summary of all the offers received and the scoring achieved by each tenderer is set out in Appendix 2.

5. Recommendations

Based on the evaluation undertaken, and in line with the advertised criteria and weightings summarised above, it is recommended that a multi-supplier framework arrangement is awarded to 18 suppliers across 8 lots as outlined in Appendix 2 subject to satisfactory conclusion of insurance checks. One bidder was partially non compliant with the published specification and was not able to be evaluated for lot 2 as a result.

After careful consideration, Lot 9 (Warden Call Systems), is not recommended for award as part of the establishment of this framework. This is 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 to this lot were sufficiently diverse that they could not be equally evaluated on a like for like basis, as per the evaluation methodology.

In accordance with the published evaluation methodology, the range of suppliers recommended has been carefully considered and is intended to provide suitable coverage and competitive options for all participating bodies as well as offering choice and ensuring sufficient capacity for maximum duration of the framework. These recommendations align with the strategic objectives for this framework which is to increase the use of telehealth and home monitoring and supporting councils with the analogue to digital transition. The recommended approach allows for innovation within the sector and takes account of the time and pace needed for change.

The Executive Sub Committee is accordingly requested to approve the recommendation to award this framework as detailed within Appendix 2.

6. Benefits

Savings

Benchmarking figures have not been produced for this renewal framework as a like-for-like comparison is unable to be completed. This is due to changes in the technology enabled care products being purchased. Forecast purchasing patterns are expected to be based on digital products rather than the analogue products which have been purchased historically. This will be monitored going forward and savings captured in the annual contract report.

The previous framework was operating c.22% below current market conditions based on the established market indexation model. In order to ensure Best Value Scotland Excel will also pro-actively manage the renewal framework to ensure pricing remains competitive.

Table 1: Benefit Types

Reference	Type	Reportable Outcome
BT1	Direct price-based savings	n/a*
BT2	Price versus market savings	n/a*
BT3	Process savings from use of collaborative arrangements	£400,000

Will be monitored on an ongoing basis and recorded in the annual contract management report

Price Stability

Pricing is fixed for the first 12 months of the framework. After the initial 12-months, suppliers may submit a request for a price variance on an annual basis. All requests for price increases will be evaluated according to the terms and conditions of the framework and require to be supported by documentary evidence.

Suppliers may submit a price decrease at any time throughout the duration of the framework.

The cost of the analogue to digital switch over is anticipated to be significant to Councils, with the purchase of new digital technology required to replace redundant analogue devices.

Scotland Excel may also conduct exercises to benchmark pricing to identify areas for efficiencies throughout the management period of the framework.

Rebate

A rebate of 0.5% will apply to framework spend above £250,000. The rebate will not apply to the first £250,000 and will be calculated annually, based on all

frameworks spend with the suppliers reported through management information returns.

Sustainable Procurement Benefits

Stainability

The following sustainability benefits have been identified using Scottish Government reporting guidance for sustainability-based benefits (BT14).

Within the technical section of the tender, Scotland Excel included a sustainability related method statement, which included, questions around the following areas:

- Delivery; and
- Waste

Responses received as part of the tender exercise include considerations related to minimising waste associated with packaging with suppliers demonstrating a Reduce, Reuse, Recycle ethos in their operations. Multiple suppliers having eliminated plastic packaging and aligned with the UK's path to Net Zero.

Community Benefits

Scotland Excel is committed to maximising community benefits delivery for members. Tenderers were asked to commit to the delivery of community benefit initiatives, against pre-agreed spend thresholds outlined within the community benefits method statement. These aim to be reflective of the National Indicators outlined within the Scottish Government's National Performance framework, and their underlying vision and goals. Councils will accrue 'community benefit points' based on their level of spending with a supplier. These 'points' correlate to a negotiable benefit that the council can elect to receive at any given point throughout the lifetime of the framework. All recommended suppliers have committed to delivering these benefits.

Within the published tender documents, suppliers were given a list of indicative community benefits that could be agreed with councils. Examples of these were:

- Employability workshop or events in schools, college or community groups
- Sponsorship of local sports teams and community events
- Donations of products and vouchers; and / or
- Recruitment of apprentices and full-time employees.

Scotland Excel will monitor delivery of these commitments during the lifetime of the framework and will engage with the suppliers to ensure the maximum benefit is achieved.

Fair Work First Including the Real Living Wage

Scotland Excel and its members are committed to the delivery of high-quality public services and recognise that this is dependent on a workforce that is well-rewarded, well-motivated, well-led, has access to appropriate opportunities for training and skills development, are diverse and engaged in decision making.

Within the technical section of the tender, suppliers were assessed on their approach to Fair Work First and payment of the Real Living Wage to their workforce. The recommended suppliers pay the Real Living Wage, as detailed in Appendix 2 – Scoring and Recommendations.

Scotland Excel will continue to monitor Fair Work First, including encouraging further uptake by suppliers committing to paying staff the Real Living Wage, during contract and supplier management activity.

7. Contract Mobilisation and Management

As part of the mobilisation process, suppliers will be offered a contract mobilisation meeting to outline the operation of the framework, including roles and responsibilities, management information and community benefit commitments. Suppliers and participating members will be issued with a mobilisation pack containing all required details to utilise the framework.

In accordance with Scotland Excel's established contract segmentation tool, this framework is classified as class D. As such, it will require an annual supplier meeting and survey, and annual user group reviews as appropriate.

8. Summary

This fourth-generation framework for the Supply and Delivery of Technology Enabled Care Goods continues to maximise collaboration, promote added value, and deliver best value. A range of benefits can be reported in relation to price stability, sustainability, and community benefits.

The Executive Sub Committee is requested to approve the recommendation to award this framework agreement as detailed in Appendix 2.

Appendix 1 – Participation, Spend and Savings Summary
0622 Supply and Delivery of Technology Enabled Care Goods

Member Name	Participation in Contract	Participation Entry Date	Estimated Annual Spend (£)	Source of Spend Data
Aberdeen City Council	Yes	01 June 2024	£95,953	MI Returns
Aberdeenshire Council	Yes	01 June 2024	£79,062	MI Returns
Angus Council	Yes	01 June 2024	£126,597	MI Returns
Argyll & Bute Council	Yes	01 June 2024	£110,348	MI Returns
City of Edinburgh Council	Yes	01 June 2024	£97,016	MI Returns
Clackmannanshire Council	Yes	01 June 2024	£133,237	MI Returns
Comhairle nan Eilean Siar	Yes	01 June 2024	£112,007	MI Returns
Dumfries & Galloway Council	Yes	01 June 2024	£260,514	MI Returns
Dundee City Council	Yes	01 June 2024	£96,852	MI Returns
East Ayrshire Council	Yes	01 June 2024	£88,220	MI Returns
East Dunbartonshire Council	Yes	01 June 2024	£80,655	MI Returns
East Lothian Council	Yes	01 June 2024	£49,977	MI Returns
East Renfrewshire Council	Yes	01 June 2024	£278,217	MI Returns
Falkirk Council	Yes	01 June 2024	£371,628	MI Returns
Fife Council	Yes	01 June 2024	£59,623	MI Returns
Glasgow City Council	Yes	01 June 2024	£91,273	MI Returns
Highland Council	Yes	01 June 2024	£220,170	MI Returns
Inverclyde Council	Yes	01 June 2024	£185,587	MI Returns
Midlothian Council	Yes	01 June 2024	£15,680	MI Returns
Moray Council	Yes	01 June 2024	£101,109	MI Returns
North Ayrshire Council	Yes	01 June 2024	£167,767	MI Returns
North Lanarkshire Council	Yes	01 June 2024	£49,880	MI Returns
Orkney Islands Council	Yes	01 June 2024	£30,875	MI Returns
Perth & Kinross Council	Yes	01 June 2024	£112,172	MI Returns
Renfrewshire Council	Yes	01 June 2024	£233,540	MI Returns
Scottish Borders Council	Yes	01 June 2024	£153,148	MI Returns
Shetland Islands Council	Yes	01 June 2024	£205,481	MI Returns
South Ayrshire Council	Yes	01 June 2024	£35,779	MI Returns
South Lanarkshire Council	Yes	01 June 2024	£42,582	MI Returns
Stirling Council	Yes	01 June 2024	£73,778	MI Returns
West Dunbartonshire Council	Yes	01 June 2024	£18,163	MI Returns
West Lothian Council	Yes	01 June 2024	£208,930	MI Returns
Totals			**£3,985,820**	
Associate Members	Yes	01 June 2024	£101,163	MI Returns
Totals			**£4,086,983**	

*MI returns are from the previous framework spend

Appendix 2 – Scoring and Recommendations

LOT NUMBER	LOT NAME	TENDERER NAME	SME STATUS	REAL LIVING WAGE STATUS	LOCATION	NUMBER OF LOTS BID FOR	NUMBER OF LOTS RECOMMENDED	OVERALL RECOMMENDATION STATUS	COMMERCIAL SCORE	TOTAL TECHNICAL SCORE	TOTAL SCORE	PLACING	RECOMMENDED FOR AWARD FOR LOT/SUB-LOT?
1	Digital Dispersed Alarm Units	Careium UK Limited	Small	1	Lancashire	6	6	SUCCESSFUL	80.00	17.50	97.50	1	Y
1	Digital Dispersed Alarm Units	Legrand Electric Limited	Medium	1	Birmingham	7	6	PART-SUCCESSFUL	67.79	18.25	86.04	2	Y
1	Digital Dispersed Alarm Units	Chubb Fire & Security Limited	Large	4	Lancashire	6	5	PART-SUCCESSFUL	62.78	20.00	82.78	3	Y
1	Digital Dispersed Alarm Units	Tunstall Healthcare (UK) Limited	Large	4	Yorkshire	9	8	PART-SUCCESSFUL	64.42	17.50	81.92	4	Y
1	Digital Dispersed Alarm Units	Appello Smart Living Solutions Limited	Medium	4	Hampshire	2	1	PART-SUCCESSFUL	57.67	14.00	71.67	5	Y
1	Digital Dispersed Alarm Units	Chiptech International Limited	Small	4	Lancaster	7	6	PART-SUCCESSFUL	44.91	15.75	60.66	6	Y
1	Digital Dispersed Alarm Units	Access UK Ltd	Medium	4	Loughborough	7	7	SUCCESSFUL	44.92	15.00	59.92	7	Y
1	Digital Dispersed Alarm Units	Possum Limited	Small	4	Buckinghamshire	5	5	SUCCESSFUL	45.93	9.75	55.68	8	Y
1	Digital Dispersed Alarm Units	TeleAlarm Europe GmbH	Medium	4	Leipzig	6	6	SUCCESSFUL	38.46	16.00	54.46	9	Y
1	Digital Dispersed Alarm Units	2iC-Care Ltd	Micro	3	London	2	2	SUCCESSFUL	39.38	11.50	50.88	10	Y
1	Digital Dispersed Alarm Units	Alertacall Limited	Medium	4	Windermere	4	2	PART-SUCCESSFUL	34.22	16.50	50.72	11	Y
1	Digital Dispersed Alarm Units	Alcove Limited	Small	3	Colchester	8	7	PART-SUCCESSFUL	31.81	17.50	49.31	12	Y
2	Alarm triggers	Access UK Ltd	Medium	4	Loughborough	7	7	SUCCESSFUL	80.00	15.00	95.00	1	Y
2	Alarm triggers	Careium UK Limited	Small	1	Lancashire	6	6	SUCCESSFUL	60.43	17.50	77.93	2	Y
2	Alarm triggers	Chiptech International Limited	Small	4	Lancaster	7	6	PART-SUCCESSFUL	60.95	15.75	76.70	3	Y
2	Alarm triggers	Chubb Fire & Security Limited	Large	4	Lancashire	6	5	PART-SUCCESSFUL	55.64	20.00	75.64	4	Y
2	Alarm triggers	Tunstall Healthcare (UK) Limited	Large	4	Yorkshire	9	8	PART-SUCCESSFUL	53.07	17.50	70.57	5	Y
2	Alarm triggers	TeleAlarm Europe GmbH	Medium	4	Leipzig	6	6	SUCCESSFUL	49.68	16.00	65.68	6	Y
2	Alarm triggers	MKC-CAIR (UK) LTD	Small	4	West Yorkshire	4	4	SUCCESSFUL	52.21	13.25	65.46	7	Y
2	Alarm triggers	Possum Limited	Small	4	Buckinghamshire	5	5	SUCCESSFUL	40.75	9.75	50.50	8	Y
2	Alarm triggers	Legrand Electric Limited	Medium	1	Birmingham	7	6	PART-SUCCESSFUL	27.36	18.25	45.61	9	Y
2	Alarm triggers	Alcove Limited	Small	3	Colchester	8	7	PART-SUCCESSFUL	18.95	17.50	36.45	10	Y
2	Alarm triggers	Alertacall Limited	Medium	4	Windermere	4	2	NON-COMPLIANT	-	-	-	-	N
3	Peripherals and accessories	Tunstall Healthcare (UK) Limited	Large	4	Yorkshire	9	8	PART-SUCCESSFUL	80.00	17.50	97.50	1	Y
3	Peripherals and accessories	MKC-CAIR (UK) LTD	Small	4	West Yorkshire	4	4	SUCCESSFUL	66.44	13.25	79.69	2	Y
3	Peripherals and accessories	Chubb Fire & Security Limited	Large	4	Lancashire	6	5	PART-SUCCESSFUL	51.03	20.00	71.03	3	Y
3	Peripherals and accessories	Careium UK Limited	Small	1	Lancashire	6	6	SUCCESSFUL	49.28	17.50	66.78	4	Y
3	Peripherals and accessories	TeleAlarm Europe GmbH	Medium	4	Leipzig	6	6	SUCCESSFUL	46.78	16.00	62.78	5	Y
3	Peripherals and accessories	Chiptech International Limited	Small	4	Lancaster	7	6	PART-SUCCESSFUL	36.76	15.75	52.51	6	Y
3	Peripherals and accessories	Legrand Electric Limited	Medium	1	Birmingham	7	6	PART-SUCCESSFUL	33.35	18.25	51.60	7	Y
3	Peripherals and accessories	Access UK Ltd	Medium	4	Loughborough	7	7	SUCCESSFUL	35.71	15.00	50.71	8	Y
3	Peripherals and accessories	Alcove Limited	Small	3	Colchester	8	7	PART-SUCCESSFUL	33.04	17.50	50.54	9	Y
3	Peripherals and accessories	Possum Limited	Small	4	Buckinghamshire	5	5	SUCCESSFUL	36.72	9.75	46.47	10	Y
3	Peripherals and accessories	Everon UK Limited	Small	4	Maidstone	2	0	UNSUCCESSFUL	32.64	10.50	43.14	11	N
4	Health and care peripherals	Tunstall Healthcare (UK) Limited	Large	4	Yorkshire	9	8	PART-SUCCESSFUL	80.00	17.50	97.50	1	Y
4	Health and care peripherals	Chiptech International Limited	Small	4	Lancaster	7	6	PART-SUCCESSFUL	68.99	15.75	84.74	2	Y
4	Health and care peripherals	Access UK Ltd	Medium	4	Loughborough	7	7	SUCCESSFUL	58.53	15.00	73.53	3	Y
4	Health and care peripherals	TeleAlarm Europe GmbH	Medium	4	Leipzig	6	6	SUCCESSFUL	55.54	16.00	71.54	4	Y
4	Health and care peripherals	Chubb Fire & Security Limited	Large	4	Lancashire	6	5	PART-SUCCESSFUL	41.51	20.00	61.51	5	Y
4	Health and care peripherals	MKC-CAIR (UK) LTD	Small	4	West Yorkshire	4	4	SUCCESSFUL	47.43	13.25	60.68	6	Y
4	Health and care peripherals	Legrand Electric Limited	Medium	1	Birmingham	7	6	PART-SUCCESSFUL	40.24	18.25	58.49	7	Y
4	Health and care peripherals	Pivotell Limited	Micro	4	Essex	1	1	SUCCESSFUL	39.43	10.75	50.18	8	Y
4	Health and care peripherals	Alcove Limited	Small	3	Colchester	8	7	PART-SUCCESSFUL	18.50	17.50	36.00	9	Y
4	Health and care peripherals	Evondos OY	Medium	4	Helsinki	1	0	UNSUCCESSFUL	17.82	14.00	31.82	10	N
4	Health and care peripherals	CIGA Healthcare Limited	Medium	4	Belfast	1	0	UNSUCCESSFUL	18.85	6.50	25.35	11	N
5	Environmental devices	Access UK Ltd	Medium	4	Loughborough	7	7	SUCCESSFUL	80.00	15.00	95.00	1	Y
5	Environmental devices	Careium UK Limited	Small	1	Lancashire	6	6	SUCCESSFUL	73.86	17.50	91.36	2	Y
5	Environmental devices	MKC-CAIR (UK) LTD	Small	4	West Yorkshire	4	4	SUCCESSFUL	73.55	13.25	86.80	3	Y
5	Environmental devices	Tunstall Healthcare (UK) Limited	Large	4	Yorkshire	9	8	PART-SUCCESSFUL	67.61	17.50	85.11	4	Y
5	Environmental devices	Chubb Fire & Security Limited	Large	4	Lancashire	6	5	PART-SUCCESSFUL	62.27	20.00	82.27	5	Y
5	Environmental devices	Chiptech International Limited	Small	4	Lancaster	7	6	PART-SUCCESSFUL	65.60	15.75	81.35	6	Y
5	Environmental devices	Alcove Limited	Small	3	Colchester	8	7	PART-SUCCESSFUL	61.62	17.50	79.12	7	Y
5	Environmental devices	Legrand Electric Limited	Medium	1	Birmingham	7	6	PART-SUCCESSFUL	58.93	18.25	77.18	8	Y
5	Environmental devices	TeleAlarm Europe GmbH	Medium	4	Leipzig	6	6	SUCCESSFUL	58.37	16.00	74.37	9	Y
5	Environmental devices	Possum Limited	Small	4	Buckinghamshire	5	5	SUCCESSFUL	62.97	9.75	72.72	10	Y
6	GPS devices with ancillary monitoring services	CPR Global Tech Ltd	Micro	1	Swansea	1	1	SUCCESSFUL	80.00	11.50	91.50	1	Y
6	GPS devices with ancillary monitoring services	Careium UK Limited	Small	1	Lancashire	6	6	SUCCESSFUL	71.78	17.50	89.28	2	Y
6	GPS devices with ancillary monitoring services	TeleAlarm Europe GmbH	Medium	4	Leipzig	6	6	SUCCESSFUL	68.78	16.00	84.78	3	Y
6	GPS devices with ancillary monitoring services	Access UK Ltd	Medium	4	Loughborough	7	7	SUCCESSFUL	67.66	15.00	82.66	4	Y

6	GPS devices with ancillary monitoring services	Legrand Electric Limited	Medium	1	Birmingham	7	6	PART-SUCCESSFUL	58.98	18.25	77.23	5	Y
6	GPS devices with ancillary monitoring services	Chiptech International Limited	Small	4	Lancaster	7	6	PART-SUCCESSFUL	60.74	15.75	76.49	6	Y
6	GPS devices with ancillary monitoring services	Tunstall Healthcare (UK) Limited	Large	4	Yorkshire	9	8	PART-SUCCESSFUL	58.37	17.50	75.87	7	Y
6	GPS devices with ancillary monitoring services	Alertacall Limited	Medium	4	Windermere	4	2	PART-SUCCESSFUL	55.87	16.50	72.37	8	Y
6	GPS devices with ancillary monitoring services	Possum Limited	Small	4	Buckinghamshire	5	5	SUCCESSFUL	59.71	9.75	69.46	9	Y
6	GPS devices with ancillary monitoring services	Alcove Limited	Small	3	Colchester	8	7	PART-SUCCESSFUL	51.51	17.50	69.01	10	Y
7	Lifestyle monitoring equipment with ancillary monitoring services	Access UK Ltd	Medium	4	Loughborough	7	7	SUCCESSFUL	80.00	15.00	95.00	1	Y
7	Lifestyle monitoring equipment with ancillary monitoring services	Tunstall Healthcare (UK) Limited	Large	4	Yorkshire	9	8	PART-SUCCESSFUL	61.79	17.50	79.29	2	Y
7	Lifestyle monitoring equipment with ancillary monitoring services	Canary Care Global Limited	Micro	1	Eastleigh	1	1	SUCCESSFUL	58.91	17.50	76.41	3	Y
7	Lifestyle monitoring equipment with ancillary monitoring services	Alcove Limited	Small	3	Colchester	8	7	PART-SUCCESSFUL	55.27	17.50	72.77	4	Y
7	Lifestyle monitoring equipment with ancillary monitoring services	2iC-Care Ltd	Micro	3	London	2	2	SUCCESSFUL	58.03	11.50	69.53	5	Y
7	Lifestyle monitoring equipment with ancillary monitoring services	Secure Meters (UK) Limited	Medium	1	Hampshire	1	1	SUCCESSFUL	23.04	10.50	33.54	6	Y
8	Key storage compartments	Solon Security Ltd	Small	1	Flintshire	1	1	SUCCESSFUL	80.00	5.50	85.50	1	Y
8	Key storage compartments	Tunstall Healthcare (UK) Limited	Large	4	Yorkshire	9	8	PART-SUCCESSFUL	37.08	17.50	54.58	2	Y
8	Key storage compartments	Careium UK Limited	Small	1	Lancashire	6	6	SUCCESSFUL	33.95	17.50	51.45	3	Y
9	Warden call systems	Chiptech International Limited	Small	4	Lancaster	7	6						
9	Warden call systems	Alcove Limited	Small	3	Colchester	8	7	LOT HAS NOT BEEN RECOMMENDED FOR AWARD.					
9	Warden call systems	Everon UK Limited	Small	4	Maidstone	2	0						
9	Warden call systems	Tunstall Healthcare (UK) Limited	Large	4	Yorkshire	9	8						
9	Warden call systems	Chubb Fire & Security Limited	Large	4	Lancashire	6	5						
9	Warden call systems	Legrand Electric Limited	Medium	1	Birmingham	7	6						
9	Warden call systems	Alertacall Limited	Medium	4	Windermere	4	2						
9	Warden call systems	Appello Smart Living Solutions Limited	Medium	4	Hampshire	2	1						
9	Warden call systems	Secureshield Ltd	Medium	1	Newcastle Upon Tyne	1	0						

KEY – Real Living Wage Status Reference and Descriptions

Real Living Wage Ref.	Description
1	**Paying and Accredited** Accredited Real Living Wage Employer and commit to maintaining this for the duration of the Framework Contract
2	**Paying & Progressing to Accreditation** Currently paying the Real Living Wage and going through the process of becoming an accredited Real Living Wage Employer. Commitment to gaining accreditation over the initial two year period of the Framework Contract.
3	**Paying & Commitment to Accreditation** Currently paying the Real Living Wage. Not yet progressing accreditation but commitment to gaining accreditation over the initial two year period of the Framework Contract.
4	**Paying but No Commitment to Accreditation** Currently paying the Real Living Wage. Not an accredited Real Living Wage Employer but paying the Real Living Wage to all employees (except volunteers, apprentices and interns) and commit to maintaining this for the duration of the Framework Contract.
5	**Not Paying but Commitment to Pay** Not an accredited Real Living Wage Employer and do not currently pay the Real Living Wage to all employees (except volunteers, apprentices and interns) but commit to paying the Real Living Wage to all employees (except volunteers, apprentices and interns) within the initial two year period of the Framework Contract
6	**Not Paying** Neither accredited nor paying Real Living Wage

Scotland Excel

To: **Executive Sub-Committee**

On: **17 May 2024**

Report by:
Chief Executive of Scotland Excel

Net Zero Strategy Update 2023/24

1.   Summary

1.1   In March 2023, Scotland Excel's Executive Sub-Committee approved Scotland Excel's Net Zero Strategy 2023-2028. This Net Zero Strategy will 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.

1.2   The strategy has been developed to assist councils to implement their climate change policies and to help them deliver on their net zero commitments. Key themes addressed in the strategy include energy, the built environment, transport, waste, land use and forestry, resilience, agriculture, and governance.

The strategy outlines the following objectives:
- consider any new framework opportunities that can support members' net zero journey.
- to work collaboratively with suppliers, partners, and members to identify opportunities to reduce the carbon footprint of the existing contract portfolio.
- to implement actions from the net zero strategy, via a whole organisation approach, to support council members' net zero journey.
- to ensure the Scotland Excel contract portfolio remains crucial in assisting councils and others in meeting regulatory requirements.
- to lead by example by exploring the reduction of carbon impacts of business activities and ensure that contract arrangements continue to meet the needs of member councils.

1.3   The Strategy is supported with a detailed delivery plan with objectives to deliver on short and medium term (2023-2025) and longer term (2025-2028) net zero related priorities.

2.   Background

2.1   Scotland Excel has set up an internal Net Zero Working Group delivery team that meets monthly and the role of the group is to identify and deliver actions identified in the strategy. Encompassing a 'whole organisation' approach, the group includes representation from various Scotland Excel teams. Objectives

have been agreed at a senior management level, and subsequently approved by Executive Sub-Committee in March 2023.

2.2   This Net Zero Working Group's focus is to champion progress and deliver those actions to ensure objectives detailed within the Scotland Excel Net Zero Strategy are achieved.

2.3   A progress tracker is managed to track Scotland Excel's activity against the Net Zero Strategy Objectives. A commitment of the strategy is that a progress report is produced at the end of each financial year and submitted to Executive Sub-Committee meetings for noting.

2.4   Appendix 1 sets out the short-medium term objectives and activities identified within the strategy. The aim of these short terms objectives was for completion between 2023 and 2025 and Appendix 1 outlines the progress made to date. It should be noted that most of these objectives and activities are of an ongoing nature with iterative continuous improvements being made.

2.5   This report summarises the progress made to date against Net Zero Objectives commitments in Appendix 1.

3.   Recommendations

3.1   The members of the Executive Sub-Committee are invited to note Scotland Excel's progress in delivering the objectives contained within the Net Zero Strategy for 2023-24.

Appendix 1

Net Zero Strategy 2023 – 2024 Progress Report

Short-Medium Term Objectives (2023-2025)				
1. Establish proven and robust methods of ensuring that **tender exercises across the entire portfolio maximise positive impacts regarding carbon reduction,** whilst ensuring that goods and services supplied are relevant and appropriate in supporting individual councils' pursuit in delivering net zero targets whilst continuing to offer quality, choice and best value. Develop and introduce **standardised contract and supplier management actions that support carbon reduction and innovation**, as well as continue to work with user intelligence groups in identifying, encouraging and developing additional collaborative opportunities, whilst ensuring that already available and relevant options are fully signposted and encouraged.				
Activity	Target Commencement Date	Target Completion Date	Progress Updates	Impact
1.1. Ensure new contract opportunities (including renewals) are designed to maximise positive impacts regarding carbon reduction.	Commence- April 2023	March 2025 -	Revised suite of standard operating procedures and templates under development. This improvement work will continue through 2024 and will embed changes reflected of the revised Sustainable Procurement Policy. New legal advisory panel will enable innovative practices with appropriate risk mitigation from early in contract development. Partnership with SSN (Sustainable Scotland Network) and the Scottish Government Procurement Policy team on defining carbon reduction opportunities.	Deploying a standardised approach ensures each procurement exercise is assessed for Net Zero opportunities. Potential for new practices to be embed without exposing members to increased compliance risks. Sharing on national policy, good practice and expertise in an emergent sphere ensures opportunities are maximised.

1.2. Ensure new contract opportunities (including renewals) are designed to include products and services relevant and appropriate in supporting councils' pursuit of net zero targets aligned to quality, choice and best value considerations.	Commence- April 2023	March 2025	Several frameworks redesigned to respond to this commitment: **Catering Sundries** – introduced a lot for Catering Recyclables (previously Catering Disposables). Bidders required to set out support to improve reuse and recycling opportunities. **Fresh Fruit and Vegetables** - tender restructured to encourage increased participation from local suppliers to assist councils to reduce food miles on fresh produce. **Education and Office furniture** – exploring introduction of a new lot for furniture reuse/refurbishment. Across the portfolio measures to reduce deliveries and associated fuel consumption: introduction of minimum order levels, reduced number of delivery days, increased quantities in packs (no splitting).	The examples provided here demonstrate some of the measures already in place which contribute to the delivery of this action. This will be developed and expanded as new contracts are added to the portfolio.

1.3. Review contract management activities to ensure inclusion of relevant contract and supplier management activities in supporting carbon reduction and associated innovation.	Commence- April 2023	Complete- July 2023 (Action outstanding)	Established a Scotland Excel 'Net Zero Group'- group remit includes developing recommendations for change. Cross category working on Net Zero to ensure improvements are applied to full portfolio Revised Sustainability Procurement Policy is in draft, articulating the impact of the Net Zero strategy on all procurement work (subject to Executive Sub Committee approval). Delivering sustainability through social care contracts can present affordability issues. Targeted tender documentation relating to sustainability is under development. There key supplier management carbon saving initiatives in food frameworks can be evidenced – leading to recommended changes in delivery scheduling.	Changes to contract and supplier management activities are ongoing. Planned improvements will be embedded through Workforce Planning changes. Links to compliance, clarity on Scotland Excel policy supports any changes to tendering processes. Introduction of revised method statements, targeting net zero initiatives. Carbon and financial savings.
1.4. Liaise with user intelligence groups to ensure requirements are captured, additional needs are identified, and contract opportunities are designed to align.	Commence- April 2023	March 2025	Working with SSN and Scottish Government Climate Group to identify and maximise opportunities for carbon reduction. Scottish Local Government Procurement Forum (SLGPF) - standing agenda item at SLGPF to discuss and share best practice. Social care - work underway to identify council sustainability officers to gather views on reporting requirements for social care providers.	This network provides access to expertise and intelligence. Joint working with local authority procurement managers to design change. Greater sustainability of care providers.

1.5. Review current contract portfolio with an aim of identifying and signposting to users' options already available that could support net zero ambitions or linked activities.	Commence- April 2023	Complete- July 2023	Segmentation approach devised to prioritise Net Zero where appropriate. New development priorities shared with Sustainable Procurement and Scottish Government colleagues to inform priority list.	New segmentation tools to be applied to each procurement exercise ensuring those frameworks with greatest impact are prioritised.

2. **Update Scotland Excel's Sustainable Procurement Policy** reflecting embedded practices. **Review internal governance** and ensure a formalised internal governance process that facilitates due focus on net zero considerations within tendering activity. Maintain ongoing and active participation in applicable **cross sector groups** with a view to being aware of and where appropriate, influencing policy and associated impacts it may have. Implementation of standardised and where applicable, more bespoke **minimum net zero related tender requirements** across the contract portfolio linked to recent changes to SPD documents, supporting a greater level of focus on carbon reduction and embed within governance process including Contract Steering Group scrutiny.				
2.1. Review and update Scotland Excel's Sustainable Procurement Policy.	Commence- April 2023	Complete- July 2023 (Action outstanding)	Revised Sustainability Procurement Policy is in draft, articulating the impact of the Net Zero strategy on all procurement work (subject to Executive Sub Committee approval).	The current policy (dated 2018) focuses on net zero and social/community wealth building, community benefits, inclusion of SMEs/third sector/supported businesses. The revision will align the policy to the Net Zero Strategy approved in 2023.
2.2. Review internal governance and amend to ensure an appropriate level of focus of net zero considerations within tendering activity.	Commence- April 2023	Complete- July 2023	Work has been completed on segmenting the current Scotland Excel framework portfolio. This clearly identifies frameworks that have potential to contribute to net zero targets.	Frameworks identified through the Segmentation approach will be developed with the particular focus on Net Zero products or services that can reduce carbon.
2.3. Influence policy via participation in relevant cross sector groups.	Commence- April 2023	March 2025	Scotland Excel is represented in the cross sectoral Climate and Procurement forums chaired by Scottish Government.	The Climate and Procurement forum provides opportunity and a platform for the Centres of Expertise including Scotland Excel to share best practice, monitor progress on net zero activities within procurement and to champion carbon reduction action and focus across the wider public sector.

3. **Measure, record and report our own carbon footprint** impact linked to business activities, with an aim to reducing this via actions that may include **refreshed and formalised policies** on home working, virtual and in-person meetings, office space and resource use, and staff travel arrangements.				
3.1. Explore feasibility of measuring, recording and reporting Scotland Excel's carbon footprint linked to business activities.	Commence- April 2023	Complete- July 2023	Internal planning to manage carbon measurement metrics of business activities.	Initial work confirms Scotland Excel's direct impact is low, and decreasing due to current and emerging work practices.
3.2. Identify and implement means to reduce Scotland Excel's carbon footprint/positively impact linked to business activities.	Commence- July 2023	Complete- October 2023	Introduction of QR codes for promotional materials to replace paper marketing tools and reduce unnecessary landfill waste and carbon footprint. Travel and connected carbon footprint has reduced through the use of remote working.	Reduced carbon footprint.
3.3. Review, amend and/or introduce relevant internal policies linked to positive carbon related actions and business practices.	Commence- October 2023	Complete- January 2024	Scotland Excel reviews workplace policies on a cyclical basis. Carbon footprint considerations are included in updates where appropriate.	Ongoing reducing in the impact of Scotland Excel's workforce on the environment.

4. Deliver targeted and regularly **refreshed training internally and externally**, ensuring appropriate staff across the sector are fully aware of compliant options that can be utilised during the procurement process and lifetime of a contract arrangement that can **maximise a positive impact on net zero targets and ambitions**.				
4.1. Design suitable training for internal and external access.	Commence- April 2023	March 2025	All Scotland Excel staff within Scotland Excel have undertaken Climate Awareness training delivered by the Scottish Government. All Scotland Excel staff now have a level of climate awareness and net zero.	Scotland Excel has signposted local authority Corporate Procurement Managers to the Scottish Government training sessions (February 2024).
4.2. Deliver targeted training across the sector, including refresh as required.	Commence- October 2023	March 2025	Scotland Excel Academy delivers courses across the Scottish Government Procurement and Commercial Training Framework and as part of this includes up-to-date information, as appropriate for the subject matter, concerning sustainability and net zero. Scotland Excel is holding a Sustainability Master Class for the sector on 11th June 2024.	Building Net Zero awareness and skills to deliver on Net Zero planning throughout the procurement community.

5. Continue ongoing engagement with corporate procurement managers and other appropriate procurement colleagues within individual councils ensuring **clear lines of communication regarding council need** and options available via Scotland Excel as portfolio develops. Activities likely to include regular updates on progress of council net zero/climate change strategies, signposting to areas of interest and ultimately a level of commitment from **councils to support and utilise options offered** within Scotland Excel's contract portfolio linked to supporting net zero ambitions.				
5.1. Establish and maintain two-way communication regarding progress of strategy developments and delivery, individual council need and solutions available.	Commence-April 2023	Q3 2024/25	Scotland Excel carries out assessments with councils (PCIP) which includes seeking evidence on climate mitigation performance. This leads to a report on potential improvement for the sector. Scotland Excel and each council conduct Quarterly Business Reviews on collaborative of the two organisations. Net Zero activities have been added to standard agendas.	Collaborative approach to planning is fostered. Feedback mechanism in place and opportunities for new initiatives to be explored.
5.2. Secure a level of commitment regarding participation as solutions are designed and made available.	Commence-April 2023	March 2025	Scotland Excel's governance landscape invites feedback at every engagement level. Communication at each forum now includes Net Zero as a key theme.	Information and feedback provided to elected members, executive officers, procurement functions and buyers.

6. Progress existing and develop new relationships with suitable stakeholders from across the public and private sector, **spotlight good practice examples** from within the supply base, **focus upon and include net zero considerations** within appropriate events such as seminars, user intelligence groups and mobilisation sessions, **promote** the availability of reuse and repair organisations and communicate regularly of Scotland Excel and this Strategy's progress to appropriate audience as it develops.				
6.1. Build relationships with stakeholders from across public and private sector.	Commence-April 2023	March 2025	Scotland Excel sits on the cross sectoral Climate and Procurement forum chaired by Scottish Government. Meetings are held quarterly. Strong relationships with organisations Zero Waste Scotland, Scottish Futures Trust, Energy Technology Partnership, Civ-Tech Alliance and BE-ST	Share best practice, monitor progress on net zero activities within procurement. Share ideas, information, industry intelligence, opportunities, innovation and best practice.
6.2. Identify and share good practice examples within the supply base.	Commence-April 2023	March 2025	During Scotland's Climate Week Scotland Excel promoted a case study on Washroom Solutions framework. The supplier TotsBots have designed reusable products and reduced the carbon impact of deliveries. Scotland Excel continues to seek opportunities to publicise good practice achieved by councils working effectively with the Scotland Excel supply base.	Benefits delivered to Scotland Excel members through contract management were shared more widely through the public sector, promoting good practice.
6.3. Ensure net zero is included as an area of focus at appropriate internal and external events.	Commence-April 2023	March 2025	Opportunities are reviewed by UIG's to ensure frameworks are planning for Net Zero outcomes. Scotland Excel staff have presented at events including -Infrastructure and Supply Chain for Net Zero Delivery (Jan 24) ETP Energy Transition Innovation Showcase (Mar 2024).	Scotland Excel teams will continue to support engagement and focus on net zero. Scotland Excel has used these events to also learn from other key stakeholders on innovation and best practice.
6.4. Promote the availability of reuse and repair organisations.	Commence-April 2023	Complete-October 2023	Circular Communities Scotland published a case study during Scotland's Climate week 2023. The article focused reuse goods through the Scotland Excel Domestic Furniture and Furnishings framework.	February 2022 - September 2023; more than 4 tonnes of domestic furniture diverted from landfill (1.2 tonnes of CO2).

6.5. Communicate progress of Strategy to appropriate audience as it develops.	Commence- April 2024	March 2025	Scottish Government blog during Climate Week 2023 spotlighted the Scotland Excel Net Zero strategy, aligning to the aims for the sector. Articulating progress objectively is an urgent requirement. Ongoing investigation of qualitative metrics used in the sector will inform Scotland Excel's future monitor monitoring of this plan. Joint review of metrics with the Scottish Government, Sustainable Procurement Limited, Zero Waste Scotland, Edinburgh Science and most recently the Climate Intelligence Service is required to ensure a consistent approach is adopted in the sector.	Scotland Excel continues to communicate progress on net zero across the sector. Research is underway to establish how best to gather, analyse measure and report environmental data.

Scotland Excel

To: **Executive Sub-Committee**

On: **17 May 2024**

Report by:
Chief Executive of Scotland Excel

**Request for Associate Membership of Scotland Excel by
The University of the West of Scotland**

1.   Background

1.1   Scotland Excel operates an Associate programme to allow access to its frameworks and services to a wide range of other public service orientated bodies. Applications can be made for Associate Membership by organisations such as council arm's length organisations, community groups, charities, housing associations and voluntary organisations which are a public body or a body that engages in activities of a public nature.

Organisations apply to Scotland Excel for Associate Membership to allow them to access the frameworks for goods and services which are in place for our members. Associates do not have the opportunity to influence the future contract delivery schedule which is reserved for the full local authority members.

Associate membership supports the wider aims of Scotland Excel by increasing overall spend against frameworks, providing additional income and supporting the goals of promoting excellent public procurement across Scottish organisations.

2.   Organisation Background

2.1   The University of the West of Scotland has four campuses across Scotland, namely Ayr, Dumfries, Hamilton and Paisley, delivering courses across multiple sectors. Courses are designed to ensure degrees align with business, community, third sector, government and international priorities, and provide a springboard to create economic benefits across Scotland, the UK and beyond.

2.2   The University of the West of Scotland is an accredited real living wage employer.

Associate Membership Process

3.1   Before any application is submitted for approval, a number of validation checks on the organisation are carried out. These include a review of the Memorandum & Articles of Association, the financial position and the type of contracts that the organisation is likely to access. It is confirmed that satisfactory validation checks have been completed in relation to this application.

3.2   Scotland Excel monitors all requests from applicants to become associate members to ensure that any legal requirements are met. In this case, The University of the West of Scotland can be recommended for associate membership access in accordance with the Local Authorities (Goods and Services) Act 1970 section 1 (1B)(b) as a public authority or body.

3.3   Fees are determined in a number of ways:

Arms Length External Organisations (ALEOs) related to local authority members pay no fee as this is covered within requisition fees.

National Health Service (NHS) bodies, Colleges and Universities, and Non departmental bodies of the Scottish Government pay no fee under a reciprocal agreement that allows local authorities to utilise contracts created by the relevant procurement centres of expertise.

All other associate fees are calculated on a standard methodology agreed by committee. e.g. Housing Associations pay based on the number of houses within their portfolio.

4.   Recommendations

4.1   It is recommended to committee that The University of the West of Scotland application to join Scotland Excel as an associate member be approved, with no annual fee as part of the reciprocal agreement and subject to the agreement document.

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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

Page **1** of **2**

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)

Scotland Excel

To: Executive Sub-Committee

On: 17 May 2024

Report by:
Chief Executive of Scotland Excel

Project Proposal: Capital Project Procurement Support

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 – Capital Project Support

3.1   This project proposes to provide support to members' technical and procurement teams to make most effective use of collaborative procurement routes when managing capital projects. The support will also extend to some recurring revenue spend in specialist areas.

3.2   This proposal expands 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.

3.3   It is anticipated the primary focus would be on the more complex services and works contracts awarded under Scotland Excel frameworks. These frameworks tend to be established under NEC4 or SBCC contracting terms which establish the overarching terms that will support to call off contracts formed per project.

3.4   By dedicating resource to working with member officers Scotland Excel can enhance the effective use of established frameworks to ensure the full potential of each arrangement is well understood and utilised locally.

3.5   The principal opportunity created from this role is to improve the customer experience when using frameworks to develop complex contractual arrangements to deliver projects.

3.6   Feedback received from Scotland Excel members includes:

- Local procurement teams have limited capacity.

- Complex frameworks require familiarity with the structure in order to maximise benefit.

- Officers who deliver capital delivery programmes often require specialist procurement support.

- Expertise to contract for procurement support can be a direct cost to Scotland Excel members.

- Call off contracts, including mini-competitions and direct awards from frameworks can be time consuming if unfamiliar with the layout of the framework.

3.7   The benefits of this support to Scotland Excel members will include expediting contract awards for projects, thereby reducing the time required for the procurement phase of projects.   Contract formation and conclusion can frequently introduce uncertainty in project management.

3.8   There is potential to lower the costs associated with forming contracts for capital projects by levering the collaborative benefit for the whole membership of Scotland Excel.

3.9   By offering dedicated expertise in this area, and sharing learning across the sector, there is potential to improve the quality of outcomes delivered through collaborative contracting.

3.10 The funding requirement is for the addition of a Senior Procurement Specialist at Grade 10, for a 24-month period, on a fixed term contract. This would bring an estimated cost of £67,128 for year 1, and £71,249 for year 2.

3.11 Costs are based on the entry-point of Grade 10, and include employment on-costs at 31%, an assumed salary uplift at 3% for year 2 as well as the annual incremental movements on the pay scale.

3.12 It is proposed to make an offer of employment to a suitable individual during the second quarter of 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 £138,378.

Scotland Excel

To: **Executive Sub-Committee**

On: **17 May 2024**

Report by:
The Chief Executive of Scotland Excel

Strategic Risk Register

1.   Introduction

1.1   This report provides the Executive Sub 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 revised methodology set out 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.

3.   Risk Management Update

3.1   The Strategic Risk Register is maintained and reviewed quarterly by the Senior Management Team and key officers with expertise in certain risk areas. Actions to mitigate the identified risks are ongoing and undertaken throughout the year.

3.2   There are currently 12 identified strategic risks within the Strategic Risk Register, ranging in risk evaluation score from 8 to 20. A summary of key elements in relation to each identified risk is shown in Appendix 1 of this report.

3.3.   Key factors influencing the latest Strategic Risk Register review included the Scottish Government and UK Government budget announcements, continued financial pressures on local government bodies, the impacts of carbon reduction and climate change to businesses, ongoing policy changes in relation to public sector service redesign, and increasing incidents of cyber crime in the public sector.

3.4 Four residual risk scores were amended downwards in the most recent review of the Strategic Risk Register, whilst one residual risk score increased. The adjustments to these evaluation scores reflect the current external factors impacting each risk and the effectiveness of the internal controls in place.

3.5 For the risks that remained unchanged following the review in March 2024, 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 score (20) is Political, Legislative and Policy Change (SXL003-24/25). This residual score reflects the uncertainty across the Scottish and UK political environment, the pending general election in 2024, impacts from the Scottish Government and UK Government budget announcements, and legislation to introduce a National Care Service for Scotland passing the first stage in Scottish Parliament.

3.8 The residual risk score in relation to Managing Growth and Diversity (SXL002 – 24/25) was amended downwards. This adjustment was made following approval to extend the contracts of Savings Team members, the reduction in employers' contribution charge to pension payments, and the updated Contract Delivery Plan that was presented to the Executive Sub Committee in February 2024.

3.9 The residual risk score in relation to Supply Chain Resilience (SXL005 – 24/25) was amended downwards. The decision to revise this score was based on factors including the initial shock of the UK's departure from the European Union beginning to settle, the slowing rate of price increase levels, and the expected decrease in interest rates from the Bank of England.

3.10 The residual risk score in relation to Staff Recruitment and Retention (SXL006 – 24/25) was amended downwards to reflect improving external applicant rates, positive feedback from Scotland Excel's interim Investors in People (Gold) Assessment, and progressing workforce development processes.

3.11 The residual risk score in relation to Environmental Impact and Climate Change (SXL009 – 24/25) was amended upwards to reflect the requirement for Scotland Excel to adapt its service offering to reflect the changing needs of members, amid increasing climate change concerns and also reflect the anticipated increase in climate related disruption to suppliers on Scotland Excel

frameworks, alongside the financial costs of reducing carbon emissions to suppliers.

3.12   The residual risk score in relation to National Emergency Including Pandemic (SXL010 – 24/25) was amended downwards. This reflects Scotland Excel's readiness to mitigate the impacts of a potential National Emergency or Pandemic on both operations and strategic objectives. With hybrid working arrangements in place and access to video communication software, Scotland Excel is equipped to continue to operate and meet the needs of members should a National Emergency or Pandemic occur.

3.13   Following the review of external factors and internal controls, the Scotland Excel Strategic Risk Register as of March 2024 is shown at Appendix 1.

4.   Recommendation

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

SCOTLAND EXCEL

Strategic Risk Register

April 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	

1

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 March 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, March 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
SXL007 - 24/25	Corporate Social Responsibility	9
SXL010 - 24/25	National Emergency Including Pandemic	8

2

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
		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	↔

3

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 (March 2024)

Impact		Likelihood				
	5			SXL001		
	4			SXL002 SXL006 SXL011	SXL004 SXL005 SXL008 SXL009 SXL012	SXL003
	3			SXL007		
	2				SXL010	
	1					
		1	2	3	4	5

Likelihood
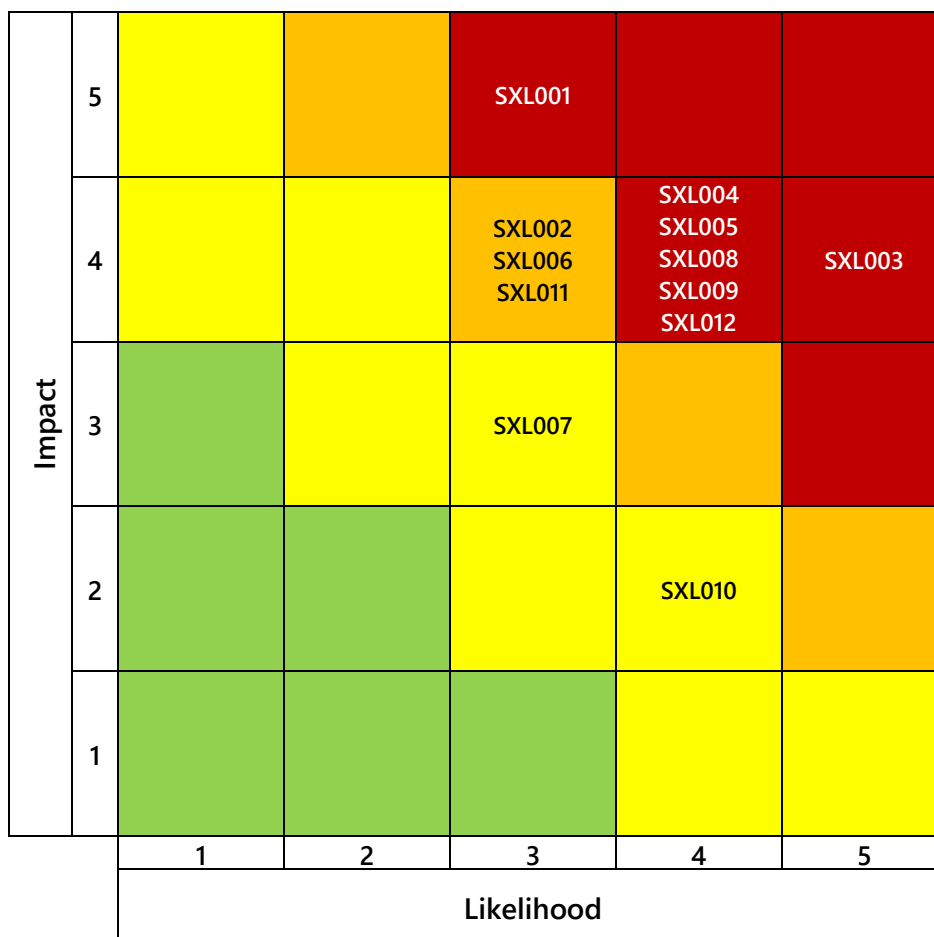
Risk Ref.	Risk Title
SXL001 – 24/25	Organisational Sustainability
SXL002 – 24/25	Managing Growth and Diversity
SXL003 – 24/25	Political, Legislative and Policy Change
SXL004 – 24/25	Reputational Risk
SXL005 – 24/25	Supply Chain Resilience
SXL006 – 24/25	Staff Recruitment and Retention
SXL007 – 24/25	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

4

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	9
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

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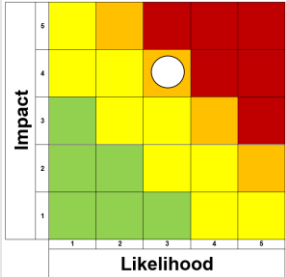
Appendix 2 presents identified Strategic Risks in the Scotland Excel risk template format. An explanation of each element of the risk template is shown in Table 5.

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

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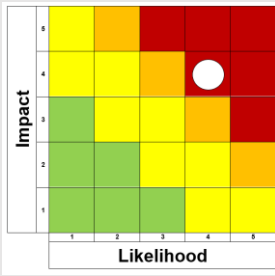
Appendix 2: Scotland Excel Risk Register (March 2024)

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

Risks caused by the membership nature of Scotland Excel include:
- 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.

Risks associated with continuous public sector financial pressures:
- 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

- 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 March 2026.

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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

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.

Risk Statement

Potential barriers to the diversification of Scotland Excel's framework portfolio and services include:
- 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.

Risks caused by failure of Scotland Excel to diversify its framework portfolio and services include:
- 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

- 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.

8

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

Challenges caused by political change may include:
- 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.

Challenges caused by legislative changes may include:
- 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.

Challenges caused by policy changes may include:
- 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

- 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.

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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:
- 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

- 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.
- Creation of Scotland Excel Savings Team 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.

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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

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.

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.

Risk Statement

Financial and socio-economic factors impacting the resilience of Scotland Excel framework suppliers include:
- 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.

Environmental and carbon net zero factors impacting the resilience of Scotland Excel framework suppliers include:
- 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

Impacts of supplier failure on Scotland Excel include:
- 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

- 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.

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- 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.

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Staff Recruitment and Retention					
Reference	SXL006-24/25			Risk Matrix Position	
Owner	SB				
Original Evaluated Risk Score					
Likelihood	Impact	Evaluation	Trend		
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

Factors impacting Scotland Excel's ability to recruit and retain staff include:

- 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

- 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.

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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		
3	3	9		

Context

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.

Risk Statement

Risks associated with evolving corporate social responsibility commitments include:
- 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

- 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 framework 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 organisational carbon footprint.
- Increasing Community Benefit focus in the development of new and renewal of existing frameworks.

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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

Risks associated with changing stakeholder and member expectations include:

- 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

- 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.
- Creation of Scotland Excel Savings Team to identify Sectoral Savings Opportunities for Local Authority Members.
- Approval of Business Intelligence 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.

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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

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.

Scotland Excel must demonstrate how their own operations are driving down emissions and reducing environmental impact.

Risk Statement

The national effort to reach Net Zero Emissions and the impacts of climate change may impact the demands of Scotland Excel by:

- 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.

An ineffective environmental response from Scotland Excel may result in:

- 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

- 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.

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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

A National Emergency or Pandemic may result in:
- 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

- 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.

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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:
- 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

- 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

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. The growing threat of cyber-attacks to organisations requires preventative and mitigating cyber security measures to be implemented.

Risk Statement

Ineffective cyber security measures may result in:
- 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

- 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.
- 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.

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