

Scotland Excel

To: Joint Committee

On: 11 December 2020

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

Annual Value Reports

1. Purpose

- 1.1 To inform the Joint Committee Scotland Excel's new **Annual Value Report**.
- 1.2 This is a new report designed to provide a detailed view on the value derived from membership of Scotland Excel, tailored to each individual local authority.
- 1.3 The Report provides a range of value measures and discussion points and is being distributed to local authority Chief Executives, Finance Directors, Elected Members (including leaders) and Corporate Procurement Managers.

2. Background

- 2.1 Scotland Excel's range of services are designed to help councils meet the twin challenges of reducing budgets at a time of growing demand. It is widely accepted that collaborative procurement increases efficiency, delivers value for money and ensures money is saved to support front line services. And, through a more collaborative approach Scotland Excel can work with councils to realise a host of social, economic and environmental benefits from their procurement.
- 2.2 The report includes a high-level update on specific financial indicators resulting from the use of Scotland Excel frameworks and services, demonstrating the value Scotland Excel provides to a council.

3. Measuring Value

- 3.1 The new report includes a number of indicators including financial benefits through savings, rebates and cost avoidance measures.

- 3.2 All measures within the document have sought to take a transparent and, where available, national view of measuring benefits. An example of this is the adoption of the Scottish Government approach to cost avoidance. This is a value measure that provides a calculated view of an organisation having to undertake an activity in the absence of a Scotland Excel framework.
- 3.3 The Report also recognises that whilst financial savings are important, social value is equally so. This report includes updates on areas such as community benefits, local spend, living wage, and support for local economies. Our Scotland Excel Academy also provides a range of people development services to member councils recognising that upskilling staff brings further benefits for councils.
- 3.4 The Annual Value reports have been distributed to Joint Committee members prior to the December Joint Committee meeting. Scotland Excel will also offer individual presentations on the reports to council stakeholders including elected members.

4. Input

- 4.1 Much of the information contained within the report is included in quarterly business reviews with procurement managers. It should however be noted that no input has been sought at this stage from this group on the report.
- 4.2 Scotland Excel prioritised and distributed the first draft reports to the Chief Executive Officers Management Group (CEOMG) in November 2020.
- 4.3 The report was well received, and a number of changes were applied based on feedback given.
- 4.4 Scotland Excel would be keen to obtain wider stakeholder input to improve subsequent annual value reports and will seek to do this over the coming months.

5 Recommendations

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