

Notice of Meeting and Agenda Scotland Excel Executive Sub-committee

Date	Time	Venue
Friday, 23 April 2021	09:30	Remotely by MS teams,

KENNETH GRAHAM
Clerk

Membership

Provost Bill Howatson (Aberdeenshire Council); Councillor Angus Macmillan Douglas (Angus Council); Councillor Graham Hutchison (City of Edinburgh Council); Provost Norman A Macdonald (Comhairle Nan Eilean Siar); Councillor Stephen Thompson (Dumfries and Galloway Council); Councillor Altany Craik (Fife Council); Councillor Ruairie Kelly (Glasgow City Council); Councillor Jimmy Gray (Highland Council); Councillor Joe Cullinane (North Ayrshire Council); Councillor Paul Di Mascio (North Lanarkshire Council); Councillor John Shaw (Renfrewshire Council); Councillor Amanda Hawick (Shetland Islands Council) and Councillor Collette Stevenson (South Lanarkshire Council)

Councillor John Shaw (Convener): Councillor Paul Di Mascio (Vice Convener)

Further Information

If you require any further information in relation to this meeting please contact elaine.currie@renfrewshire.gov.uk

Items of business

Apologies

Apologies from members.

Declarations of Interest

Members are asked to declare an interest in any item(s) on the agenda and to provide a brief explanation of the nature of the interest.

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|----------|---|----------------|
| 1 | Minute | 3 - 8 |
| | Minute of meeting of the Executive Sub-committee held on 19 March 2021. | |
| 2 | Chief Executive's Update | 9 - 22 |
| | Report by Chief Executive of Scotland Excel. | |
| 3 | Annual Audit Plan 2020/21 | 23 - 34 |
| | Report by Treasurer. | |
| 4 | Contract for Approval: Supply and Delivery of Vehicle Parts | 35 - 48 |
| | Report by Chief Executive of Scotland Excel. | |
| 5 | Update on the Contract Delivery Plan | 49 - 58 |
| | Report by Chief Executive of Scotland Excel. | |
| 6 | Operating Plan Update 2021/22 | 59 - 72 |
| | Report by Chief Executive of Scotland Excel. | |
| 7 | Employee Absence Management Report | 73 - 76 |
| | Report by Chief Executive of Scotland Excel. | |
| 8 | Date of Next Meeting | |
| | Note that the next meeting of the Executive Sub-committee will be held at 9.30 am on 21 May 2021. | |



Minute of Meeting Scotland Excel Executive Sub-committee

Date	Time	Venue
Friday, 19 March 2021	09:30	Remotely by MS teams,

PRESENT

Provost Bill Howatson (Aberdeenshire Council); Councillor Angus Macmillan Douglas (Angus Council); Provost Norman A Macdonald (Comhairle Nan Eilean Siar); Councillor Stephen Thompson (Dumfries and Galloway Council); Councillor Altany Craik (Fife Council); Councillor Joe Cullinane (North Ayrshire Council); Councillor Paul Di Mascio (North Lanarkshire Council); Councillor John Shaw (Renfrewshire Council); Councillor Amanda Hawick (Shetland Islands Council); and Councillor Collette Stevenson (South Lanarkshire Council).

CHAIR

Councillor Shaw, Convener, presided.

IN ATTENDANCE

J Welsh, Chief Executive, H Carr, Head of Strategic Procurement, S Brannagan, Head of Customer and Business Services, L Campbell, Corporate Services Manager, R Bridgen, Senior Procurement Specialist (for items 1 to 4(b) only), J McKerrall, Strategic Procurement Manager, K Forrest, Office Manager, S Christie, Commercial Manager, L McIntyre, Senior Communications Specialist and I Calder, Customer Account Manager (all Scotland Excel); and C McCourt, Finance Business Partner, E Currie, Senior Committee Services Officer and L Meikle, Senior Accountancy Assistant (all Renfrewshire Council).

APOLOGIES

Councillor Graham Hutchison (Edinburgh Council); Councillor Amanda Hawick (Shetland Islands Council); and Councillor Ruairie Kelly (Glasgow City Council) (for lateness).

DECLARATIONS OF INTEREST

There were no declarations of interest intimated prior to the commencement of the meeting.

Prior to commencement of the meeting the Convener intimated that Highland Council had intimated that Councillor Jimmy Gray would now be Highland Council's representative on Scotland Excel. The Convener thanked Councillor MacKinnon for his contribution to the work of and support given to Scotland Excel as a member of both the Executive Sub-committee and Joint Committee.

1 MINUTE

There was submitted the Minute of the meeting of the Executive Sub-committee held on 19 February 2021.

DECIDED: That the Minute be approved.

SEDERUNT

Provost Macdonald joined the meeting during consideration of the following item of business.

2 REVENUE BUDGET MONITORING

There was submitted a revenue budget monitoring report by the Treasurer and the Chief Executive of Scotland Excel for the period 1 April 2020 to 5 February 2021.

The report intimated that at the end of period 11, Scotland Excel was projecting a small surplus by year-end in its core activities and a £72,000 overspend by year-end within projects, which would result in a drawdown from project reserves. Further detail was provided in section 3 of the report.

Appendix 1 to the report provided an analysis of the actual spend to date along with projected net expenditure for 2020/21 and included a summary of movement in the revenue reserve. Appendix 2 to the report provided an analysis of the actual spend to date along with projected net expenditure for 2020/21 and included a summary of movement in the project reserves.

DECIDED: That the report and the planned drawdown from committed project reserves be noted.

3 CONTRACT FOR APPROVAL: BOOKING OF PUBLIC SECTOR EMPLOYEES (SUPPLY TEACHER BOOKING)

There was submitted a report by the Chief Executive of Scotland Excel relative to the award of a framework agreement for the booking of staff in current employment with local authorities for temporary vacancies which would operate for a period of four years, commencing on 15 April 2021 and not 1 April 2021 as stated in the report.

The report intimated that SEEMiS Group LLP, the central body established by Scottish local authorities with a remit to develop and service a national education management

information system for all of Scotland's schools, would retire the module that allowed local authorities to record the booking of supply teachers for temporary vacancies in July 2021. Local authorities were now seeking a solution to replace this module with increased scope to allow for the booking of a variety of staff roles, however, the prime booking role was for supply teachers.

The framework would be available to all councils and Appendix 1 to the report detailed the participation, spend and savings summary of those councils participating in the framework together with Tayside Contracts who had confirmed their intention to participate. It was noted that South Lanarkshire and East Renfrewshire Councils had intimated that they did not intend utilising the framework as they had other in-house solutions.

The diverse requirements of each council made forecasting the expenditure unfeasible to produce on an individual council by council basis. The solutions offered were defined as Software As A Service (SAAS) and costs were therefore dependent on the number of users of the solution. The report intimated that the requirements for West Dunbartonshire Council had been used for the purposes of evaluation and the estimation of the potential value of the framework. The estimated value opportunity was £15,000 per annum with setup costs between £5,000 and £10,000 and the contract opportunity was therefore advertised with a value of £1 million over the four-year term.

The report summarised the outcome of the procurement process for this framework.

Tender responses had been received from six suppliers and Appendix 2 to the report provided a summary of the offers received and their SME status. It was noted that one tenderer had failed to submit a commercial offer and the offer was therefore non-compliant.

Based on the criteria and scoring methodology set out in the tender document, a full evaluation of the offers had been carried out and Appendix 3 to the report detailed the scoring achieved by each bidder.

Based on the evaluation undertaken, and in line with the criteria and weightings set out in the report, it was recommended that a multi-supplier framework arrangement be awarded to five suppliers as outlined in Appendix 3 to the report.

Appendix 4 to 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; and Appendix 5 to the report detailed the contract management classifications.

DECIDED: That the award of the multi-supplier framework for the booking of public sector employees (supply teacher booking), as detailed in Appendix 3 to the report, be approved.

4(a) **REQUEST FOR ASSOCIATE MEMBERSHIP: RUCHAZIE HOUSING ASSOCIATION LIMITED**

There was submitted a report by the Chief Executive of Scotland Excel advising that Ruchazie Housing Association Limited had submitted an application 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 Ruchazie Housing Association Limited to become an associate member of Scotland Excel, with an annual membership fee of £500, be approved subject to completion and signing of the agreement documentation.

4(b) **REQUEST FOR ASSOCIATE MEMBERSHIP: UNIVERSITY OF GLASGOW**

There was submitted a report by the Chief Executive of Scotland Excel advising that the University of Glasgow had submitted an application 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 University of Glasgow to become an associate member of Scotland Excel, with no annual membership fee, be approved subject to completion and signing of the agreement documentation.

SEDERUNT

Councillor Craik left the meeting prior to consideration of the following item of business.

Councillor Kelly joined the meeting during consideration of the following item of business.

5 **CARE UPDATE**

There was submitted a report by the Chief Executive of Scotland Excel providing an update on contracts within the care portfolio and on the potential impact of the recommendations from the Independent Review of Adult Social Care.

In relation to children's services, the report provided updates on the Fostering and Continuing Care framework; the Secure Care framework; and the Children's Residential Care and Education including Short Breaks framework and in relation to adult social care, updates were provided in relation to the Care and Support Flexible framework and the National Care Home contract, in relation to which it was noted that Scotland Excel proposed to make an offer to the sector based on the agreed cost model and benchmarks for uplift, which had been endorsed by CoSLA Leaders, and which included a living wage uplift for care workers.

It was noted that the report on the Independent Review of Adult Social Care, chaired by Derek Feeley, had been published on 3 February 2021. Whilst the report found social care provision in Scotland to be built on strong foundations and acknowledged examples of excellent practice, it concluded that the current system of social care was one of unrealised potential. The report was critical of the current structure, citing a lack of process in health and social care integration; and the current procurement and commissioning practices, calling for an ethical approach to commissioning with clear recommendations to increase collaboration and to reduce competition between providers.

Amongst the report's 53 recommendations was the creation of a National Care Service; a new minister for social care; and reformed Integrated Joint Boards and included significant change to the role of local authorities, to one of delivery partner,

as legal responsibility for social care shifted to the new Integrated Joint Boards. The potential impact on both local authorities and Scotland Excel was significant should the recommendations be accepted in full. Scotland Excel would explore expectations in relation to immediate action on ethical commissioning with the Scottish Government as well as the longer-term implications for Scotland Excel's role should responsibility for social care no longer sit within local authorities. It was noted that Scotland Excel was well placed to support the implementation of recommendations in relation to procurement and commissioning practice.

DECIDED:

- (a) That the contract updates be noted;
- (b) That the proposed approach to concluding the NCHC fee negotiations and the plans to work with key stakeholders to consider the potential impact of the recommendations on Scotland Excel's role in social care be supported; and
- (c) That Scotland Excel's plans to explore the potential to undertake an active role in implementing recommendations relating to commissioning and procurement be supported.

EXCLUSION OF PRESS AND PUBLIC

The Sub-committee resolved that the press and public be excluded from the meeting during consideration of the following item of business as it was likely, in view of the nature of the business to be transacted, that if members of the press and public were present, there could be disclosure to them of exempt information as defined in paragraph 1 of Part I of Schedule 7A of the Local Government (Scotland) Act 1973.

SEDERUNT

L Campbell, J McKerrall, K Forrest, S Christie, L McIntyre, I Calder, C McCourt, and L Meikle left the meeting prior to consideration of the following exempt item of business.

6 SCOTLAND EXCEL WORKFORCE PLAN

There was submitted an exempt report by the Chief Executive of Scotland Excel providing an overview of the proposed Scotland Excel workforce plan and the result of the recent voluntary redundancy/voluntary early retirement process.

DECIDED:

- (a) That the principles of the proposed workforce plan be noted and supported; and
- (b) That the outcome of the recent voluntary redundancy/voluntary early retirement exercise be noted.

7 DATE OF NEXT MEETING

DECIDED: That it be noted that the next meeting of the Executive Sub-committee would be held at 9.30 am on 23 April 2021.

Scotland Excel

To: Executive Sub-Committee

On: 23 April 2021

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

**Chief Executive's Update Report to Chief Executive Officers Management Group
(CEOMG) – March 2021**

1. Summary

The purpose of this report is to share the Chief Executive's Update Report which was issued to Council Chief Executives at the CEOMG on 24th March 2021.

2. Background

The Scotland Excel CEOMG meets quarterly. As part of the regular governance process the Chief Executive provides an update on the work of Scotland Excel. Following discussions with the Scotland Excel Convener, it was agreed that this report – and any future reports – will be shared with members of the Scotland Excel Executive Subcommittee following the CEOMG meeting. The report shown at Appendix 1 provided an update to the CEOMG for the period between 18th November 2020 and 23rd March 2021.

3. Recommendations

Members are asked to note the report.

Scotland Excel

To: Chief Executive Officers Management Group

On: 24 March 2021

Chief Executive's Update Report

1. Introduction

The purpose of this report is to provide the group with an update on key developments within Scotland Excel since the last meeting of the Chief Executive Officers Management Group on 18 November 2020.

2. Summary

Since the group last met there have been a number of developments:

2.1 Contingency Planning

Previous reports in relation to Contingency Planning focused around the exit from the European Union and the COVID -19 Pandemic continuing to cause issues across the UK and Globally.

As the UK has now left the European Union, Scotland Excel continues to monitor the situation, specifically focusing on areas that could impact local authorities. To date, although there has been border disruption to UK suppliers exporting products there does not appear to have been a significant impact on imported products. Therefore, there has been less impact of potential disruption and product shortages than previously predicted. As the pandemic has caused a period of further lockdowns with school closures, food stocks and supplies appear to be plentiful within supply chain warehousing facilities.

Scotland Excel continues to work with colleagues across Scottish Government and other public sector bodies to ensure supplies of PPE continue to be well stocked. Recently, following discussions with colleagues within Health, we have facilitated the delivery of free masks and hand sanitisers to councils. To date, twenty-four local authorities have benefitted from this, resulting in 146 pallets of hand sanitiser and 183 pallets of masks being distributed across Scotland. This initiative is likely to continue over the coming months to ensure all stock within Scotland is utilised, therefore reducing pressure on council budgets.

2.2 Digital Office update

2.2.1 Social Care Case Management System

The social care case management system framework is being set up to provide councils and health and social care partnerships (HSCPs) with a mechanism to procure social care case management solutions to facilitate end-to-end case management for the delivery of social care services to children, adults and the Scottish Criminal Justice community. The framework seeks to support the sharing of case information between Scottish Integrated Joint Boards and their partners.

Following closure of the tender and evaluation of bids, the Scotland Excel Executive Sub-Committee approved the award to five service providers and the standstill period has ended.

2.2.2 Information Gathering

Councils in Scotland use multiple ICT software systems to support service delivery across all services. The acquisition, support and maintenance of these systems are a significant budgetary commitment for all local authorities. In partnership with the Scottish local Government Digital office (SLGDO), Scotland Excel identified that councils would benefit from a Scotland-wide analysis of existing ICT systems and associated contracts, and this is being collected through Scotland's Technical Asset Management Platform (STAMP). To date, over 60% of councils have provided updates, and further analysis of this will lead to the identification of short, medium and longer terms opportunities for collaborative procurement, contract management, community benefits and financial efficiencies.

2.2.3 Market Testing for Artificial Intelligence (AI)/Robotics Process Automation (RPA)

The project for Artificial Intelligence (AI)/ Robotics Process Automation is ongoing to review potential collaborative contracting areas of opportunity across the councils. Scotland Excel held an initial meeting in mid-January with the purpose of forming an appropriate User Intelligence Group (UIG) to take this forward for member councils. A survey has been sent to those in attendance asking current position, plans and budget commitment.

Other Digital Developments

(i) Digital Telecare

The project to develop a Dynamic Purchasing System (DPS) to support the delivery of digital telecare is underway. Key requirements include that the new contracts allow entry to new suppliers on a regular basis, and that products and services comply with standards agreed by the Digital Office and other stakeholders. The lot structure for the DPS has been agreed with stakeholders and the request for participation documents are in the process of being created for publication. It is anticipated that the DPS will be available for councils from late April.

(ii) Digital Booking System

Scotland Excel had been asked by SEEMiS to assist councils in procuring a solution to replace a module for Supply Teacher Bookings that they will be retiring in 2021. Subsequent to UIGs, the scope of the procurement was changed to be that of a more generic booking solution that might encompass a number of booking requirements.

A tender was issued on 25th January for the creation of a framework agreement with a go live date planned for April 2021.

2.3 Care Services

2.3.1 Care and Support

The care & support flexible framework was re-opened in late 2020 to enable participation from new providers. Submissions have been evaluated and post tender negotiations concluded with a positive outcome, particularly for councils preparing to use the framework from 1st April 2021. It is anticipated that 42 new providers will be added to the framework from April bringing the total number to 120, offering over 400 services.

The annual price review for care & support is underway. It was anticipated that the analysis including any clarifications and negotiation, would be completed in March 2021 with approved variations taking effect 1 April 2021.

On 16th February the Cabinet Secretary for Health & Sport announced a national approach to the living wage increase in adult social care for 2021/22. Scotland Excel is seeking guidance on the scope and plans for this to determine the impact on the framework negotiation processes. An update in relation to this will be shared with local authorities as soon as possible.

2.3.2 Care Homes for Older People

Scottish Care set out their opening position for the fee negotiation this year in a paper seeking increases of around 40% to the fees from increases to provider return & capital return and changes to both occupancy and efficiency levels. This proposal was rejected, and more recent discussions have focused on the workforce and areas for potential improvement in pay & conditions.

These discussions are complicated by national work which is ongoing in relation to fair work. This group has not yet concluded its recommendations in relation to areas highlighted by Scottish Care and therefore no formal policy has been agreed or funding made available.

Scotland Excel proposes to make an offer to the sector based on the agreed cost model and benchmarks for uplift, an approach which has been endorsed by COSLA Leaders, and which includes a living wage uplift for care workers. In relation to other fair work elements, there is scope for the offer to include an option to revisit the cost model and rate once the fair work group has concluded recommendations, should funding be made available.

2.3.3 Care Homes for Adults with Learning Disabilities (including Autism)

The fee variation process is underway with impact analysis being undertaken. This will be shared with the User Intelligence Group once concluded. The potential impact of the national approach to living wage is also being considered.

Future plans for this framework include a review of scope with a view to encompassing a larger range of specialist residential services for adults.

2.3.4 Children's Residential Care and Education with Short Breaks

The period for fee variation applications has closed with a significant number of variations sought. Providers note cost pressures in relation to a range of areas, but common themes include increased staffing costs. Clarifications and negotiation meetings are taking place as necessary.

Higher levels of increase are being sought from grant-aided schools as their central funding has been reduced by the Scottish Government and some report concerns about financial stability as a result of a historical inability to vary fees in line with market factors due to previous grant funding arrangements. The associated impact to local government is significant but not unexpected and is being discussed with COSLA.

2.3.5 Secure Care Service

Fee negotiation meetings have taken place with three secure providers seeking an increase to their fees for 2021/22. Discussions are ongoing with Scottish Government and COSLA in relation to funding for covid specific pressures from April onwards as all parties agree these should not be included in the core rate.

Discussions in relation to work needed to embed policy changes such as the new secure standards and the recommendations from 'The Promise' are ongoing.

2.3.6 Fostering and Continuing Care

The tender for the new generation framework is currently live with a deadline for responses in April. The framework is designed to build on the success of the current framework and support continuing care placements by providing structure and benchmark costs as a basis for the individual discussions which take place to agree these placements.

The new framework is scheduled to go live in July 2021.

2.3.7 Social Care Agency Workers

It is anticipated that the flexible framework will be re-opened later this year to enable participation from new providers. Scotland Excel is working with local authorities to determine the scope of the re-opening but it is expected that a targeted approach will be agreed with specific geographical lots advertised in response to local areas reporting difficulty in sourcing agency workers.

2.3.8 £500 Payment Project

Scotland Excel has been commissioned by Scottish Government to administer the application process for the £500 payment for social care staff in the independent and voluntary sector.

The process has now closed for applications with Scotland Excel validating submissions in line with Scottish Government guidelines. The validation process is scheduled to be complete to enable Scottish Government to transfer funds to local authorities by the end of March. Local authorities will make a single payment to each provider, as agreed by COSLA Leaders, to enable providers to make the £500 payment to their staff.

2.3.9 Independent Review of Adult Social Care

The report on the Independent Review of Adult Social Care was published in February. The review, chaired by Derek Feeley, makes 53 recommendations including the introduction of a National Care Service and a significant change in role and legal responsibilities of local authorities.

Scotland Excel is working with stakeholders to consider the longer-term implications for the role of Scotland Excel in social care.

Scotland Excel is also considering more immediate implications resulting from recommendations in relation to procurement & commissioning.

2.4 The Scotland Excel Academy

The Academy is engaging with approximately 50 different organisations across the wider public sector and the third sector. This is for a range of accredited and non-accredited programmes.

- 869 registered learners in The Academy
- 148 active learners engaged in accredited programmes across 7 cohorts
- 26 cohorts have now been completed
- 169 qualifications have been awarded
- 8 new cohorts are planned
- 469 learners have participated in non-accredited one-day development workshops
- 769 learners have participated in the Stay Connected one-hour online workshops
- 9 learners have been awarded Chartered Manager (CMgr), with 5 actively working on their CMgr submission

We have 7 active accredited programmes - 3 procurement, 1 leadership & management, 2 project management and 1 business analysis & innovation. The project management and business analysis & innovation programmes are addressing national skills shortages.

The procurement programmes have been on hold since 11 December 2020 due to staff illness and restarted on the 26 February 2021. Scotland Excel is now reviewing how to avoid this type of disruption to future learners.

8 new programmes are scheduled for 2021 - 1 procurement, 4 leadership & management, 2 project management and 1 business analysis & innovation. A new programme in supply change management will not progress at this time due to the indicated demand not being realised.

Building upon the success of the Stay Connected one-hour online workshops, video content has been created supporting self-directed online learning, currently nine videos are available on The Academy. Further online provision will be scoped to support a growing online learning provision.

2.5 Housing Update

The associate team at Scotland Excel continue to work closely with the Scottish Federation of Housing Associations (SFHA) by attending their virtual conferences and promoting membership to their members. Scotland Excel recently hosted a webinar to promote the new build construction framework and every attendee will be contacted to discuss associate membership.

Summary highlights since the last report: -

Seven new Housing Associations have recently become associate members of Scotland Excel in order to access the wider contract portfolio. Five of the new members are associations grouped in North West Glasgow and are using the Scotland Excel domestic gas maintenance contract to deliver best value for their tenants. Grampian Housing Association will be using the new build framework and Fairfield have recently converted from a co-operative and are keen to use Scotland Excel contracts in order to work in collaboration and deliver savings to tenants.

2.5.1 New Build Update

New Build Housing

Following delays of 9-12 months attributed to COVID-19, activity under this framework has increased significantly as the construction industry and our members have renewed their activity on new build housing projects. To date, five projects totalling £46 million for 244 homes have been awarded under the framework which cover a wide range of affordable homes including fully accessible homes, sheltered housing units, flats, bungalows and houses. In addition, a further 11 projects are currently out to tender with another four scheduled to commence procurement activities under the framework before the end of the financial year; these 15 projects represent around c.£200 million and 700 homes.

Scotland Excel has been primarily focused on supporting members using the framework. This has included providing tailored online guidance sessions so that individual members maximise the benefits from the framework, providing ad-hoc support and guidance, and ensuring members can access and utilise the comprehensive online tools and template documents available to effectively manage procurement through this framework. In addition, we have met with the framework contractors to discuss the Scotland Excel pipeline, their capacity for tendering and the effects of COVID and Brexit on their business and supply chain.

On the 2nd February 2021, Scotland Excel hosted a webinar promoting the framework to Housing Associations which had 60 attendees including representatives from 24 Housing Associations and nine councils. Partnering with the Scottish Federation of Housing Associations and the Construction Scotland Innovation Centre, the webinar focussed on the importance of innovation in delivering affordable homes. Delegates heard about how innovation can support the delivery of low carbon and sustainable housing and how the framework supports these objectives.

2.6 Update on the Contract Plan and Contracts approved since November 2020

There are 74 current frameworks in the Scotland Excel contract portfolio, with four of these frameworks to be renewed before 31 March 2021. It is also planned that a further two new frameworks will be added to the contract portfolio by 31 March 2021.

A total of 18 of the frameworks on the current portfolio have extension options that are likely to be exercised in 2020/2021 with seven of these extensions already approved.

The overall efficiencies across the whole portfolio for 2020/21 is running at 2.9% compared to the 2.5 % forecast range. This figure will continue to be monitored throughout 2020/2021.

The following contracts have been approved at Executive Sub Committee since November 2020:

Bitumen and Associated Products

This renewal is a fourth generation framework for bitumen and associated products and will provide councils and other participating bodies with a mechanism to procure a wide variety of bitumen related products ranging from bulk bitumen to reinstatement products, surface dressings, cementitious products and sundry bitumen related products. A total of 9 suppliers have been awarded a place on the framework. These 9 suppliers represent a mix of small, medium and large (SMEs) organisations, with 7 of the recommended suppliers classified as SMEs.

Social Work Care Case Management System

The project to consider a collaborative approach to procuring a renewed Social Care Case Management system was identified by the Scottish Local Government Digital Office in conjunction with Scotland Excel. This 1st generation framework provides national collaborative solutions which will drive value through the consolidation of spend, whilst alleviating the resource challenge associated with this type of procurement exercise for local authorities. All solutions offered are compliant with the National Cyber Security Centre's "Cloud Security Principles" to ensure maximum data information security and on-going protection. The five awarded service providers offer nationwide coverage under the framework with four being classed with the SME status of medium and one as small.

Engineering & Technical Consultancy

This framework will provide councils and other participating bodies a mechanism to procure a wide range of civil engineering and associated technical consultancy services. In doing so, it will provide efficiency to councils when both engaging consultants and forming construction contracts. 31 suppliers have been awarded on to the framework and offer nationwide coverage to account for any potential difficulties

that may arise from the implications of COVID-19 impacting the framework, and 11 of the recommended suppliers are classed as SMEs.

2.7 Update on Stakeholder Meetings

Scotland Excel continues to prioritise stakeholder engagement across the wider organisation. In several instances, the use of virtual meeting technology has supported this process. At a senior stakeholder level, engagement includes Elected Members, Chief Executives, Finance Directors, Corporate Procurement Managers, and other senior officers. A significant number of meetings have taken place since our last update.

2.8 Projects update

2.8.1 Fife Council

The Fife Council transformation programme was completed in September 2020, as planned, having achieved all aims and objectives required. The year two progress report was submitted in September 2020 and has now been approved and endorsed by the Fife Commercialisation Board in January 2021.

The Report recognised that both the targeted upskilling of the team and the financial targets had been met. In terms of upskilling, the team had experienced an improvement against twelve of the fourteen competencies. In regards to financial benefits the following extract from the Report refers “The desire was to achieve the identification of financial savings of £16m over a three-year period, with the current pipeline of opportunities in excess of £8,313m for in year savings and benefits delivered verified as £8,015m meaning the programme has achieved this target with a total of £16,346m within the first two years of the programme.”

In addition to these results a range of new processes were developed and existing processes improved as part of the two year programme. A lessons learned report has been created to enhance future Scotland Excel delivered programmes in support of its members.

2.8.2 East Lothian Council

The East Lothian Council Improvement Project is continuing to progress and a number of improvements have been implemented including; benefits tracking (now embedded in the procurement process and is a key part of procurement reporting), strategic procurement, collaborative working, sustainability and community wealth building.

Identifying and delivering benefits including cash savings is also a key part of the project. A number of benefits have been achieved along with £475k of savings delivered by the procurement team. Work continues to progress and identify further opportunities.

The new service aligned structure introduced late 2019 provided a solid platform for more productive cross-service collaboration and earlier procurement engagement. Along with the numerous community wealth building initiatives the procurement sustainability policy and charter has been positively received and approved by

Cabinet members and implementation is underway.

Digital transformation will remain one of the top Council priorities along with savings generation thus shifting the focus of the procurement team to in-depth systems review and the establishment of an automated P2P process. In addition to this, addressing the skills gap in strategic sourcing will be key to further improvements and to maximise the value of procurement intervention within the Council.

2.8.3 East Renfrewshire Council

The East Renfrewshire Programme is continuing to deliver across its inter-related projects for implementation. The Procurement team have undertaken a programme of focussed training and are currently progressing with the SQA Accredited PDA in Project Management.

A new process to support the identification and capture of Community Benefits has been rolled out incorporating a “wish list” to ensure local communities benefit from the Councils contractual relationships.

The Council has also been supported in its successful application to receive Living Wage accreditation and significant work is being undertaken to identify savings opportunities in a variety of areas across the Council through a Commissioning focus.

2.8.4 Tayside

Scotland Excel is working with three Councils in Tayside to deliver a programme of improvements. The councils involved in the programme are Angus, Dundee City and Perth and Kinross. The ultimate aim of the programme is to achieve savings, increase efficiency and bring greater value to the citizens of Tayside.

Scotland Excel have identified £9.9m of cashable savings opportunities. Further benefits from working better together and from supporting local economies have also been identified. This has been achieved by focusing on improving data management and analysis. Scotland Excel has provided clear information to help the governing Board make decisions on how to save money.

To access savings and benefits the most significant change required is a shift in how the partners work together to make decisions. Scotland Excel are now working with leaders to identify three areas for which a change in approach would have greatest impact.

The senior teams from each partner will come together on the 24 March to agree how these three areas will be taken forward. Scotland Excel will work with the Tayside Councils until June 2021 to help them make the necessary changes and to ensure maximum benefit is achieved.

Scotland Excel is also working with the 5 procurement teams of the partnership to foster closer working relationships. This is important as embedding new ways of working will ensure the targeted savings and benefits become a reality.

2.8.5 Stirling Council

Scotland Excel has recently been contracted by Stirling Council to provide a Head of Procurement for two years. A programme is in development with the new Head of Procurement and will include management of the corporate procurement team and review of the function, the creation of a community wealth building strategy, and a review and implementation of a procurement savings strategy across the organisation.

2.8.6 Midlothian Council

Scotland Excel has been engaged by Midlothian Council to undertake desktop analysis in relation to the direction of the Procurement function. A Report of the findings will be discussed with the senior team at Midlothian Council with the view to agreeing next steps and further engagement.

2.8.7 Early Learning & Childcare (ELC) provision for 1140 hours – setting the sustainable rate

All councils have a requirement to determine a sustainable hourly rate per child to be paid to their contracted ELC providers. Scotland Excel has been engaged by a number of councils to calculate this on their behalf.

Scotland Excel has identified this as an offering that can be provided to councils who still need to calculate the sustainable rate. A communication detailing this service offering was issued in December 2020 to the Chief Executives of those additional councils.

So far, 1 project has been completed, 1 is in progress and 3 are in development. There is also interest from a number of other councils.

2.8.8 Hosted Procurement

A growing number of councils and associate members are approaching Scotland Excel regarding the provision of tendering services and Scotland Excel now has a small team of dedicated resource to this activity known as the Hosted Procurement Team. The Team is funded from these specific services and activity is tailored to meet the local and specific needs of the customer.

The Service is particularly useful when local resource is not available or at times where capacity is an issue.

Tendering exercises are progressing well with Dumfries & Galloway Council and Glasgow Life (an Arm's Length Organisation (ALEO) of Glasgow City Council).

2.8.9 City Property Glasgow (Investments) LLP

Scotland Excel was engaged by City Property Glasgow (Investments) LLP in May 2019 to conduct a tender for from a mini competition within Crown Commercial Service's Estates Professional Services framework. Since then we have been working with City Property as their 'Procurement Partner' and subsequent projects have included sourcing of a Residential Letting Agent, Website Design, External Auditor and a number of Waste Management Services for their market location in Blochairn.

2.8.10 Zero Waste Scotland

Scotland Excel is providing Tender Support to Zero Waste Scotland for the provision of suitably qualified service providers to conduct waste composition analysis. The framework is intended primarily to assist in the construction of the most accurate and detailed national data set of local authority waste composition conducted within this country to date, whilst retaining the option for individual local authorities to refine to their own requirements and purpose.

2.8.11 Scottish Local Government Pension Scheme

The Scheme Advisory Board of the Scottish Local Government Pension Scheme has engaged Scotland Excel to provide support as they review options for reform of the scheme. The review will be led by an experienced senior commercial project manager, recruited and hosted by Scotland Excel for a period of up to 12 months.

2.9 Climate Change

Environmental considerations are already at the heart of the sustainable procurement duty but there is much still to do to make use of the provisions in the Procurement Reform (Scotland) Act 2014 and ensure that these considerations specifically address climate change and circular economy obligations. The main aim of the Procurement and Climate Change Forum is to provide leadership and direction to enable traction within climate change. A number of workstreams are underway to support the aims of the forum, and a number of councils, as well as Scotland Excel, are active participants.

Dependencies

While the Procurement Reform (Scotland) Act 2014 provides a flexible framework against which to work, it will be critical to recognise and influence other key dependencies which include:

- Understanding how success will be measured against the climate targets;
- The appetite, capacity and capability of commissioners, service delivery managers, and budget holders to consider climate when defining *what* we buy;
- The appetite of local organisations to implement supporting policies and local governance to help address *how much* we buy, reducing the demand or consumption of products and service and recognising that this entails some tough decisions and changes in behaviour.
- Clear direction from the top to help drive and enable change and a recognition of some of the tough choices or trade-offs involved.

Further updates will be given as the forum makes the necessary progress required.

3.0 General update

New Associate Members

There have been eleven new associate members since the last CEOMG:

University of Aberdeen
Construction Scotland Innovation Centre(CSiC)
Kingsridge Cleddans Housing Association Ltd
Pineview Housing Association Ltd
Kendoon Housing Association Ltd
Drumchapel Housing Association Ltd
Cernach Housing Association Ltd
Edinburgh Napier University
Grampian Housing Association Ltd
Fairfield Housing Association Ltd
Shetland's Transport Partnership (ZEtTrans)

Scotland Excel

To: Executive Sub-Committee

On: 23 April 2021

**Report by:
The Treasurer**

Report on the Annual Audit Plan 2020/21**1. Summary**

- 1.1 The Annual Audit Plan 2020/21 for Scotland Excel is submitted for Members' information. It outlines Audit Scotland's planned activities during their audit of the 2020/21 financial year.

2. Recommendations

- 2.1 It is recommended that the Executive Sub-Committee notes the Annual Audit Plan 2020/21 by Audit Scotland, as attached.

3. Background

- 3.1 Based on its analysis of the risks facing Scotland Excel, Audit Scotland has submitted an Audit Plan that outlines its approach to the audit of the 2020/21 annual accounts. This will assess whether the accounts provide a true and fair view of the organisation's financial position, and also whether they have been prepared in accordance with proper accounting practice, i.e. the 2020 Code of Practice on Local Authority Accounting in the UK.
- 3.2 The Audit Plan outlines the responsibilities of the Joint Committee and Treasurer and of Audit Scotland; its assessment of key challenges and risks and the approach and timetable for completion of the audit.
- 3.3 The Annual Audit Plan 2020/21 includes a section on Audit Risks. Within this section, the identified risks are included in the audit plans of many bodies that Audit Scotland work with and their inclusion is not a reflection of any specific risk within Scotland Excel.

Scotland Excel

Annual Audit Plan 2020/21



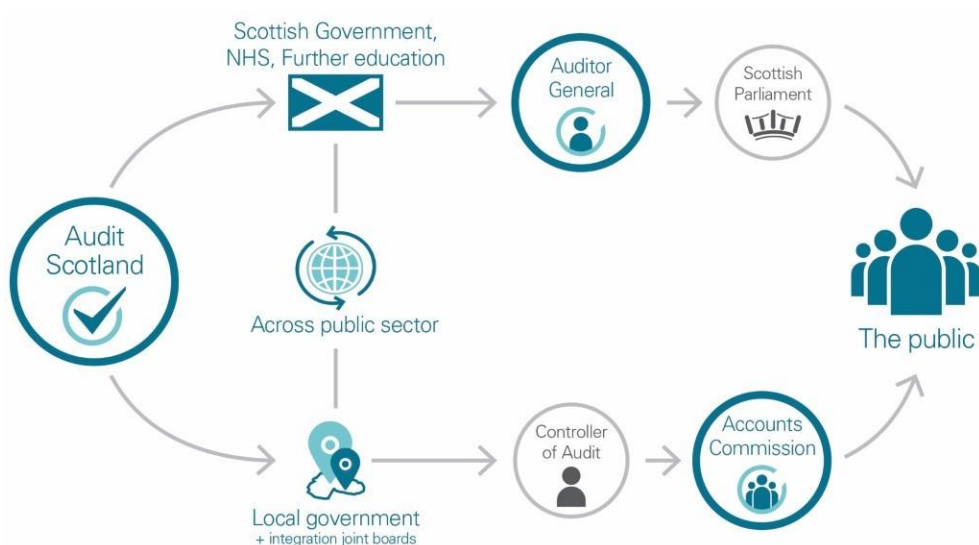
 AUDIT SCOTLAND

Prepared for Scotland Excel
March 2021

Who we are

The Auditor General, the Accounts Commission and Audit Scotland work together to deliver public audit in Scotland:

- The Auditor General is an independent crown appointment, made on the recommendation of the Scottish Parliament, to audit the Scottish Government, NHS and other bodies and report to Parliament on their financial health and performance.
- The Accounts Commission is an independent public body appointed by Scottish ministers to hold local government to account. The Controller of Audit is an independent post established by statute, with powers to report directly to the Commission on the audit of local government.
- Audit Scotland is governed by a board, consisting of the Auditor General, the chair of the Accounts Commission, a non-executive board chair, and two non-executive members appointed by the Scottish Commission for Public Audit, a commission of the Scottish Parliament.



About us

Our vision is to be a world-class audit organisation that improves the use of public money.

Through our work for the Auditor General and the Accounts Commission, we provide independent assurance to the people of Scotland that public money is spent properly and provides value. We aim to achieve this by:

- carrying out relevant and timely audits of the way the public sector manages and spends money
- reporting our findings and conclusions in public
- identifying risks, making clear and relevant recommendations.

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Risks and planned work

1. This Annual Audit Plan contains an overview of the planned scope and timing of our audit which is carried out in accordance with International Standards on Auditing (ISAs), the [Code of Audit Practice](#), and Audit Scotland's 2020/21 guidance on planning the audit. This plan sets out the work necessary to allow us to provide an independent auditor's report on the annual accounts and meet the wider scope requirements of public sector audit including the audit of Best Value.
2. The wider scope of public audit contributes to assessments and conclusions on financial management, financial sustainability, governance and transparency and value for money.
3. The public health crisis caused by the coronavirus disease 2019 (Covid -19) pandemic has had a significant and profound effect on every aspect of Scottish society. Public services have been drastically affected, requiring immediate changes to the way they are provided. The impact on public finances has been unprecedented, which has necessitated both the Scottish and UK governments providing substantial additional funding for public services as well as support for individuals, businesses and the economy. It is likely that further financial measures will be needed and that the effects will be felt well into the future.
4. Public audit has an important contribution to the recovery and renewal of public services. The Auditor General, the Accounts Commission and Audit Scotland are responding to the risks to public services and finances from Covid-19 across the full range of audit work including annual audits and the programme of performance audits. Audit Scotland views 2020/21 as another challenging year and in January 2021 published a [paper](#) restating the key principles for our response to Covid -19. It also provided an update on the financial and performance audit programmes. The well-being of audit teams and the delivery of high-quality audits remain paramount. Maintaining a pragmatic and flexible approach will enable change at short notice as new issues emerge, or current risks change in significance. Where this impacts on annual audits, an addendum to this Annual Audit Plan may be necessary.

Adding value


5. We aim to add value to Scotland Excel through our external audit work by being constructive and forward looking, by identifying areas for improvement and by recommending and encouraging good practice. In so doing, we intend to help Scotland Excel promote improved standards of governance, better management and decision making and more effective use of resources.

Audit risks

6. Based on our discussions with staff, attendance at committee meetings and a review of supporting information, we have identified the following significant risks for Scotland Excel. We have categorised these risks into financial statements risks and wider dimension risks. The key audit risks, which require specific audit testing, are detailed in [Exhibit 1](#).

Exhibit 1

2020/21 Significant audit risks

 Audit Risk	Source of assurance	Planned audit work
Financial statements risks		
<p>1 Risk of material misstatement due to fraud caused by the management override of controls</p> <p>International Auditing Standards require that audits are planned to consider the risk of material misstatement in the financial statements caused by fraud, which is presumed to be a significant risk in any audit. This includes the risk of fraud due to the management override of controls.</p>	<p>Owing to the nature of this risk, assurances from management are not applicable in this instance.</p>	<ul style="list-style-type: none"> • Detailed testing of journal entries. • Review of accounting estimates. • Focused testing of accruals and prepayments. • Evaluation of significant transactions that are outside the normal course of business.
<p>2 Risk of material misstatement caused by accounting for pensions</p> <p>Scotland Excel recognised a net liability of £1.922 million relating to its share of Strathclyde Pension Fund at 31 March 2020. There is a significant degree of subjectivity in the measurement and valuation of the pension fund liability. The valuation is based on specialist assumptions and estimates, and changes can result in material changes to the valuation.</p>	<p>Any significant estimates and judgements are clearly explained in the Notes to the Accounts.</p> <p>Where these are required, they are based on the best information available at the time of the estimate and on both a professional and a prudent approach, either by Renfrewshire Council staff, or appointed experts, such as the Pension Fund Actuary.</p>	<ul style="list-style-type: none"> • Assessing the pension fund actuary and information they provide in accordance with ISA 500. • Review of the estimates used, and assumptions made in calculating the pension fund liability.
Wider dimension risks		
<p>3 Financial sustainability</p> <p>The 2020/21 Revenue Estimates highlight increasing costs in the medium-term, putting pressures on available resources. Covid-19 has also impacted on resources. No specific funding has been announced for Scotland Excel to manage the additional pressures and these are currently being met through core budgets and reserves.</p> <p>Due to the pressures above, it is likely savings will be required over the medium-term to achieve a breakeven position and maintain reserves at an appropriate level.</p>	<p>Scotland Excel management work closely with the Treasurer to identify any issues in both the short, medium and long term to ensure appropriate measures are taken to address these matters.</p> <p>Monthly meetings are held to confirm the current financial status and highlight any areas of concern which, if required, the Treasurer and Scotland Excel management will take on board at their regular meetings throughout the year.</p>	<ul style="list-style-type: none"> • Review of budget monitoring reports, future Revenue Estimates and discussions with management on Scotland Excel's medium-term financial position. • Conclude on financial position and financial sustainability within the Annual Audit Report.

Source: Audit Scotland

7. As set out in ISA 240, there is a presumed risk of fraud in the recognition of income. There is a risk that income may be misstated resulting in a material misstatement in the financial statements. For Scotland Excel, we have rebutted this risk in 2020/21 because we do not consider this to be a significant risk with there being limited opportunities to manipulate the way income is recognised.

8. In line with Practice Note 10, as most public-sector bodies are net expenditure bodies, the risk of fraud is more likely to occur in expenditure. We have rebutted the risk of material misstatement caused by fraud in expenditure in 2020/21. As with income, we do not consider this to be a significant risk as there are limited opportunities to manipulate the way expenditure is recognised.

Reporting arrangements

9. Audit reporting is the visible output for the annual audit. All Annual Audit Plans and the outputs as detailed in [Exhibit 2](#), and any other outputs on matters of public interest will be published on our website: www.audit-scotland.gov.uk.

10. Matters arising from our audit will be reported on a timely basis and will include agreed action plans. Draft reports will be issued to the relevant officer(s) to confirm factual accuracy.

11. We will provide an independent auditor's report to the Executive Sub-Committee and the Accounts Commission setting out our opinions on the annual accounts. We will provide the Treasurer, Executive Sub-Committee and the Accounts Commission with an Annual Audit Report on the audit containing observations and recommendations on significant matters which have arisen during the audit.

12. The target dates below are provisional, and these may be subject to change as the impact of Covid-19 becomes clearer. We will continue to liaise closely with the Executive Sub-Committee, the Chief Executive and the Treasurer as part of the 2020/21 audit.

Exhibit 2

2020/21 Audit outputs

Audit Output	Target date	Board Date
Annual Audit Plan	24 February 2021	23 April 2021
Independent Auditor's Report	31 October 2021	22 October 2021
Annual Audit Report	31 October 2021	22 October 2021

Source: Audit Scotland

Audit fee

13. The proposed audit fee for the 2020/21 audit of Scotland Excel is £6,150 (2019/20 £6,010). In determining the audit fee we have taken account of the risk exposure of Scotland Excel, the planned management assurances in place and the level of reliance we plan to take from the work of internal audit. Our audit approach assumes receipt of the unaudited annual accounts, with a complete working papers package on 18 June 2021.

14. Where our audit cannot proceed as planned through, for example, late receipt of unaudited annual accounts, a supplementary fee may be levied. An additional fee may also be required in relation to any work or other significant exercises out with our planned audit activity.

Responsibilities

Executive Sub-Committee and Treasurer

15. Audited bodies have the primary responsibility for ensuring the proper financial stewardship of public funds, compliance with relevant legislation and establishing effective arrangements for governance, propriety and regularity that enable them to successfully deliver their objectives.

16. The audit of the annual accounts does not relieve management or the Executive Sub-Committee, as those charged with governance, of their responsibilities.

Appointed auditor

17. Our responsibilities as independent auditors are established by the 1973 Act for local government, and the Code of Audit Practice (including supplementary guidance) and guided by the Financial Reporting Council's Ethical Standard.

18. Auditors in the public sector give an independent opinion on the financial statements and other information within the annual accounts. We also review and report on the arrangements within Scotland Excel to manage its performance and use of resources. In doing this, we aim to support improvement and accountability.

Audit scope and timing

Annual accounts

19. The annual accounts, which include the financial statements, will be the foundation and source for most of the audit work necessary to support our judgements and conclusions. We also consider the wider environment and challenges facing the public sector. Our audit approach includes:

- understanding the business of Scotland Excel and the associated risks which could impact on the financial statements
- assessing the key systems of internal control, and establishing how weaknesses in these systems could impact on the financial statements
- identifying major transaction streams, balances and areas of estimation and understanding how Scotland Excel will include these in the financial statements
- assessing the risks of material misstatement in the financial statements
- determining the nature, timing and extent of audit procedures necessary to provide us with sufficient audit evidence as to whether the financial statements are free of material misstatement.

20. We will give an opinion on whether the financial statements:

- give a true and fair view in accordance with applicable law and the 2020/21 Code of the state of affairs of Scotland Excel as at 31 March 2021 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2020/21 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.



Statutory other information in the annual accounts

21. We also review and report on statutory other information published within the annual accounts including the Management Commentary, Annual Governance Statement and the Remuneration Report. We give an opinion on whether these have been compiled in accordance with the appropriate regulations and frameworks in our independent auditor's report.

22. We also review the content of the annual accounts for consistency with the financial statements and with our knowledge. We report any uncorrected material misstatements in statutory other information.

Materiality

23. We apply the concept of materiality in planning and performing the audit. It is used in evaluating the effect of identified misstatements on the audit, and of any uncorrected misstatements, on the financial statements and in forming our opinions in the independent auditor's report.

24. We calculate materiality at different levels as described below. The calculated materiality values for Scotland Excel are set out in [Exhibit 3](#).

Exhibit 3 Materiality values

Materiality	Amount
Planning materiality – This is the figure we calculate to assess the overall impact of audit adjustments on the financial statements. It has been set at 1.5% of gross expenditure for the year ended 31 March 2020 based on the 2019/20 audited annual accounts.	£98,000
Performance materiality – This acts as a trigger point. If the aggregate of errors identified during the financial statements audit exceeds performance materiality, this would indicate that further audit procedures should be considered. Using our professional judgement, we have calculated performance materiality at 75% of planning materiality.	£74,000
Reporting threshold (i.e., clearly trivial) – We are required to report to those charged with governance on all unadjusted misstatements more than the 'reporting threshold' amount. This has been calculated at 5% of planning materiality.	£5,000

Source: Audit Scotland

Internal audit

25. Internal audit is provided by the internal function at Renfrewshire Council. In 2019/20 the Renfrewshire Council audit team carried out an assessment of the internal audit function to ensure that it operates in accordance with Public Sector Internal Audit Standards (PSIAS). It concluded that the internal audit function at Renfrewshire Council complies with PSIAS and that appropriate documentation standards and reporting procedures are in place. In 2020/21, a review was undertaken by the audit team in line with ISA 315 which confirmed there was no changes which would impact this conclusion.

Using the work of internal audit

26. International Auditing Standards require internal and external auditors to work closely together to make best use of available audit resources. We seek to rely on the work of internal audit wherever possible to avoid duplication. We do not plan to use the work of internal audit for our financial statements audit work. However, we have considered the findings of the work of internal audit as part of our planning process.

Audit dimensions

27. Our standard audits are based on four audit dimensions that frame the wider scope of public sector audit requirements. These are: financial sustainability, financial management, governance and transparency, and value for money.

28. The Code of Audit Practice includes provisions relating to the audit of small bodies. Where the application of the full wider audit scope is judged by auditors not to be appropriate to an audited body then the annual audit work can focus on the appropriateness of the disclosures in the Annual Governance Statement and the financial sustainability of the body and its services. In the light of the nature of operations and arrangements for processing transactions, we plan to apply the small body provisions of the Code of Audit Practice to the 2020/21 audit of Scotland Excel.

Financial sustainability

29. As auditors we consider the appropriateness of the use of the going concern basis of accounting as part of the annual audit. We will also comment on financial sustainability in the longer term. We define this as medium term (two to five years) and longer term (longer than five years) sustainability. We will carry out work and conclude on:

- the effectiveness of financial planning in identifying and addressing risks to financial sustainability in the short, medium and long term
- the appropriateness and effectiveness of arrangements in place to address any identified funding gaps
- whether there are arrangements in place to demonstrate the affordability and effectiveness of funding and investment decisions.

Annual Governance Statement

30. Governance and transparency is concerned with the effectiveness of scrutiny and governance arrangements, leadership and decision making and transparent reporting of financial and performance information. We will review, conclude and report on the appropriateness of disclosures in the Annual Governance Statement.

Independence and objectivity

31. Auditors appointed by the Accounts Commission or Auditor General must comply with the Code of Audit Practice and relevant supporting guidance. When auditing the financial statements auditors must also comply with professional standards issued by the Financial Reporting Council and those of the professional accountancy bodies. These standards impose stringent rules to ensure the independence and objectivity of auditors. Audit Scotland has robust arrangements in place to ensure compliance with these standards including an annual “fit and proper” declaration for all members of staff. The arrangements are overseen by the Director of Audit Services, who serves as Audit Scotland’s Ethics Partner.

32. The engagement lead for Scotland Excel is Mark Ferris, Senior Audit Manager. Auditing and ethical standards require the engagement lead to communicate any relationships that may affect the independence and objectivity of audit staff. We are not aware of any such relationships pertaining to the audit of Scotland Excel.

Quality control

33. International Standard on Quality Control (UK and Ireland) 1 (ISQC1) requires that a system of quality control is established, as part of financial audit procedures, to provide reasonable assurance that professional standards and regulatory and legal requirements are being complied with and that the independent auditor’s report or opinion is appropriate in the circumstances.

34. The foundation of our quality framework is our Audit Guide, which incorporates the application of professional auditing, quality and ethical standards and the Code of Audit Practice (and supporting guidance) issued by Audit Scotland and approved by the Auditor General. To ensure that we achieve the required quality standards Audit Scotland conducts peer reviews and internal quality reviews. Additionally, the Institute of Chartered Accountants of Scotland (ICAS) have been commissioned to carry out external quality reviews.

35. As part of our commitment to quality and continuous improvement, Audit Scotland will periodically seek your views on the quality of our service provision. We welcome feedback at any time, and this may be directed to the engagement lead.

Scotland Excel

Annual Audit Plan 2020/21

If you require this publication in an alternative format and/or language, please contact us to discuss your needs: 0131 625 1500 or info@audit-scotland.gov.uk

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Scotland Excel

To: Executive Sub-Committee

On: 23 April 2021

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

Tender: Supply and Delivery of Vehicle Parts

Schedule: 07/20

Period: 1 April 2021 until 31 March 2024 with an option to extend for up to 12 months until 31 March 2025

1. Introduction and Background

This recommendation is for the award of the fourth-generation renewal framework for the Supply and Delivery of Vehicle Parts.

This proposed renewal framework was advertised for the period from 1 April 2021 until 31 March 2024 with the option to extend for up to 12 months until 31 March 2025. It is intended to commence on 10 May 2021.

This framework will provide local authorities and other participating bodies with a mechanism to procure a wide range of vehicle parts, windscreen replacement, auto electrics, specialist vehicles parts, hydraulics and workshop consumables to cover the varied fleet mix across the councils. This varied fleet mix incorporates everything from small cars and light commercial vehicles (including electric), up to 44 tonne refuse collection vehicles (RCV) and other specialist heavy vehicles.

2. Scope, Participation and Spend

As part of the strategy development, the User Intelligence Group (UIG) endorsed the inclusion of seven lots as summarised in Table 1. This lot structure remains the same as the current framework, as this continues to represent the council requirements, whilst also recognising the structure of the marketplace.

Table 1: Lotting Structure

Lot No.	Description	Estimated % Spend through lot
1	Parts for Light & Heavy Vehicles	79%
2	Auto Electric Parts	2%
3	Hydraulics	0.5%

4	Replacement Sweeper Brushes	1.5%
5	Replacement Glass	2%
6	Consumables	6%
7	Parts for Specialist Vehicles	9%

As detailed in Appendix 1, 29 councils plus Tayside Contracts have confirmed their intention to participate in this framework. North Ayrshire & South Ayrshire Councils who are not participating in this framework have their own arrangements in place using an embedded or managed service model, where the supplier manages vehicle spare parts on behalf of fleet maintenance departments within the council premises. The remaining council who will not be participating in this framework is Stirling Council who outsource this work as they do not have the facilities to carry out this work in-house.

The forecast annual spend for participating councils and associate members, with contingency, is £12 million per annum, equating to an estimated £48 million over the full 4-year term of the framework.

3. Procurement Process

A UIG consisting of representatives from participating councils endorsed the procurement strategy on 15 September 2020. In addition, a working group consisting of technical and procurement representatives was formed to review technical specifications and participate in the evaluation.

Scotland Excel has taken cognisance of the current situation and impact during the tender exercise of the Coronavirus/COVID-19 outbreak. Balancing the current situation with the need to provide a route to market for councils seeking the continuation of supply for vehicle parts, and considering those council projects that may require to be undertaken in the future, Scotland Excel determined it was appropriate to undertake this renewal tender exercise and to recommend the establishment of this framework.

A Prior Information Notice without a call for competition (PIN) was published on 14 September 2020, which resulted in expressions of interest from 44 organisations. Suppliers were given the opportunity to provide Scotland Excel with information in relation to, but not limited to; market intelligence, market trends, sustainability initiatives and community benefits to help inform the strategy.

The Contract Notice was published via the Find A Tender and Public Contracts Scotland (PCS) portal on 3 February 2021, with the tender documentation being immediately available via the Public Contracts Scotland Tender (PCS-T) system.

As such, the tender exercise commenced after the UK withdrawal from the European Union and was conducted and concluded in accordance with the law and procedures currently in force.

The procurement process followed the open tender process to ensure maximum competition and the inclusion for all potential suppliers to service the framework. All bidders were examined against selection criteria, using the Single Procurement Document (SPD) and award criteria, concurrently. The award criteria included technical and commercial sections that were evaluated against the following criteria and weightings:

Technical: 25%

Commercial: 75%

Within the technical section, bidders were required to evidence their knowledge and experience by responding to method statements which covered areas including: Stock Holding & Supply Chain, Sustainability and Supply Chain Risk. Bidders were also assessed in terms of their ability to provide same day delivery, product recall/safety procedures, community benefits and fair work practices. These are detailed below within Table 2.

Table 2: Technical Section Weighting

Question	Description	Weighting
1	Stock Holding & Supply Chain	4
2	Sustainability	4
3	Supply Chain Risk	2
4	Same Day Delivery	4
5	Product Recall/Safety Procedures	2
6	Community Benefits	5
7	Fair Work Practices	4
Total Score		25

Within the commercial section, bidders were invited to offer on a lot by lot basis. Fixed pricing for 12 months was required for all lots. In addition to the 12 months' fixed pricing, bidders were asked to confirm if they were willing to offer a longer period of fixed pricing from the framework contract start date. Bidders were also invited to specify if they would offer any early settlement discount.

4. Report on Offers Received

The tender document was downloaded by 65 organisations, with 36 tender responses received by the specified closing date and time. A summary of all offers received is provided in Appendix 2.

Based on the criteria and scoring methodology set out in the tender document, a full evaluation of the compliant offers received was completed. Appendix 3 confirms the scoring achieved by each bidder.

5. Recommendations

Based on the evaluation undertaken, and in line with the criteria and weightings set out above, it is recommended that a multi-supplier framework arrangement is awarded to 31 suppliers across the seven lots as outlined in Appendix 3.

These 31 recommended suppliers offer best value and represent a mix of small, medium and large organisations. 16 suppliers are classed as SME's, 7 as micro businesses and 22 are Scottish suppliers.

The range of suppliers recommended provides coverage for all vehicle manufacturers and competitive options for all participating councils as well as offering a degree of choice and capacity.

6. Benefits

Savings

Scotland Excel has conducted a benchmarking exercise comparing current prices paid with the prices submitted against the new framework. It was agreed with the UIG that benchmarking would only be carried out on lot 1 (parts for light & heavy vehicles) as this covered the majority of spend from the framework. The benchmarking exercise took a sample vehicle for each manufacturer and compared a representative basket of parts for each manufacturer against the 'MEAT' (Most Economically Advantageous Tenderer) submitted prices received for the renewal framework. The result of this benchmarking is listed in Appendix 1. The projected average saving across all councils is 1.39%, which equates to an estimated total saving of approximately £145k per annum. It should be noted that the projected savings per council will vary as a result of a few areas mainly; a) the varied fleets operated between councils, b) the age of fleet vehicles and c) the varying percentage splits of buying OEM (Original Equipment Manufacturer) parts or Matching Quality aftermarket parts between councils.

It is worth noting that councils' fleet consists of more than 40 manufacturers and over 15,000 individual vehicles, of variable models and ages, all requiring a differing profile of spare part types. This framework is looking to provide maximum coverage for these differing fleets.

Price Stability

The framework applies twelve months fixed pricing for all seven lots. 13 of the recommended suppliers have offered further fixed pricing periods of between 6 months and the lifetime of the framework. Thereafter, all requests for price increases will be evaluated against prevailing market conditions and require to be supported by documentary evidence.

Sustainable Procurement Benefits

Within the technical section of the tender, a sustainability method statement assessed suppliers in relation to their corporate approach to sustainability and

how they promote recycle, reuse and reduce initiatives to minimise the impact of their supply chain on the environment. A range of sustainable measures were outlined by suppliers including:

- Adoption of alternatively fueled vehicles, namely hybrid or electric, to reduce carbon emissions.
- Installation of more electric charging infrastructure to support staff and site visitors.
- Increased use of tracking systems on delivery vehicles, to optimize delivery routes.
- Using biodegradable packing materials.
- Recycling of all general waste, waste fuel, oils and oil filters.

Community Benefits

Scotland Excel is committed to maximising community benefit delivery for our members. Tenderers were asked to confirm whether they were willing to comply with our community benefits approach for the lifetime of the framework. This approach is designed to deliver local community benefits based on individual member spend thresholds and all 31 recommended suppliers have confirmed their acceptance.

The community benefits approach focused on supporting the Scottish Government's National Performance Framework, and the benefits delivered should support, but are not limited to, the following indicators:

- Reduce traffic congestion
- Improve the skill profile of the population
- Reduce Scotland's carbon footprint
- Reduce waste generated

Suppliers have agreed to report ongoing delivery of community benefits to Scotland Excel on a six-monthly basis.

Delivery of commitments made will be monitored throughout the lifetime of the framework.

Fair Work Practices 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 is engaged in decision making. Within the technical section of the tender, bidders were assessed on their approach to fair work practices and payment of the Real Living Wage to their workforce. Of the 31 recommended bidders, 24 pay the Real Living Wage, as detailed in Appendix 4 - List of Recommended Suppliers with Living Wage Status.

Scotland Excel will continue to monitor Fair Work Practices including the Real Living Wage status during contract and supplier management.

7. Contract Mobilisation and Management

As part of the mobilisation process, all 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. Both 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 and supplier management programme, in terms of risk and spend as detailed in Appendix 5, this framework is classified as class D. As such, it will require annual supplier and user group reviews as appropriate. During the current market conditions Scotland Excel will continue to engage with suppliers on a regular basis to manage the response to the pandemic and ensure continuity of this essential service delivery for our members.

Meetings and engagement undertaken with suppliers will adhere to all applicable health and safety guidelines.

8. Summary

This fourth-generation framework for the Supply and Delivery of Vehicle Parts continues to maximise collaboration, facilitate the procurement of a vast number of varied vehicle spare parts, promotes added value and delivers best value in terms of price, quality and service.

The Executive Sub Committee is requested to approve the recommendation to award this framework agreement as detailed in Appendix 3 (Scoring and Recommendations).

Appendix 1 – Participation, Spend and Savings Summary

Supply and Delivery of Vehicle Parts 07/20

Member Name	Participation in Contract	Participation Entry Date	Estimated Annual Spend (£)	Source of Spend Data	Indexation (%)	% Estimated Forecast Savings	Estimated Annual Savings (£)	Basis of Savings Calculation
Aberdeen City Council	Yes	Framework Start Date	£340,080	Scotland Excel M.I.	5.5%	1.39%	£4,727	Benchmarked current framework
Aberdeenshire Council	Yes	Framework Start Date	£600,000	Validated by Council	5.5%	1.39%	£8,340	Benchmarked current framework
Angus Council	Yes	Framework Start Date	£10,000	Scotland Excel M.I.	5.5%	1.39%	£139	Benchmarked current framework
Argyll & Bute Council	Yes	Framework Start Date	£223,000	Scotland Excel M.I.	5.5%	1.39%	£3,100	Benchmarked current framework
City of Edinburgh Council	Yes	Framework Start Date	£573,000	Validated by Council	5.5%	1.39%	£7,965	Benchmarked current framework
Clackmannanshire Council	Yes	Framework Start Date	£100,000	Validated by Council	5.5%	1.39%	£1,390	Benchmarked current framework
Comhairle nan Eilean Siar	Yes	Framework Start Date	£185,000	Validated by Council	5.5%	1.39%	£2,572	Benchmarked current framework
Dumfries & Galloway Council	Yes	Framework Start Date	£275,000	Validated by Council	5.5%	1.39%	£3,823	Benchmarked current framework
Dundee City Council	Yes	Framework Start Date	£1,500,000	Validated by Council	5.5%	1.39%	£20,850	Benchmarked current framework
East Ayrshire Council	Yes	Framework Start Date	£12,000	Validated by Council	5.5%	1.39%	£167	Benchmarked current framework
East Dunbartonshire Council	Yes	Framework Start Date	£200,000	Validated by Council	5.5%	1.39%	£2,780	Benchmarked current framework
East Lothian Council	Yes	Framework Start Date	£175,000	Validated by Council	5.5%	1.39%	£2,433	Benchmarked current framework
East Renfrewshire Council	Yes	Framework Start Date	£66,000	Validated by Council	5.5%	1.39%	£917	Benchmarked current framework
Falkirk Council	Yes	Framework Start Date	£400,000	Validated by Council	5.5%	1.39%	£5,560	Benchmarked current framework
Fife Council	Yes	Framework Start Date	£340,000	Validated by Council	5.5%	1.39%	£4,726	Benchmarked current framework
Glasgow City Council	Yes	Framework Start Date	£400,000	Validated by Council	5.5%	1.39%	£5,560	Benchmarked current framework
Highland Council	Yes	Framework Start Date	£600,000	Validated by Council	5.5%	1.39%	£8,340	Benchmarked current framework
Inverclyde Council	Yes	Framework Start Date	£60,000	Validated by Council	5.5%	1.39%	£834	Benchmarked current framework
Midlothian Council	Yes	Framework Start Date	£100,000	Validated by Council	5.5%	1.39%	£1,390	Benchmarked current framework
Moray Council	Yes	Framework Start Date	£200,000	Validated by Council	5.5%	1.39%	£2,780	Benchmarked current framework
North Ayrshire Council	No	Framework Start Date	£0	Validated by Council	5.5%	1.39%	£0	Benchmarked current framework
North Lanarkshire Council	Yes	Framework Start Date	£600,000	Scotland Excel M.I.	5.5%	1.39%	£8,340	Benchmarked current framework
Orkney Islands Council	Yes	Framework Start Date	£47,700	Scotland Excel M.I.	5.5%	1.39%	£663	Benchmarked current framework
Perth & Kinross Council	Yes	Framework Start Date	£230,000	Validated by Council	5.5%	1.39%	£3,197	Benchmarked current framework
Renfrewshire Council	Yes	Framework Start Date	£242,050	Scotland Excel M.I.	5.5%	1.39%	£3,364	Benchmarked current framework
Scottish Borders Council	Yes	Framework Start Date	£240,000	Validated by Council	5.5%	1.39%	£3,336	Benchmarked current framework
Shetland Islands Council	Yes	Framework Start Date	£68,250	Scotland Excel M.I.	5.5%	1.39%	£949	Benchmarked current framework
South Ayrshire Council	No	Framework Start Date	£0	Validated by Council	5.5%	1.39%	£0	Benchmarked current framework
South Lanarkshire Council	Yes	Framework Start Date	£625,000	Validated by Council	5.5%	1.39%	£8,688	Benchmarked current framework
Stirling Council	No	Framework Start Date	£0	Scotland Excel M.I.	5.5%	1.39%	£0	Benchmarked current framework
West Dunbartonshire Council	Yes	Framework Start Date	£90,000	Validated by Council	5.5%	1.39%	£1,251	Benchmarked current framework
West Lothian Council	Yes	Framework Start Date	£530,000	Validated by Council	5.5%	1.39%	£7,367	Benchmarked current framework
Tayside Contracts	Yes	Framework Start Date	£559,500	Scotland Excel M.I.	5.5%	1.39%	£7,777	Benchmarked current framework
Totals			£9,591,580			1.4%	£133,323	
Associate Members	Yes	Framework Start Date	£900,000	Scotland Excel M.I.	5.5%	1.39%	£12,510	Benchmarked current framework
Totals			£10,491,580			1.4%	£145,833	

Appendix 2 – Summary of Offers Received

Name of Tenderer	SME Status	Location	Lot(s) Tendered	Lot(s) Awarded
Aebi Schmidt UK Limited	Medium	Peterborough	4, 7	4, 7
Allglass Automotive & Plant glazing LTD	Micro	Glasgow	5	N/A
Alliance Automotive UK LV Limited	Large	Birmingham	1, 2, 6, 7	1, 2, 7
A M Phillip Trucktech Ltd	Medium	Forfar	1	1
Arnold Clark Automobilies Limited	Large	Glasgow	1, 2, 6	1, 2
Autoparts Stornoway Limited	Small	Isle of Lewis	1, 2, 6	1, 2
Bowen Fluid Engineering Limited	Small	Rosyth	3	3
Brush Technology Limited	Small	Newcastle Upon Tyne	4	4
Contract Vehicles Fleet Services Limited T/A Cartwright Fleet services	Medium	Leeds	1	1
Clarik Limited	Small	Rosyth	6	N/A
DAF Trucks Limited	Large	Oxford	1, 2, 6	1, 2, 6
Dennis Eagle Limited	Large	Warwick	1, 2, 7	1, 2, 7
Dingbro Limited	Large	Aberdeen	1, 2, 3, 6	1, 2, 3, 6
Econ Engineering Limited	Medium	Ripon	7	7
FAUN Zoeller (UK) Limited	Medium	Redditch	7	7
Fleet Factors Limited	Medium	Middlesbrough	1, 2, 3, 4, 5, 6, 7	1, 2, 3, 4, 5, 6, 7
Fluidtek Services Limited	Micro	Glasgow	3	3
George Parker Hoses	Micro	Musselburgh	3	3
Farid Hillend Engineering Limited	Medium	Dunfermline	7	7
Highland Motor Parts Limited	Large	Inverness	1, 2, 6	1, 2
Highland Windscreen Services Limited	Micro	Inverness	5	5
Hydrasun Limited	Large	Aberdeen	3	3
Hydraulink Ltd	Micro	Glasgow	3	3
Masterparts (Bellshill) Limited	Micro	Bellshill	1, 2, 6	1, 2
MGM Hoses Ltd T/A Pirtek Paisley *	Micro	Paisley	3	3
National Windscreens (Replacements) Limited	Medium	Tamworth	5	5
Pistons & Components (Glasgow) Limited	Micro	Glasgow	1	N/A
Plant Glazing Limited	Small	Perth	5	5
Prime Industrial & Janitorial Supplies Limited	Small	Dunfermline	6	6
Scotglass Limited	Micro	Inverurie	5	N/A
Scotia Bearings & Hydraulics Ltd	Small	Grangemouth	3	3
Robert Innes T/A Southwest Windscreens	Micro	Dumfries	5	5
Strathclyde Windscreens Limited	Small	Hamilton	5	5
United Industrial Supplies Ltd	Medium	Norfolk	6	N/A
Volvo Group UK Limited T/A Volvo Truck and Bus Centre North & Scotland	Large	Warwick	1, 2, 6	1, 2
Windscreen Services (Argyll) Ltd	Small	Oban	5	5

* FOOTENOTE 1

Consortium Bid comprised of:

MGM Hoses Ltd T/A Pirtek Paisley

Mitreshelf 505 Limited T/A Pirtek Edinburgh

George Colliar Ltd T/A Pirtek Kinross, Falkirk, Dundee, Perth and Glasgow

MH Enterprises (North) Limited T/A Pirtek Aberdeen

GMM Hydraulics Ltd T/A Pirtek Kilmarlock

Appendix 3 - Scoring and Recommendations

LOT 1 - PARTS FOR LIGHTS AND HEAVY VEHICLES		
Tenderer	SCORE	Awarded (Yes/No)
Masterparts (Bellshill) Limited	92.79	Yes
Dingbro Limited	70.71	Yes
Fleet Factors Limited	67.21	Yes
Alliance Automotive UK LV Limited	58.51	Yes
Volvo Group UK Ltd T/A Volvo Truck and Bus Centre North & Scotland	56.97	Yes
DAF Trucks Limited	52.04	Yes
A M Phillip Trucktech Ltd	50.81	Yes
Highland Motor Parts Limited	48.96	Yes
Autoparts Stornoway Limited	45.17	Yes
Contract Vehicles Fleet Services Ltd T/A Cartwright Fleet Services	38.74	Yes
Dennis Eagle Limited	38.01	Yes
Arnold Clark Automobiles Limited	37.18	Yes
Pistons & Components (Glasgow) Limited	Non-Compliant Bid	

LOT 2 - AUTO ELECTRICS		
Tenderer	SCORE	Awarded (Yes/No)
Masterparts (Bellshill) Limited	94.00	Yes
Fleet Factors Limited	87.76	Yes
Dingbro Limited	81.12	Yes
Alliance Automotive UK LV Limited	71.91	Yes
DAF Trucks Limited	66.50	Yes
Autoparts Stornoway Limited	60.52	Yes
Volvo Group UK Ltd T/A Volvo Truck and Bus Centre North & Scotland	60.09	Yes
Arnold Clark Automobiles Limited	55.17	Yes
Highland Motor Parts Limited	54.71	Yes
Dennis Eagle Limited	51.84	Yes

LOT 3 - HYDRAULIC HOSES		
Tenderer	SCORE	Awarded (Yes/No)
Hydrasun Limited	93.69	Yes
Fluidtek Services Limited	91.34	Yes
Scotia Bearings & Hydraulics Ltd	71.01	Yes
Fleet Factors Limited	69.73	Yes
Dingbro Limited	68.60	Yes
Hydraulink Ltd	68.08	Yes
George Parker Hoses	62.92	Yes
MGM Hoses Ltd T/A Pirtek Paisley *	56.96	Yes
Bowen Fluid Engineering Limited	54.98	Yes

*Please see "FOOTNOTE 1", Appendix 2

LOT 4 - REPLACEMENT SWEEPER BRUSHES		
Tenderer	SCORE	Awarded (Yes/No)
Brush Technology Limited	86.50	Yes
Fleet Factors Limited	57.08	Yes
Aebi Schmidt UK Limited	55.85	Yes

LOT 5 - REPLACEMENT GLASS		
Tenderer	SCORE	Awarded (Yes/No)
Highland Windscreen Services Limited	94.93	Yes
Robert Innes T/A Southwest Windscreens	93.25	Yes
Plant Glazing Limited	91.58	Yes
National Windscreens (Replacements) Limited	91.01	Yes
Fleet Factors Limited	80.55	Yes
Strathclyde Windscreens Limited	77.06	Yes
Windscreen Services (Argyll) Ltd	74.13	Yes
Scotglass Limited	35.69	No
Allglass Automotive & Plant glazing Ltd	Non-Compliant Bid	

LOT 6 - CONSUMABLES		
Tenderer	SCORE	Awarded (Yes/No)
Prime Industrial & Janitorial Supplies Limited	95.50	Yes
DAF Trucks Limited	74.66	Yes
Fleet Factors Limited	71.30	Yes
Dingbro Limited	67.95	Yes
United Industrial Supplies Ltd	54.44	No
Highland Motor Parts Limited	54.19	No
Masterparts (Bellshill) Limited	53.80	No
Volvo Group UK Ltd T/A Volvo Truck and Bus Centre North & Scotland	50.42	No
Autoparts Stornoway Limited	48.04	No
Alliance Automotive UK LV Limited	47.59	No
Clarik Limited	45.07	No
Arnold Clark Automobiles Limited	27.79	No

LOT 7 - PARTS FOR SPECIALIST VEHICLES		
Tenderer	SCORE	Awarded (Yes/No)
Fleet Factors Limited	97.50	Yes
Aebi Schmidt UK Limited	97.00	Yes
Dennis Eagle Limited	96.63	Yes
Econ Engineering Limited	95.75	Yes
Farid Hillend Engineering Limited	95.50	Yes
Alliance Automotive UK LV Limited	93.75	Yes
FAUN Zoeller (UK) Limited	93.50	Yes

Appendix 4- List of Recommended Suppliers with Living Wage Status

Tenderer	Accredited	Currently progressing through Real Living Wage accreditation process	Pay Real Living Wage to all employees, and committed to gaining accreditation over the initial 2 years of framework	Pay Real Living Wage to all employees, but not accredited	Neither accredited nor paying Real Living Wage, but do commit to pay the Real Living Wage to all employees over the initial 2 years of the framework	Neither accredited nor paying Real Living Wage
Aebi Schmidt UK Limited				Yes		
Alliance Automotive UK LV Limited						Yes
A M Phillip Trucktech Ltd		Yes				
Arnold Clark Automobiles Limited	Yes					
Autoparts Stornoway Limited					Yes	
Bowen Fluid Engineering Limited		Yes				
Brush Technology Limited		Yes				
Contract Vehicles Fleet Services Limited T/A Cartwright Fleet Services				Yes		
DAF Trucks Limited	Yes					
Dennis Eagle Limited	Yes					
Dingbro Limited						Yes
Econ Engineering Limited				Yes		
FAUN Zoeller (UK) Limited				Yes		
Fleet Factors Limited						Yes
Fluidtek Services Limited				Yes		
Farid Hillend Engineering Limited			Yes			
George Parker Hoses				Yes		
Highland Motor Parts Limited	Yes					
Highland Windscreen Services Limited			Yes			
Hydrasun Limited				Yes		
Hydraulink Ltd		Yes				
Masterparts (Bellshill) Limited				Yes		
MGM Hoses Ltd T/A Pirtek Paisley*				Yes		
National Windscreens (Replacements) Limited						Yes
Plant Glazing Limited				Yes		
Prime Industrial & Janitorial Supplies Limited				Yes		
Scotia Bearings & Hydraulics Ltd				Yes		
Strathclyde Windscreens Limited				Yes		
Robert Innes T/A Southwest Windscreens				Yes		
Volvo Group UK Ltd T/A Volvo Truck and Bus Centre North & Scotland				Yes		
Windscreen Services (Argyll) Ltd				Yes		

Appendix 5 – Segmentation classifications

0720 Supply and Delivery of Vehicle Parts is classified as class D.

There are five segmentation classifications and these classifications are rated from Class A to Class E. Each classification has contract and supplier management activities associated with it based on pre-determined weighted criteria.

Class A

Due to the unique and bespoke nature of the frameworks that fall within this class, a contract management plan to be developed and agreed with CSG.

Class B

Quarterly supplier contact, six monthly surveys, annual UIG, frequent support to councils, suppliers and external stakeholders requiring high level of procurement expertise, extensive contract monitoring.

Class C

Six monthly supplier contact, six monthly to annual surveys, annual UIG, regular support to councils, suppliers and external stakeholders requiring procurement expertise, high contract monitoring.

Class D

Annual supplier contact, annual surveys, optional annual UIG, ad-hoc support to councils, suppliers and external stakeholders potentially requiring procurement expertise, regular contract monitoring.

Class E

Annual supplier contact (if required), optional annual surveys, no requirement for annual UIG, straightforward ad-hoc support to councils, suppliers and potentially requiring procurement assistance, basic contract monitoring.

Scotland Excel

To: Executive Sub-Committee

On: 23 April 2021

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

Update on the Contract Delivery Plan

1. Introduction

This report provides a progress update on the 2021/22 contract delivery plan.

2. Progress to Date

The 2021/ 22 contract delivery plan comprises of new framework developments and renewals, framework extensions and frameworks with ongoing contract management only. These are detailed in appendices 1 – 4, as follows:

Appendix 1: New framework developments and renewals

Appendix 2: Flexible contracts with opportunities to include to new entrants

Appendix 3: Contracts with extension options

Appendix 4: Contracts with ongoing contract management activity only

There are 72 current frameworks in the Scotland Excel contract portfolio, with 6 further new frameworks to be added and 37 of these frameworks to be renewed before 31 December 2022.

A further 15 of the frameworks on the current portfolio have extension options that are likely to be exercised in 2021/22.

Overall, efficiencies delivered to date in 2021/22 are 2.9%, slightly above the forecast range. It is anticipated that the value of the Scotland Excel framework portfolio by 31 March 2022 will remain in the region of £2Billion.

A summary of spend and forecast savings per council between January 2020 and December 2020 can be found in appendix 5, with an average forecast efficiency of c.2.9%.

In addition to the activity detailed in Appendices 1 - 4, Scotland Excel is exploring the benefits of further collaborative procurement across high spend, critical service areas in the construction, corporate, ICT and social care teams.

The Fostering and Continuing Care framework has been in operation since 25 March 2017 and has performed well against expectations to date. The current framework was due to expire in March 2021. In view of the severe impact on normal business practices resulting from the current COVID 19 outbreak, Scotland Excel extended the framework

in accordance with Regulation 72 of the Public Contracts Regulations (Scotland) 2015. The agreed 3-month extension allows time for market recovery and stakeholder engagement in advance of any tender. The tender was released in March 2021 with the intention to award the contract in July 2021.

The New Build Residential Construction Framework has seen a substantial increase in activity following delays due to COVID-19 restrictions/impacts over the last year. To date, eight projects totaling £78 million have been awarded through the framework with a further 13 currently undergoing a direct award process or mini competition. Two projects are live and are already delivering substantial local benefits, with nearly £8 million being awarded to local subcontractors.

In relation to the Social Care Case Management System development, the framework went live with five service providers on the 12th March. Full mobilisation packs are now available to Council members via the Scotland Excel members area on the web site. Mobilisation meetings took place with service providers week commencing 29th March.

An understanding of current ICT system and applications in use across councils is being collected through Scotland's Technical Asset Management Platform (STAMP). All enhancements have now been applied to Scotland's Technical Asset Management Platform (STAMP) and testing of the system has now concluded. A further three councils have contributed information to STAMP; this information has now been cleansed and validated. It has been agreed that a cyber security penetration test be conducted on the system to ensure Council information is appropriately protected. This test will take place on 26th April.

The project for Artificial Intelligence (AI)/ Robotics Process Automation is ongoing in looking at potential collaborative contracting areas of opportunity across the councils. Two User Intelligence Group (UIG) meetings have taken place to establish the potential scope and requirements for a framework offering, and these are currently being circulated to ensure all requirements are captured. A draft procurement strategy will be developed during April and May.

The refresh of the Online School Payments framework, incorporating new elements of the catering management system, is going through the final stages of strategy development with technical input from member councils. It is expected that this will be tendered by April 2021 and go live is planned by August 2021.

Through the Scotland Excel/SEEMiS strategic partnership, a project was undertaken to procure a replacement solution for a module for supply teacher bookings, which is due to expire this year. Through UIG meetings the scope of this was expanded to include a more generic booking solution that might encompass a number of requirements. The award recommendation was approved at the March Executive Sub Committee and is currently in the legal standstill period. A mobilisation meeting has been arranged for 15 April.

The development of the Digital Technology Enabled Care Dynamic Purchasing System (DPS) is almost concluded, and in the coming weeks an invitation for applications to qualify for the DPS will be issued to interested suppliers via Public Contracts Scotland. It is anticipated that the recommendation for first participants will be presented to the July Executive Sub-Committee.

Several of the first-generation contracts within Scotland Excel's OSS (Operational Supplies and Services) portfolio are approaching the end of their four year framework period. Scotland Excel will be undertaking opportunity assessments for these contracts to understand how these frameworks have operated, for example their participation and spend profile. These opportunity assessments will be used to inform discussions with councils as to whether it is viable to renew each of these frameworks or, for example, if their scope should be changed. This will ensure that the contracts within the OSS team continue to meet council requirements.

The Care and Support Flexible Framework went live on 1 April 2020. The framework can be re-opened on a six-monthly basis throughout its four-year duration, dependent on circumstances and demand. The framework was re-opened 2 October 2020. Following this, it is proposed that 40 new providers (107 Services) will be added to the framework, which will bring the total number of framework providers to 110 (420 Services) from 1 April 2021. As noted at appendix 3, preceding any further reopening, a Prior Information Notice will be published to establish the levels of market interest. Coupled with this, mobilisation activities are ongoing with Councils/HSCPs who intend to adopt the framework, and to establish local demand. This will ensure there is the capability and capacity to deliver sustainable services to meet their local commissioning plans.

The Care Home for Adults with Learning Disabilities including Autism, second generation flexible framework, went live on 11 October 2019, with 24 Providers offering 57 Care Homes and 60 Services. The framework is designed to re-open periodically throughout its four-year duration to allow new providers to join. As noted at appendix 3, a survey was issued to Councils/HSCPs on September 2020 and highlighted that there is interest to re-open the framework. Further market research is planned prior to establishing an anticipated date for reopening, in order to ensure the framework continues to offer adequate choice of quality and value for money provision, for whom this type of Care Home support, and which is often complex, is the best way to meet people's needs.

3. Conclusion

Members are invited to note the progress made to date.

Appendix 1 – List of New or Renewal Contracts until December 2022

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
Electric Vehicle Charging Points	10,000,000	New Contract	Aug-20	May-21		Oct-21	5.5%		Plan delayed due to COVID-19
Lift Maintenance (OSS)	1,250,000	New Contract	Mar-20	Mar-21		Mar-22	5.5%		Project initially delayed due to COVID-19 discussions ongoing to confirm anticipated uptake and viability
Construction and Building Consultancy	10,000,000	New Contract	May-21			Jan-22	2% - 4%		Initially merged with Engineering Consultancy but delayed due to separate service offering. Strategy Consultation commenced
Waste Composition Analysis	750,000	New Contract	Jun-21				5.5%		Currently under Tender Evaluation
Digital Telecare	4,000,000	New Contract	Apr-21				5.5%		DPS being published by April
Supply Teacher Booking System	300,000	New Contract	Apr-21		Mar-21		5.5%	0.0%	Recommendations presented to Executive Sub Committee on 19 March 2021 - currently under standstill period
Online School Payments	3,000,000	Renew	Apr-20	Apr-21		Jul-21	2% - 4%		Plan delayed due to COVID-19
Domestic Furniture and Furnishings	26,000,000	Renew	Nov-20	Feb-21			2% - 4%	-3.20%	Framework live 02 March 2021
Vehicle Parts	12,000,000	Renew	Jan-21	Apr-21		May-21	2% - 4%		Framework to enter standstill period after approval.
Education and Office Furniture	5,000,000	Renew	Mar-21	May-21		Aug-21	2% - 4%		Plan delayed due to COVID-19
Outdoor Play and Sports Facilities	17,500,000	Renew	Mar-21			Dec-21	2% - 4%		Tender in development. Forecast date revised to reflect prioritisation of other work areas
Engineering and Technical Consultancy	17,125,000	Renew	Mar-21		Jan-21		2% - 4%	3.7%	Recommendations presented to Executive Sub Committee on 29 January 2021
Fostering and Continuing Care	34,000,000	Renew	Mar-21			Jul-21	N/A		Tender published March, recommendations to be presented to sub committee June 2021
Organic Waste	12,000,000	Renew	Apr-21			Jul-21	2% - 4%		Plan delayed due to COVID-19
Energy Efficiency Contractors	200,000,000	Renew	May-21			Nov-21	2% - 4%		Tender in development. Commencement date revised due to COVID 19
Frozen Foods	25,000,000	Renew	Jul-21			Mar-22	2% - 4%		Plan delayed due to COVID-19. Tender development underway.
Education Materials	17,500,000	Renew	Aug-21				2% - 4%		Currently out to tender.
Personal Protective Equipment	10,000,000	Renew	Mar-21			Nov-21	2% - 4%		Plan delayed due to COVID-19. Strategy in development

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
Laundry Equipment	1,100,000	Renew	Nov-21			Not being renewed	2% - 4%		Opportunity Assessment was undertaken and showed limited spend and participation to date. Framework will not be renewed.
Bottled Gas	2,000,000	Renew	Nov-21			Not being renewed	2% - 4%		Opportunity Assessment was undertaken and showed limited spend and participation to date. Framework will not be renewed.
Pest Control Services	1,500,000	Renew	Nov-21				2% - 4%		Opportunity Assessment to be undertaken to confirm requirements/spend
Steeplejack Services	1,750,000	Renew	Dec-21				2% - 4%		Opportunity Assessment to be undertaken to confirm requirements/spend
Heavy Vehicles	25,000,000	Renew	Jan-22				2% - 4%		Strategy in development
Tyres for Vehicles and Plant	6,500,000	Renew	Nov-21				2% - 4%		Strategy in development
Vehicle and Plant Hire	15,000,000	Renew	Nov-21				2% - 4%		Strategy in development
Recycle and Refuse Containers	8,000,000	Renew	Nov-21				2% - 4%		Strategy in development
Water Coolers	1,500,000	Renew	Jan-22				2% - 4%		Opportunity Assessment to be undertaken to confirm requirements/spend
Repair of Catering Machines	2,000,000	Renew	Jan-22				2% - 4%		Opportunity Assessment to be undertaken to confirm requirements/spend
Swimming Pool Chemicals	1,250,000	Renew	Jan-22				2% - 4%		Opportunity Assessment to be undertaken to confirm requirements/spend
Library Books & Textbooks	14,000,000	Renew	Feb-22				2% - 4%		Pending
Digital Publications and Services	1,000,000	Renew	Feb-22				2% - 4%		Pending
Trade Materials	10,000,000	Renew	Feb-22				2% - 4%		Pending
Milk	9,000,000	Renew	Mar-22				2% - 4%		Strategy in development
Children's Residential	105,400,000	Renew	Mar-22				2%-4%		Pending
Fire Safety Products	2,500,000	Renew	Apr-22				2%-4%		Opportunity Assessment to be undertaken to confirm requirements/spend
Roadstone	5,000,000	Renew	Jul-22				2%-4%		Pending
Salt for winter maintenance	16,250,000	Renew	Jul-22				2%-4%		Pending

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
Street Lighting Materials	35,000,000	Renew	Aug-22				2%-4%		Pending
Road Maintenance Materials	2,500,000	Renew	Sep-22				2%-4%		Pending
First Aid Materials	2,000,000	Renew	Sep-22				2%-4%		Opportunity Assessment to be undertaken to confirm requirements/spend
Washroom Solutions	14,000,000	Renew	Sep-22				2%-4%		Pending
Fresh Meats, Cooked Meats and Fresh Fish	40,000,000	Renew	Sep-22				2%-4%		Pending
Commercial Catering Equipment	4,000,000	Renew	Oct-22				2%-4%		Opportunity Assessment to be undertaken to confirm requirements/spend

Appendix 2 – Flexible Contracts until December 2022

Service	Estimated Annual Collaborative Contract Opportunity	Activity	Anticipated Re-Opening Date	Comments
Care and Support	£140,000,000	Flexible Framework Agreement	TBC	Award process underway. Ongoing mobilisation planning, and market consultation is required to establish demand.
Care Homes For Adults With Learning Disabilities Including Autism	£26,500,000	Flexible Framework Agreement	TBC	A survey issued to Councils/HSCPs suggest that, there is interest to reopen the framework. The anticipated reopening date to be confirmed, pending a market consultation.
Social Care Agency Workers	£20,000,000	Flexible Framework Agreement	TBC	Determined by the requirements of Purchasing Authorities. it is anticipated this will be reopened this year, date to be confirmed.
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

Appendix 3 – Contracts with extension options and contract management activity ongoing until December 2022

Contract Description	Est Annual Value
Asbestos	£12,000,000
Boiler Maintenance	£10,000,000
Grounds Maintenance Equipment	£6,000,000
Groceries and Provisions	£30,000,000
Fresh Bread Rolls and Bakery Products	£1,500,000
Fresh Fruit and Vegetables	£1,500,000
Hot Beverages (OSS)	£1,000,000
Energy Advice (OSS)	£1,000,000
Vending Machines (OSS)	£1,250,000
Cleaning Equipment (OSS)	£2,250,000
Alcoholic Beverages (OSS)	£1,250,000
Sheriff Officers (OSS)	£1,100,000
Technology Enabled Care	£6,300,000
Demolition Services	£18,000,000
New Build Residential Construction	£375,000,000

Appendix 4 - Contracts with no renewal or extension activity and contract management activity ongoing until December 2022

Contract Description	Est Annual Value	Contract Description	Est Annual Value
Audio Visual	£7,500,000	Plumbing and Heating Materials	£22,500,000
Bitumen Products	£12,000,000	Road Signage Materials	£1,250,000
Building and Timber	£15,000,000	Secure Care	£17,500,000
Catering Sundries	£6,000,000	Security Services and Cash Collection	£12,500,000
Community Meals	£4,000,000	Social Care Case Management Solutions	£7,000,000
Electrical Materials	£20,000,000	Vehicle Purchase RM6060	£10,000,000
Janitorial Products	£12,000,000	Waste Disposal Equipment	£1,250,000
Light and Heavy Plant	£10,000,000		

Appendix 5 – Expenditure summary per Council: Jan’20 – Dec’20

Member Organisation	Actual Spend	Forecast Spend	Variance	Estimated Saving	% of Total Actual Spend
The City of Edinburgh Council	£46,092,693	£34,794,000	132.50%	£757,592	7.62%
Fife Council	£42,122,120	£109,105,013	38.60%	£640,236	6.96%
Glasgow City Council	£39,395,910	£51,130,817	77.00%	£748,308	6.51%
South Lanarkshire Council	£33,492,445	£63,447,062	52.80%	£465,123	5.54%
Associate Members	£32,639,420	£53,737,512	60.70%	£484,506	5.39%
Aberdeenshire Council	£31,441,218	£38,847,066	80.90%	£536,711	5.20%
West Lothian Council	£26,005,269	£27,550,068	94.40%	£347,926	4.30%
Aberdeen City Council	£25,951,692	£35,314,399	73.50%	£442,747	4.29%
Falkirk Council	£25,301,995	£43,472,811	58.20%	£1,006,079	4.18%
The Highland Council	£23,191,273	£26,490,608	87.50%	£263,528	3.83%
West Dunbartonshire Council	£21,266,810	£25,361,380	83.90%	£485,326	3.51%
North Lanarkshire Council	£20,349,910	£52,974,654	38.40%	£514,812	3.36%
Dundee City Council	£20,066,496	£15,144,097	132.50%	£313,955	3.32%
North Ayrshire Council	£17,483,123	£48,807,480	35.80%	£242,570	2.89%
Renfrewshire Council	£17,408,594	£37,335,337	46.60%	£456,284	2.88%
East Ayrshire Council	£14,770,781	£15,266,365	96.80%	£297,632	2.44%
East Lothian Council	£14,554,640	£13,534,590	107.50%	£250,811	2.41%
Perth and Kinross Council	£13,817,305	£9,494,650	145.50%	£410,764	2.28%
Dumfries and Galloway Council	£13,275,418	£11,793,274	112.60%	£265,802	2.19%
South Ayrshire Council	£13,269,231	£18,455,597	71.90%	£227,865	2.19%
Argyll and Bute Council	£11,291,617	£10,100,943	111.80%	£282,873	1.87%
Scottish Borders Council	£11,115,614	£12,876,339	86.30%	£219,521	1.84%
The Moray Council	£10,918,464	£23,285,579	46.90%	£110,884	1.80%
Stirling Council	£10,349,873	£11,297,035	91.60%	£125,268	1.71%
Angus Council	£9,952,069	£16,471,963	60.40%	£202,998	1.64%
East Dunbartonshire Council	£9,821,058	£9,683,266	101.40%	£213,506	1.62%
Tayside Contracts	£9,202,030	£13,532,461	68.00%	£317,908	1.52%
Clackmannanshire Council	£9,023,216	£12,702,860	71.00%	£181,888	1.49%
East Renfrewshire Council	£8,962,969	£11,473,706	78.10%	£422,256	1.48%
Inverclyde Council	£8,412,843	£9,293,972	90.50%	£221,768	1.39%
Midlothian Council	£7,905,073	£11,646,086	67.90%	£127,574	1.31%
Shetland Islands Council	£2,398,657	£3,075,969	78.00%	£25,317	0.40%
Orkney Islands Council	£2,171,152	£2,474,440	87.70%	£32,438	0.36%
Comhairle nan Eilean Siar	£1,622,516	£5,170,384	31.40%	£109,871	0.27%
Total	£605,043,494	£885,141,783	N/A	£11,752,647	2.94%

Scotland Excel

To: Executive Sub-Committee

On: 23 April 2021

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

Operating Plan Update 2021-22

1. Summary

- 1.1 In June 2018, Scotland Excel's Joint Committee approved a new five-year corporate strategy supported by annual operating plans. Due to the impact of the Covid-19, the annual planning process was suspended and an interim operating plan created to guide activities until the end of 2020.
- 1.2 In December 2020, the Joint Committee approved a new operating plan which covers the fifteen-month period from January 2021 to March 2022. To simplify reporting, the number of commitments in the plan was reduced from 68 detailed commitments to 30 broader commitments. These align to more than 120 specific actions that have been cascaded to staff as part of Scotland Excel's Performance Review and Development (PRD) programme.
- 1.3 This report presents an update on the progress that the organisation has made during the first three months of this 2021 towards delivering the commitments contained within the Operating Plan 2021-22.

2. Recommendations






- 2.1 The members of the Joint Committee are invited to note Scotland Excel's progress in delivering the commitments contained within the Operating Plan 2021-22.
- 2.2 Twenty-five of the commitments in the operating plan are progressing in line with plans and are indicated as green within the report. This includes a significant number of chargeable projects and programmes that contribute towards Scotland Excel's income targets.
- 2.3 Three commitments have been impacted by external factors and are indicated as amber within the report. The contract and supplier management programme was suspended due to the impact of Covid-19 on suppliers but will be reinstated later this year, while negotiations for National Care Home

Contract are not yet concluded pending clarifications requested by Scottish Care to the Scottish Government. Income targets were affected by the pandemic but there are now signs that this is improving.

- 2.4 One commitment, the reopening of the flexible framework for care and support services, was completed during the first quarter of the plan and is indicated as black within the report. However, this framework may reopen for a second time during the current operating plan period.
- 2.5 The commitment to reinstate the Coaction learning and development approach is indicated as white within the report, and an event to progress this is currently scheduled for delivery towards the end of 2021.

3. Background

- 3.1 Progress reports are produced quarterly to track Scotland Excel's activity against operating plan commitments. Reports are produced at the end of each quarter and submitted to Executive Sub-Committee meetings. Half yearly and annual reports are also submitted to Joint Committee meetings.
- 3.2 The reports summarise the progress made against operating plan commitments and uses a 'traffic light' symbol to provide a guide to the status of each activity. This guide has been revised to include symbols to indicate projects or activities which have not yet started, and projects or activities which have been completed:

	Project or activity not yet started
	Project or activity is currently stalled or significantly behind schedule
	Project or activity is progressing at a slower pace than anticipated and/or results have been weaker than expected
	Project or activity is progressing in line with expected/agreed timelines and results
	Project or activity completed

- 3.3 Due to continuing uncertainty in relation to Covid-19 and Brexit, reporting against key performance indicators (KPIs) is currently on hold pending a review of appropriate measures.












Operating Plan



2021 – 2022

Q4 Progress Report (2021)





Goa1 1: Shaping the delivery of innovative public services



Strategic Objective	Commitment	RAG status	Progress summary
1.1 Deliver a programme of collaborative procurement to support early intervention and the delivery of public services	<ul style="list-style-type: none"> Continue to engage directly with local authority services on the collaborative procurement opportunities pipeline and identify opportunities to lead and/or participate in national cross-sector opportunities and initiatives with partners in health, further and higher education, and central government. 		<ul style="list-style-type: none"> Scotland Excel held a Commercial User Intelligence Group (UIG) steering group meeting in February to inform the direction of the procurement pipeline. Regular engagement is taking place with other centres of expertise to share best practice for Personal Protective Equipment (PPE) and explore other opportunities.
	<ul style="list-style-type: none"> Continue to develop and deliver a contract and supplier management (CSM) programme which monitors and enhances the performance of Scotland Excel contracts, incorporating new environmental performance measurements 		<ul style="list-style-type: none"> Regular engagement continues to take place with key strategic suppliers, particularly in relation to frameworks and commodities affected by the Covid-19 pandemic and Brexit. Scotland Excel's formal Contract and Supplier Management (CSM) programme will be reinstated later in the year.
	<ul style="list-style-type: none"> Open the adult care and support flexible framework to allow new providers to join, ensuring a diverse range of services and providers are available to meet the varying needs of people across the country, and promote choice for people who need support. 		<ul style="list-style-type: none"> Following the re-opening of Scotland Excel's adult care and support flexible framework, 40 new providers offering over 100 new services have been accepted on to the framework. From April, a total of 110 providers will offer more than 400 different services through the framework.
1.2 Deliver programmes which lead and develop professional, organisational and commercial capability	<ul style="list-style-type: none"> Develop a portfolio of accredited and non-accredited Academy programmes based on member and wider public sector requirements whilst progressing other strategic areas such as apprenticeships and becoming a credit rating body. 		<ul style="list-style-type: none"> The Scotland Excel Academy is currently delivering 8 cohorts of accredited programmes across a range of disciplines. A further 7 programmes are scheduled for 2021 and, following the success of Stay Connected, a new phase of online courses and workshops is being planned in partnership with local authority stakeholders.
	<ul style="list-style-type: none"> Deliver sector and local initiatives which support Scottish Government national policy objectives, such as flexible and affordable solutions. 		<ul style="list-style-type: none"> A team has been established to develop and deliver Scotland Excel's Annual Conference 2021. This will take place as online event in June, with a programme that aims to challenge sector norms/practice in key policy areas, share learning, generate new ideas, and facilitate engagement with key procurement stakeholders.

	<ul style="list-style-type: none"> Continue to deliver chargeable consultancy and transformation programmes, responding to any requests for these types of services and building the Scotland Excel knowledge bank to retain the intellectual property of improvement methodologies and resources within the local government sector 		<ul style="list-style-type: none"> Scotland Excel is currently delivering a number of chargeable projects and programmes including hosted procurement services for Dumfries and Galloway Council, Glasgow Life and City Property. All projects and programmes are progressing well, and a positive pipeline for new projects is in place. The transformation programme for East Renfrewshire Council has been extended for another year. Recommendations have been presented for the Tayside transformation programme which draws to a close in June 2021.
	<ul style="list-style-type: none"> Engage with members, suppliers and providers to understand the impact of Covid-19 and BREXIT to support the delivery of frameworks, services and knowledge to meet Local Authority and national objectives. 		<ul style="list-style-type: none"> A communication strategy has been developed to ensure that key stakeholders are kept informed with issues arising from Covid-19 and Brexit. An updated report on the impact on frameworks was published in February, and a presentation was delivered to the Chief Executive Officers Management Group (CEOMG) in March. Scotland Excel's Project and Account Managers are actively supporting members with Covid-19 and Brexit related recovery programmes.
	<ul style="list-style-type: none"> Drive the next generation development of the National Care Home Contract (NCHC) and continue negotiations with providers on rates of return to enable implementation of the NCHC Cost Model © which supports the delivery of affordable and sustainable social care services. 		<ul style="list-style-type: none"> The National Care Home Contract (NCHC) fee offer for 2021-22 has not yet been concluded as Scottish Care is seeking clarification from the Scottish Government on the impact of the NHS pay increase for the care sector. Scotland Excel is recruiting a dedicated manager for the NCHC contract to review and implement the recommendations of the Adult Care Review.
1.3 Harness the potential of digital technology and data insight to support the delivery of public services	<ul style="list-style-type: none"> Continue to develop The Academy's online learning platform, to support engagement and learning, and to deliver national coaction events, video content and programmes. 		<ul style="list-style-type: none"> A video library of Stay Connected courses has been created in the Academy online platform to facilitate self-directed learning. Plans are underway to evolve the Stay Connected sessions into chargeable online workshops that will be delivered over 2-4 hours.






	<ul style="list-style-type: none"> Continue to provide ICT procurement services for the Digital Office for Scottish Local Government, engaging proactively with stakeholders to accelerate a collaborative approach to the adoption of digital technologies. 		<ul style="list-style-type: none"> The framework for social care case management solutions, developed in partnership with the Digital Office and local authority stakeholders, was awarded in February. This framework will allow councils to streamline their internal systems and share appropriate information in the best interests of service users. The latest updates to the Scottish Government Digital Strategy have been embedded within Scotland Excel's ICT strategy to inform future digital procurement projects.
1.4 Use our insight and experience to shape policy and meet the challenges of future public service delivery	<ul style="list-style-type: none"> Continue to work with the Scottish Government and other partners to support the development and/or delivery of national policy objectives across the SXL portfolio including guidance, tools and reporting. 		<ul style="list-style-type: none"> Scotland Excel is continuing to work with the Scottish Government and other partners across a range of policy areas including social care, climate change and community wealth-building. A new public affairs strategy and plan has been developed to support future engagement with the Scottish Government and/or other partner around these key themes.


Goa1 2: Being sustainable in everything we do

Strategic Objective	Commitment	RAG status	Progress summary
2.1 Deliver positive and measurable social value through our contracts and services	<ul style="list-style-type: none"> Work with partners and secure care providers to support the implementation of the new National Standards and Pathways for Secure Care Centres. 		<ul style="list-style-type: none"> The new national standards have been built into secure care contracts. Discussions are ongoing with partners and providers in relation to the funding and implementation of the standards, and Scotland Excel is continuing to participate in the COSLA/Scottish Government Secure Care Group.
	<ul style="list-style-type: none"> Continue to monitor the proportion of Scotland Excel suppliers paying their staff the Real Living Wage and identify any opportunities to increase this 		<ul style="list-style-type: none"> More than 80% of suppliers have confirmed payment of the Living Wage, and commitments are monitored as part of ongoing contract management. Scotland Excel is working with the Scottish Government to review Fair Work practices in social care, and fee variations are now aligned to the national approach to increasing the Real Living Wage.
	<ul style="list-style-type: none"> Continue to embed community benefit models which enable councils to achieve direct benefits for their areas and the participation of supported businesses and the third sector within our supply chain 		<ul style="list-style-type: none"> Collection of community benefits data has resumed following a temporary suspension during the early part of the pandemic. Data is now available to the end of September 2020. Scotland Excel is refreshing its supported business strategy and, in May, will host a workshop with British Association of Supported Business (BASE) members to discuss future strategy and plans.
2.2 Deliver positive and measurable local economic impact through SME and third sector participation in our contracts	<ul style="list-style-type: none"> Support the continued application of community wealth building including living wage Scotland Excel suppliers and work with partners including Scottish Government and the Supplier Development Programme (SDP) 		<ul style="list-style-type: none"> The Scottish Government has funded a community wealth-building procurement project which is being delivered by Scotland Excel with four councils. The project explores a range of tools and approaches to identify opportunities for local suppliers as part of Scotland's 'Recovery and Restart' economic programme. Scotland Excel took part in two Supplier Development Programme (SDP) webinars for Scottish SMEs during Q4.




<p>2.3 Deliver positive and measurable environmental benefits through our contracts</p>	<ul style="list-style-type: none"> • Continue to deliver and promote environmental sustainability goals including Scotland Excel and supplier carbon footprint and consider "best value" and 'whole life' costing within tender evaluations 		<ul style="list-style-type: none"> • Tender documentation continues to include environmental considerations including, where appropriate, the weighting and scoring of emissions. Scotland Excel is engaging with Scottish Government on the second generation of the energy efficiency contractors (EEC) framework as an enabler of net zero 2045, and supported the development of a national Climate Change e-learning module which now forms part of the Scottish Government's Procurement Journey.
<p>2.4 Lead and develop sustainable procurement knowledge and practice</p>	<ul style="list-style-type: none"> • Explore the development of progressive, sustainable learning pathways to support career development within the sector, co-chairing the Scottish Government professional practice and development framework, and work with educational partners and/or suppliers to establish workforce needs and promote the benefits of procurement as a career. 		<ul style="list-style-type: none"> • The Scotland Excel Academy is working with the Scottish Government's procurement directorate to signpost programmes within the national procurement development framework that are available through the Academy. While there has been limited opportunity to engage with schools and further education establishments during the pandemic, Scotland Excel continues to respond to requests for procurement career advice.





Goa1 3: Placing people at the heart of our business






Strategic Objective	Commitment	RAG status	Progress summary
3.1 Ensure our customers continue to receive maximum value from our services	<ul style="list-style-type: none"> Continue to deliver Scotland Excel's account management services to ensure and demonstrate value to members and support a positive customer experience 		<ul style="list-style-type: none"> Scotland Excel's Project and Account Managers continue to provide a wide range of support to council procurement teams including quarterly business reviews, change projects, and workshops. An internal project is underway to enhance the recording and management of information which demonstrates Scotland Excel's value to customers in a timely and robust manner.
	<ul style="list-style-type: none"> Continue and refresh Scotland Excel's stakeholder engagement activity including understanding priorities and assessing satisfaction 		<ul style="list-style-type: none"> An updated stakeholder map for housing has been produced to support the work of the new build group. Plans to embed the use of stakeholder engagement and mapping tools across the organisation will be implemented during 2021-22.
3.2 Engage stakeholders in the delivery of effective local solutions	<ul style="list-style-type: none"> Continue to engage directly with service users and the wider community, where appropriate, to ensure their needs are met and incorporated into the development of procurement strategies 		<ul style="list-style-type: none"> Scotland Excel's community wealth-building services are generating significant interest among council members, and the outputs of these projects will be used to inform future contract strategies. Scotland Excel is also helping a number of councils to engage with their local early learning and childcare (ELC) providers as part of the national policy to expand childcare provision.
	<ul style="list-style-type: none"> Continue to engage directly with partners to ensure that national social care contracts meet the needs of all care groups and align with national strategy 		<ul style="list-style-type: none"> Scotland Excel is working with partners to consider the recommendations of the Independent Review of Adult Social Care, including the implications for individual contract areas as well as Scotland Excel's overall role in supporting local government.
3.3 Represent the collective views of stakeholders at a national level	<ul style="list-style-type: none"> Continue to collect, review and represent the views of members, customers and communities at appropriate fora 		<ul style="list-style-type: none"> Scotland Excel is continuing to represent the local government sector within Scottish Government national initiatives including the Construction National Portfolio Forum, the Professional Practice and Development Forum, and a short-life working group reviewing impact of the Sustainable Procurement Duty.

<p>3.4 Implement policies which develop, empower, value and engage our workforce</p>	<ul style="list-style-type: none"> • Continue to implement the Scotland Excel organisational development strategy, developing initiatives to inspire and develop staff, increase Scotland Excel's capability, and support succession planning 		<ul style="list-style-type: none"> • Scotland Excel has completed a workforce planning review to ensure it has the right structure in place to deliver future plans. This will be implemented in conjunction with staff over the coming months. Work is continuing to enhance all organisational development activity including ongoing engagement with Investors in People (IiP).
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Goa1 4: Delivering sustainable and scalable growth

Strategic Objective	Commitment	RAG status	Progress summary
4.1 Implement a new governance model which supports scalable business growth	<ul style="list-style-type: none"> Promote the concept of Coaction to senior stakeholders and explore opportunities where creation, delivery and production of high-quality national cost effective learning is jointly undertaken 		<ul style="list-style-type: none"> Following cancellation of regional workshops in 2020 due to the pandemic, Coaction 2021 is now being scheduled as an online event for later in the year. Coaction brings together key stakeholders from across the public sector to share expertise and collaborate on the development of targeted learning opportunities.
	<ul style="list-style-type: none"> Continue to implement appropriate funding routes through the delivery of new and existing services, monitoring income and providing regular reports to the joint committee whilst recognising the impact of the pandemic 		<ul style="list-style-type: none"> Although income streams for the financial year 2020-21 were impacted by the pandemic, demand for chargeable projects and programmes has increased significantly during Q4. This has included a project for the Scottish Government to administer and validate applications from over 1000 providers in the independent and voluntary sector to enable £500 payments to be made to c.130,000 social care workers. Uptake of the new build framework is also gathering momentum, with income levels slightly higher than revised targets.
4.2 Continue to maintain a robust business infrastructure to support our growth ambitions	<ul style="list-style-type: none"> Continue to develop and support a robust working environment and infrastructure that includes the use of digital technology, agile working and emerging technology to benefit staff and customers 		<ul style="list-style-type: none"> Scotland Excel's new cloud-based, Spend Data Repository (SDR) will be launched in July 2021. The system will streamline the capture and analysis of spend returns for Scotland Excel frameworks, and generate reports for staff and external customers. New agile working practices are being explored based on lessons learned during the pandemic, including voluntary blended home and office working for staff, and virtual stakeholder meetings. Scotland Excel's telephony service has been transferred to the MS Teams platform to support these initiatives, and cyber security and disaster recovery provision is being reviewed across the ICT infrastructure.

4.3 Use our knowledge and insight to identify new services and/or sectors which provide growth opportunities	<ul style="list-style-type: none"> Research collaborative procurement and leading change solutions available in other public sector markets to identify potential business opportunities, reporting on the findings to inform future growth plans 		<ul style="list-style-type: none"> A cross-organisational workshop to review and discuss a proposed competitor analysis model took place in March. Follow up meetings have been arranged to agree a way forward for implementing competitor analysis tools across the organisation.
	<ul style="list-style-type: none"> Continue to grow and develop Scotland Excel's associate membership programme to maximise its commercial potential for the organisation including framework spend whilst providing demonstrable benefits for members 		<ul style="list-style-type: none"> Seven new associate members were approved in Q4 with a total annual income of £2.9k. Scotland Excel is engaging with the 36 organisations that became temporary associate members during the pandemic, and four have since become full fee-paying associate members. In February and March, Scotland Excel hosted a webinar to promote the new build framework and associate membership to over 60 delegates from the housing sector, and attended five virtual events delivered by the Scottish Federation of Housing Associations (SFHA) and the Chartered Institute of Housing (CIH).
4.4 Explore opportunities to work with partners on the development and delivery of new business opportunities	<ul style="list-style-type: none"> Continue to market Scotland Excel through traditional and social media, targeted communications activity and political engagement to support new business opportunities and promote our knowledge and experience in support of policy and public affairs goals 		<ul style="list-style-type: none"> Development work has been completed on a new corporate website, and work is now underway to finalise and upload initial content. Other marketing and communications activity during Q4 included the development of a new public affairs strategy and plan, a multi-channel campaign for the new build framework, support for hosted and external events, press releases for new contracts, and a busy social media programme.
	<ul style="list-style-type: none"> Explore new Scotland Excel partnership opportunities and continue to develop partnerships e.g. Crown Commercial Services (CCS) to ensure most effective delivery of Scotland Excel and customer objectives 		<ul style="list-style-type: none"> The partnership with Crown Commercial Services (CCS) continues to operate well, and a collaborative opportunity for electric vehicle charging points is being explored. Following associate membership approval in Q3, the Construction Scotland Innovation Centre (CSIC) participated in Scotland Excel's new build framework webinar as a part of new partnership for housing and construction.

Report Key	
	Project not yet started
	Project or activity is currently stalled or significantly behind schedule
	Project or activity is progressing at a slower pace than anticipated and/or results have been weaker than expected
	Project or activity is progressing in line with expected/agreed timelines and results
	Project completed

Report issued: April 2021

Scotland Excel

To: Executive Sub-Committee

On: 23 April 2021

Report by:
Chief Executive of Scotland Excel
Employee Absence Management Report

1. Introduction and purpose of the report

In response to the Renfrewshire Council Internal Audit team recommendation, this report on organisational sickness absence is submitted on a quarterly basis highlighting the absence rate in the organisation.

2. Scotland Excel Absence Management Target

The Joint Committee has previously agreed that Scotland Excel should work to an absence rate of below 4%. This target aligns Scotland Excel with partner organisations, supports good practice in this area and demonstrates the ongoing commitment to absence management as a key efficiency target.

3. Overview of Attendance

In line with audit recommendations, the attached report has been prepared for the Executive Sub Committee. The report details:

- Breakdown of current month, last six months and last 12 months absence figures
- Illustration of 12 months in days
- Illustration of last 12 months in percentages

The report includes the latest absence details for the period to 31 March 2021. The rate of absence across the organisation has generally been maintained at or below the 4% target, with the exception of August 2020, where the absence rate rose to 5% and March 2021, where the absence rate rose to 5.1% due to a number of long-term absences. The rolling 6 and 12 month average absence rates have maintained at or below 3.2%.

The absence rates for the reporting periods as shown in appendix 1 are:

- previous 1 month to 5.1% (93.5 days)
- previous 6 months to 3.0% (291.5 days)
- previous 12 months to 3.2% (610.5 days)

While Scotland Excel has been successful in reducing the average number of sickness absence days per employee over recent years, the COVID-19 pandemic has had an adverse impact on the 2020/21 average sickness days per employee figure compared to the same period in 2019/20 (6.6 days per employee in 2020/21 compared to 4.1 days per employee in 2019/20).

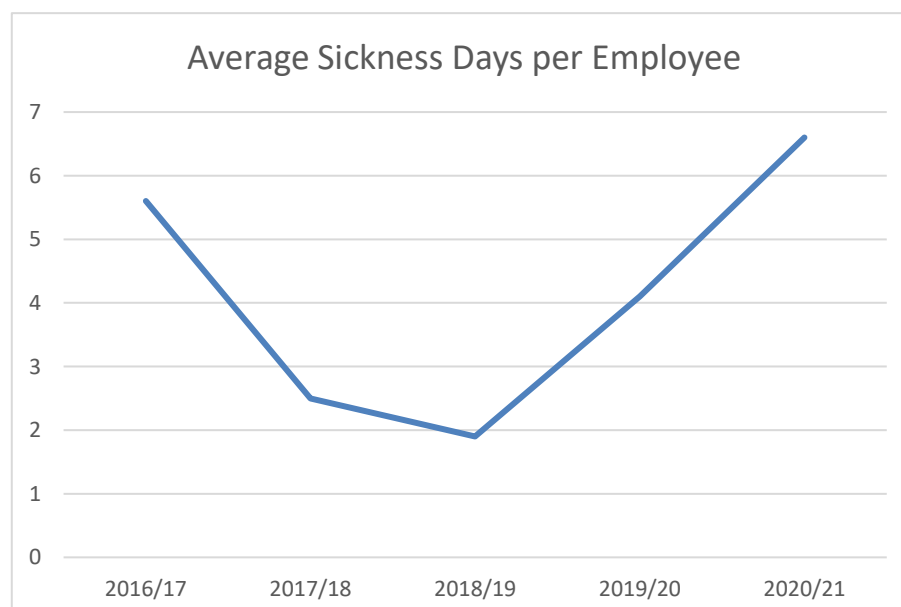
In particular, the Covid-19 pandemic appears to have had an adverse impact on the mental wellbeing of staff with the predominant cause of long-term sickness absence being reported as mental ill health. While the pandemic has not been the primary cause of absence, it has been identified as a contributory factor in a number of cases. Long term sickness absence is recorded when an employee reaches 20 working days consecutive sickness absence.

The impact of the pandemic can also be evidenced when comparing the absence pattern from the previous 12 months and how it has changed. Short-term sickness absence days recorded by Scotland Excel staff shows a reduction year on year from 181.5 days to 56.5 days. However, over the same period, long-term sickness absence days recorded have increased from 216 days to 554 days.

March 2021 shows a particular spike in long-term absences. At the end of the month the organisation was supporting 4 members of staff who have cited mental ill health as the cause of their absence, all of which have triggered the long-term absence category. All are being supported through a range of interventions including Occupational Health referral, Counselling Services, and Cognitive Behavioral Therapy (CBT) sessions. Following effective support by the organisation, all 4 members of staff are anticipating a return to work shortly.

In addition to supporting members of staff absent through ill health, Scotland Excel continues positive early intervention practices including working with Occupational Health and other support services to maintain employee attendance and to support members of staff who may be experiencing difficulties while remaining at work.

The graph below shows average sickness days per employee within Scotland Excel over the past 5 years.



4. Recommendation

The Executive Sub Committee is requested to note the contents of report.

Absence Report

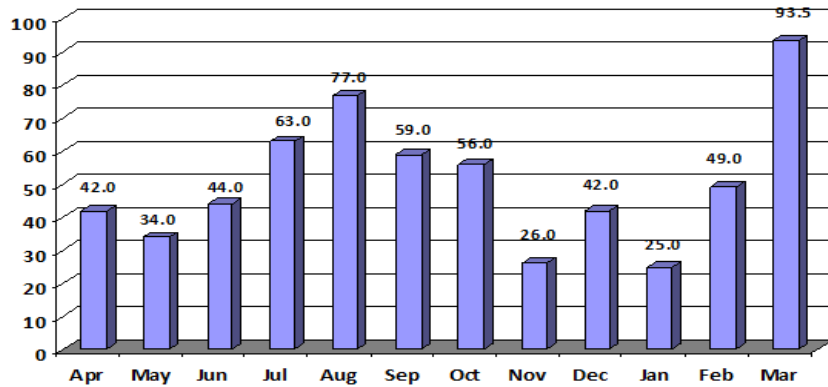
Organisation Level



Month Ending: 31 March 2021

Current Month					Last 6 Months					Last 12 Months				
Self Certified Sick	Doctor Certified Sick	Total Sick Leave	Sickness Absence Rate	Sickness Absence Instances	Self Certified Sick	Doctor Certified Sick	Total Sick Leave	Sickness Absence Rate	Sickness Absence Instances	Self Certified Sick	Doctor Certified Sick	Total Sick Leave	Sickness Absence Rate	Sickness Absence Instances
Total: 16.5	77	93.5	5.1%	4	32.5	259	291.5	3.0%	14	56.5	554	610.5	3.2%	24
No of Employees (Permanent and Temporary):					93					Average no of Sickness Absence Days per Employee:				
No of Leavers included:					9					6.6				

Total Sickness Absence Days by Month for Last 12 Months



Monthly YTD Absence Rate

