

## Notice of Meeting and Agenda Scotland Excel Joint Committee

Date	Time	Venue
Friday, 18 June 2021	10:45	Remotely by MS Teams ,

KENNETH GRAHAM  
Clerk

### Membership

Councillor John Reynolds and Councillor David Cameron (both Aberdeen City Council); Provost Bill Howatson and Councillor Alastair Bews (both Aberdeenshire Council); Councillor Angus Macmillan Douglas (Angus Council); Councillor Rory Colville (Argyll and Bute Council); Councillor Alasdair Rankin and Councillor Graham Hutchison (both City of Edinburgh Council); Councillor Donald Balsillie (Clackmannanshire Council); Provost Norman Macdonald (Comhairle Nan Eilean Siar); Councillor Stephen Thompson (Dumfries and Galloway Council); Bailie Willie Sawers (Dundee City Council); Councillor Gordon Jenkins (East Ayrshire Council); Councillor John Jamieson (East Dunbartonshire Council); Councillor John McMillan (East Lothian Council); Councillor Tony Buchanan (East Renfrewshire Council); Councillor Gary Bouse (Falkirk Council); Councillor Altany Craik and Councillor Ross Vettrano (both Fife Council); Councillor Ruairi Kelly and Councillor Martin McElroy (both Glasgow City Council); Councillor Jimmy Gray and Councillor Matthew Reiss (Highland Council); Councillor Jim Clocherty (Inverclyde Council); Councillor Derek Milligan (Midlothian Council); Councillor Aaron McLean (Moray Council); Councillor Joe Cullinane (North Ayrshire Council); Councillor Paul Di Mascio and Councillor Allan Graham (both North Lanarkshire Council); vacant position (Orkney Islands Council); Councillor Sheila McCole (Perth and Kinross Council); Councillor John Shaw (Renfrewshire Council); Councillor Simon Mountford (Scottish Borders Council); Councillor Amanda Hawick (Shetland Islands Council); Councillor Peter Henderson (South Ayrshire Council); Councillor Collette Stevenson and vacant position (both South Lanarkshire Council); Councillor Alison Laurie (Stirling Council); Councillor Ian Dickson (West Dunbartonshire Council); and Councillor John McGinty (West Lothian Council).

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

## **Further Information**

If you require further information in relation to this meeting please call 0141 618 7111.

## 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.

- |           |  |                  |
|-----------|--|------------------|
| <b>1</b>  | <b>Minute of Joint Committee</b>   | <b>5 - 14</b>    |
|           | Minute of meeting of the Joint Committee held on 11 December 2020.   |                  |
| <b>2</b>  | <b>Minutes of Executive Sub-committee</b>  | <b>15 - 40</b>   |
|           | Minutes of meetings of the Executive Sub-committee held on 11 December 2020, 29 January 2021, 19 February 2021, 19 March 2021 and 21 May 2021. |                  |
| <b>3</b>  | <b>Membership of Scotland Excel Executive Sub-committee and Attendance at Executive Sub-committee Meetings</b>                                 | <b>41 - 44</b>   |
|           | Report by Clerk.   |                  |
| <b>4</b>  | <b>Membership of Scotland Excel Chief Executive Officers Management Group</b>  | <b>45 - 46</b>   |
|           | Report by Clerk.   |                  |
| <b>5</b>  | <b>Presentation</b>  |                  |
|           | Presentation by Chief Executive of Scotland Excel.   |                  |
| <b>6</b>  | <b>Scotland Excel Unaudited Annual Accounts 2020/21</b>  | <b>47 - 84</b>   |
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| <b>7</b>  | <b>Income Stream Update</b>  | <b>85 - 90</b>   |
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| <b>8</b>  | <b>Operating Plan Update 2021/22</b>   | <b>91 - 104</b>  |
|           | Report by Chief Executive of Scotland Excel.   |                  |
| <b>9</b>  | <b>Annual Procurement Report</b>   | <b>105 - 138</b> |
|           | Report by Chief Executive of Scotland Excel.   |                  |
| <b>10</b> | <b>Care Update</b>   | <b>139 - 142</b> |
|           | Report by Chief Executive of Scotland Excel.   |                  |

- 11 Community Benefits and Fair Work Practices Update 143 - 148**  
Report by Chief Executive of Scotland Excel.
- 12 Sickness Absence, Special Leave and Hospitality 149 - 150**  
Report by Chief Executive of Scotland Excel.
- 13 Date of Next Meeting**  
Note that the next meeting of the Joint Committee will be held at 10.45 am on 10 December 2021.

## Minute of Meeting Scotland Excel Joint Committee

Date	Time	Venue
Friday, 11 December 2020	10:45	Remotely by MS Teams,

### Present

Councillor David Cameron (Aberdeen City Council); Provost Bill Howatson and Councillor Charles Buchan (substitute for Councillor Alastair Bews) (Aberdeenshire Council); Councillor Angus Douglas (Angus Council); Councillor Rory Colville (Argyll and Bute Council); Councillor Graham Hutchison (City of Edinburgh Council); Provost Norman Macdonald (Comhairle Nan Eilean Siar); Councillor Stephen Thompson (Dumfries and Galloway Council); Bailie Willie Sawers (Dundee City Council); Councillor Gordon Jenkins (East Ayrshire Council); Councillor John Jamieson (East Dunbartonshire Council); Councillor Gary Bouse (Falkirk Council); Councillor Altany Craik and Councillor Ross Vettraino (Fife Council); Councillor Martin McElroy (Glasgow City Council); Councillor Alister Mackinnon (Highland Council); Councillor Jim Clocherty (Inverclyde Council); Councillor Aaron McLean (Moray Council); Councillor Joe Cullinane (North Ayrshire Council); Councillor Paul Di Mascio and Councillor Allan Graham (North Lanarkshire Council); Councillor Sheila McCole (Perth and Kinross Council); Councillor John Shaw (Renfrewshire Council); Councillor Peter Henderson (South Ayrshire Council); Councillor Collette Stevenson (South Lanarkshire Council); Councillor Ian Dickson (West Dunbartonshire Council); and Councillor John McGinty (West Lothian Council).

### Chair

Councillor Shaw, Convener, presided.

### In Attendance

J Welsh, Director, S Brannagan, Head of Customer & Business Services, H Carr, Head of Strategic Procurement, L Campbell, Corporate Services Manager, S Christie, Commercial Manager, Z Shankly, Customer Account Manager and L McIntyre (for items 1 to 5 only) (all Scotland Excel); and M Conaghan, Legal & Democratic Services Manager, K Campbell, Assistant Chief Auditor, C McCourt, Finance Business Partner and E Currie, Senior Committee Services Officer (all Renfrewshire Council).

## Apologies

Councillor John Reynolds (Aberdeen City Council); Councillor Alastair Bews (Aberdeenshire Council); Councillor Alasdair Rankin (City of Edinburgh Council); Councillor Ruairi Kelly (Glasgow City Council); Councillor Matthew Reiss (Highland Council); Councillor Simon Mountford (Scottish Borders Council); and Councillor Amanda Hawick (Shetland Islands Council).

## Declarations of Interest

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

### 1 Minute of Joint Committee

There was submitted the Minute of the meeting of the Joint Committee held on 19 June 2020.

**DECIDED:** That the Minute be approved.

### 2 Minutes of Executive Sub-committee

There were submitted the Minutes of the meetings of the Executive Sub-committee held on 19 June, 18 September and 27 November 2020.

In relation to item 7(c) of the Minute of the meeting of the Executive Sub-committee held on 18 September 2020 – it was agreed that the decision be amended to read ‘That the application by Queens Cross Housing Association Limited to become an associate member of Scotland Excel, at an annual membership fee of £6,503, be approved subject to completion and signing of the agreement documentation.’

**DECIDED:**

(a) That the Minutes of 19 June and 27 November 2020 be noted.; and

(b) That, subject to the above amendment, the Minute of 18 September 2020 be approved.

### 3 Presentation

The Chief Executive of Scotland Excel gave a presentation to members providing an overview of performance in 2020 which included information on what Scotland Excel had delivered for member councils; annual value reports which detailed the value derived by individual councils from membership of Scotland Excel; projects and partnerships; income generation which was projected to grow from a 2% contribution to operating costs in 2017/18 to a projected 18% contribution in 2023/24; return on investment for quarter 4 2019/20; support provided to members during the global pandemic; Brexit preparation in terms of workforce, exchange rates, supply chains and business continuity; updates on projects; and community kindness by companies.

Looking forward to 2021, the presentation provided information on the challenges associated with COVID-19, Brexit, care costs and finance; and the additional services provided by Scotland Excel.

Members discussed remuneration for the Convener and Vice Convener of Scotland Excel, similar to that received by other joint committee and joint board Conveners and Vice Conveners. It was agreed that the Clerk submit a report on this matter to a future meeting of the Joint Committee.

**DECIDED:**

(a) That the presentation be noted; and

(b) That the Clerk submit a report to a future meeting of the Joint Committee relative to remuneration for the Convener and Vice Convener of Scotland Excel.

**4 Revenue Estimates 2021/22**

There was submitted a joint report by the Treasurer and the Chief Executive of Scotland Excel relative to the revenue estimates for Scotland Excel, including the requisition of the constituent authorities for financial year 2021/22 and indicative planning figures for 2022/23 and 2023/24.

The report intimated that the annual revenue estimates process outlined the summary revenue budget position of the organisation. Appendix 1 to the report outlined the projected position and proposed requisitions for 2021/22 and the indicative projected position for 2022/23 and 2023/24.

It was noted that income was reported in line with the funding model review approved by the Joint Committee at a meeting held on 29 June 2018. This review aimed to reduce reliance on requisition income with future core operating services being funded by council requisitions, associate fees, rebates and income from projects and reporting under these headings would provide improved clarity on financial progress against each income stream.

The financial environment within which Scotland Excel and its member authorities currently operated continued to be characterised by uncertainty due to the ongoing COVID-19 pandemic and the increasing possibility of a no-deal Brexit. These factors had significantly influenced the revenue budget estimates. Scotland Excel would continue to seek operational efficiencies to manage its financial position flexibly in order to maintain its aim of minimising the level of requisition required and also to develop value propositions for member authorities to ensure that best value was achieved.

Appendix 2 to the report detailed the member authority requisitions for 2020/21 and 2021/22 and the estimated savings accrued by member authorities during 2019/20.

The report provided information on the assumptions that the budget had been based on; income from projects; a financial overview for Scotland Excel; the Scotland Excel funding model; and member authority requisitions.

The revenue estimates had been presented to the meeting of the Executive Subcommittee held on 27 November 2020 when it was decided that the revenue estimates be recommended to the Joint Committee.

**DECIDED:**

(a) That the revenue estimates of Scotland Excel for the financial year 2021/22, as detailed in Appendix 1 to the report, be agreed;

(b) That the requisitions from constituent authorities, as detailed in Appendix 2 to the report, be approved; and

(c) That the indicative estimates for 2022/23 and 2023/24 be noted.

## 5 **Income Stream Update**

There was submitted a report by the Chief Executive of Scotland Excel relative to the progress made on generating additional funding through a series of income generating projects.

The report intimated that reports on the revenue estimates 2018/19 and the funding model review presented to the Joint Committee on 8 December 2017 and 29 June 2018, respectively, highlighted the challenging future financial landscape for local government and the impact on Scotland Excel. At that time, prior to the world-wide pandemic, it was recognised that over the medium-term local government in Scotland was likely to face further contraction in available resources and in this context, Scotland Excel sought operational savings to manage its financial position flexibly to maintain the aim of minimising the level of requisition required and develop value propositions for member authorities to ensure that best value was achieved.

Five funding opportunities had been approved by the Joint Committee and were progressing. Recognising the future impact of COVID-19, Scotland Excel had been working to minimise the financial impact on Scotland Excel whilst also supporting members and, as a result, additional services had been added to the portfolio and promoted across the sector. The report provided updates in relation to each of the funding streams.

Scotland Excel had been working to identify additional services or funding streams with guidance and support from key stakeholders, including the CEOMG, which had resulted in a number of presentations highlighting existing and new services, which were detailed in the report.

**DECIDED:** That the content of the report be noted and that the Joint Committee continue to support Scotland Excel in endeavours to achieve financial sustainability by encouraging their organisations to make use of the New Build Housing Framework; encouraging use of existing services such as The Academy and consultancy services; promote associate membership; and promote the new services on offer from Scotland Excel.

## 6 **Annual Value Reports**

There was submitted a report by the Chief Executive of Scotland Excel relative to Scotland Excel's new Annual Value Reports which would provide a detailed view on the value derived from membership of Scotland Excel, tailored to each individual local authority.

The report intimated that Scotland Excel's range of services were designed to help councils meet the twin challenges of reducing budgets at a time of growing demand. It was widely accepted that collaborative procurement increased efficiency, delivered value for money and ensured money was saved to support front line services and

through a more collaborative approach, Scotland Excel could work with councils to realise a host of social, economic and environmental benefits from their procurement.

The Added Value Reports included a high-level update on specific financial indicators resulting from the use of Scotland Excel frameworks and services, demonstrating the value Scotland Excel provided to councils. Individual council Added Value Reports had been issued to members of the Joint Committee prior to this meeting and it was noted that Scotland Excel would offer individual presentations on the reports to council stakeholders.

**DECIDED:** That the content of the report be noted.

## 7 **Brexit Update**

There was submitted a report by the Chief Executive of Scotland Excel providing an update in relation to the UK departure from the European Union (EU).

The report intimated that the UK was no longer a member of the European Union and that the deadline to agree the rules for the new UK-EU relationship was fast approaching. The changes would affect many areas of life, including trade and immigration, and would start on 1 January 2021. The UK Government had already negotiated a withdrawal agreement however, its purpose was to set out a process to allow the UK to leave the EU as smoothly as possible, not the terms of the future relationship. The initial agreement covered agreeing a transition period and how it would work; how to prevent the need for checks along the Irish border; and the UK's financial settlement with the EU.

The report provided an update in relation to the impact for Scotland; Brexit with World Trading Organisation (WTO) Terms; and disruption to supply chains.

The report further intimated that by balancing a response to COVID-19 with a strong focus on the UK's changing position in the global trading environment, councils would be able to future-proof their supply chain strategies. Councils had refocused on contingency planning strategies, compliance and supply chains. Scotland Excel would continue to support councils and would seek to appeal to local supply chains during procurement activity and would increase the knowledge, capacity and access to networks councils needed to take advantage of.

**DECIDED:** That the content of the report be noted.

## 8 **Operating Plan Performance Report 1 April to 31 December 2020**

There was submitted a report by the Chief Executive of Scotland Excel presenting the organisation's performance against the interim Operating Plan for 1 April to 31 December 2020, a copy of which was appended to the report.

The report intimated that quarterly progress reports were produced to track Scotland Excel's performance against operating plan commitments and would be submitted to the Executive Sub-committee quarterly and to the Joint Committee half-yearly and annually.

The report also tracked performance against key performance indicators linked to strategic outcomes.

It was noted that the majority of the commitments in the operating plan were progressing in line with plans and were indicated as green within the report. Four activities were progressing more slowly than anticipated, predominantly due to the impact of COVID-19 and these were indicated as amber within the report.

**DECIDED:** That Scotland Excel's performance in the delivery of the interim Operating Plan be noted.

## 9 **Proposed Operating Plan for 1 January 2021 to 31 March 2022**

There was submitted a report by the Chief Executive of Scotland Excel relative to the organisation's draft proposed Operating Plan for the period 1 January 2021 to 31 March 2022, a copy of which was appended to the report.

The report intimated that quarterly progress reports were produced to track Scotland Excel's performance against operating plan commitments and would be submitted to the Executive Sub-committee quarterly and to the Joint Committee half-yearly and annually.

Following feedback from the Executive Sub-committee, the operating plan model had been simplified. The proposed operating plan retained the sixteen strategic objectives set out in the five-year plan and reduced the previous sixty-eight detailed commitments to thirty broader commitments which would form the main part of future reporting. These broader commitments aligned to over one hundred and twenty internal team commitments that would be used to direct organisational activity.

The proposed plan was the fourth and penultimate operating plan of the five-year Scotland Excel strategy and provided a number of steps supporting the overall goals to achieve the agreed outcomes. Recognition of key environmental factors such as COVID-19 and Brexit and the challenges facing members were at the heart of the approach. Sustainability and the ethos of community wealth building was also an important factor influencing many commitments.

The proposed plan did not contain quantified key performance indicators. The current environment of uncertainty had made it difficult to provide indicators that offered a degree of confidence of future stability and it was noted that it might be prudent for shorter-term quarterly indicators to be agreed during the period.

**DECIDED:** That the proposed Operating Plan for 1 January 2021 to 31 March 2022 be approved.

## 10 **Strategic Risk Register Update**

There was submitted a report by the Chief Executive of Scotland Excel providing an update on the strategic risk register maintained to assess threats and risks that could impact on the delivery of Scotland Excel's organisational objectives and to identify actions that had been taken to mitigate these risks.

The report intimated that currently there were 10 risks identified ranging in assessed residual risk score from 6 to 20 and a summary of the key statistics in relation to each identified risk was detailed in Appendix 1 to the report.

It was noted that the impact of the COVID-19 pandemic was the over-riding influence on all strategic risk at present coupled with continuing Brexit uncertainty and these factors were reflected in the upward trend in relation to risk scores showing against a

number of existing strategic risks and in the introduction of a new risk in respect of 'National Emergency including Pandemic' in April 2020.

The risk management plan would be reported to the Executive Sub-committee twice a year and the Joint Committee on an annual basis to give members visibility of the risks and actions taken by the organisation to manage and mitigate these risks.

**DECIDED:** That the strategic risk register and actions identified to manage risks be noted.

## 11 **Update on Scotland's Technical Asset Management Platform (STAMP)**

There was submitted a report by the Chief Executive of Scotland Excel relative to work undertaken by Scotland Excel, supported by the Scottish Local Government Digital Office (SLGDO), with ICT and Digital Transformation leads from Councils, to develop and populate an asset management register to identify collaborative contracting opportunities.

The report intimated that councils in Scotland used multiple ICT software systems to support service delivery across all services and that the acquisition, support and maintenance of these systems were a significant budgetary commitment. In partnership with SLGDO, Scotland Excel identified that councils would benefit from a Scotland-wide analysis of existing ICT systems and associated contracts which would lead to the identification of short, medium and longer-term opportunities for collaborative procurement, contract management, community benefits and financial efficiencies.

The request for information from councils identified that the requested information was not easily accessed and that software assets were not recorded uniformly, and in some instances, not recorded at all. This presented a further opportunity to create an asset management platform that all councils could use to record key software asset information which would deliver a range of benefits.

The report detailed the progress to date and the short, medium and longer-terms benefits of the system.

A briefing note had been created to support the re-launch of the latest version of STAMP for distribution to council Chief Executives via SOLACE, heads of procurement via Scotland Excel and Heads of IT and Transformation via SLGDO. To assist councils in reaching the full potential of this system, Scotland Excel would participate in one-to-one meetings with individual local authorities and offer advice, support and assistance on implementation and usage.

The information recorded in STAMP would inform a timeline of collaborative procurement opportunities by service sector and spend and would allow councils to be grouped by contract status and terms. Although currently incomplete, the available data would be used to develop initial contracting opportunities which could be expanded as additional information was made available. The submission level of all councils was appended to the report.

An enhanced user intelligence group, including subject-matter experts from ICT, procurement and service management would be created to consider the business merits of identified ICT collaborative opportunities and the Scottish Local Government Digital Assurance Board would ensure these procurements were aligned to and supported the wider digital transformation policies agreed by the Scottish Government.

**DECIDED:** That the current position of the ongoing work in relation to the gathering of ICT systems details and contract information from all Scottish councils be noted.

## 12 **Membership of Scotland Excel Chief Executive Officers Management Group**

There was submitted a report by the Clerk seeking approval for the membership of Scotland Excel's Chief Executive Officers Management Group (CEOMG), a key governance body for the organisation.

The report intimated that the CEOMG had been part of Scotland Excel's governance since its inception in 2008 and comprised of six Chief Executives from the member authorities. The Chief Executive of Renfrewshire Council was a standing member of the group due to Renfrewshire Council being the lead authority for Scotland Excel. The other five Chief Executives were appointed annually by the Joint Committee although membership could be renewed.

In August 2018 a presentation had been made to the SOLACE branch group seeking a new CEOMG member due to the retirement of Mary Pitcaithly. The SOLACE Executive decided to review the overall membership and nominations were received from Angela Scott, Aberdeen City Council; Margo Williamson, Angus Council; Cleland Sneddon, Argyll & Bute Council; Steve Grimmond, Fife Council; Annemarie O'Donnell, Glasgow City Council and Sandra Black, Renfrewshire Council. Sandra Black would continue to chair meetings of the CEOMG as Chief Executive of the lead authority in line with the CEOMG procedures. These nominations were approved at a meeting of the Joint Committee held on 7 December 2018 and at a meeting of the Joint Committee held on 6 December 2019 it was agreed that the current membership remain until December 2020.

The report proposed that the CEOMG membership remain as detailed in paragraph 1.3 of the report until December 2021 to allow for continuity in the strategic direction for Scotland Excel.

**DECIDED:** That membership of the CEOMG remain as detailed in paragraph 1.3 of the report until December 2021.

## **Sederunt**

Councillor Stevenson and Provost Macdonald left the meeting during consideration of the following item of business.

## 13 **Scotland Excel Executive Sub-committee: Attendance of Members**

Under reference to item 3 of the Minute of the meeting of the Joint Committee held on 19 June 2020 there was submitted a report by the Clerk detailing the attendance of members at meetings of the Executive Sub-committee since appointment in June 2017.

It was noted that councils represented on the Executive Sub-committee could appoint a member and a substitute member, who could attend meetings in the members' absence. All known substitute members received agendas for meetings to facilitate attendance if required.

It was proposed that the Clerk submit a report to the next meeting of the Joint Committee to be held in June 2021 relative to membership of the Executive Sub-committee for the coming year and that the report provide details of member attendance from June 2020 to June 2021. This was agreed.

**DECIDED:**

(a) That the attendance of members, at meetings of the Executive Sub-committee since appointment in June 2017, be noted; and

(b) That the Clerk submit a report to the next meeting of the Joint Committee to be held in June 2021 relative to membership of the Executive Sub-committee for the coming year and that the report provide details of member attendance from June 2020 to June 2021.

14 **Meetings of Scotland Excel Joint Committee in 2021**

There was submitted a report by the Clerk relative to proposed meeting dates for the Joint Committee during 2021.

**DECIDED:**

(a) That meetings of the Joint Committee be held at 10.45 am on 18 June and 10 December 2021; and

(b) That members be advised of the venue for future meetings.





## Minute of Meeting Scotland Excel Executive Sub-committee

Date	Time	Venue
Friday, 11 December 2020	09:45	Remotely by MS Teams ,

### Present

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 Alister Mackinnon (Highland Council); Councillor Joe Cullinane (North Ayrshire Council); Councillor John Shaw (Renfrewshire 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, K Murphy, Senior Procurement Specialist, S Christie, Commercial Manager and Z Shankly, Customer Account Manager (all Scotland Excel); and M Conaghan, Legal and Democratic Services Manager and E Currie, Senior Committee Services Officer (both Renfrewshire Council).

### Apologies

Councillor Ruairie Kelly (Glasgow City Council); Councillor Paul Di Mascio (North Lanarkshire Council) (due to technical issues); and Councillor Amanda Hawick (Shetland Islands Council).

### Declarations of Interest

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

## 1 Minute

There was submitted the Minute of the meeting of the Executive Sub-committee held on 27 November 2020.

**DECIDED:** That the Minute be approved.

## 2 Contract for Approval: Bitumen and Associated Products

There was submitted an amended report the Chief Executive of Scotland Excel relative to the award of a renewal framework for bitumen and associated products which would operate from 1 March 2021 until 29 February 2024, with an option to extend for a further 12-month period.

The renewal was a fourth-generation framework and would 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.

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

The framework had been divided into five lots as detailed in table 1 of the report and had been advertised at £56 million for the four-year term. Appendix 1 to the report detailed the participation, spend and savings summary of those 30 councils participating in the framework together with Tayside Contracts. It was noted that North Lanarkshire and East Dunbartonshire Councils had their own arrangements in place and had advised that they did not currently intend to participate in this renewal framework. The framework had been advertised to allow use by all councils. It was currently intended that Tayside Contracts would be the procurement lead for the purchase of bitumen and associated products for Angus, Dundee City and Perth and Kinross Councils.

Tender responses had been received from nine tenderers and Appendix 2 to the report provided a summary of the offers received.

Based on the criteria and scoring methodology set out in the tender document, a full evaluation of compliant 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 be awarded to nine suppliers as outlined in Appendix 3 to the report.

Appendix 4 to the report detailed the approach taken by bidders in relation to fair work practices and their position on the payment of the Real Living Wage; and Appendix 5 to the report provided a summary of contract and supplier management classifications.

**DECIDED:** That the award of the multi-supplier framework for bitumen and associated products, as detailed in Appendix 3 to the report, be approved.

## **Declaration of Interest**

Councillor Douglas declared an interest in the preceding item of business as he was a Director of Tayside Contracts.

### **3 Request for Associate Membership: Grampian Housing Association Limited**

There was submitted a report by the Chief Executive of Scotland Excel advising that Grampian 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 Grampian Housing Association Limited to become an associate member of Scotland Excel, with an annual membership fee of £4,995, be approved subject to completion and signing of the agreement documentation.

### **4 Employee Absence Management Report**

There was submitted a report by the Chief Executive of Scotland Excel relative to employee absence statistics for Scotland Excel.

The report advised of the absence levels for the period ending 30 September 2020 and provided a breakdown of the current month, last six months and 12 months absence figures, together with an illustration of 12 months in days and the last 12 months in percentages. The graph in the report detailed the sickness absence rates within Scotland Excel over the past five years.

The rate of absence across the organisation had mostly been maintained at or below the 4% target with the exception of August 2020 where it rose to 5%. The rolling six months and 12 months average absence rates were now at or below 3.4%.

**DECIDED:** That the report be noted.

### **5 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 29 January 2021.



## Minute of Meeting Scotland Excel Executive Sub-committee

Date	Time	Venue
Friday, 29 January 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 Ruairie Kelly (Glasgow City 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, G Muir, Senior Procurement Specialist, G Sutherland, Senior Procurement Specialist and C Taylor, Housing Services Manager (all Scotland Excel); M Conaghan, Legal and Democratic Services Manager and K O'Neill, Assistant Democratic Services Officer (both Renfrewshire Council).

### Apologies

Councillor Graham Hutchison (Edinburgh Council) and Councillor Joe Cullinane (North Ayrshire Council).

### Declarations of Interest

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

## 1 Minute

There was submitted the Minute of the meeting of the Executive Sub-committee held on 11 December 2020.

**DECIDED:** That the Minute be approved.

## 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 to 11 December 2020.

The report intimated that Scotland Excel was projecting a breakeven position by year-end in its core activities and a £227,000 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 be noted.

### 3(a) Contract for Approval: Supply and Delivery of Social Care Case Management Solutions Software

There was submitted a report by the Chief Executive of Scotland Excel relative to the award of a collaborative framework for the supply of Social Care Case Management Solutions Software which would operate for a period of four years, commencing from the framework commencement date, anticipated to be 15 February 2021. This date would be confirmed on award.

The report intimated that the project to consider a collaborative approach to procuring a renewed Social Care Case Management System had been identified by the Scottish Local Government Digital Office in conjunction with Scotland Excel and this presented an opportunity for Scotland Excel to provide national collaborative solutions which would drive value through the consolidation of spend, whilst alleviating the resource challenge associated with this type of procurement exercise for local authorities.

The framework had been divided into three lots as detailed in table 1 of the report and had been advertised at an estimated maximum value of £28 million for the four-year term. The report summarised the outcome of the procurement process.

The framework would allow councils to call-off directly or use a mini-competition process if required under all lots. There were currently a number of councils that had established project teams to review current processes and procedures involved in social care service delivery and these councils anticipated that a new case management system would be an integral component to support and deliver improved ways of working. During the evaluation process, nine councils had expressed an interest in participating in the framework and it was anticipated that a further eleven councils might consider a replacement social care system during the lifetime of the

framework and would include this as one of their procurement options.

Tender responses had been received from seven tenderers and Appendix 1 to the report provided a summary of the offers received and their SME status. 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 2 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 be awarded to five service providers across the lots as outlined in Appendix 2 to the report.

Appendix 3 to the report detailed the approach taken by bidders in relation to fair work practices and their position on the payment of the Real Living Wage; and Appendix 4 to the report provide a summary of segmentation classifications.

**DECIDED:** That the award of the multi-supplier framework for the supply and delivery of Social Care Case Management Solutions Software, as detailed in Appendix 2 to the report, be approved.

### **3(b) Contract for Approval: Engineering and Technical Consultancy Framework**

There was submitted a report by the Chief Executive of Scotland Excel relative to the award of a renewal framework agreement for engineering and technical consultancy which would operate from 18 March 2021 to 17 March 2025.

The framework would provide councils and other participating bodies a mechanism to procure a wide range of civil engineering and associated technical consultancy services and would provide efficiency to councils when both engaging consultants and forming construction contracts.

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

The framework had been divided into nine lots as detailed in table 1 of the report and due to the historic annual spend and the continuing increase in uptake of the framework it had been advertised at £17.125million per annum. Appendix 1 to the report detailed the participation, spend and savings summary of those 31 councils participating in the framework together with those associate members who had confirmed their intention to participate. It was noted that Orkney Islands Council had their own arrangement in place which they intended to continue operating.

Tender responses had been received from 66 tenderers but one late offer had been excluded in accordance with the rules defined in the tender documentation. Appendix 2 to the report provided a summary of the offers received from the 65 compliant tenderers.

Based on the criteria and scoring methodology set out in the tender document, a full evaluation of the 65 compliant offers had been carried out and Appendix 3 to the report detailed the scoring achieved by each tenderer.

Based on the evaluation undertaken, and in line with the criteria and weightings set out in the report, and ensuring that best value, capacity and coverage was secured, it was recommended that a multi-supplier framework be awarded to 31 suppliers across nine lots, as outlined in Appendix 3 to the report.

Appendix 4 to the report detailed the position on the payment of the Real Living Wage; and Appendix 5 to the report provide a summary of segmentation classifications.

**DECIDED:** That the award of the multi-supplier framework for the supply of engineering and technical consultancy, as detailed in Appendix 3 to the report, be approved.

#### **4 Associate Member Update Report**

There was submitted a report by the Chief Executive of Scotland Excel providing an update on Scotland Excel associate membership, as detailed in Appendix 1 to the report.

The report intimated that Scotland Excel associate membership was classified into five main groups, housing associations, Council arm's length organisations (ALEOs), transport bodies, organisations utilising reciprocal arrangements (Scottish Government and education), and other bodies and table 1 of the report detailed the breakdown of associate members per group.

The growth of associate membership was detailed in figure 1 of the report; the income breakdown of associate members as at January 2021 was detailed in figure 2 of the report; the increase in the number of housing associations was detailed in figure 3 of the report; the current fee split of associate members was detailed in figure 4 of the report; and the associate members income growth for 2013 to 2020 was detailed in figure 5 of the report.

In response to the COVID-19 pandemic in April 2020, Scotland Excel implemented a temporary free associate membership programme to support the efforts of any public body or third sector organisation looking to secure continuity of service or assisting in recovery after lockdown. It was noted that 36 organisations took advantage of this offer and figure 6 of the report detailed the geographical spread and the sector of those organisations.

**DECIDED:** That the progress made with regard to the ongoing work with current associate members be noted and that members encourage suitable organisations to apply for membership.

#### **Sederunt**

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

#### **5(a) Request for Associate Membership: Fairfield Housing Association Limited**

There was submitted a report by the Chief Executive of Scotland Excel advising that Fairfield 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 Fairfield Housing Association Limited to become an associate member of Scotland Excel, with an annual membership fee of £771, be approved subject to completion and signing of the agreement documentation.

#### **5(b) Request for Associate Membership: Shetland's Transport Partnership (ZetTrans)**

There was submitted a report by the Chief Executive of Scotland Excel advising that Shetland's Transport Partnership (ZetTrans) 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 Shetland's Transport Partnership (ZetTrans) 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.

#### **6 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 19 February 2021.



## Minute of Meeting Scotland Excel Executive Sub-committee

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

### Present

Provost Bill Howatson (Aberdeenshire Council); Councillor Graham Hutchison (City of Edinburgh Council); Provost Norman A Macdonald (Comhairle Nan Eilean Siar); Councillor Stephen Thompson (Dumfries and Galloway Council); Councillor Alister MacKinnon (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).

### 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, B Phillips, Category Analyst (all Scotland Excel); L Belshaw, Democratic Services Manager and K O'Neill, Assistant Democratic Services Officer (both Renfrewshire Council).

### Apologies

Councillor Angus Macmillan Douglas (Angus Council); Councillor Altany Craik (Fife Council); and Councillor Ruairie Kelly (Glasgow City Council).

### Declarations of Interest

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

## 1 Minute

There was submitted the Minute of the meeting of the Executive Sub-committee held on 29 January 2021.

**DECIDED:** That the Minute be approved.

## Sederunt

Provost MacDonald joined the meeting prior to consideration to the following item of business.

## 2 Contract for Approval: Domestic Furniture and Furnishings

There was submitted a report by the Chief Executive of Scotland Excel relative to the award of a renewal framework agreement for the supply of domestic furniture and furnishings which would operate from 1 February 2021 to 31 January 2024, with an option to extend for up to an additional 12 month period until 31 January 2025, this would commence on 2 March 2021.

The framework provided councils and other participating bodies with a mechanism to procure a comprehensive range of domestic furniture and furnishings, enabling people to live independently or to be supported in temporary accommodation via the Scottish Welfare Fund.

The framework had been divided into two lots as detailed in table 1 of the report and had been advertised with a contract value of £105 million for the period of the contract, which included an additional £38 million allocated by the Scottish Government to local authorities to administer the Scottish Welfare Fund.

Appendix 1 to the report detailed the participation, spend and savings summary of all 32 councils together with those associate members who had confirmed their intention to participate in the framework. Members were advised that there was an amendment to the original report which had stated 31 councils would participate as Shetland Council would not participate as they had their own local arrangements in place. Shetland Council would now participate in this contract.

Tender responses had been received from seven tenderers and Appendix 2 to the report provided a summary of the offers received.

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 seven suppliers across the two lots as outlined in Appendix 3 to the report.

Appendix 4 to the report detailed the Real Living Wage status of bidders and Appendix 5 to the report detailed a summary of contract and supplier management classifications. It was proposed that a summary of commitments made regarding the payment of the living wage by tenderers be added to the Annual Procurement Report, which is reported to the Joint Committee. This was agreed.

**DECIDED:**

(a) That the award of the framework agreement for the supply of domestic furniture and furnishings as detailed in Appendix 3 to the report, be approved; and

(b) That a summary of commitments made regarding the payment of the living wage by tenderers be included in the Annual Procurement Report, which is reported to the Joint Committee.

### **3(a) Request for Associate Membership of Scotland Excel by Ark Housing Association Limited**

There was submitted a report by the Chief Executive of Scotland Excel advising that Ark 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 Ark 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.

### **3(b) Request for Associate Membership of Scotland Excel by Cathcart & District Housing Association Ltd**

There was submitted a report by the Chief Executive of Scotland Excel advising that Cathcart & District Housing Association Ltd 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 Cathcart & District Housing Association Ltd to become an associate member of Scotland Excel, with an annual membership fee of £625, be approved subject to completion and signing of the agreement documentation.

### **3(c) Request for Associate Membership of Scotland Excel by Highlands and Islands Enterprise**

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

## **Declaration of Interest**

At this point in the meeting, Provost MacDonald declared a non-pecuniary interest in the preceding item of business as the Highlands and Islands Enterprise office was located within the Comhairle Nan Eilean Siar Council offices.

## **4 Update on the Contract Delivery Plan**

There was submitted a report by the Chief Executive of Scotland Excel relative to the progress of the 2020/21 contract delivery plan and visibility of contracting activity in the first half of 2021/22. Overall, efficiencies delivered to date in 2020/2021 were 2.9%, which was slightly above the forecast range.

The report intimated that the contract delivery plan comprised framework renewals, new developments, framework extensions and frameworks with ongoing contract management only and Appendices 1 to 4 to the report provided further details.

The report highlighted that there were 74 current frameworks in the Scotland Excel portfolio. Appendix 1 to the report detailed those frameworks to be renewed before 31 March 2021; Appendix 2 to the report detailed the new frameworks that would be added to the portfolio before 31 March 2021; and Appendix 3 to the report detailed those frameworks that had extension options likely to be exercised in 2020/21.

The estimated forecast value of the Scotland Excel framework portfolio by 31 March 2021 was approximately £2 billion.

Scotland Excel had deferred some projects and proposed to extend a number of current frameworks in light of the severe impact on normal business practices resulting from the current coronavirus/Covid-19 outbreak, as detailed in Appendix 4 to the report.

It was noted that overall, efficiencies delivered between October 2019 and September 2020, detailed in Appendix 5, were circa 2% which was in line with the forecast range.

### **DECIDED:**

(a) That the overall contract delivery plan review, including the proposed actions to be taken as a result, be noted; and

(b) That the recommendations for contract extensions, as detailed in Appendix 4 of the report be approved, subject to further consultation with relevant bodies and legal colleagues to ensure the modifications proposed were applied appropriately and in accordance with Scotland Excel's governance and applicable Regulations.

## **5 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 19 March 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); 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.



## Minute of Meeting Scotland Excel Executive Sub-committee

Date	Time	Venue
Friday, 21 May 2021	09:30	Remotely by MS teams,

### Present

Provost Bill Howatson (Aberdeenshire Council); Councillor Angus Macmillan Douglas (Angus Council); Councillor Graham Hutchison (Edinburgh Council); Councillor Stephen Thompson (Dumfries and Galloway Council); Councillor Altany Craik (Fife Council); Councillor Ruairi Kelly (Glasgow City Council); Councillor Paul Di Mascio (North Lanarkshire Council); Councillor John Shaw (Renfrewshire Council); and Councillor Amanda Hawick (Shetland Islands 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, S Christie, Commercial Manager, G Montgomery, Category Manager, E Campbell, Procurement Data Specialist, Z Shankly, Customer Account Manager, L McIntyre, Senior Communications Specialist and K Forrest, Office Manager (all Scotland Excel); C McCourt, Finance Business Partner (for items 1 and 2 only), L Meikle, Senior Accountancy Assistant, E Currie, Senior Committee Services Officer and K O'Neill, Assistant Democratic Services Officer (for items 2 to 7 only) (all Renfrewshire Council).

### Apologies

Provost Norman A Macdonald (Comhairle Nan Eilean Siar); Councillor Jimmy Gray (Highland Council); and Councillor Joe Cullinane (North Ayrshire Council).

### Declarations of Interest

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

## 1 **Minute**

There was submitted the Minute of the meeting of the Executive Sub-committee held on 23 April 2021.

**DECIDED:** That the Minute be approved.

### **Sederunt**

Councillor Kelly joined the meeting prior to consideration of the following item of business.

## 2 **Revenue Budget Monitoring Report to 31 March 2021**

There was submitted a joint revenue budget monitoring report by the Treasurer and the Chief Executive of Scotland Excel for the period 1 April 2020 to 31 March 2021.

The report intimated that Scotland Excel had ended the 2020/21 financial year with a net underspend of £15,000 in its core activities and a £12,000 underspend by year-end within projects, which resulted in an increase to reserves. Further detail was provided in section 3 of the report.

The appendices to the report provided an analysis of the actual income and expenditure for 2020/21 and included a summary of movement in both the revenue reserve and in project reserves.

**DECIDED:** That the year-end positions in both core operations and projects, as detailed in the report, be noted.

### **Sederunt**

Councillor Macmillan Douglas joined the meeting during consideration of the following item of business.

## 3 **Contract for Approval: Waste Composition Analysis Services**

There was submitted a report by the Chief Executive of Scotland Excel relative to the award of a first-generation framework for waste composition analysis services which would operate from 9 June 2021 to 8 June 2025.

The framework would offer a mechanism for councils to procure the services of suitably qualified service providers to conduct waste composition analysis, including sorting and detailed reporting of analysis results following scrutiny of waste collected from households at the kerbside or via household waste and recycling services.

It was noted that Scotland Excel had delivered this framework with support from Zero Waste Scotland, a not-for-profit organisation funded by the Scottish Government with a remit to use evidence and insight to inform policy and motivate individuals and businesses to embrace the environmental, economic, and social benefits of a circular economy. Zero Waste Scotland would, over the coming years, provide support to councils for the procurement of waste composition analysis services ensuring a consistent approach, high quality data and ease of market engagement.

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

The framework comprised one lot and was available for use by all 32 councils plus Tayside Contracts. The forecast annual spend for participating councils and associate members, with contingency, was £750,000 per annum, equating to an estimated £3 million over the full four-year term of the framework.

Tender responses had been received from five suppliers and Appendix 1 to the report provided a summary of the offers received and their SME status.

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 2 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 2 to the report.

Appendix 3 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.

The report intimated that, in accordance with Scotland Excel's established contract and supplier management programme, this framework had been classified as class D in terms of risk and spend, as detailed in Appendix 4 to the report.

**DECIDED:** That the award of the multi-supplier framework for waste composition analysis services, as detailed in Appendix 2 to the report, be approved.

4(a) **Request for Associate Membership of Scotland Excel by Easthall Park Housing Co-operative Limited**

There was submitted a report by the Chief Executive of Scotland Excel advising that Easthall Park Housing Co-operative 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 Easthall Park Housing Co-operative Limited to become an associate member of Scotland Excel, with an annual membership fee of £1,042, be approved subject to completion and signing of the agreement documentation.

4(b) **Request for Associate Membership of Scotland Excel by Royal Botanic Garden Edinburgh**

There was submitted a report by the Chief Executive of Scotland Excel advising that the Royal Botanic Garden Edinburgh 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 Royal Botanic Garden Edinburgh 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.

### **5 Community Benefits and Fair Work Practices Update**

There was submitted a report by the Chief Executive of Scotland Excel highlighting the community benefits delivered as a result of the Scotland Excel framework portfolio in the period 1 March 2020 to 30 September 2020 together with an update on fair work practices which would give an analysis of suppliers and providers Living Wage status.

The report intimated that Scotland Excel continually strived to be innovative in its approach to community benefits and recognised that community benefits had a considerable social, environmental and economic impact within local communities. The approach to community benefit commitments had been developed to further advance the undertakings made by suppliers and to facilitate a robust process for the collection of responses. The newly developed community benefit menu had been favoured by procurement specialists when embarking on new procurement exercises and offered a focussed approach across the Scotland Excel procurement portfolio. It aimed to encourage suppliers and providers to deliver community benefits within the awarding council area.

It was noted that data collation for the periods 1 October 2019 to 31 March 2020 and 1 April 2020 to September 2020 had been collated together owing to the coronavirus pandemic. Information supplied by providers had been collated to illustrate the variety and extent of community benefits delivered as a result of Scotland Excel frameworks and this method of collection together with ongoing contract management aimed to support the delivery of commitments made by suppliers and providers at point of tender. For the two returns to 30 September 2020, community benefits had been sought from suppliers and providers who had received in excess of £50,000 spend over the preceding two quarters via a Scotland Excel framework.

Table 1 to the report provided a summary of the social value added across the portfolio since 2013. The figures were complete for the six-month period through to the end of September 2020.

The appendix to the report detailed the community benefits by council for the period April 2020 to September 2020. In relation to fair work practices, including the Living Wage, the report intimated that Scotland Excel commenced formal consideration within tenders in early 2015 and that the respective position on bidders' work practices had been outlined within contract approval reports submitted to the Executive Sub-committee. The report detailed the overall position across Scotland Excel's portfolio.

It was noted that the next community benefits data collection, analysis and review cycle would be completed in line with management information process to cover the period to the end of March 2021.

**DECIDED:** That the report be noted and that the ongoing practice to monitor delivery of community benefits for the 2021/22 financial year be supported.

## 6 **Strategic Risk Register Update**

There was submitted a report by the Chief Executive of Scotland Excel providing an update on the Strategic Risk Register, a copy of which was appended to the report.

The report intimated that the strategic risk register assessed threats and risks that could impact on the delivery of Scotland Excel's organisational objectives and identified controls and actions being taken to mitigate these risks. The register had been created in June 2018 and adjusted in June 2019 to better reflect that used by partner organisations.

There were 10 risks identified, ranging in assessed risk score from six to 20, and a summary of the key statistics in relation to each was detailed in the register. The impact of the COVID-19 pandemic was the over-riding influence on all strategic risk throughout the year coupled with the continuing uncertainty around the medium and long-term impact of Brexit. These factors were reflected in the upwards trend in relation to risk scores over the earlier periods of 2020/21.

It was noted that a full and comprehensive review of the Strategic Risk Register was scheduled to be undertaken in May 2021 facilitated by Renfrewshire Council's Risk Manager and that this may result in a change to the types of risk identified within the register and how it was presented to committee.

**DECIDED:** That the report be noted and that members provide any feedback on the strategic risk register and the actions taken to manage risks.

## 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 18 June 2021.



## Scotland Excel

**To: Joint Committee**

**On: 18 June 2021**

**Report by:  
The Clerk**

### **Membership of Scotland Excel Executive Sub-committee and Attendance at Executive Sub-committee Meetings**

#### **1 Summary**

- 1.1 The membership of the Scotland Excel Executive Sub-committee is renewed annually, most recently at the meeting of the Joint Committee held on 19 June 2020.
- 1.2 The purpose of this report is to seek the Joint Committee's approval to the continued appointment of the existing membership of the Sub-committee and to note the attendance of members at Executive Sub-committee meetings for the period June 2020 to June 2021.

#### **2 Recommendations**

- 2.1 That the Joint Committee agree that the members of the Executive Sub-committee shall continue to come from those Councils listed in paragraph 3.3 of the report;
- 2.2 That membership of the Executive Sub-committee be next reviewed at the meeting of the Joint Committee in June 2022; and
- 2.3 That the attendance at meetings of the Executive Sub-committee for the period from June 2020 to June 2021, as detailed in the appendix to the report be noted.

#### **3 Background**

- 3.1 The Scotland Excel Terms and Conditions document signed by all member councils provides that there shall be an Executive Sub-committee with the role and functions of the Sub-committee to be determined by the Joint Committee.

3.2 In June 2017, the Joint Committee agreed to increase the number of members of the Sub-committee from 12 to 13 to include both the Convener and Vice Convener and the Procedural Standing Orders for the Joint Committee were amended to reflect that change. However, the new arrangements remained subject to the requirement that where possible the membership of the Executive Sub-committee shall reflect the geographic diversity of the constituent authorities.

3.3 It was agreed at that meeting that the membership of the Executive Sub-committee should comprise elected members from the following Councils:-

Renfrewshire

North Lanarkshire

Angus

Aberdeenshire

Comhairle nan Eilean Siar

Fife

Glasgow City

Highland

North Ayrshire

City of Edinburgh

South Lanarkshire

Shetlands Islands

Dumfries & Galloway

3.4 The Joint Committee has approved the continued membership of the Councils listed at paragraph 3.3 above, most recently at the meeting of the Joint Committee held on 19 June 2020. At this meeting it was further decided that a report detailing the attendance of members, at meetings of the Executive Sub-committee since appointment in June 2017, be submitted to the next meeting of the Joint Committee to be held on 11 December 2020.

3.5 At the meeting of the Joint Committee held on 11 December 2020, following consideration of the report detailing attendance of members, it was decided that the Clerk submit a report to the next meeting of the Joint Committee to be held in June 2021 relative to membership of the Executive Sub-committee for the coming year and that the report provide details of member attendance from June 2020 to June 2021. The attendance of members at Executive Sub-committee meetings is detailed in the appendix to this report.

- 3.6 The Joint Committee is requested to consider the appointment of members to the Executive Sub-committee for the period to June 2022 when it is proposed that the membership would be reviewed.
- 3.7 The main function of the Executive Sub-committee is to consider and decide upon the award of contracts and frameworks. The proposal to continue with the existing membership will ensure that the knowledge and experience built up over the lifetime of the current arrangements is not lost or diluted.

## Scotland Excel Executive Sub-committee Attendance June 2020 to June 2021

<b>Council</b>	<b>19 June 2020</b>	<b>18 September 2020</b>	<b>27 November 2020</b>	<b>11 December 2020</b>	<b>29 January 2021</b>	<b>19 February 2021</b>	<b>19 March 2021</b>	<b>23 April 2021</b>	<b>21 May 2021</b>
Aberdeenshire	Represented	Represented	Represented	Represented	Represented	Represented	Represented	Represented	Represented
Angus	Apology	Apology	Not represented	Represented	Represented	Apology	Represented	Apology	Represented
Edinburgh	Apology	Apology	Not represented	Represented	Apology	Represented	Apology	Apology	Represented
Comhairle	Represented	Represented	Represented	Represented	Represented	Represented	Represented	Represented	Apology
Dumfries & Galloway	Represented	Represented	Represented	Represented	Represented	Represented	Represented	Represented	Represented
Fife	Represented	Represented	Represented	Represented	Represented	Apology	Represented	Represented	Represented
Glasgow	Represented	Represented	Represented	Apology	Represented	Apology	Apology	Represented	Represented
Highland	Represented	Not represented	Not represented	Represented		Represented		Represented	Apology
North Ayrshire	Not represented	Represented	Apology	Represented	Apology	Represented	Represented	Represented	Apology
North Lanarkshire	Represented	Apology	Represented	Apology	Represented	Represented	Represented	Represented	Represented
Renfrewshire	Represented	Represented	Represented	Represented	Represented	Represented	Represented	Represented	Represented
Shetland	Apology	Apology	Apology	Apology	Represented	Represented	Apology	Represented	Represented
South Lanarkshire	Not represented	Represented	Represented	Represented	Represented	Represented	Represented	Apology	Not represented

<b>Council</b>	<b>Number of meetings attended</b>
Aberdeenshire	9
Angus	4
Edinburgh	3
Comhairle	8
Dumfries & Galloway	9
Fife	8
Glasgow	6
Highland	4
North Ayrshire	5
North Lanarkshire	7 - unable to attend on 11/12/20 due to technical issues
Renfrewshire	9
Shetland	4
South Lanarkshire	6

## Scotland Excel

**To: Joint Committee**

**On: 18 June 2021**

**Report by:  
The Clerk**

### Membership of Scotland Excel Chief Executive Officers Management Group

#### 1. Summary

- 1.1 At the meeting of the Joint Committee held on 11 December 2020 it was agreed that the membership of Scotland Excel Chief Officers Management Group (CEOMG) remain as detailed below until December 2021:

Angela Scott	Aberdeen City Council
Margo Williamson	Angus Council
Cleland Sneddon	South Lanarkshire Council
Steve Grimmond	Fife Council
Annemarie O'Donnell	Glasgow City Council
Sandra Black	Renfrewshire Council

- 1.2 Since that meeting, both Steve Grimmond and Margo Williamson, have intimated that they wish to stand down from the CEOMG. The SOLACE Executive sought nominations for two replacement members and nominations were received from Eddie Fraser, East Ayrshire Council and Greg Colgan, Dundee City Council.

#### 2. Recommendation

- 2.1 That it be noted that Steve Grimmond and Margo Williamson have intimated that they wish to stand down from the CEOMG;
- 2.2 That it be agreed that both Eddie Fraser and Greg Colgan become members of the CEOMG; and
- 2.3 That membership of the CEOMG be again reviewed in December 2021.



## Scotland Excel

**To: Joint Committee**

**On: 18 June 2021**

**Report by:  
The Treasurer**

### **Scotland Excel Unaudited Annual Accounts 2020/21**

#### **1. Summary**

- 1.1. The Annual Accounts for the year ended 31 March 2021 will be submitted to Audit Scotland in advance of the statutory deadline of 30 June 2021 and a copy is attached at Appendix 1 for consideration.
- 1.2. Scotland Excel's Core activities resulted in a surplus of income over expenditure of £14,399 in 2020/21 compared to a budgeted break-even position. Projects returned income of £128,255 over expenditure. After a planned drawdown from Project reserves of £120,000, this results in a combined underspend for the year of £22,654. This underspend is added to Usable Reserves, which are committed as outlined in Note 5 to the Accounts.
- 1.3. The Management Commentary (pages 1-9) within the accounts provides an overview of Scotland Excel's performance during 2020/21, along with risk information and its outlook for the future.

#### **2. Recommendations**

- 2.1. The Joint Committee is asked to:
  - (a) Note the Unaudited Annual Accounts for 2020/21; and
  - (b) Approve the Annual Governance Statement (pages 11-12).

#### **3. Background**

- 3.1. The Local Authority Accounts (Scotland) Regulations 2014 require Scotland Excel to prepare and publish a set of accounts, including an Annual Governance Statement, by 30 June each year.
- 3.2. The Unaudited Accounts are then required to be formally considered by the Joint Committee no later than 31 August and the Annual Governance Statement should be formally approved by this time.

- 3.3. In accordance with the Local Authority Accounts (Scotland) Regulations 2014, the Unaudited Annual Accounts will then be signed only by the Treasurer as proper officer.
- 3.4. The accounts are then subject to external audit by the appointed auditor, Audit Scotland, by 30 September. Under the Coronavirus Act (Scotland) 2020, this has been extended to 30 November this year. The 2020/21 Audited Annual Accounts are therefore scheduled to be presented to the Executive Sub-Committee on 19 November 2021 for approval and to then be signed by the Convener, the Chief Executive and the Treasurer, in accordance with the regulations.
- 3.5. The Comprehensive Income and Expenditure Statement on page 15 shows an accounting Deficit on the Provision of Services of £525,441.
- 3.6. The Expenditure and Funding Analysis on page 18 shows how this differs from the budgetary surplus of £22,654 due to accounting adjustments for pension costs, capital charges and the statutory employee leave accrual.
- 3.7. The Balance Sheet on page 17 shows a decrease in net worth of £2,671,441, which is largely driven by the movement in the pension liability. This is explained further in the Management Commentary within the accounts.
- 3.8. Note 5 on page 20 outlines committed and uncommitted balances on Core Operations (the Revenue Reserve) and Projects at 31 March 2021.



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Unaudited  
Annual Accounts 2020/21

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## Management Commentary

The purpose of the Management Commentary is to present an overview of Scotland Excel’s financial performance during the year 2020/21 and to help readers understand its financial position at 31 March 2021. In addition, it outlines the main risks and uncertainties facing the organisation for the financial year 2020/21 and beyond.

## Structure

Scotland Excel is a Joint Committee constituted by Scottish local authorities and formed under Section 57 of the Local Government (Scotland) Act, 1973 for the purpose of regulating the joint discharge of the functions by the Constituent Authorities.

Scotland Excel is governed by three groups of stakeholders drawn from our member organisations:

The **Joint Committee** is made up of one or more Elected Members (Councillors) from each of Scotland’s 32 local authorities. It meets twice a year and is responsible for the strategic direction of the organisation and for approving the annual budget and business plan.

The **Executive Sub-Committee** is a sub-group of Elected Members from the Joint Committee who meet regularly to approve contract awards and other business decisions.

The **Management Group** consists of six local authority Chief Executives ensuring delivery of Scotland Excel’s overall business plan objectives and providing strategic direction across a range of operational areas.

Internally, the organisation has Executive and Senior Management Teams that run the day-to-day business of Scotland Excel. There is also an active Staff Engagement Group that facilitates employee engagement, as well as organising charity and social events.

## Strategic Aims

The Scotland Excel 2018-23 Strategy, “Shared Vision, Shared Success”, sets out how we plan to raise our game further, providing even greater support to councils and other public sector stakeholders. The Strategy covers a period of five years to support a longer-term view of the organisation’s goals and objectives and enable it to plan accordingly.

The Strategy can be found at: <http://www.scotland-excel.org.uk>



The current Scotland Excel Strategy Map is detailed below.

## Vision

To provide innovative, transformative solutions for local and national public services across Scotland

## Mission

To make the most of our strategic **procurement expertise** and our experience of developing **collaborative solutions** which support **better outcomes** for Scotland's people and communities through **early intervention** and the delivery of **sustainable public services**

## Values

**Professional • Courageous • Respectful • Integrity**

## Outcomes

Our services shape the effective and efficient delivery of public services	Our services facilitate the delivery of national and local policy priorities	Our insight and knowledge underpins innovative solutions for our customers	Our customers receive a measurable return on investment through savings
Our expertise leads to continuous improvement in commercial performance	Our services enable positive and sustainable outcomes for people and communities	Our activities are recognised as leading the way in public procurement	Our customers are satisfied with our services and how we deliver them

## Goals

<p>1: Shaping solutions for innovative public services</p> <p><b>Strategic objectives:</b></p> <p>1.1 Deliver a programme of collaborative procurement to support early intervention and the delivery of public services</p> <p>1.2 Deliver programmes which lead and develop professional, organisational and commercial capability</p> <p>1.3 Harness the potential of digital technology and data insight to support the delivery of public services</p> <p>1.4 Use our insight and experience to shape policy and meet the challenges of future public service delivery</p>	<p>2: Being sustainable in everything we do</p> <p><b>Strategic objectives:</b></p> <p>2.1 Deliver positive and measurable social value through our contracts</p> <p>2.2 Deliver positive and measurable local impact through SME and third sector participation in our contracts</p> <p>2.3 Deliver positive and measurable environmental benefits through our contracts</p> <p>2.4 Lead and develop sustainable procurement knowledge and practice</p>	<p>3: Placing people at the heart of our business</p> <p><b>Strategic objectives:</b></p> <p>3.1 Ensure our customers continue to receive maximum value from our services</p> <p>3.2 Engage stakeholders in the delivery of effective local solutions</p> <p>3.3 Represent the collective views of stakeholders at a national level</p> <p>3.4 Implement policies which develop, empower, value and engage our workforce</p>	<p>4: Driving sustainable and scalable growth</p> <p><b>Strategic objectives:</b></p> <p>4.1 Implement a new governance model which supports scalable business growth</p> <p>4.2 Continue to maintain a robust business infrastructure to support our growth ambitions</p> <p>4.3 Use our knowledge and insight to identify new services and/or sectors which provide growth opportunities</p> <p>4.4 Explore opportunities to work with partners on the development and delivery of new business opportunities</p>
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## COVID-19 Pandemic

In March 2020, the United Kingdom Government issued detailed guidance in relation to measures that should be taken to restrict the spread of the COVID-19 virus. From this point, Scotland Excel started to deliver a full range of services to its customers via remote working for all employees and in line with government guidance. The initial focus of the organisation was working with its suppliers to do everything possible to ensure that the goods and services required to support essential frontline services, in particular Personal Protective Equipment (PPE), continued to be available to our members. While initially the response to COVID-19 presented significant challenges in operating arrangements for Scotland Excel, within a very short time much of the direct activity and relationship building with our members and suppliers carried out by the organisation was adapted to online platforms and a full range of services still continues to be delivered successfully.

In support of the wider public and third sectors during the pandemic, the organisation made available free temporary associate membership to any public body or third sector organisation that would benefit from access to Scotland Excel frameworks and support. In total, 36 organisations took advantage of this opportunity.

As a result of the COVID-19 pandemic and the associated impact on local government services and the wider economy, Scotland Excel faced significant financial challenges during 2020/21. However, Scotland Excel continued to monitor expenditure and income across the organisation and targeted a break-even position at year-end. Regular budget monitoring reports were presented to the Executive Sub-Committee, ensuring that members were kept fully aware of the financial position on an ongoing basis.

In order to generate required efficiencies in the operating budget for 2020/21, Scotland Excel implemented a recruitment freeze across the organisation, leaving a number of vacant posts unfilled. Savings accruing from this policy, in addition

to a higher than anticipated recovery of Rebate income, helped to ensure a positive budgetary position by the end of the financial year.

## Performance

### Review of the Year

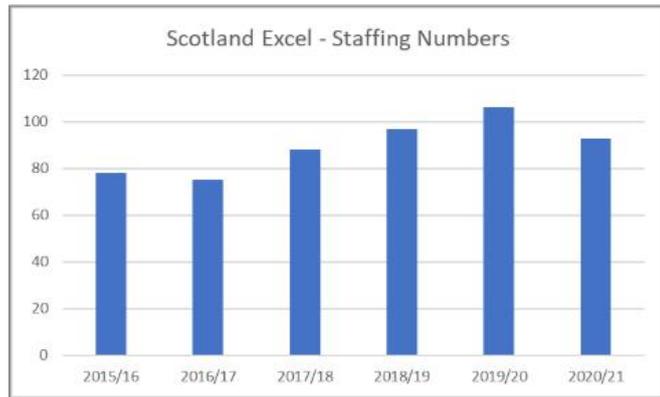
During 2020/21, Scotland Excel continued to deliver against target outcomes detailed within the organisation’s Shared Vision, Shared Success Corporate Strategy 2018-23. The framework portfolio administered by the organisation during 2020/21 expanded through the launch of 7 new product frameworks; however, in the light of the impact on normal business practices resulting from the COVID-19 outbreak, Scotland Excel took advantage of extension options that were available on a further 19 existing frameworks. Work on these frameworks has now been commenced and in some cases completed.

As at March 2021, the estimated value of the contract portfolio managed and administered by Scotland Excel exceeded £2bn. The graph below shows the rise in estimated value of the managed contract portfolio administered by Scotland Excel over the past 6 years.



The expansion of both the contract framework portfolio and the increasing numbers of consultancy and support contracts being delivered by Scotland Excel has necessitated an increasing workforce over the past 6 years; however, as can be seen from the following graph, the staffing complement for 2020/21 showed a small reduction due to the implementation of a recruitment freeze initiated by the organisation at the start of the pandemic. This recruitment freeze

contributed to the better than anticipated financial performance for Scotland Excel during 2020/21.



Income from Contract Rebates was initially budgeted to deliver a contribution of £66k to core operating costs in financial year 2020/21. This figure has been exceeded, however, with £94k accruing. This is primarily due to a higher than anticipated use of the Janitorial Services framework by members during the COVID-19 pandemic.

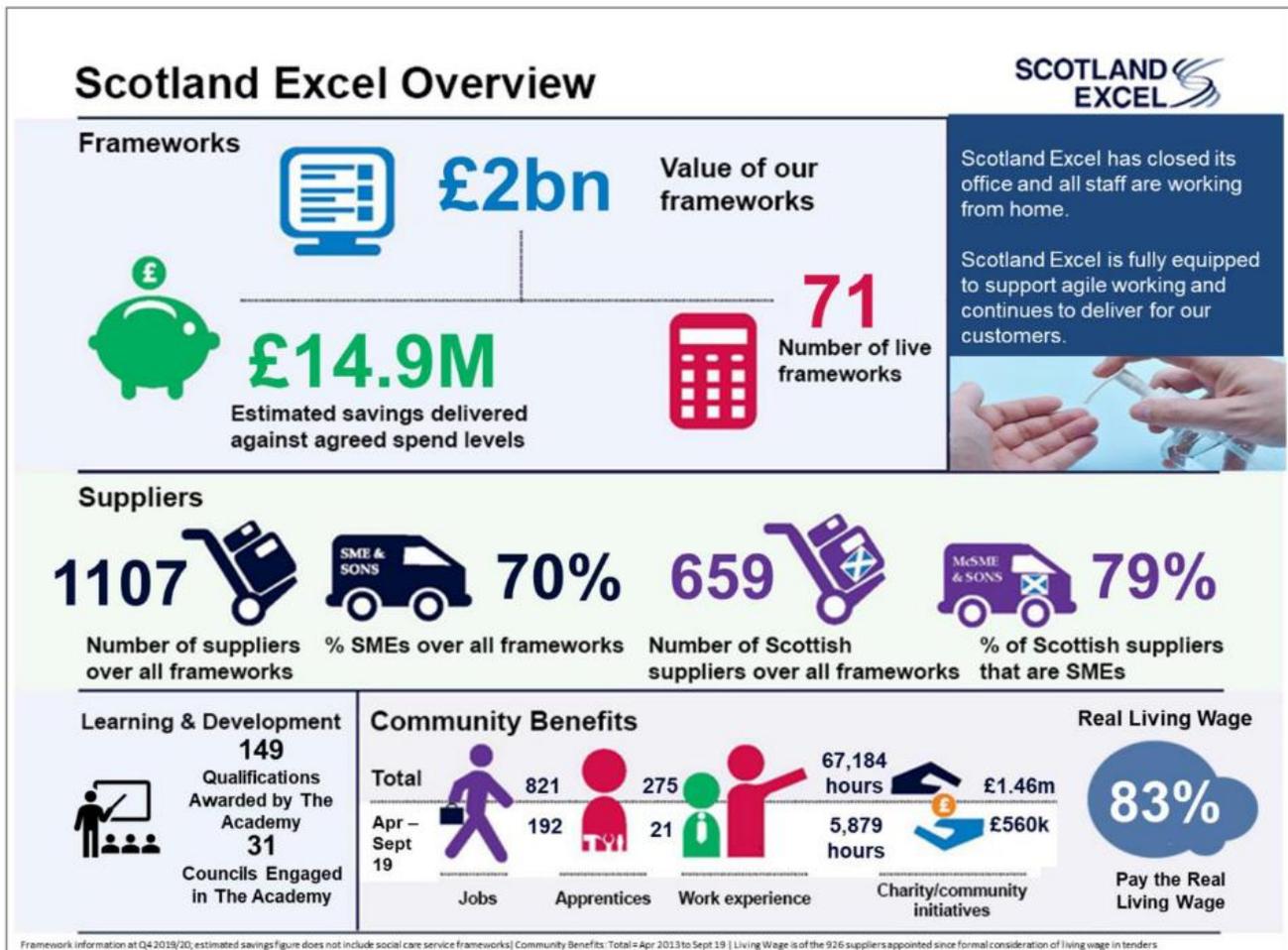
A number of Scotland Excel framework opportunities have been identified and are being considered for future rebates. The contribution from Contract Rebates to core operating costs during 2021/22 is budgeted at £213k.

## Contract Rebates

The use of volume Contract Rebates within appropriate contracts was approved by Scotland Excel at the June 2018 Joint Committee. As part of the internal contract governance process, the applicability of the inclusion of rebates is now standard practice within the organisation.

## Key Performance Indicators

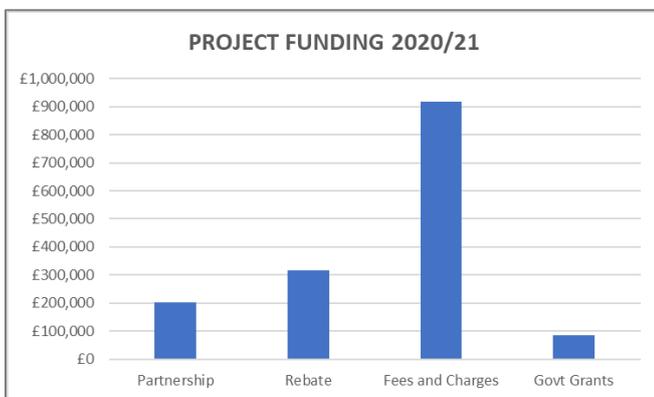
A summary of key performance indicators for Scotland Excel is shown on the infographic below. This represents the full year 2019/20, which is currently the latest available data.



## Consultancy

During 2020/21, Scotland Excel worked closely with a range of Public, Higher Education, Third and Government sector organisations delivering procurement-related projects and consultancy services. Projects are resourced through a range of funding models, including Scottish Government grant funding, partnership funding across a group of local authority partners, contractual rebate, and specific project fees for individual projects.

Sources and levels of project funding for 2020/21 are shown in the chart below.



A total of 18 projects were delivered by Scotland Excel during 2020/21, generating income of £1,606k and a contribution to core running costs of £220k.

An exciting development in relation to Consultancy that took place during 2020/21 for Scotland Excel was the introduction of a Hosted Procurement team. This team is available for members to purchase specific procurement activity to be carried out by Scotland Excel. Uptake of this new service has been promising during 2020/21, with a number of projects currently underway.

Projects being delivered for Higher Education, Scottish Government and Third sector organisations include the University of Strathclyde, Zero Waste Scotland, The Digital Office, SEEMiS, Kingdom Housing and Glasgow Life.

## Learning and Development

The Academy is Scotland Excel’s award-winning learning and development service. It provides several blended learning programmes in partnership with industry leaders such as Chartered Institute of Procurement & Supply (CIPS), Chartered Management Institute (CMI) and Association of Project Management (APM). The Academy currently has 170 active learners engaged in accredited programmes and nearly 500 have participated in non-accredited one-day development workshops.

COVID-19 had a significant initial impact on the Academy during 2020/21 resulting in the need to switch from a high-quality face to face longer term learning experience to the online environment. Most existing programmes have continued, but there has been a significant impact on new programmes. The Academy is now delivering a growing programme of online learning opportunities for its customers and accordingly, the planned income target within the approved operating budget for 2021/22 has been adjusted to reflect the revised delivery model.

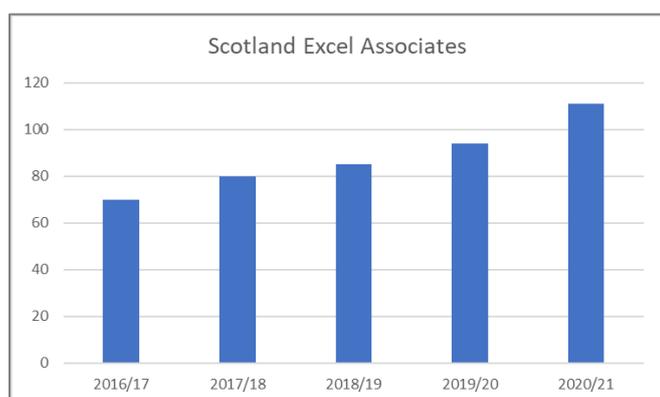
## Associate Membership Expansion

Scotland Excel continues to build its portfolio of Associate Members, which currently comprises 111 in total. Associate Members are made up of 21 Arm’s Length External Organisations (ALEOs), who gain associate membership through their host local authority; and a further 90 Associate Members drawn from a range of sectors, including Social Housing, Charitable Trusts and a number of Scottish Government Bodies.

In response to the COVID-19 pandemic in April 2020, Scotland Excel introduced a free temporary associate membership programme to support the efforts of any public body or third sector organisation looking to secure continuity of service, or assisting recovery after lockdown. A total of 36 organisations from all over Scotland took advantage of the offer, including supported businesses, care homes, social enterprises and Scottish Government bodies.

The pandemic and subsequent lockdown restricted opportunities to engage with potential new associates with many businesses closed and no immediate requirement for many Scotland Excel services. This resulted in the budgeted income target for Associates not being achieved during 2020/21 and a revised target included within the approved 2021/22 operating budget.

Scotland Excel Associate Members have access to the full range of contracts and frameworks administered by Scotland Excel along with access to the procurement expertise available within the organisation. The graph below details the growth in Associate membership for Scotland Excel over the past five years.



## New Build Housing

The uptake of the new build residential construction framework has been severely delayed by COVID-19. Temporary closure of construction sites, staff furlough and reprioritisation of resources within local authorities to tackle the crisis have all contributed to a delay of c.12-15 months on new build projects.

However, the new build residential framework is now actively being used across the public sector as construction sites re-open, with more than 10 projects already awarded and a further 20 expected to be awarded over the course of 2021/22.

Extensive engagement continues to be undertaken with contractors, members, housing associations and other key stakeholders to support effective

framework use. Online webinars on the future of housing and the residential construction framework were held in November 2020 and April 2021, which brought together key partners, including the Scottish Government, the Scottish Federation of Housing Associations and Construction Scotland Innovation Centre, in a concerted effort to promote use of the framework.

While the anticipated budgetary contribution from the residential construction framework did not materialise during 2020/21, it is anticipated that the levels of contribution to Scotland Excel running costs will increase in future years, albeit at a slower than projected pace.

## Primary Financial Statements

The annual accounts are prepared in accordance with the International Accounting Standards Board Framework for the Preparation and Presentation of Financial Statements as interpreted by the Code of Practice on Local Authority Accounting in the United Kingdom (the Code). Under Section 106 of the Local Government (Scotland) Act 1973, joint committees are classed as local authorities.

The annual accounts summarise the Joint Committee's transactions for the year and its year-end position at 31 March 2021. The Primary Financial Statements include the Comprehensive Income and Expenditure Statement (CIES), the Movement in Reserves Statement (MIRS) and the Balance Sheet. These statements are accompanied by Notes to the Accounts, which provide more details on the figures shown in the statements and set out the Accounting Policies adopted by the Joint Committee.

The Joint Committee does not have a bank account. Apart from petty cash, all transactions are accounted for through Renfrewshire Council as the administering authority. The cash balance at 31 March 2021 of £150 in the Balance Sheet represents petty cash held by officers of the Joint Committee.

## Financial Performance

Excluding Project expenditure and income, the Joint Committee returned a net underspend in 2020/21 of £14k against a budgeted breakeven position.

There has been a freeze on recruitment on all vacant posts during 2021/21 due to COVID-19 which resulted in a £46k underspend in Employee Costs.

There was an overspend in Support Costs (£42k) for the increased costs in organisational insurances, reflecting the growing framework portfolio. This was offset by underspends in Transport Cost (£29k) and Supplies and Services (£80k), arising from staff working from home following lockdown restrictions.

The net result was an underspend in gross expenditure for 2020/21 of £114k.

Income from requisitions was fully recovered in the year, however Associate Income (£34k) and Income from Projects (£95k) were under-recovered due to the impact of COVID-19. There was an over-recovery in Rebates (£29k) from an unplanned impact of COVID-19 relating to the Janitorial Supplies framework. The net result was an under-recovery in gross income for 2020/21 of £100k. A budgeted drawdown from

Project reserves of £120k took the final position for Core to a £14k underspend.

Scotland Excel's Projects ended the year at 31 March 2021 with a surplus of income over expenditure of £128k. This balance is committed for future Project spend, as outlined in Note 5: Transfers to / from Earmarked Reserves on page 20.

The Comprehensive Income and Expenditure Statement (CIES) on page 15 summarises the total costs of providing services and the income available to fund those services.

The difference between Employee Costs in the figure below and the figure reported in the CIES is due to accounting adjustments for pension costs (£459k) and accrued employee benefits (£20k).

The difference between the Other Income figure below and the figure reported in the CIES is a Government Grant of £84k and interest receivable of £1k.

The CIES also records capital charges and capital grants that affect the accounting deficit. These reporting differences are presented in Note 1: Expenditure and Funding Analysis on page 18.

	Core			Projects	Total
	Budget £	Actual £	Variance £	Actual £	Actual £
Employee Costs	3,591,300	3,544,991	46,309	1,268,830	4,813,821
Premises Related Costs	216,500	216,500	0	0	216,500
Supplies and Services	296,200	216,118	80,082	288,601	504,719
Support Costs	224,000	265,650	(41,650)	0	265,650
Transfer Payments	13,500	13,154	346	4,125	17,279
Transport Costs	30,000	551	29,449	40	591
<b>Total Expenditure</b>	<b>4,371,500</b>	<b>4,256,964</b>	<b>114,536</b>	<b>1,561,596</b>	<b>5,818,560</b>
Requisitions from Member Authorities	(3,660,500)	(3,660,500)	0	0	(3,660,500)
Income from Projects	(315,000)	(220,060)	(94,940)	(1,605,922)	(1,825,982)
Other Income	(276,000)	(270,803)	(5,197)	(83,929)	(354,732)
<b>Total Income</b>	<b>(4,251,500)</b>	<b>(4,151,363)</b>	<b>(100,137)</b>	<b>(1,689,851)</b>	<b>(5,841,214)</b>
<b>Net Expenditure / (Income) for Year</b>	<b>120,000</b>	<b>105,601</b>	<b>14,399</b>	<b>(128,255)</b>	<b>(22,654)</b>
Temporary Use of Project Balances	(120,000)	(120,000)	0	120,000	0
<b>Net Draw on/(Contribution to) Reserves</b>	<b>0</b>	<b>(14,399)</b>	<b>14,399</b>	<b>(8,255)</b>	<b>(22,654)</b>

## The Balance Sheet at 31 March 2021

The Balance Sheet sets out the total net worth of the Joint Committee at a snapshot in time. When comparing the net worth of the Joint Committee at 31 March 2021 to that of the prior year, an overall decrease in net worth of the organisation of £2,671k can be seen. This is primarily due to the increase in pension liability explained later.

Non-current assets held by the Joint Committee include IT equipment and software. Details can be found in Note 8: Intangible Assets and Note 9: Plant and Equipment on page 23.

### Net Pension Position

The disclosure requirements for pension benefits under IAS19 are detailed at Note 15: Retirement Benefits on page 25.

The appointed actuaries have confirmed a net liability position of £4,578k (£1,922k 2019/20), an increase in liabilities of £2,656k, in their assessment of the position of the pension fund. This can be attributed to market movements prompted by the pandemic and lockdowns, among other factors, which therefore affect the asset share value.

The net deficit position of the pension reserve impacts the Joint Committee as a whole, however the funding of these future liabilities will be met from future requisitions from members and as such the going concern assumption is valid.

The appointed actuaries remain of the view that the asset holdings of the Strathclyde Pension Fund and the contributions from employees and employers together with planned increases in employers' contributions provide sufficient security and income to meet future pension liabilities.

A further potential change to pension rules is outlined in Note 16: Contingent Liabilities on page 27;

however, this has not been reflected in the pension liability reported in the Balance Sheet.

### Reserves

Scotland Excel holds a Revenue Reserve balance that comprises an uncommitted element to mitigate the impact of future cost pressures, along with balances specifically earmarked for the future delivery of Projects. Further detail on these balances can be found in Note 5: Transfers to / from Earmarked Reserves on page 20. The closing balance on Usable Reserves at 31 March 2021 was £1,021k.

## Principal Risks and Uncertainty

Scotland Excel maintains a Strategic Risk Register to assess risk that could adversely impact on the delivery of organisational objectives and identifies actions currently being undertaken to control and mitigate the likelihood and impact of these risks. The Strategic Risk Register is reviewed quarterly by the organisation's Senior Management Team; it is presented bi-annually to the Scotland Excel Executive Sub-Committee and annually to the Joint Committee.

Currently, there are ten risks identified within the Scotland Excel Strategic Risk Register, including a strategic risk added in April 2020 in relation to the COVID-19 pandemic named "SXL010-21/22 National Emergency including Pandemic". This risk identifies the organisational risk posed by such events, identifying corporate actions aimed at mitigating the current impact on the organisation in addition to learning from the impact of COVID-19 and putting in place appropriate risk controls for any similar future events. At the Strategic Risk review meeting in April 2021, the residual risk score of this risk was reduced to 15 from 20 in light of mitigating actions taken by the organisation.

Other factors taken into consideration by Scotland Excel when reviewing the risk register over the year included: Brexit, recruitment challenges within the procurement sector, continuing financial uncertainty

across local government, the increasing importance of corporate social responsibility including environmental considerations within our contract strategies, and the increasing size of the Scotland Excel contract portfolio.

The table below summarises all Strategic Risk identified during 2020/21 and details the residual risk score allocated to each, along with the same score for last year.

Risk Ref.	Risk Title	Risk Score at 31 March 2021	Risk Score at 31 March 2020
SXL005-21/22	Supplier Failure	20	20
SXL003-21/22	Political Change	16	16
SXL010-21/22	National Emergency including Pandemic	15	25
SXL001-21/22	Organisational Sustainability	15	16
SXL002-21/22	Managing Growth and Diversity	12	16
SXL004-21/22	Reputational Risk	12	12
SXL006-21/22	Staff Recruitment and Retention	9	12
SXL008-21/22	Risk of Not Performing/Delivering	8	16
SXL007-21/22	Corporate Social Responsibility	6	6
SXL009-21/22	Environmental Impact and Climate Change	6	6

## Outlook and Future Plans

While 2020/21 presented a range of unprecedented challenges for Scotland Excel, the organisation has performed well during the year both financially and operationally. As the country and the economy begin to recover from the pandemic, operations within Scotland Excel continue to be delivered to a high standard.

Revised plans have been put in place for income streams adversely affected by COVID-19 and the Consultancy project pipeline is developing positively, supporting financial performance plans for 2021/22.

While the sector adapts to operating within a post COVID-19 environment, Scotland Excel will continue to work with its partners to ensure that ongoing service delivery requirements for public services are met and exceeded and that best value is achieved.

## Conclusion

We would wish to take this opportunity to acknowledge the team effort required to produce the accounts and to record our thanks to all the staff involved for their continued hard work and support. Further information on the Annual Accounts can be obtained either by writing to: Scotland Excel, Renfrewshire House, Cotton Street, Paisley, PA1 1AR, by emailing us on: [contactus@scotland-excel.org.uk](mailto:contactus@scotland-excel.org.uk), or by telephoning 0300 300 1200.

**Councillor John Shaw**

Convener

18 June 2021

**Alan Russell CPFA**

Treasurer

18 June 2021

**Julie Welsh**

Chief Executive

18 June 2021

# Statement of Responsibilities for the Annual Accounts

## The Joint Committee's Responsibilities

The Joint Committee is required to:

- make arrangements for the proper administration of its financial affairs and to secure that the proper officer of the Joint Committee has the responsibility for the administration of those affairs (section 95 of the Local Government (Scotland) Act 1973). The designated officer is Renfrewshire Council's Director of Finance and Resources, who is also the Treasurer of Scotland Excel;
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- ensure that the Annual Accounts are prepared in accordance with legislation (The Local Authority Accounts (Scotland) Regulations 2014), and so far as is compatible with that legislation, in accordance with proper accounting practices (section 12 of the Local Government in Scotland Act 2003);
- approve the Annual Accounts for signature.

I confirm that these Annual Accounts were approved for signature by the Joint Committee at its meeting on 18 June 2021.

Signed on behalf of Scotland Excel.

**Councillor John Shaw**

Convener

18 June 2021

## The Treasurer's Responsibilities

The Treasurer is responsible for the preparation of the Joint Committee's Annual Accounts in accordance with proper practices as required by legislation and as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Accounting Code).

In preparing the Annual Accounts, the Treasurer has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with legislation; and
- complied with the local authority Accounting Code (in so far as it is compatible with legislation);

The Treasurer has also:

- kept adequate accounting records that were up to date; and
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

I certify that the financial statements give a true and fair view of the financial position of the Joint Committee at the reporting date and the transactions of the Joint Committee for the year ended 31 March 2021.

**Alan Russell CPFA**

Treasurer

18 June 2021

# Annual Governance Statement

## Scope of Responsibility

Scotland Excel's Joint Committee is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. The Joint Committee also has a statutory duty to make arrangements to secure best value under the Local Government in Scotland Act 2003. In discharging this overall responsibility, the Joint Committee's elected members and senior officers are responsible for putting in place proper arrangements for its affairs and facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

## The Joint Committee's Governance Framework

The governance framework comprises the systems and processes, and culture and values, by which the Joint Committee is directed and controlled. It also describes the way it engages with, and accounts to its stakeholders.

The Joint Committee has also put in place a system of internal control designed to manage risk to a reasonable level. Internal control cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Joint Committee's policies aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The main features of our governance arrangements are summarised below:

- Clearly defined Procedural Standing Orders, Scheme of Delegation, Financial Regulations and Standing Orders Relating to Contracts.

- Comprehensive business planning arrangements, setting key targets and action plans designed to achieve our corporate objectives,
- Application of the Chartered Institute of Purchasing and Supply, Code of Professional Ethics,
- Regular performance reporting to the Executive Sub Committee and public performance reporting through the Annual Report,
- A range of policies to regulate employee related matters, including the employee code of conduct, and disciplinary procedures,
- Arrangements to manage risk, including the risk management strategy and Corporate Risk Register and business continuity plans,
- Clear customer complaints procedures,
- Comprehensive policies and procedures for information security,
- An anti-fraud and corruption strategy and arrangements supported by a range of policies and guidelines.

Within the overall control arrangements, the system of internal financial control is intended to ensure that assets are safeguarded, transactions are authorised and properly recorded and material errors are detected and corrected. The system is based on a framework of management information, financial regulations, administrative procedures (including segregation of duties), management and supervision, and a system of delegation and accountability.

The system includes:

- Financial management is supported by comprehensive financial regulations and codes,
- Comprehensive budgeting systems, and detailed guidance for budget holders,
- Regular reviews of periodic and annual financial reports which indicate financial performance against the forecasts,
- Setting targets to measure financial and other performance,

- The preparation of regular financial reports that indicate actual expenditure against the forecasts,
- The Chief Finance Officer is the Treasurer who complies with the CIPFA Statement on the Role of The CFO in Public Services.

With Renfrewshire Council being the lead authority, all financial transactions of the Joint Committee are processed through the financial systems of the Council and are subject to the same controls and scrutiny as those of as those of Renfrewshire Council. This includes regular reviews by the Council’s Chief Auditor of Renfrewshire Council.

## Review of Effectiveness

Members and officers of the Joint Committee are committed to the concept of sound governance and the effective delivery of services and take into account comments made by internal and external auditors.

The effectiveness of the governance framework is reviewed annually by the Chief Executive, including the use of a self-assessment tool covering five key areas of governance:

- Service Planning and Performance Management;
- Internal Control Environment;
- Budgeting, Accounting and Financial Control;
- Risk Management and Business Continuity;
- Impact of Coronavirus (COVID-19)

This self-assessment indicated that the governance framework is being complied with in all material respects.

The Joint Committee’s internal audit service operates in accordance with the Public Sector Internal Audit Standards. Internal Audit undertakes an annual programme following an assessment of risk completed during the strategic audit planning process. The Council’s Chief Auditor provides an annual report to

the Joint Committee and an independent opinion on the adequacy and effectiveness of the system of internal control. The Chief Auditor’s annual assurance statement concluded that a reasonable level of assurance can be placed upon the adequacy and effectiveness of the Joint Committee’s internal control systems. The review has not identified any significant governance issues to be reported on for 2020/2021 and no actions arising for the 2019/20 governance statement that require to be reported on.

This governance framework has been in place throughout the year. The outbreak of COVID-19 did not result in any changes to the governance arrangements for Scotland Excel. The risk of social distancing continuing and its potential impact on the governance arrangements continues to be reviewed and monitored through robust risk management arrangements.

In June 2020 there was a change to governance unrelated to COVID-19. The Joint Committee agreed that the approval of Internal Audit Annual Report and any other scheduled annual Internal Audit report be delegated to the Executive Sub-Committee.

## Assurance

In conclusion, it is our opinion that the annual review of governance together with the work of internal audit, any comments received from external audit and certification of assurance from the Chief Executive provide sufficient evidence that the principles of good governance operated effectively and the Joint Committee complies with its governance arrangements in all material respects. Systems are in place to continually review and improve the governance and internal control environment. Future actions will be taken as necessary to maintain and further enhance the Joint Committee’s governance arrangements.

**Councillor John Shaw**

Convener  
18 June 2021

**Julie Welsh**

Chief Executive  
18 June 2021

## Remuneration Report

All information disclosed in the tables in this Remuneration Report will be audited by the appointed auditor, Audit Scotland. The other sections of the Remuneration Report will be reviewed by Audit Scotland to ensure that they are consistent with the financial statements.

## Remuneration of elected members

The Joint Committee makes no remuneration payment to any elected member, nor does it pay any expenses, fees or allowances to elected members. Further, no recharges have been made by member authorities in relation to elected member remuneration.

## Remuneration of senior employees

2019/20 Total Salary, fees and allowances £	Name	Post Held	2020/21 Total Salary, fees and allowances £
109,332	Julie Welsh	Chief Executive	114,067
88,766	Hugh Carr	Head of Strategic Procurement	93,917
87,189	Stephen Brannagan	Head of Customer & Business Services	93,917

Salary, fees and allowances includes any other payments made to or receivable by the person in connection with the termination of their employment, or, in the case of a councillor, the total of any payment made to that person in connection with their ceasing to hold office before the end of a fixed term appointment.

The Chief Executive's salary is matched to the Renfrewshire Council Chief Officer pay scale CO21.

The above tables show the relevant amounts, before tax and other deductions, due to, or receivable by, each of the persons named for the year to 31 March 2021, whether or not those amounts were actually paid to, or received by, those persons within that period.

## Pension rights

Pension benefits for Joint Committee employees are provided through the Local Government Pension Scheme (LGPS).

From 1st April 2015 benefits are based on career average pay. Pension benefits are based on the pay

received for each year in the scheme, uplifted by the increase in the cost of living, as measured by the appropriate index (or indices). The scheme's normal retirement age is linked to the state pension age for each member.

From 1 April 2009 a five-tier contribution system was introduced with contributions from scheme members being based on how much pay falls into each tier. This is designed to give more equality between the cost and benefits of scheme membership. Prior to 2009 contributions rates were set at 6% for all non-manual employees.

Tiered contribution rates on whole time pay 2020/21		Equivalent bandings for 2019/20
Up to £22,200	5.5%	Up to £21,800
£22,201 to £27,100	7.25%	£21,801 to £26,700
£27,101 to £37,200	8.5%	£26,701 to £36,600
£37,201 to £49,600	9.5%	£36,601 to £48,800
Over £49,601	12%	Over £48,801

If a person works part-time their contribution rate will be based on their part-time pay.

There is no automatic entitlement to a lump sum. Members may opt to give up (commute) pension for lump sum up to the limit set by the Finance Act 2004. The accrual rate guarantees a pension based on 1/49<sup>th</sup> of the pensionable pay for each year of membership, adjusted in line with the cost of living (prior to 2015 the accrual rate guaranteed a pension based on 1/60<sup>th</sup> of final pensionable salary).

The value of the accrued benefits has been calculated on the basis of the age at which the person will first become entitled to receive a full pension on

retirement without reduction on account of its payment at that age; without exercising any option to commute pension entitlement into a lump sum; and without any adjustment for the effects of future inflation.

The pension figures shown relate to the benefits that the person has accrued as a consequence of their total local government employment, not just that relating to their current post.

Name	Post Held	Accrued Pension Benefits				Pension Contributions made by Scotland Excel	
		As at 31 March 2021		Change from 31 March 2020		2020/21	2019/20
		Pension	Lump Sum	Pension	Lump Sum	2020/21	2019/20
		£000	£000	£000	£000	£	£
Julie Welsh	Chief Executive	26	2	3	0	21,662	21,072
Hugh Carr	Head of Strategic Procurement	17	0	0	0	18,173	17,114
Stephen Brannagan	Head of Customer & Business Services	10	0	0	0	18,172	16,810

## Remuneration of Employees

The following table gives a statement of the number of employees whose remuneration, excluding pension contributions, was in excess of £50,000 during 2020/21, in bands of £5,000.

2019/20 Number of employees	Remuneration Band	2020/21 Number of employees
3	£50,000 - £54,999	3
3	£55,000 - £59,999	5
2	£85,000 - £89,999	0
0	£90,000 - £94,999	2
0	£110,000 - £114,999	1
9		11

lump sum payments; and also, the notional capitalised costs of compensatory added years. These notional costs are not based on actual costs, but are the estimated present value of projected costs over the lifetime of the individuals in receipt of the exit package.

**Councillor John Shaw**  
Convener  
18 June 2021

## Exit packages

There was one exit package agreed during 2020/21, the total cost of which fell into the £80,000-£100,000 reporting band (nil 2019/20). Note that this includes any redundancy, pension strain and compensatory

**Julie Welsh**  
Chief Executive  
18 June 2021

## Comprehensive Income and Expenditure Statement

This statement shows the accounting cost of providing services and managing the Joint Committee during the year. It includes, on an accruals basis, all of the Joint Committee's day-to-day expenses and related income. It also includes transactions measuring the value of non-current assets actually consumed during the year and the real projected value of retirement benefits earned by employees during the year. The statement shows the accounting cost in accordance with generally accepted accounting practices, rather than the cost according to the statutory regulations that specify the net expenditure that local authorities need to take into account. The required adjustments between accounting basis and funding basis under regulations are shown in the Movement in Reserves Statement.

2019/20			Note	2020/21		
Gross Expenditure £	Gross Income £	Net Expenditure £		Gross Expenditure £	Gross Income £	Net Expenditure £
5,373,640	0	5,373,640	Employee Costs	5,293,154	0	5,293,154
219,244	0	219,244	Premises Related Costs	216,500	0	216,500
608,452	0	608,452	Supplies and Services	504,719	0	504,719
223,849	0	223,849	Support Costs	265,650	0	265,650
17,128	0	17,128	Transfer Payments	17,279	0	17,279
44,891	0	44,891	Transport Costs	591	0	591
13,226	0	13,226	Capital Charges	17,762	0	17,762
0	(2,011,784)	(2,011,784)	Income from Projects	0	(1,825,982)	(1,825,982)
0	(243,349)	(243,349)	Government Grants	0	(83,929)	(83,929)
0	(179,636)	(179,636)	Other Income	0	(269,717)	(269,717)
<b>6,500,430</b>	<b>(2,434,769)</b>	<b>4,065,661</b>	<b>Cost of Services</b>	<b>6,315,655</b>	<b>(2,179,628)</b>	<b>4,136,027</b>
			<b>Financing and Investment Income and Expenditure</b>			
0	(4,203)	(4,203)	Interest receivable	0	(1,086)	(1,086)
99,000	0	99,000	Pension interest cost 15	51,000	0	51,000
			<b>Taxation and Non-Specific Grant Income</b>			
0	(3,553,900)	(3,553,900)	Requisitions from Member Authorities 14	0	(3,660,500)	(3,660,500)
<b>6,599,430</b>	<b>(5,992,872)</b>	<b>606,558</b>	<b>Deficit on the provision of services</b>	<b>6,366,655</b>	<b>(5,841,214)</b>	<b>525,441</b>
			<b>Other Comprehensive Income and Expenditure</b>			
		(2,478,000)	Actuarial (Gains) or losses on pension assets and liabilities 15			2,146,000
		<b>(1,871,442)</b>	<b>Total Comprehensive Income and Expenditure</b>			<b>2,671,441</b>

Note that figures in brackets represent income or gains and figures without brackets represent expenditure or losses.

## Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the Joint Committee, analysed into usable reserves (that is, those reserves that can be applied to fund expenditure) and unusable reserves. The surplus or deficit on the provision of services line shows the true economic cost of providing the Joint Committee's services, more details of which are shown in the Comprehensive Income and Expenditure Statement.

Movement in reserves during the year	Note	Usable Reserves £	Unusable Reserves £	Total Reserves £
Balance at 1 April 2020		(998,294)	1,844,145	845,851
Total Comprehensive Income and Expenditure		525,441	2,146,000	2,671,441
Adjustments between accounting basis and funding basis under regulations	7	(548,095)	548,095	0
<b>Increase or (decrease) in year</b>		<b>(22,654)</b>	<b>2,694,095</b>	<b>2,671,441</b>
Balance at 31 March 2021		(1,020,948)	4,538,240	3,517,292

Comparative movements in 2019/20	Note	Usable Reserves £	Unusable Reserves £	Total Reserves £
Balance at 1 April 2019		(915,982)	3,595,358	2,679,376
Total Comprehensive Income and Expenditure		644,475	(2,478,000)	(1,833,525)
Adjustments between accounting basis and funding basis under regulations	7	(726,787)	726,787	0
<b>Increase or (decrease) in year</b>		<b>(82,312)</b>	<b>(1,751,213)</b>	<b>(1,833,525)</b>
Balance at 31 March 2020		(998,294)	1,844,145	845,851

## Balance Sheet

The balance sheet shows the value as at 31 March 2021 of the assets and liabilities recognised by the Joint Committee. The net assets of the Joint Committee (assets less liabilities) are matched by the reserves held. Reserves are reported in two categories. The first category comprises usable reserves, which are those reserves that the Joint Committee may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use. The second category of reserves comprises those that the Joint Committee is not able to use to provide services. This category includes reserves that hold unrealised gains and losses in the value of assets.

As at 31 March 2020 £		Note	As at 31 March 2021 £
121,230	Intangible Assets	8	108,264
10,660	Plant and Equipment	9	5,864
<b>131,890</b>	<b>Long-term Assets</b>		<b>114,128</b>
1,195,994	Funds held by Renfrewshire Council		890,526
328,602	Short-term Debtors and Prepayments	11	414,595
150	Cash in Hand		150
<b>1,524,746</b>	<b>Current Assets</b>		<b>1,305,271</b>
(580,487)	Creditors And Accruals	12	(358,691)
<b>(580,487)</b>	<b>Current Liabilities</b>		<b>(358,691)</b>
(1,922,000)	Pension (liability)/Asset	15	(4,578,000)
<b>(1,922,000)</b>	<b>Long Term Liabilities</b>		<b>(4,578,000)</b>
<b>(845,851)</b>	<b>Net Assets / (Liabilities)</b>		<b>(3,517,292)</b>
(998,294)	Usable Reserves	5	(1,020,948)
1,844,145	Unusable Reserves	6	4,538,240
<b>845,851</b>	<b>Total Reserves</b>		<b>3,517,292</b>

The unaudited accounts were authorised for issue on the signature date shown below.

**Alan Russell CPFA**

Treasurer

18 June 2021

## Note 1: Expenditure and Funding Analysis

This statement shows how annual expenditure is used and funded from resources and provides a reconciliation of the statutory adjustments between the Joint Committee's financial performance on a funding basis and the (surplus) or deficit on the provision of service in the Comprehensive Income and Expenditure Statement.

2020/21	Net Expenditure chargeable to Scotland Excel £	Adjustments for capital £	Adjustments for pensions £	Other adjustments £	Net Expenditure in the CIES £
Employee Costs	4,813,821		459,000	20,333	5,293,154
Premises Related Costs	216,500				216,500
Supplies and Services	504,719				504,719
Support Costs	265,650				265,650
Transfer Payments	17,279				17,279
Transport Costs	591				591
Capital Charges	0	17,762			17,762
Income from Projects	(1,825,982)				(1,825,982)
Government Grants	0			(83,929)	(83,929)
Other Income	(354,732)			85,015	(269,717)
<b>Cost of Services</b>	<b>3,637,846</b>	<b>17,762</b>	<b>459,000</b>	<b>21,419</b>	<b>4,136,027</b>
Other income and expenditure	(3,660,500)	0	51,000	(1,086)	(3,610,586)
<b>(Surplus) or deficit on the provision of service</b>	<b>(22,654)</b>	<b>17,762</b>	<b>510,000</b>	<b>20,333</b>	<b>525,441</b>

2019/20	Net Expenditure chargeable to Scotland Excel £	Adjustments for capital £	Adjustments for pensions £	Other adjustments £	Net Expenditure in the CIES £
Employee Costs	4,556,042		680,000	137,598	5,373,640
Premises Related Costs	219,244				219,244
Supplies & Services	647,630	(45,360)		6,182	608,452
Support Costs	223,849				223,849
Supported Living /Care at Home	165,872			(165,872)	0
Transfer Payments	16,515			613	17,128
Transport Costs	43,491			1,400	44,891
Capital Charges		13,226			13,226
Income from Projects	(2,011,784)				(2,011,784)
Government Grants	0			(243,349)	(243,349)
Other Income	(427,188)			247,552	(179,636)
<b>Cost of Services</b>	<b>3,433,671</b>	<b>(32,134)</b>	<b>680,000</b>	<b>(15,876)</b>	<b>4,065,661</b>
Other income and expenditure	(3,553,900)	0	99,000	(4,203)	(3,459,103)
<b>(Surplus) or deficit on the provision of service</b>	<b>(120,229)</b>	<b>(32,134)</b>	<b>779,000</b>	<b>(20,079)</b>	<b>606,558</b>

## Note 2: Accounting Standards Issued not Adopted

The Code requires the disclosure of information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted. The following new or amended standards are adopted within the 2021/22 Code:

- Definition of a Business: Amendments to IFRS 3 Business Combinations;
- Interest Rate Benchmark Reform: Amendments to IFRS 9, IAS 39 and IFRS 7;
- Interest Rate Benchmark Reform Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16.

The Code requires implementation from 1 April 2021 and there is therefore no impact on the 2020/21

accounts. There is no material impact anticipated in future years from the implementation of these standards.

## Note 3: Assumptions made about the future

The Annual Accounts contain estimated figures that are based on assumptions made by the Joint Committee about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from assumptions and estimates.

The items in the Balance Sheet at 31 March 2021 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if Results differ from Assumption
Pensions Liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Joint Committee with expert advice about the assumptions to be applied.	The effects on the net pensions liability of changes in individual assumptions can be measured. For instance, a 0.5% decrease in the real discount rate assumption would result in an increase in the pension liability of £3.462m, equating to a 13% increase.

## Note 4: Events after the balance sheet date

The unaudited accounts are issued to the Executive Sub-Committee on 18 June 2021. Where events taking place before this date provided information about conditions existing at 31 March 2021, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

Events taking place after this date are not reflected in the financial statements or notes.

## Note 5: Transfers to / from Earmarked Reserves

This note sets out the amounts transferred to and from Revenue and Project balances to meet expenditure in 2021/22 and beyond.

	Balance at 1 April 2020 £	Transfers out £	Transfers in £	Balance at 31 March 2021 £
Revenue Reserve - uncommitted balance	(235,002)	105,601	(120,000)	(249,401)
Aberdeen Project	(4,938)	4,938	0	0
The Academy	(9,849)	0	(14,897)	(24,746)
Affordable Housing Supply Programme	(2,894)	0	(62,035)	(64,929)
Digital Transformation	(18,942)	0	(20,404)	(39,346)
Early Learning and Childcare	(33,259)	33,259	0	0
East Lothian Project	(26,188)	0	(55,241)	(81,429)
East Renfrewshire Project	(26,349)	0	(13,616)	(39,965)
Fife Project	(257,470)	257,470	0	0
Hosted Procurement	0	0	(52,694)	(52,694)
Midlothian Project	0	0	(18,000)	(18,000)
National Care Home Contract	(105,606)	1,440	0	(104,166)
New Build Project	(748)	141,723	0	140,975
SEEMiS	(1,654)	1,671	(17)	0
Small Value Procurement	(235,228)	39,290	(170,040)	(365,978)
Stirling Council	0	0	(7,971)	(7,971)
Tayside Project	(40,167)	0	(73,131)	(113,298)
<b>Total Usable Reserves</b>	<b>(998,294)</b>	<b>585,392</b>	<b>(608,046)</b>	<b>(1,020,948)</b>

	Balance at 31 March 2021 £	Committed £	Uncommitted Balance £	Note
Revenue Reserve - uncommitted balance	(249,401)	0	(249,401)	(a)
The Academy	(24,746)	(24,746)	0	(b)
Affordable Housing Supply Programme	(64,929)	(64,929)	0	(b)
Digital Transformation	(39,346)	(39,346)	0	(b)
East Lothian Project	(81,429)	(81,429)	0	(b)
East Renfrewshire Project	(39,965)	(39,965)	0	(b)
Hosted Procurement	(52,694)	(52,694)	0	(b)
Midlothian Project	(18,000)	(18,000)	0	(b)
National Care Home Contract	(104,166)	(104,166)	0	(b)
New Build Project	140,975	140,975	0	(b)
Small Value Procurement	(365,978)	(365,978)	0	(b)
Stirling Council	(7,971)	(7,971)	0	(b)
Tayside Project	(113,298)	(113,298)	0	(b)
<b>Total Usable Reserves</b>	<b>(1,020,948)</b>	<b>(771,547)</b>	<b>(249,401)</b>	

### Notes

- The balance on the Revenue Reserve represents 6% of the Cost of Services in 2020/21;
- Balances are ring-fenced for continuing 2021/22 Project delivery.

## Note 6: Unusable Reserves

### Pension Reserve

The Pension Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions.

The Joint Committee accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs.

However, statutory arrangements require benefits earned to be financed, as the Joint Committee makes employer's contributions to pension funds. The debit balance on the Pension Reserve shows a shortfall in the Joint Committee's share of Strathclyde Pension Fund resources available to meet the cost of benefits earned by past and current employees. Statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

2019/20 £	Pension Reserve	2020/21 £
3,621,000	Balance as at 1 April	1,922,000
(2,478,000)	Actuarial (gains) and losses on pension assets and liabilities	2,146,000
779,000	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the CIES	510,000
1,922,000	Balance as at 31 March	4,578,000

### Employee Statutory Adjustment Account

The Employee Statutory Adjustment Account absorbs the differences that would otherwise arise on revenue balances from accruing for compensated absences earned, but not taken at the end of the financial year.

However, statutory arrangements, or regulations, require that the impact of such accrued expenditure on revenue balances is neutralised by transfers to or from this Account.

2019/20 £	Employee Statutory Adjustment Account	2020/21 £
74,114	Balance as at 1 April	54,035
(74,114)	Reversal of prior year accrual for short-term accumulating compensated absences	(54,035)
54,035	Accrual for short-term accumulating compensating absences at 31 March	74,368
54,035	Balance as at 31 March	74,368

### Capital Adjustment Account

The Capital Adjustment Account absorbs timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. It is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the CIES and credited with the amounts set aside as finance for these costs.

2019/20 £	Capital Adjustment Account	2020/21 £
(99,756)	Balance as at 1 April	(131,890)
13,226	Charges for depreciation of non-current assets	17,762
(45,360)	Capital expenditure charged against Revenue balances	0
(131,890)	Balance as at 31 March	(114,128)

## Note 7: Adjustments between Accounting Basis and Funding Basis under Regulations

The surplus for the year on the Revenue Reserve was £548,095 more than the deficit shown in the Comprehensive Income and Expenditure Statement. The table below gives a breakdown of the differences between the income and expenditure included in the CIES in accordance with the Code and the amounts that statute and non-statutory proper practice require the Joint Committee to debit and credit the Revenue Reserve Balance.

2020/21	Usable Reserves £	Unusable Reserves £
<b>Adjustments primarily involving the Capital Adjustment Account:</b>		
Charges for depreciation of non-current assets	(17,762)	17,762
<b>Adjustments primarily involving the Pension Reserve:</b>		
Net charges made for retirement benefits in accordance with IAS19	(1,116,000)	1,116,000
Employers contributions payable to the Strathclyde Pension Fund	606,000	(606,000)
<b>Adjustments primarily involving the Employee Statutory Adjustment Account:</b>		
Net charges for employment short-term accumulating absences	(20,333)	20,333
<b>Total adjustments</b>	<b>(548,095)</b>	<b>548,095</b>

2019/20	Usable Reserves £	Unusable Reserves £
<b>Adjustments primarily involving the Capital Adjustment Account:</b>		
Charges for depreciation of non-current assets	(13,226)	13,226
Capital expenditure charged against Revenue balances	45,360	(45,360)
<b>Adjustments primarily involving the Pension Reserve:</b>		
Net charges made for retirement benefits in accordance with IAS19	(1,437,000)	1,437,000
Employers contributions payable to the Strathclyde Pension Fund	658,000	(658,000)
<b>Adjustments primarily involving the Employee Statutory Adjustment Account:</b>		
Net charges for employment short-term accumulating absences	20,079	(20,079)
<b>Total adjustments</b>	<b>(726,787)</b>	<b>726,787</b>

## Note 8: Intangible Assets

2019/20 £	Software	2020/21 £
	<b>Opening balance</b>	
84,300	Gross carrying amounts	129,660
0	Accumulated amortisation	(8,430)
<b>84,300</b>	<b>Net carrying amount at 1 April</b>	<b>121,230</b>
45,360	Additions	0
(8,430)	Amortisation for the year	(12,966)
<b>36,930</b>	<b>Net carrying amount at 31 March</b>	<b>(12,966)</b>
	<b>Comprising:</b>	
129,660	Gross carrying amounts	129,660
(8,430)	Accumulated amortisation	(21,396)
<b>121,230</b>		<b>108,264</b>

## Note 9: Plant and Equipment

2019/20 £	Plant and Equipment	2020/21 £
	<b>Cost or Valuation</b>	
<b>23,979</b>	<b>Opening balance at 1 April</b>	<b>23,979</b>
0	Additions	0
<b>23,979</b>	<b>Gross Book Value at 31 March</b>	<b>23,979</b>
	<b>Depreciation and Impairment</b>	
<b>(8,523)</b>	<b>Accumulated depreciation at 1 April</b>	<b>(13,319)</b>
(4,796)	Depreciation charge for year	(4,796)
<b>(13,319)</b>	<b>Accumulated depreciation at 31 March</b>	<b>(18,115)</b>
<b>15,456</b>	<b>Opening Net Book Value</b>	<b>10,660</b>
<b>10,660</b>	<b>Closing Net Book Value</b>	<b>5,864</b>

## Note 10: External audit costs

2019/20 £		2020/21 £
6,010	Fees payable to Audit Scotland in respect of external audit services	6,150

## Note 11: Debtors

As at 31 March 2020 £	Short-term debtors	As at 31 March 2021 £
82,559	Prepayments	48,785
246,043	Other receivable amounts	365,810
<b>328,602</b>	<b>Total</b>	<b>414,595</b>

'Other receivable amounts' comprises amounts due, but not yet received, as at 31 March. of this, only £3,202 is considered to be doubtful debt and a payment plan is in place for its recovery.

## Note 12: Creditors

As at 31 March 2020 £	Short-term creditors	As at 31 March 2021 £
(47,093)	Trade payables	(97,525)
(533,394)	Other payables	(261,166)
<b>(580,487)</b>	<b>Total</b>	<b>(358,691)</b>

## Note 13: Operating Leases

The operating lease for accommodation at Renfrewshire House has been extended until 2029, with a five-year break point in 2024.

Lease expenditure charged in year to the CIES was £97,000 (2019/20 £97,007).

2019/20 (restated) £	Future Minimum Lease Payments	2020/21 £
97,000	Not later than one year	97,000
485,000	Between one and five years	485,000
388,000	Later than five years	291,000
<b>970,000</b>	<b>Total</b>	<b>873,000</b>

2019/20 figures have been restated due to a new Lease agreement effective from 13 February 2019.

## Note 14: Related parties

Related parties are those bodies or individuals that have the potential to control or significantly influence the Joint Committee, or to be controlled or significantly influenced by the Joint Committee.

The Joint Committee is required to disclose the amount of any material sums due to or from related parties.

Related party relationships require to be disclosed where control exists, irrespective of whether there have been transactions between the related parties.

The Joint Committee pays Renfrewshire Council for support services. For 2020/21 the amount paid, excluding insurance, was £159,250 (2019/20 £159,250).

The member authorities of the Joint Committee contribute requisitions to enable it to carry out its objectives in the following proportions. In accordance with Scotland Excel's terms and conditions, member requisitions are adjusted to reflect any changes in population numbers within member authority areas.

2019/20 £	Council	%	2020/21 £
142,125	Aberdeen City	4.0%	146,388
159,420	Aberdeenshire	4.5%	164,202
83,153	Angus	2.3%	85,648
67,709	Argyll and Bute	1.9%	69,740
49,176	Clackmannanshire	1.4%	50,652
100,407	Dumfries and Galloway	2.8%	103,419
100,150	Dundee City	2.8%	103,154
86,120	East Ayrshire	2.4%	88,703
78,882	East Dunbartonshire	2.2%	81,249
77,158	East Lothian	2.2%	79,473
71,874	East Renfrewshire	2.0%	74,031
291,182	City of Edinburgh	8.2%	299,918
36,335	Eilean Siar	1.0%	37,426
106,135	Falkirk	3.0%	109,319
216,865	Fife	6.1%	223,372
347,684	Glasgow City	9.8%	358,116
145,468	Highland	4.1%	149,832
63,489	Inverclyde	1.8%	65,394
69,427	Midlothian	2.0%	71,510
72,409	Moray	2.0%	74,582
93,378	North Ayrshire	2.6%	96,180
200,383	North Lanarkshire	5.6%	206,394
33,742	Orkney Islands	0.9%	34,754
101,402	Perth and Kinross	2.9%	104,444
114,911	Renfrewshire	3.2%	118,334
82,493	Scottish Borders	2.3%	84,968
34,308	Shetland Islands	1.0%	35,337
81,266	South Ayrshire	2.3%	83,705
188,962	South Lanarkshire	5.3%	194,632
71,477	Stirling	2.0%	73,621
69,175	West Dunbartonshire	1.9%	71,251
117,235	West Lothian	3.3%	120,752
<b>3,553,900</b>	<b>Total</b>	<b>100%</b>	<b>3,660,500</b>

## Note 15: Retirement Benefits

As part of the terms and conditions of employment of its employees, the Joint Committee offers retirement benefits. Although these benefits will not actually be payable until employees retire, the Joint Committee has a commitment to make the payments that need to be disclosed at the time that employees earn their future entitlement. The scheme for employees is Strathclyde Pension Fund, which is administered by Glasgow City Council. This is a funded defined benefit final salary scheme, meaning that the Joint Committee and its employees pay contributions into a fund, calculated at a level intended to balance the pension liability with investment assets.

## 15a: Transactions relating to retirement benefits

The cost of retirement benefits is recognised in Gross Expenditure when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge that is statutorily required to be made in the accounts is based upon pension contributions payable by the Joint Committee in the year, and an adjustment is made within the Movement in Reserves Statement to replace the cost of retirement benefits with employers' contributions.

The following transactions have been made in the accounting statements in 2020/21:

2019/20 £		2020/21 £
	<b>Comprehensive Income &amp; Expenditure Statement (CIES)</b>	
1,467,000	Current service cost	1,065,000
(129,000)	Past service cost/(gain)	0
<b>1,338,000</b>		<b>1,065,000</b>
	<b>Financing &amp; Investment Income &amp; Expenditure</b>	
99,000	Net Interest	51,000
<b>1,437,000</b>	<b>Total post employment benefit charged to the Surplus or Deficit on the Provision of Services</b>	<b>1,116,000</b>
	<b>Other post employment benefit charged to the CIES</b>	
1,097,000	Return on assets excluding amounts included in net interest	(4,226,000)
(3,575,000)	Actuarial (gains) and losses arising on changes in financial assumptions	6,372,000
<b>(2,478,000)</b>	<b>Total Actuarial (gains) and losses</b>	<b>2,146,000</b>
<b>(1,041,000)</b>	<b>Total post employment benefit charged to the CIES</b>	<b>3,262,000</b>
	<b>Movement in Reserves Statement</b>	
1,699,000	Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post employment benefits according with the Code	(2,656,000)
<b>658,000</b>	<b>Employers Contributions paid to Strathclyde Pension Fund</b>	<b>606,000</b>

**Current service cost** is the cost of future entitlements to pension payments to current employees.

**Past service cost** is the estimated increase in liabilities arising from current year decisions that relates to years of service earned prior to this year.

**Net Interest** is an actuarial adjustment to the inflation element in the cost of funding current and future pension obligations. This is the expected increase

during the year in the present value of the Joint Committee's share of Strathclyde Pension Fund's liabilities because they are one year closer to settlement.

The net change in the pension liability is recognised in the Movement in Reserves Statement for pension payments made by the Joint Committee to the Strathclyde Pension Fund during the year.

The Joint Committee is also responsible for all pension payments relating to added years benefits it has awarded, together with related increases.

In 2020/21 these amounted to £22,001 (2019/20 £21,711).

## 15b: Assets and liabilities in relation to retirement benefits

A reconciliation of the Joint Committee's share of the present value of Strathclyde Pension Fund's liabilities is as follows:

2019/20 £000		2020/21 £000
19,788	Opening present value	18,074
1,467	Current service cost	1,065
(129)	Past service cost	0
495	Interest Cost	429
236	Contributions from employees	219
(208)	Benefits Paid	(259)
	<b>Remeasurement (gains)/losses:</b>	
(3,575)	Actuarial (gains)/losses arising from changes in financial assumptions	6,372
<b>18,074</b>	<b>Balance as at 31 March</b>	<b>25,900</b>

A reconciliation of the Joint Committee's share of the fair value of Strathclyde Pension Fund's assets is as follows:

2019/20 £000		2020/21 £000
16,167	Opening Fair Value	16,152
396	Interest Income	378
658	Contributions from employer	606
236	Contributions from employees	219
(208)	Benefits Paid	(259)
	<b>Remeasurement gain/(loss):</b>	
(1,097)	Return on assets excluding amounts included in net interest	4,226
<b>16,152</b>	<b>Closing fair value of scheme assets</b>	<b>21,322</b>

## 15c: Fund history

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Present Value of Liabilities	(18,493)	(16,187)	(19,788)	(18,074)	(25,900)
Fair value of assets	13,820	14,746	16,167	16,152	21,322
<b>Surplus/(deficit) in the Fund</b>	<b>(4,673)</b>	<b>(1,441)</b>	<b>(3,621)</b>	<b>(1,922)</b>	<b>(4,578)</b>

The main fund (Fund 1) of Strathclyde Pension Fund does not have an asset and liability matching (ALM) strategy.

The total liability of £4,578k has a significant impact on the net worth of the Joint Committee, as recorded in the Balance Sheet.

However, any deficit on Strathclyde Pension Fund will be made good by increased contributions over the remaining working life of employees, as assessed by the Fund actuary.

## 15d: Impact on cashflows

An objective of the fund is to keep employer's contributions at as constant a rate as possible. The fund has agreed a strategy to achieve a funding rate of 100% in the longer term. Employers' and employees' contributions have been determined so that rates are standard across all participating employers. The rate for employer contributions is set at 19.3% for 2019/20 and 2020/21.

The total contributions expected to be made by the Joint Committee to the Strathclyde Pension Fund in the forthcoming year to 31 March 2022 is £606k.

## 15e: Basis for estimating assets and liabilities

The Joint Committee's share of the liabilities of Strathclyde Pension Fund have been assessed on an actuarial basis using the projected unit method, which estimates the pensions that will be payable in future years dependent upon assumptions about mortality rates, salary levels and so on. The Scheme's liabilities have been assessed by Hymans Robertson, an independent firm of actuaries, and the estimates are based on the latest full valuation of the Fund at 31 March 2020. The principal assumptions used by the actuary have been:

2019/20	Mortality assumptions	2020/21
<b>Longevity at 65 for current pensioners (years)</b>		
20.7	Men	19.8
22.9	Women	22.6
<b>Longevity at 65 for Future pensioners (years)</b>		
22.2	Men	21.2
24.6	Women	24.7
<b>Other assumptions</b>		
3.0%	Rate of increase in salaries	3.6%
1.9%	Rate of increase in pensions	2.9%
2.3%	Rate for discounting scheme liabilities	2.0%
<b>Take-up of option to convert annual pension into retirement lump sum:</b>		
50.0%	Pre-April 2009 service	50.0%
75.0%	Post-April 2009 service	75.0%

The pension scheme's assets consist of the following categories, by proportion of the total assets held:

2019/20 £000		%	2020/21 £000
5,666	Equity instruments	41.2%	8,788
507	Debt instruments (bonds)	0.0%	0
1,462	Real Estate	8.1%	1,735
6,884	Investment Funds and Unit Trusts	48.8%	10,401
0	Derivatives	0.0%	(2)
1,633	Cash and Cash Equivalents	1.9%	400
<b>16,152</b>	<b>Total</b>	<b>100.0%</b>	<b>21,322</b>

## Note 16: Contingent Liabilities

Guaranteed Minimum Pension (GMP) was accrued by members of the Local Government Pension Scheme between 6 April 1978 and 5 April 1997. The value of GMP is inherently unequal between males and females for a number of reasons, including a higher retirement age for men and GMP accruing at a faster rate for women; however overall equality of benefits was achieved for public service schemes through the interaction between scheme pensions and the Second State Pension.

The introduction of the new Single State Pension in April 2016 disrupted this arrangement and brought uncertainty over the ongoing indexation of GMPs, which could lead to inequalities between men’s and women’s benefits.

Strathclyde Pension Fund’s actuary has carried out calculations and estimates that the potential impact of GMP indexation would be an increase in the pension liability of approximately £95k for Scotland Excel. This estimate is not reflected in the Primary Financial Statements because the trigger event that would require recognition has not yet occurred.

## Note 17: Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in Note 18, the Joint Committee has had to make certain judgements about complex transactions or those involving uncertainty about future events.

Where a critical judgement has been made, this is referred to in the relevant note to the core financial statements; however, a summary of those with the most significant effect is detailed below.

<b>Leases</b>	An analysis of the terms of the lease for the office accommodation at Renfrewshire House has concluded that it is an operating lease. Details can be found in Note 13.
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## Note 18: Summary of Significant Accounting Policies

### A General Principles

The Annual Accounts summarise the Joint Committee’s transactions for the 2020/21 financial year and its financial position as at 31 March 2021. The Joint Committee is required to prepare Annual Accounts by the Local Authority (Scotland) Regulations 2014 and section 12 of the Local

Government in Scotland Act 2003 requires these accounts to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom (the Code), supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under section 12 of the 2003 Act.

The Code is issued jointly by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Local Authority (Scotland) Accounts Advisory Committee (LASAAC) and is designed to give a true and fair view of the financial performance of the Joint Committee. The accounting convention adopted in the Annual Accounts is principally historical cost, modified by the valuation of pension assets and liabilities where appropriate. The Annual Accounts have been prepared on a going concern basis.

### B Accruals of Expenditure and Income

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- revenue from the sale of goods is recognised when the Joint Committee transfers the significant risks and rewards of ownership to the purchaser, and it is probable that the economic benefits or service potential associated with the transaction will flow to the Joint Committee;
- revenue from the provision of services is recognised when the Joint Committee has satisfied the performance obligation and it is probable that the economic benefits or service potential associated with the transaction will flow to the Joint Committee;
- expenditure in relation to services received (including services provided by employees) is recorded when the service is received rather than when payment is made;
- supplies are recorded as expenditure when they are consumed. Where there is a gap between the

date supplies are received and their consumption, they are carried as inventories on the Balance Sheet;

- where income and expenditure have been recognised, but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where there is evidence that debts are unlikely to be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

## C Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are made only when required by proper accounting practices, or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Joint Committee's financial position or financial performance. Where a change is made, it is applied retrospectively (unless otherwise stated) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material misstatement or omission discovered in prior period figures are corrected retrospectively (unless otherwise stated) by adjusting opening balances and comparative amounts for the prior period.

## D Contingent Liabilities

Contingent liabilities are disclosed in the accounts, but not recognised in the Balance Sheet, in circumstances where:

- an event has taken place that gives Scotland Excel a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Joint Committee; or
- a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

## E Employee Benefits

### Benefits payable during employment

All salaries and wages earned up to the Balance Sheet date are included in the accounts irrespective of when payment was made. An accrual is made for the cost of holiday entitlements earned, but not taken before the year end that employees may carry forward into the next financial year.

### Post-employment benefits

The Joint Committee participates in the Local Government Pension Scheme (LGPS), administered by Strathclyde Pension Fund. The LGPS is accounted for as a defined benefit scheme and in accordance with International Accounting Standard 19 (IAS19) the Joint Committee has disclosed certain information concerning the assets, liabilities, income and expenditure relating to the pension scheme. IAS19 requires that an organisation must account for retirement benefits when it is committed to giving them, even if the payment will be many years into the future.

This involves the recognition in the Balance Sheet of the Joint Committee's share of the net pension asset or liability in Strathclyde Pension Fund and a pension reserve.

The liabilities of the Strathclyde Pension Fund attributable to the Joint Committee are included in the Balance Sheet on an actuarial basis using the projected unit method, i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates and projections of earnings for current employees.

Liabilities are discounted to their value at current prices using a discount rate based on the indicative rate of return on high quality corporate bonds.

The assets of the Strathclyde Pension Fund attributable to the Joint Committee are included in the Balance Sheet at their fair value, principally the bid price for quoted securities, and estimated fair value for unquoted securities.

The Comprehensive Income and Expenditure Statement (CIES) also recognises changes during the year in the pension asset or liability. Service expenditure includes pension costs based on employers' pension contributions payable and payments to pensioners in the year.

The change in the net pension liability is analysed into the following components:

- **current service cost** – the increase in liabilities as a result of years of service earned this year, allocated in the CIES to the services for which the employees worked;
- **past service cost** – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years, which is debited to the Surplus or Deficit on the Provision of Services in the CIES;
- **net interest cost on the defined benefit liability** – the change during the period in the net defined

benefit liability that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the CIES. This is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability at the beginning of the period, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments;

- **return on scheme assets** – excluding amounts included in net interest on the net defined benefit liability which are charged to the Pensions Reserve as Other Comprehensive Income and Expenditure;
- **actuarial gains and losses** – changes in the net pension liability that arise because events have not coincided with assumptions made at the last actuarial valuation, or because the actuaries have updated their assumptions, which is charged to the Pensions Reserve. Actuarial gains and losses are shown within Other Comprehensive Income and Expenditure within the CIES; and
- **contributions paid to the pension fund** – cash paid as employer's contributions to the pension fund in settlement of liabilities which are not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the amount payable by the Joint Committee to be amount paid directly to pensioners in the year, not the amount calculated according to the relevant accounting standards in the CIES.

In the Movement in Reserves Statement this means that there are transfers to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

## F Events after the Balance Sheet date

Events after the balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the accounts are authorised for issue.

There are two types of events:

- Adjusting events – those that provide evidence of conditions that existed at the end of the reporting period and the accounts are adjusted to reflect such events; and
- Non-adjusting events – those that are indicative of conditions that arose after the reporting period and the accounts are not adjusted. Where a category of events would have a material effect, disclosure is made in the notes of the nature of the event and its estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the accounts.

## G Government Grants and other Contributions

Whether paid on account, by instalments or in arrears, government grants and third-party contributions and donations are recognised as due to the Joint Committee when there is reasonable assurance that:

- the Joint Committee will comply with the conditions attached to the payments; and
- the grants or contributions will be received.

Amounts recognised as due to the Joint Committee are not credited to the CIES until conditions attaching to the grant or contribution have been satisfied.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the CIES.

## H Leases

### Operating Leases: Joint Committee as Lessee

Rentals paid under operating leases are charged to the CIES as an expense of the services benefiting from use of the leased property, plant or equipment. Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a rent-free period at the commencement of the lease). The risks and rewards of ownership remain with the lessors along with the title of the property.

## I Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as plant and equipment.

### Recognition

Expenditure on the acquisition, creation or enhancement of Plant and Equipment is capitalised on an accruals basis. Expenditure that merely maintains the condition of an asset (i.e. repairs and maintenance) is charged as an expense when it is incurred.

### Measurement

Assets are initially measured at cost, comprising:

- the purchase price;
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating.

Plant, furniture and computer equipment costing less than £9,000 are not treated as fixed assets. This de minimis level does not apply where certain categories

of these assets are grouped together and form part of an approved capital programme.

Assets are then carried in the Balance Sheet using the depreciated historical cost.

## Impairment

Assets are assessed at each year-end to determine whether there is any indication that an asset may be impaired.

Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated, an impairment loss is recognised for the shortfall and the carrying amount of the asset is written down in the CIES.

Where an impairment loss is subsequently reversed, the reversal is credited to the CIES, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

## Disposals

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet is written off to the CIES as part of the gain or loss on disposal. Any receipts from disposals are credited to the CIES, also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal).

## Depreciation

Depreciation is provided for on all Plant and Equipment assets by the allocation of their depreciable amounts over their useful lives. For ICT equipment, this is calculated on a straight-line basis over 5 years. Depreciation is not charged until the year following the purchase of an asset.

## J Intangible Assets

Expenditure on non-monetary assets that do not have physical substance, but are controlled by the Joint Committee as a result of past events (e.g. software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Joint Committee.

Intangible assets are measured initially at cost. Amounts are revalued where the fair value of the assets held can be determined by reference to an active market. The depreciable amount of an intangible asset is amortised over its useful life on a straight-line basis in the CIES. Amortisation is not charged until the year following the purchase of an asset.

An asset is tested for impairment whenever there is an indication that the asset might be impaired and any losses recognised are posted in the CIES. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the CIES.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the Revenue Reserve. The gains and losses are therefore reversed out of the Revenue Reserve in the Movement in Reserves Statement and posted to the Capital Adjustment Account and a Capital Receipts Reserve.

All capital expenditure is charged to the constituent authorities, meaning that the Joint Committee has no requirement to borrow. A notional capital grant is applied to the CIES in the year of spend and removed from affecting the Revenue Reserve through the Movement in Reserves Statement.

Software costing less than £9,000 is not treated as an intangible asset and is charged to the CIES. This de minimis does not apply where certain categories of assets are grouped together.

## K Reserves

Reserves are classified under accounting regulations into two categories: usable reserves, which are available to spend; and unusable reserves, which are unrealised net gains or losses that have a deferred impact on the Joint Committee.

### Usable Reserves

The Revenue Reserve represents surplus funds held by the Joint Committee, which are ultimately repayable to the member authorities in the same allocation proportions as the requisitions. Balances accumulated from Project activity are distributable only to participating authorities.

### Unusable Reserves

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, retirement and employee benefits and do not represent usable resources for the Council; these reserves are explained in the Unusable Reserves note.

## L Value Added Tax (VAT)

Income and expenditure exclude any amount relating to VAT, as all VAT collected is payable to HM Revenue & Customs (HMRC) and all VAT paid is recoverable from them.



## Scotland Excel

**To: Joint Committee**

**On: 18 June 2021**

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

### **Income Stream Update**

#### **1. Purpose**

- 1.1 This paper provides members with an update on the progress made on generating additional funding through a series of income generating projects.

#### **2. Background**

- 2.1 The Revenue Estimates 2018-19 report presented at the Scotland Excel Joint Committee on 8th December 2017, and the Funding Model Review at the 29th June 2018 Joint Committee, highlighted the challenging future financial landscape for local government, and the impact on Scotland Excel. At that point, prior to the world-wide pandemic, it was recognised that over the medium term, local government in Scotland is likely to face further contraction in available resources

A number of funding opportunities were also identified by Scotland Excel and approved by the Joint Committee. These were:

1. Consultancy Services
2. Learning and development
3. Associate Membership
4. New Build Housing
5. Rebates

At the December 2020 Joint Committee, members were provided with an update on income streams and the impact of Covid 19. This report provides further information on the good progress made.

### **3. Planned Income Stream Updates**

#### **3.1 Consultancy Services**

Scotland Excel has delivered a range of successful projects and currently has a wide range of projects underway across councils, associate members, arms-length organisations and other public bodies.

The June 2018 Joint Committee approved a surplus target of £70k for Consultancy Services in 2019/20. This initial target has increased on more than one occasion since, and is now over £200k. This is a measure of success of this income stream.

Consultancy Services has expanded to encompass a number of new commercial services. At the last Joint Committee, members received an update on the new chargeable and free services available to members. Projects range from short-term to longer term programmes covering two years.

There is a growth in demand for Hosted Procurement services where Scotland Excel undertake a full procurement exercise on behalf of the customer. In addition to this, a more focused procurement agency service is being offered and developed further. A small team of dedicated resource is funded from these specific services and activity is tailored to meet the local and specific needs of the customer.

#### **3.2 Learning & Development**

The Academy is Scotland Excel's award-winning learning and development service. It provides several blended learning programmes in partnership with industry leaders such as Chartered Institute of Procurement & Supply (CIPS), Chartered Management Institute (CMI) and Association of Project Management (APM).

The Academy currently has 11 active accredited programmes running; three in procurement, four in leadership & management, three in project management and one in business analysis & innovation. The project management and business analysis & innovation programmes are addressing national skills shortages. A range of non-accredited one day workshops have been delivered and more are currently under development.

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

Covid 19 had a significant initial impact with the Academy, resulting in the need to switch from a high-quality face to face longer term learning experience to an online environment. In addition, staff illness has had an impact on programme delivery. This has resulted in a review of the strategic direction and contingency planning for The Academy.

Members can support Scotland Excel by considering Scotland Excel when addressing their staff organisational development needs.

### 3.3 Associate Membership

Associate Membership growth continues to be challenging. Eleven new associate members have been added since the December 2020 Joint Committee. These applications were from a wide range of organisations including housing associations, universities and government non departmental public bodies.

The Associate team continue to work on a number of potential areas for membership. A project is underway to target a top tier of third sector organisations to provide benefit to these important organisations as well as growing associate membership. A strategic partnership is also being considered with a third party member body.

Scotland Excel hosted a webinar to promote the new build construction framework to housing associations and every attendee will be contacted to discuss associate membership.

The team are currently developing a new procurement assessment offering to provide additional member benefit and to attract new members.

Retention and growth of associate membership remains a challenging area for income generation.

### 3.4 New Build Housing

The new build housing framework comprises five lots for different project sizes and includes provisions which encourage sustainable and energy efficient housing. Features of this include advertising of sub-contracting opportunities, delivery of community benefits and use of supported businesses and social enterprises.

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, 12 projects delivering over 500 homes to the value of £92m have been awarded under the framework which cover a wide range of affordable homes; these include fully accessible homes, sheltered housing units, flats,

bungalows and houses including Passivhaus and Net Zero Homes. In addition, 15 projects are currently at tender stage, representing around c.£136 million in contract value and 750 homes. A further 16 projects are due to be tendered by the end of the calendar year which will deliver over a thousand affordable homes valuing c.£160m.

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, meetings have been held 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.

Members can support Scotland Excel by encouraging utilisation of the framework within their own organisations where appropriate and encouraging others to also do so.

### 3.5 Rebates

The use of volume rebates within appropriate contracts was approved at the June 2018 Joint Committee. As part of the internal contract governance process, the applicability of the inclusion of rebates is now standard practice.

The pandemic had both a positive and negative impact on rebates across the Scotland Excel portfolio. Rebates derived from spend in areas such as groceries were negatively impacted whereas rebates associated with janitorial contracts was higher than anticipated.

Scotland Excel continues to develop its rebates strategy and has developed a robust internal process to develop and manage this important income stream.

## 4. **Future Strategy**

### 4.1 Scotland Excel continues to develop its Income Stream strategy, processes, and capabilities. As a growing and important aspect to the sustainability of the organisation, this is an important mechanism to mitigating larger requisition increases whilst also providing key member services.

A monthly internal review is undertaken, referred to as the Income Review Board, where income stream leads report to the Executive team on their performance against target. This meeting provides assurance that all steps are being taken for the current and future years targets.

Scotland Excel Income stream processes were recently reviewed by internal audit and a positive report received.

## **5. Recommendations**

5.1 Members of the Joint Committee are invited to note the contents of this report and continue to support Scotland Excel in its endeavours to achieve financial sustainability by:

- Encouraging their organisations to make use of the New Build Housing framework.
- Encouraging use of existing services such as The Academy and consultancy services.
- Promoting Associate membership.
- Promoting additional services on offer from Scotland Excel.



## Scotland Excel

**To: Joint Committee**

**On: 18 June 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 Reports are issued quarterly to track progress made towards the delivery of the commitments contained within the operating plan. This paper presents the most recent report which was issued in April 2021 and covers the first three months of Operating Plan 2021-22.

#### **2. Progress since April**

- 2.1 At the time of issue in April, twenty-five operating plan commitments were progressing in line with plans and are indicated as green within the report, including a number of chargeable projects and programmes that contribute towards Scotland Excel's income targets.
- 2.2 Three commitment impacted by external factors are indicated as amber within the report, two of which – the National Care Home negotiations and income pipeline targets – are now progressing in line with expectations. The contract and supplier management programme was suspended due to the impact of Covid-19 on suppliers but will be reinstated later this year.

- 2.3 One commitment, the reopening of the flexible framework for care and support services, was completed during the first quarter and is indicated as black within the report. However, this framework may reopen for a second time during the current operating plan period.
- 2.4 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.
- 2.5 The next quarterly report, covering the period from 01 April to 30 June 2021, will be published in July. Some key activities that have taken place during this period are noted below by way of an interim update for the Joint Committee.
- 2.6 The National Care Home contract fee was agreed in April 2021, and includes a commitment to revisit the rate once the 2021-22 pay increase for nurses has been concluded. The contract, cost model and fee setting process will be reviewed this year, and engagement in relation to fee setting is already underway with key stakeholders, including union representatives.
- 2.7 Scotland Excel is continuing to make good progress in the development of frameworks which support the Scottish Government and local authority net zero ambitions. A framework for waste composition analysis, which will provide consistent reporting to inform national policy, was awarded in May. Frameworks for energy efficiency contractors and electric vehicle charging infrastructure are expected to be awarded later in the year.
- 2.8 Scotland Excel's Annual Conference took place online during the week of 07 June 2021. The event was themed around priority areas for sustainable recovery – the climate emergency, community wealth building, social care, our future procurement workforce, and procurement leadership in a post-Covid-19 world. Speakers included senior figures from across local government and the wider public sector, and over 700 conference tickets were requested by delegates.
- 2.9 Scotland Excel continues to expand its income-generating customer base and services. The University of Strathclyde, one of our associate members, has contracted for a short term procurement resource using an agency model. A new programme of work with Dumfries and Galloway Council has been initiated to support their procurement transformation programme.
- 2.10 Scotland Excel's community wealth-building project is progressing well. The project is being delivered in partnership with the Scottish Government and encompasses four councils – Stirling, Clackmannanshire, Dumfries and Galloway and Renfrewshire. Workshops and other activities to explore good practice that can be shared with the wider sector are underway.

- 2.11 In May 2021, Scotland Excel partnered with BASE Scotland to deliver an online event for supported business to explore ways in which Scotland Excel can create opportunities and provide assistance for the supported business sector. The event was well attended and the feedback from delegates is being used to inform a supported business strategy.
- 2.12 Scotland Excel continues within the implementation phase of the workforce planning strategy. A new Strategic Programme Manager was recently recruited covering Construction, Transport and Environment categories. The planned structure will allow Scotland Excel to provide more focus in critical customer business areas and support future sustainability.

**3. Recommendations**

- 3.1 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 during the period 01 January and 31 March 2021, and the updates included within this report.

**4. Background**

- 4.1 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. The most recent quarterly report is also submitted to Joint Committee meetings with recent updates noted.
- 4.2 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

- 4.3 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"> <li>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.</li> </ul>		<ul style="list-style-type: none"> <li>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.</li> </ul>
	<ul style="list-style-type: none"> <li>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</li> </ul>		<ul style="list-style-type: none"> <li>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.</li> </ul>
	<ul style="list-style-type: none"> <li>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.</li> </ul>		<ul style="list-style-type: none"> <li>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.</li> </ul>
1.2 Deliver programmes which lead and develop professional, organisational and commercial capability	<ul style="list-style-type: none"> <li>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.</li> </ul>		<ul style="list-style-type: none"> <li>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.</li> </ul>
	<ul style="list-style-type: none"> <li>Deliver sector and local initiatives which support Scottish Government national policy objectives, such as flexible and affordable solutions.</li> </ul>		<ul style="list-style-type: none"> <li>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.</li> </ul>

	<ul style="list-style-type: none"> <li>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</li> </ul>		<ul style="list-style-type: none"> <li>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.</li> </ul>
	<ul style="list-style-type: none"> <li>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.</li> </ul>		<ul style="list-style-type: none"> <li>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.</li> </ul>
	<ul style="list-style-type: none"> <li>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.</li> </ul>		<ul style="list-style-type: none"> <li>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.</li> </ul>
1.3 Harness the potential of digital technology and data insight to support the delivery of public services	<ul style="list-style-type: none"> <li>Continue to develop The Academy's online learning platform, to support engagement and learning, and to deliver national coaction events, video content and programmes.</li> </ul>		<ul style="list-style-type: none"> <li>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.</li> </ul>

	<ul style="list-style-type: none"> <li>• 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.</li> </ul>		<ul style="list-style-type: none"> <li>• 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.</li> </ul>
<p>1.4 Use our insight and experience to shape policy and meet the challenges of future public service delivery</p>	<ul style="list-style-type: none"> <li>• 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.</li> </ul>		<ul style="list-style-type: none"> <li>• 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.</li> </ul>

## 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"> <li>Work with partners and secure care providers to support the implementation of the new National Standards and Pathways for Secure Care Centres.</li> </ul>		<ul style="list-style-type: none"> <li>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.</li> </ul>
	<ul style="list-style-type: none"> <li>Continue to monitor the proportion of Scotland Excel suppliers paying their staff the Real Living Wage and identify any opportunities to increase this</li> </ul>		<ul style="list-style-type: none"> <li>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.</li> </ul>
	<ul style="list-style-type: none"> <li>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</li> </ul>		<ul style="list-style-type: none"> <li>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.</li> </ul>
2.2 Deliver positive and measurable local economic impact through SME and third sector participation in our contracts	<ul style="list-style-type: none"> <li>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)</li> </ul>		<ul style="list-style-type: none"> <li>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.</li> </ul>

<p>2.3 Deliver positive and measurable environmental benefits through our contracts</p>	<ul style="list-style-type: none"> <li>• 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</li> </ul>		<ul style="list-style-type: none"> <li>• 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.</li> </ul>
<p>2.4 Lead and develop sustainable procurement knowledge and practice</p>	<ul style="list-style-type: none"> <li>• 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.</li> </ul>		<ul style="list-style-type: none"> <li>• 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.</li> </ul>

## 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"> <li>Continue to deliver Scotland Excel's account management services to ensure and demonstrate value to members and support a positive customer experience</li> </ul>		<ul style="list-style-type: none"> <li>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.</li> </ul>
	<ul style="list-style-type: none"> <li>Continue and refresh Scotland Excel's stakeholder engagement activity including understanding priorities and assessing satisfaction</li> </ul>		<ul style="list-style-type: none"> <li>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.</li> </ul>
3.2 Engage stakeholders in the delivery of effective local solutions	<ul style="list-style-type: none"> <li>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</li> </ul>		<ul style="list-style-type: none"> <li>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.</li> </ul>
	<ul style="list-style-type: none"> <li>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</li> </ul>		<ul style="list-style-type: none"> <li>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.</li> </ul>
3.3 Represent the collective views of stakeholders at a national level	<ul style="list-style-type: none"> <li>Continue to collect, review and represent the views of members, customers and communities at appropriate fora</li> </ul>		<ul style="list-style-type: none"> <li>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.</li> </ul>

<p>3.4 Implement policies which develop, empower, value and engage our workforce</p>	<ul style="list-style-type: none"> <li>• 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</li> </ul>		<ul style="list-style-type: none"> <li>• 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).</li> </ul>
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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"> <li>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</li> </ul>		<ul style="list-style-type: none"> <li>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.</li> </ul>
	<ul style="list-style-type: none"> <li>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</li> </ul>		<ul style="list-style-type: none"> <li>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.</li> </ul>
4.2 Continue to maintain a robust business infrastructure to support our growth ambitions	<ul style="list-style-type: none"> <li>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</li> </ul>		<ul style="list-style-type: none"> <li>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.</li> </ul>

4.3 Use our knowledge and insight to identify new services and/or sectors which provide growth opportunities	<ul style="list-style-type: none"> <li>• 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</li> </ul>		<ul style="list-style-type: none"> <li>• 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.</li> </ul>
	<ul style="list-style-type: none"> <li>• 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</li> </ul>		<ul style="list-style-type: none"> <li>• 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).</li> </ul>
4.4 Explore opportunities to work with partners on the development and delivery of new business opportunities	<ul style="list-style-type: none"> <li>• 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</li> </ul>		<ul style="list-style-type: none"> <li>• 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.</li> </ul>
	<ul style="list-style-type: none"> <li>• 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</li> </ul>		<ul style="list-style-type: none"> <li>• 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.</li> </ul>

## Report Key

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

Report issued: April 2021

## Scotland Excel

**To: Joint Committee**

**On: 18 June 2021**

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

### **Annual Procurement Report**

#### **1. Introduction**

Where a public organisation is required to prepare a procurement strategy or review an existing one, for example, it has an estimated total value of regulated procurement spend of £5 million or more (excluding VAT) in a financial year, it must also publish an annual procurement report. The Procurement Reform (Scotland) Act 2014 sets out what, as a minimum, each annual procurement report must contain.

The annual procurement report should be relevant and proportionate, providing transparency of its purchasing activities. The statutory guidance states that an annual procurement report must address all the matters contained in an organisations procurement strategy.

The annual procurement report must be published as soon as reasonably practicable after the end of the financial year. Scotland Excel's 4th annual procurement report to be published will be based on the 2020/21 financial year (for Scotland Excel this is 1st April 2020– 31st March 2021).

#### **2. Annual Report on Procurement in Scotland**

The 2014 Act also requires Scottish Ministers to publish an annual report on procurement activity in Scotland. It provides an overview of public procurement activity and is informed by the individual annual procurement reports published by contracting authorities in Scotland. This report does not touch on all areas where public procurement can have an impact, but it does support increased transparency and visibility of public procurements.

The timing of the publication of individual annual procurement reports is an important consideration in the preparation of the Scottish Ministers' annual report on procurement activity in Scotland. This is because the Ministers' report will be based on information contained within annual procurement reports published by individual contracting authorities.

Based upon experience of reports published by contracting authorities in previous years, annual procurement reports are expected to be published no later than five months following the end of the authority's financial year. For Scotland Excel this

means the its annual procurement report for the 2020/21 financial year will be published no later than the end of August 2021.

### **3. Legislative Requirements**

The Procurement Reform (Scotland) Act 2014 lists the minimum requirements that the annual procurement report must contain, as follows:

- (a) a summary of the regulated procurements that have been completed during the year covered by the report,
- (b) a review of whether those procurements complied with the authority's procurement strategy,
- (c) the extent that any regulated procurements did not comply, a statement of how the authority intends to ensure that future regulated procurements do comply,
- (d) a summary of any community benefit requirements imposed as part of a regulated procurement that were fulfilled during the year covered by the report,
- (e) a summary of any steps taken to facilitate the involvement of supported businesses in regulated procurements during the year covered by the report,
- (f) a summary of the regulated procurements the authority expects to commence in the next two financial years,
- (g) such other information as the Scottish Ministers may by order specify

### **4. Scotland Excel's Annual Procurement Report**

The report that Scotland Excel has prepared in order to meet the requirements of the Procurement Reform (Scotland) Act 2014 is given at Annex A.

### **5. Conclusion/Recommendation**

Committee members are requested to note the content of this report and approve publication, on the Scotland Excel Website, of the Annual Procurement Report as given at Annex A.

**Scotland Excel**  
**Annual Procurement Report**  
**(1 Apr 2020 – 31 March 2021)**

June 2021

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# Scotland Excel Annual Procurement Report 2020/21

## Introduction

Scotland Excel is the Centre of Procurement Expertise for the local government sector. Established in 2008, we are a leading non-profit shared service funded by Scotland's 32 local authorities.

Our contract portfolio, the value of which is c £2bn, supports the delivery of social care, construction, roads, transport, environment, corporate, education and ICT services. A strategic approach ensures contracts are designed to encourage innovation, facilitate policy, support local economies and generate social value for communities.

Scotland Excel strictly adhere to their duties as laid down by the Procurement Reform (Scotland) Act 2014 ("the Act"). Section 18 of the Act mandates any public organisation who is required to publish a procurement strategy to prepare an annual procurement report.

This annual procurement report will review the latest Procurement Strategy published by Scotland Excel and evaluate the organisations procurement activity. The report further supports Scotland Excel's commitment to transparency within its procurement activity and documents our performance against our objectives and strategic targets.

Scotland Excel's current Procurement Strategy sets out the strategic direction for its procurement activity and details the context in which Scotland Excel will work to ensure that its procurement delivers value for money and directly contributes to the achievement of its aims and objectives. Together with its Sustainable Procurement Strategy and respective Category Strategies it reflects the Scottish Model of Procurement. It also demonstrates how Scotland Excel ensures it has considered the wider social, economic and environmental aims of procurement in a consistent manner as required by the sustainable procurement duty under the Act. Scotland Excel's Procurement Strategy is also clear on how it will contribute to meeting the general duties in the Act.

Scotland Excel has published its Annual Procurement Report on its website <http://www.scotland-excel.org.uk/>.

## Section 1 Summary of Regulated Procurements Completed

Section 18(2) of the Procurement Reform (Scotland) Act 2014 requires organisations to include: "a summary of the regulated Procurements that have been completed during the year covered by the report".

A regulated procurement is completed when the award notice is published or where the procurement process otherwise comes to an end. This includes contracts and framework agreements.

The principle of transparency requires an organisation to approach its public procurements in an open and inclusive manner. Scotland Excel has at present 73 framework agreements. These frameworks are aligned to Councils' requirements and are established on their behalf. Appendix 1- Part 1 provides a high-level summary of the regulated procurements Scotland Excel has completed between 1 Apr 2020 and 31 March 2021. As required Appendix 1 includes:

- The date of award
- The name of the supplier
- The subject matter
- Estimated value of the framework
- The start date
- The end date

In addition, Appendix 1 – Part 2 shows suppliers appointed (in the period 1 April 2020 to 31 March 2021) to the dynamic purchasing system (DPS) for the Treatment and Disposal of Recyclable and Residual Waste. During 2020/21 there were no suppliers appointed to the DPS for Bikeability Scotland Training Providers.

## **Section 2 Review of Regulated Procurement Compliance**

Section 17 of the Act requires all regulated procurements to be carried out in line with the organisations procurement strategy. Section 18(2) states that an annual procurement report must include “a review of whether those procurements complied with the authority’s procurement strategy” and “the extent to which any regulated procurements did not comply, and a statement detailing how the organisation will ensure that future regulated procurements do comply”.

Prior to the commencement of any procurement exercise a commodity strategy is developed. Commodity strategies are reviewed as part of Scotland Excel’s established governance procedures. This involves review at contract steering groups, by various members of management to ensure commodity strategies reflect and adhere to the values and principles set out in the overall Procurement Strategy. Throughout the Procurement Journey individual commodity exercises are reviewed, evaluated and monitored at contract steering groups before proceeding to the next stage in the procurement process. Commodity strategies reflect the Scotland Excel Procurement Strategy and ensure that procurement exercises follow a journey that embeds our organisations principles, values and objectives.

The Contract Steering Group is responsible for governance of each appointed milestone of the procurement process from contract initiation through to contract termination/expiration in line with the Governance Gateways (outlined in bold in Appendix 2).

These Governance Gateways are designed to accommodate Regulated Procurements as defined by the Act.

This methodology represents and ultimately ensures that all regulated procurements align with the Procurement Strategy. Furthermore, our approach to strategic procurement in this way maximises the added value potential in each and every

procurement exercise.

Scotland Excel has reviewed the commodity strategy template to incorporate best practice. We continually strive to strengthen and develop our internal governance structures and recognise that the strategy development stage is crucial in the creation of our framework agreements. It is at this stage that we conduct extensive market consultation and stakeholder engagement to promote involvement and undertake comprehensive market analysis.

Key success factors are established in consultation with our members. Financial savings targets for each procurement exercise are projected at the strategy stage and suppliers are obliged to provide detailed spend information. Through effective contract management quantitative and qualitative aspects are monitored and reviewed. Performance against our strategy and objectives for 2020/21 is given at Appendix 3.

### **Section 3 – Community Benefits and Fair Work Practices Summary**

Section 18(2) of the Act states that it is mandatory for an annual procurement report to include “a summary of any community benefit requirements imposed as part of a regulated procurement that were fulfilled during the year covered by the report”.

Community benefit clauses provide a means of achieving sustainability in public contracts. They include targeted recruitment and training, small business and social enterprise development and community engagement. The requirement to include community benefits in the delivery of goods and services is an integral element within Scotland Excel frameworks.

Scotland Excel incorporates community benefits in its procurement activities to promote and encourage sustainability. It is widely recognised that in doing so we contribute to the delivery of social and environmental benefits. Tenderers are required to make a community benefits submission in respect of the spend they will receive through access to the relevant framework and this is monitored throughout the duration of the framework agreement. The system used to capture and record community benefits has been reviewed and addresses the requirements of the statutory guidance made under the Procurement Reform (Scotland) Act 2014, and supports the ongoing drive to deliver sustainable procurement.

Community benefits information is collected from suppliers on a six-monthly basis. Scotland Excel’s process requires suppliers who receive spend in excess of £50,000 over the preceding two quarters to produce a detailed breakdown of the community benefits they provide. The information provided for the period 1st April 20 – 31 March 2021 has been collated and is as follows:

No. of Apprentices	26
No. of New Jobs	340
No. of Work Placements	47
Hours of Volunteering	608
Hours of Work Experience	19
Value of other Community Benefits	£858,590

This return is vital for the reporting of social and environmental benefits resulting from the procurement activity conducted by Scotland Excel. Our methodology provides a platform for suppliers to demonstrate the commitment they make at the tender stage and to realise their full economic potential. 'Other Community Benefits' encompass a range of benefits including donations and sponsorships of various clubs and community organisations. Even in the light of the Covid 19 pandemic our community benefit return results continue to be positive and demonstrate Scotland Excel's commitment to maximising community benefits from frameworks for works, goods and services. This approach evidences fulfilment of community benefits and recognises community benefits should improve the economic, social or environmental wellbeing of specific local authority areas.

Additionally, community benefits are reviewed with suppliers at contract management review meetings and routinely reported to local authority procurement managers.

With regard to Fair Work Practices (including the Living Wage) Scotland Excel commenced formal consideration within Tenders in early 2015. Since this time the respective position on bidders' work practices has been outlined within Executive Sub Committee Contracts for Approval Reports. Overall, of the 1051 suppliers appointed since formal consideration, 899 (85%) notified that they pay the Living Wage. For frameworks awarded during 2020/21 190 (91%) of suppliers appointed notified that they pay the living wage.

Scotland Excel continue to ensure transparency within the tender process and focus on aspects of fair work practices deemed relevant for each framework. Scotland Excel continue to monitor and encourage the implementation of fair working practices and to work closely with suppliers to review their progress in this area

#### **Section 4 – Supported Businesses Summary**

Section 18(2) of the Act requires organisations to summarise steps taken to facilitate the involvement of supported businesses in regulated procurement. Scotland Excel recognises that supported businesses provide a crucial contribution to the Scottish economy.

Supported businesses are defined as: *“an economic operator whose main aim is the social and professional integration of disabled or disadvantaged persons where at least 30% of the employees are disabled or disadvantaged”*. Contracts may be reserved for those businesses meeting these criteria.

At Scotland Excel the involvement of supported businesses in regulated procurements is considered at the strategy development stage. As commodity strategies are mandatory for all regulated procurements undertaken by Scotland Excel, the involvement of supported businesses is therefore considered in all regulated procurements.

Within the portfolio of contracts reviewed in 2020/21 no contracts were reserved for supported businesses in 2020/21 However in line with our sustainable procurement duty and procurement strategy all procurement exercises undertake a sustainability assessment. Due diligence in this way means evaluations are conducted to determine ways in which sustainability, including the use of supported businesses can be

maximised.

We are always looking for appropriate ways to include supported businesses in our frameworks as demonstrated by the appointment Scotland's Bravest Manufacturing Company within our Roads Signage Materials Framework.

A number of framework suppliers have partnership relationships with supported businesses.

Scotland Excel firmly believe that supported businesses can make a key contribution to local impact, are vital to the Scottish economy and that they provide essential job opportunities for disabled and disadvantaged people within our communities which enable them to become more independent, while also delivering a range of excellent goods and services.

Scotland Excel will continue to work with councils and suppliers to promote working relationships with their local supported business.

## **Section 5 – Future Regulated Procurements Summary**

Section 18(2) of the Act states it is mandatory that an annual procurement report must include “a summary of the regulated procurements the authority expects to commence in the next two financial years.”

Scotland Excel uphold the values of transparency and proportionality to encourage competition and to achieve better value for money. Scotland Excel will continue to engage and communicate appropriately, to give suppliers advance notice of future opportunities.

Scotland Excel has fifty-nine regulated procurements due for renewal (or subject to contract extension) over the next two financial years. In addition, Scotland Excel plans to complete regulated procurements for six new contract areas in financial year 2021/22. Details of these anticipated contract requirements are shown in Appendix 4.

## **Section 6 – Other Content for Consideration**

At Scotland Excel, we are leaders of change. Over the past thirteen years, we have helped to raise the profile of procurement in local authorities by championing its potential to shape markets, support policy priorities and, ultimately, ensure the sustainable delivery of the services that every community needs.

Our services are designed to help councils meet the twin challenges of reducing budgets at a time of growing demand. Collaborative procurement increases efficiency and ensures money is saved to protect front line services. By working together through Scotland Excel, councils can realise a host of social, economic and environmental benefits.

Scotland Excel also offers an award-winning learning and development programme, and provides assessment, consultancy and improvement services to help councils transform their procurement capability. We represent the sector at a national level on matters relating to public procurement and provide procurement support for a range of national sector initiatives.

Our vision is: To provide innovative, transformative solutions for local and national public services across Scotland.

Our Mission is: To make the most of our strategic procurement expertise and our experience of developing collaborative solutions which support better outcomes for Scotland's people and communities through early intervention and the delivery of sustainable public services

The following principles, which were developed by staff from across the organisation, guide our approach to our work.

- Professional - We establish goals and objectives to achieve excellence and demonstrate leadership in everything we do.
- Courageous - We listen with an open mind and respond honestly and constructively.
- Respectful - We achieve the best possible outcomes through our determination, resilience and innovation.
- Integrity - We are transparent and fair in all our actions securing trust and building confidence.

At Scotland Excel, we are committed to demonstrating innovation and continuous improvement in everything we do. We are delighted to have won a number of awards for our work. We also hold a number of accreditations which reflect our commitment to best practice in procurement, organisational development and workforce matters.

CIPS Corporate Certification Standard - This award signifies that we have all the procurement governance mechanisms in place for effective supply assurance and compliance.

Investors in People (IIP) - IIP is a UK government initiative, providing a best practice people management standard, and is regarded as an indication that Scotland Excel is a great employer, an outperforming place to work and has a clear commitment to sustainability.

Chartered Management Institute Approved Centre- Scotland Excel is an approved centre for the delivery and assessment of CMI leadership and management qualifications.

Living Wage - Scotland Excel is proud to be a Living Wage employer. Living wage is a voluntary hourly rate of £9.50 an hour (2020/21) set independently and updated annually, calculated according to the basic cost of living in the UK.

Appendix 1  
Procurements Completed

## Procurements completed (by start date) 01 Apr 2020 - 31 Mar 2021

Award Date	Short Contract Title	Total Contract Value	Contract Start Date	Contract End Date	Supplier Name	Schedule Number
06/12/19	Care & Support	£560,000,000	01/04/20	31/03/24	1st Home Care Ltd.	1318
					Aberdeen Association of Social Services (trading As Vsa)	1318
					Able Health Care Scotland Ltd	1318
					Absolute Recruitment (UK) Limited T/a Ablecare@home	1318
					Acasa Care Limited	1318
					Action in Mind	1318
					Active Care (Ayrshire) Limited	1318
					Ailsa Care Services Limited	1318
					Allied Health-services Limited T/a Allied Healthcare	1318
					Angela Magee T/a Visiting Angelz	1318
					Ark Housing Association Ltd	1318
					Aspire Housing & Personal Development Services Limited	1318
					Balmoral Homecare Ltd	1318
					Blackwood Homes and Care	1318
					British Red Cross Society	1318
					Brothers of Charity Services (scotland)	1318
					Caledonia Social Care Limited	1318
					Caledonian Care Consultants Ltd T/a Bluebird Care (Dunbartonshire)	1318
					Call-in Homecare Limited	1318
					Capability Scotland	1318
					Carescot Limited T/a Home Instead Senior Care Glasgow North	1318
					Caring Hearts Limited	1318
					Carr Gomm	1318
					C-change Scotland	1318
					Clyde Healthcare Limited	1318
					Community Integrated Care	1318
					Cornerstone Community Care	1318
					Crossreach (the Operating Name for The Church of Scotland Social Care Council)	1318
					Crossroads Caring Scotland	1318
					Deafblind Scotland	1318
					Delight Supported Living Ltd	1318
					Enable Scotland (leading The Way)	1318
					Extended Personal Care Limited	1318
					Flourish Home Support Services Ltd	1318
					Glasgow Association for Mental Health	1318
					Glasgow Homecare Ltd T/a Home Instead Senior Care Glasgow South	1318
					Hamill Homecare Limited	1318
					Hazelhead Home Care Limited	1318
					Home Is Best Ltd	1318
					Hrm Homecare Services Ltd.	1318
					Ikl Care (a Partnership)	1318
					Independent Clinical Services Limited T/a Scottish Nursing Guild	1318
					Inspire (partnership Through Life) Ltd.	1318
					Invercare Services Ltd	1318
					Ion Care and Support Services Limited	1318
					Key Housing Association Limited	1318
					Kingdom Support and Care Cic T/a Kingdom Housing Association	1318
					Lothian Trading Services Limited	1318
					Mears Care (scotland) Limited	1318
					Montana Home Care Ltd.	1318
					My Care (Grampian) Limited	1318
					National Autistic Society (the)	1318
					National Schizophrenia Fellowship (scotland) T/a Support	1318

					in Mind Scotland	1318
					Neighbourhood Networks in Scotland Limited	1318
					Penumbra	1318
					Plus (forth Valley) Ltd	1318
					Potters Health Care Limited	1318
					Rainbow Services (UK) Ltd	1318
					Ramh	1318
					Real Life Options	1318
					Sacro	1318
					Salvation Army Trustee Company (the) T/a The Salvation Army	1318
					Scottish Association for Mental Health	1318
					Scottish Autism	1318
					Scrt Limited T/a Social Care Recruitment and Training	1318
					Sense Scotland	1318
					Srs Care Solutions Limited	1318
					Step Up (housing, Employability & Community Support Services) Ltd.	1318
					Sue Ryder	1318
					T&i Professional Services Limited	1318
					The Action Group	1318
					The Jon Fleming Group Limited	1318
					The Mungo Foundation	1318
					Thera (scotland)	1318
					Time 2 Help Ltd.	1318
					Trust Housing Association Limited	1318
					Voyage 1 Ltd t/a Voyage Care	1318
					With You Limited	1318
28/02/20	Electrical Materials	£80,000,000	01/04/20	31/03/24	Bemco	0919
					City Electrical Factors Ltd	0919
					Cleveland Cable Company Ltd	0919
					Edmundson Electrical Ltd	0919
					Grafton Merchating GB Ltd	0919
					Holland House Electrical Company Ltd	0919
					R. & M. Distribution Limited	0919
					Rexel UK Ltd	0919
					Sm Electrical Supplies Ltd	0919
					Stearn Electric Company Limited	0919
					Yesss (a) Electrical Ltd	0919
30/01/20	Fresh Fruit & Veg	£24,000,000	01/04/20	31/03/24	G Carruthers & Sons LTD	1019
					George Anderson & Sons	1019
					McLays Ltd	1019
					Swansons Fruit Company Limited	1019
					T.p.s. Fruit & Vegetables Limited	1019
					Total Produce Limited	1019
07/02/20	Secure Care	£70,000,000	01/04/20	31/03/24	Good Shepherd Centre	0219
					Kibble Education & Care Centre	0219
					Rossie Young Peoples Trust (Rossie Secure Accommodation Services)	0219
					St Mary's Kenmure	0219
21/02/20	Waste Disposal Equipment	£5,000,000	01/04/20	31/03/24	Bergmann Direct Ltd	1419
					Blue Machinery (scotland)	1419
					Ck International	1419
					Forth Skip Repair and Refurbishers Ltd	1419
					Gradeall International	1419
					Ken Mills Engineering Ltd	1419
					Reconomy (UK) Ltd	1419
					Skip Units Ltd	1419
28/02/20	Groceries & Provisions	£120,000,000	01/05/20	30/04/24	Adamsons Drinks Ltd	1219

					Bestway UK Holdco Limited	1219
					Bfs Group Ltd (T/a Bidvest Catering Supplies)	1219
					Brake Bros Ltd	1219
					Davidsons Cash and Carry Limited	1219
					Gsr Distributions Ltd	1219
					William Yule And Son Limited	1219
19/06/20	Catering Sundries	£16,000,000	01/08/20	31/07/24	Alliance Disposables Ltd	1919
					Bfs Group Ltd (T/a Bidvest Catering Supplies)	1919
					Brake Bros Ltd	1919
					Bunzl UK Limited T/A Bunzl Catering Supplies	1919
					Bunzl UK Ltd T/A Lockhart Catering	1919
					GMC Corsehill	1919
					Instock Disposables	1919
					Nisbets Plc	1919
					Unico Ltd	1919
15/05/20	Demolition	£72,000,000	01/08/20	31/07/24	Bardem Ltd	1119
					Burnfield Builders & Demolishers Ltd	1119
					Caskie Ltd	1119
					Central Demolition Ltd	1119
					Chris Wright & Sons Ltd	1119
					Cnc Group Holdings Limited T/a The Coleman Group	1119
					Daltons Demolition Ltd	1119
					Damada Asbestos Removals Ltd t/a Damada Group	1119
					David Morton (Larbert) Ltd	1119
					David Smith Contractors Ltd	1119
					Dem-master Demolition Ltd.	1119
					Dundee Plant Company Limited	1119
					Gcm Services Scotland Ltd	1119
					George Beattie & Sons Ltd	1119
					Gowrie Contracts (Scotland) Ltd	1119
					Jch Plant Hire Ltd	1119
					JCJ (Demolition & Construction) Ltd	1119
					John Graham (metals) Limited	1119
					Macwilliam Demolition Ltd	1119
					Mgr Industrial Services Limited	1119
					Reigart Contracts Ltd	1119
					Safedem Ltd	1119
					Technical Demolition Services Limited	1119
					William Goodfellow (Contractors) Ltd	1119
					William Munro Construction (Highland) Ltd	1119
28/08/20	Domestic Furniture and Furnishings	£105,000,000	01/02/21	31/01/25	CF Services Ltd	2019
					Community Resources Network Scotland	2019
					Gavhas Ltd	2019
					New Two Ltd	2019
					Oscorp Inverclyde Limited	2019
					Spruce Carpets	2019
					The Furnishing Service Ltd	2019
27/11/20	Bitumen Products	£56,000,000	01/03/21	28/02/25	Colas Ltd	0320
					Diatech Scotland Ltd	0320
					Instarmac Group Plc	0320
					Jobling Purser	0320
					Meon Limited	0320
					Nynas UK AB	0320
					Red Stag Materials Limited	0320
					Tarmac Building Products Limited	0320
					Viatec UK Ltd	0320
29/01/21	Social Care Case	£28,000,000	12/03/21	14/02/25	Advanced Health and Care Limited	1420

	Management					Azeus UK Limited	1420
						Liquidlogic Limited	1420
						Olm Systems Limited	1420
						Servelec Social Care Limited	1420
18/12/20	Engineering Consultancy	£68,500,000	18/03/21	17/03/25		Aecom Ltd	0820
						Aird Geomatics Limited	0820
						Amey OW Ltd	0820
						Arcadis Consulting (UK) Ltd	0820
						Atkins Ltd	0820
						Capita Property and Infrastructure Ltd	0820
						Currie And Brown UK Limited	0820
						Fairhurst	0820
						Gardiner And Theobald Llp	0820
						Gavin And Doherty Geosolution (UK) Limited	0820
						Haskoningdhv UK Limited	0820
						Ibi Group (UK) Limited	0820
						Ikm Consulting Ltd	0820
						Ironside Farrar Limited	0820
						Jacobs UK Ltd	0820
						Jeremy Benn Associates Ltd (t/a JBA Consulting)	0820
						Local Transport Projects Ltd	0820
						Mhb Consultants Ltd	0820
						Mott Macdonald Ltd	0820
						Pell Frischman Consultants Limited	0820
						Pick Everard	0820
						RPS Consulting Services Ltd	0820
						Rsk Environment Ltd	0820
						SAC Commercial Ltd	0820
						Stantec UK Limited	0820
						Sweco UK Ltd	0820
						Systra Ltd	0820
						Turner and Townsend Project Management Ltd	0820
						Wallace Stone Llp	0820
						Waterman Infrastructure and Environment Limited	0820
						WSP UK Ltd	0820

Appendix 1 – Part 2  
Appointments to DPS  
for

Treatment and Disposal of Recyclable and Residual Waste

**New Entrants**

<b>Service Provider Name</b>	<b>Lots Approved</b>	<b>Effective Date</b>
MGA Woodfuels Limited	Lot 8	27 <sup>th</sup> August 2020
Scottish Water Horizons Limited	Lot 18	15th September 2020
Salvation Army Trading Company Limited	Lot 9	27th September 2020
Eagle Recycling (UK) Limited	Lot 13	16th February 2021
SOEX UK Ltd	Lot 9	15th March 2021
Viridor Dunbar Waste Services Limited	Lots 4,5,7,8,10,11,16,19,21 22	1st April 2021
MKD32 Ltd	Lot 3	8th April 2021

**New Offers**

<b>Service Provider Name</b>	<b>Additional Lots Approved</b>	<b>Effective Date</b>
Hamilton Waste Recycling Limited	Lot 1	14 February 2020
Brewster Brothers Ltd	Lots 3,10,17,22	26 January 2021
Hamilton Waste Recycling Limited	Lot 3	21 April 2021

## Appendix 2

### Governance (Procurement Process) Gateways

<b>Contract Steering Group – Process Gateways</b>	
	<b>Process Stage</b>
1	Contract Initiation
2	Market Research and Analysis
3	Communicate Strategy Pack to UIG for Review
<b>4</b>	<b>Strategy Approved</b>
	4a Initial Approval
	4b. Alignment with overall corporate objectives
	4c Approach for Participation & Benchmarking
	4d. Sustainable Procurement Duty
	4e. Authorise release to UIG & CPM's for information with benchmarking requests
5	Draft PQQ
<b>6 -17</b>	<b>PQQ Approved (sub -stages subject to use of Restricted Process)</b>
<b>18</b>	<b>Tender Documents Approved</b>
	18a Overall Tender Approved
	18b Approved that Strategy Requirements met
	18c Evaluation Methodology and Weightings Approved
19	ITT Issued via PCS and benchmarking templates to Councils
20	Tender Period (Incl Clarifications)
21	Tender Return Date - Any Extension?
22	Tenders Opened and Recorded
23	Tender Analysis Evaluation
<b>24</b>	<b>Tender Evaluation Approved (includes sub stages 24a-24e)</b>
25	Prepare Sub Executive Committee Report
26	PTN Approved
27	Conduct PTN
<b>28</b>	<b>Executive Sub-Committee Report Approved</b>
29	Executive Sub-Committee Authorisation to Award
30	Prepare and Issue Standstill Letters
31	Standstill Period
32	De-brief Unsuccessful Tenderers
33	Standstill Period Expired
34	Prepare Contract Award Letters
35	Contract Award Letters Issued
36	Contract Award Notice Approved
37	Contract Award Notice Published
38	Mobilisation Implementation Plan
39	Contract Start Date
<b>40</b>	<b>Contract Management Annual Review</b>
	40a Overall CM Report Approved
	40b Approved Strategy Requirements/Agreed Variations met
	40c Next Steps Plans Approved
41	Extension Reports subject to terms of F/work (incl Approval Requests)

## Appendix 3

# Performance against our strategy, operating plan and objectives for 2020/21

## Review of Regulated Procurement - Performance against our strategy, operating plan and objectives for 2020/21

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.

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:

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

The following report provides an update on activities undertaken during financial year to 31 March 2021. The majority of activities have progressed in line with plans and are indicated by a green symbol. A small number of project-based activities have not been fully delivered in line with plans and are indicated as amber or red. (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

Q4 Progress Report (2021)

## Goal 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"> <li>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.</li> </ul>		<ul style="list-style-type: none"> <li>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.</li> </ul>
	<ul style="list-style-type: none"> <li>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</li> </ul>		<ul style="list-style-type: none"> <li>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.</li> </ul>
	<ul style="list-style-type: none"> <li>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.</li> </ul>		<ul style="list-style-type: none"> <li>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.</li> </ul>
1.2 Deliver programmes which lead and develop professional, organisational and commercial capability	<ul style="list-style-type: none"> <li>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.</li> </ul>		<ul style="list-style-type: none"> <li>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.</li> </ul>
	<ul style="list-style-type: none"> <li>Deliver sector and local initiatives which support Scottish Government national policy objectives, such as flexible and affordable solutions.</li> </ul>		<ul style="list-style-type: none"> <li>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/</li> </ul>

			practice in key policy areas, share learning, generate new ideas, and facilitate engagement with key procurement stakeholders.
	<ul style="list-style-type: none"> <li>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</li> </ul>		<ul style="list-style-type: none"> <li>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.</li> </ul>
	<ul style="list-style-type: none"> <li>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.</li> </ul>		<ul style="list-style-type: none"> <li>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.</li> </ul>
	<ul style="list-style-type: none"> <li>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.</li> </ul>		<ul style="list-style-type: none"> <li>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.</li> </ul>

1.3 Harness the potential of digital technology and data insight to support the delivery of public services	<ul style="list-style-type: none"> <li>Continue to develop The Academy's online learning platform, to support engagement and learning, and to deliver national coaction events, video content and programmes.</li> </ul>		<ul style="list-style-type: none"> <li>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.</li> </ul>
	<ul style="list-style-type: none"> <li>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.</li> </ul>		<ul style="list-style-type: none"> <li>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.</li> </ul>
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"> <li>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.</li> </ul>		<ul style="list-style-type: none"> <li>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.</li> </ul>

## Goal 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"> <li>Work with partners and secure care providers to support the implementation of the new National Standards and Pathways for Secure Care Centres.</li> </ul>		<ul style="list-style-type: none"> <li>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.</li> </ul>
	<ul style="list-style-type: none"> <li>Continue to monitor the proportion of Scotland Excel suppliers paying their staff the Real Living Wage and identify any opportunities to increase this</li> </ul>		<ul style="list-style-type: none"> <li>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.</li> </ul>
	<ul style="list-style-type: none"> <li>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</li> </ul>		<ul style="list-style-type: none"> <li>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.</li> </ul>
2.2 Deliver positive and measurable local economic impact through SME and third sector participation in our contracts	<ul style="list-style-type: none"> <li>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)</li> </ul>		<ul style="list-style-type: none"> <li>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</li> </ul>

			took part in two Supplier Development Programme (SDP) webinars for Scottish SMEs during Q4.
2.3 Deliver positive and measurable environmental benefits through our contracts	<ul style="list-style-type: none"> <li>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</li> </ul>		<ul style="list-style-type: none"> <li>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.</li> </ul>
2.4 Lead and develop sustainable procurement knowledge and practice	<ul style="list-style-type: none"> <li>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.</li> </ul>		<ul style="list-style-type: none"> <li>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.</li> </ul>

## Goal 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"> <li>Continue to deliver Scotland Excel's account management services to ensure and demonstrate value to members and support a positive customer experience</li> </ul>		<ul style="list-style-type: none"> <li>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.</li> </ul>
	<ul style="list-style-type: none"> <li>Continue and refresh Scotland Excel's stakeholder engagement activity including understanding priorities and assessing satisfaction</li> </ul>		<ul style="list-style-type: none"> <li>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.</li> </ul>
3.2 Engage stakeholders in the delivery of effective local solutions	<ul style="list-style-type: none"> <li>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</li> </ul>		<ul style="list-style-type: none"> <li>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.</li> </ul>
	<ul style="list-style-type: none"> <li>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</li> </ul>		<ul style="list-style-type: none"> <li>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.</li> </ul>
3.3 Represent the collective views of stakeholders at a national level	<ul style="list-style-type: none"> <li>Continue to collect, review and represent the views of members, customers and communities at appropriate fora</li> </ul>		<ul style="list-style-type: none"> <li>Scotland Excel is continuing to represent the local government sector within Scottish Government national initiatives including the Construction National Portfolio Forum, the Professional Practice</li> </ul>

			and Development Forum, and a short-life working group reviewing impact of the Sustainable Procurement Duty.
3.4 Implement policies which develop, empower, value and engage our workforce	<ul style="list-style-type: none"> <li>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</li> </ul>		<ul style="list-style-type: none"> <li>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).</li> </ul>

## Goal 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"> <li>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</li> </ul>		<ul style="list-style-type: none"> <li>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.</li> </ul>
	<ul style="list-style-type: none"> <li>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</li> </ul>		<ul style="list-style-type: none"> <li>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.</li> </ul>
4.2 Continue to maintain a robust business infrastructure to support our growth ambitions	<ul style="list-style-type: none"> <li>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</li> </ul>		<ul style="list-style-type: none"> <li>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</li> </ul>

			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"> <li>• 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</li> </ul>		<ul style="list-style-type: none"> <li>• 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.</li> </ul>
	<ul style="list-style-type: none"> <li>• 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</li> </ul>		<ul style="list-style-type: none"> <li>• 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).</li> </ul>
4.4 Explore opportunities to work with partners on the development and delivery of new business opportunities	<ul style="list-style-type: none"> <li>• 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</li> </ul>		<ul style="list-style-type: none"> <li>• 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.</li> </ul>

	<ul style="list-style-type: none"> <li>• 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</li> </ul>		<ul style="list-style-type: none"> <li>• 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.</li> </ul>
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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

## Appendix 4

### Planned Procurement to 31/03/2023

#### Frameworks due for renewal (or subject to contract extension) by 31 Mar 2023

Short Contract Title	Schedule Number	End Date of Current Framework
Asbestos	2418	30/06/2021
Organic Waste	0816	30/06/2021
Education Materials	0916	31/07/2021
New Build Residential	1518	31/07/2021
Outdoor Play Equipment and Artificial Surfaces	0215	31/07/2021
Street Lighting Materials	2617	31/07/2021
Education And Office Furniture	0216	31/08/2021
First Aid Materials	1018	30/09/2021
Fresh Meat, Cooked Meats & Fresh Fish	0118	30/09/2021
Commercial Catering Equipment	1118	31/10/2021
Energy Efficiency Contractors	0913	31/10/2021
Tyres for Vehicles & Plant	0417	31/10/2021
Vehicle & Plant Hire	0217	31/10/2021
Recycle And Refuse Containers	0117	02/11/2021
Bottled Gas	0817	05/11/2021
Laundry Equipment	0917	05/11/2021
Personal Protective Equipment	0416	30/11/2021
Pest Control Services	1217	30/11/2021
Road Signage Materials	1418	30/11/2021
Steeplejack Services	1017	30/11/2021
Heavy Vehicles	0317	31/12/2021
Technology Enabled Care	3117	31/12/2021
Repair of Catering Machines	2117	07/01/2022
Swimming Pool Chemicals	1517	07/01/2022
Water Coolers	1317	07/01/2022
Energy Advice	1718	13/01/2022
Hot Beverages	1618	13/01/2022
Library Books & Textbooks	0617	31/01/2022
Digital Publications and Services	2517	31/01/2022
Power Tools	0218	16/02/2022
Trade Materials	0717	16/02/2022
Grounds Maintenance Equipment	0918	28/02/2022
Milk	1917	28/02/2022
Building & Timber	0318	31/03/2022
Electrical Materials	0919	31/03/2022
Frozen Foods	1016	31/03/2022
Secure Care	0219	31/03/2022
Fire Safety Products	1617	15/04/2022

Children's Residential	0517	30/04/2022
Cleaning Equipment	1818	30/04/2022
Groceries & Provisions	1219	30/04/2022
Vending Machines	2118	30/04/2022
Roadstone	2817	30/06/2022
Salt for Winter Maintenance	2917	30/06/2022
Alcoholic Beverages	0119	31/07/2022
Catering Sundries	1919	31/07/2022
Demolition	1119	31/07/2022
Social Care Agency Workers	2017	31/07/2022
Community Meals	2018	31/08/2022
Road Maintenance Materials	3017	31/08/2022
Boiler Maintenance	2217	13/09/2022
Fresh Bread, Rolls & Bakery Products	0419	30/09/2022
Washroom Solutions and Sanitary Products	3217	30/09/2022
Plumbing And Heating Materials	2318	30/11/2022
Sherriff Officers	0619	30/11/2022
Janitorial Products	1218	28/02/2023
Light and Heavy Plant	0818	28/02/2023
Audio Visual	0618	31/03/2023
Fresh Fruit & Veg	1019	31/03/2023

## New Contract Areas

Contract Title	Forecast Delivery date
Digital Telecare	April 2021
Supply Teacher Booking System	April 2021
Waste Composition Analysis	August 2021
Electric Vehicle Charging Points	October 2021
Construction & Building Consultancy	January 2022
Lift Maintenance	March 2022

## Scotland Excel

**To: Joint Committee**

**On: 18 June 2021**

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

### Care Update

#### 1. Introduction

The purpose of this report is to provide members with an update in relation to the work of the social care team.

#### 2. Children's Services

##### The Promise

In March 2021, The Promise Scotland published the first of three plans for enabling the implementation of the recommendations from the Care Review entitled Plan 21-24. This document sets out the expectations in relation to the priorities for change in the period and will be further supplemented by The Change Programme scheduled for publication at the end of June.

The priorities set out in The Promise call for significant change in relation to a number of areas relevant for existing national contracts. The social care team will work with colleagues from The Promise and other key stakeholders to determine how these priorities should be reflected in national contracts going forward and whether Scotland Excel should be considering introducing new national contracts or provide other forms of support in new areas.

##### Children's Residential Care and Education including Short Breaks

The existing framework for children's residential care and education services is scheduled to expire next year with development work in relation to the new generation framework in the early stages.

A key element of the re-development work will be to collaborate with stakeholders to agree how best to incorporate the priorities of The Promise in the new arrangement. Recommendations related to residential care include provisions in relation to recruitment and training of care staff as well as provisions relating to relationships between care staff and family contact.

## **Competition & Markets Authority Study**

The Competition & Markets Authority (CMA) launched a study into the market for children's social care services in March this year. The aim of this study is to determine "why a lack of availability and increasing costs could be leading to the needs of children in care not being met".

Scotland Excel has been engaging with the CMA, both directly and collectively with Scottish Government, to support this review work which is scheduled to report by March 2022.

### **3. Adult Social Care**

#### **Independent Review of Adult Social Care**

The Independent Review of Adult Social Care, chaired by Derek Feeley, was published in February. The review recommendations followed similar themes to The Promise in respect of procurement and commissioning but also included much broader recommendations in relation to the creation of a National Care Service (NCS), with potentially significant structural implications.

The timing of the publication in relation to the elections meant that while the Cabinet Secretary confirmed some early priority areas, detailed consultation on the main review recommendations has not yet taken place with a wide stakeholder group.

In March COSLA and Scottish Government published a joint statement of intent in respect of the review recommendations which set out agreed areas for immediate work including fair work, ethical commissioning, ending of non-residential charging, eligibility criteria and ensuring the views of unpaid carers, and those with lived experience of care & support services, are heard and reflected in service design.

Scotland Excel is working with Scottish Government, COSLA and others to input into the detailed work underway in relation to fair work practices in social care and the development of ethical commissioning principles.

As part of the Fair Work in Social Care Implementation Group working groups, Scotland Excel is an active participant in dialogue to consider the introduction of standard terms and conditions for social care staff as well as future implementation of the living wage and maintaining differentials between different roles. For the current and previous financial year this was achieved by adoption of a standard national uplift for services. This is one of several options being considered by the group for future years.

#### **National Care Home Contract**

The 2021/22 rate for the national care home contract was agreed in taking effect from April 12<sup>th</sup>. The settlement this year included a commitment to revisit the rate once the pay increases for nurses had been agreed. It also included a commitment to revisit the rate should additional funding be made available to support any agreed changes in relation to fair work for social care staff or any other policy change related to the Independent Review of Adult Social Care which is agreed and funded.

Given the increasingly complex landscape within the provision of residential care for older people, Scotland Excel is in the process of recruiting a new manager to lead in this area. The postholder will lead the review of both the contract and the cost of care model in relation to the recommendations from the Independent Review of Adult Social Care. This will also include lessons learned from the pandemic as well as other areas, including those related to care home buildings and configuration.

Included in the review recommendations is a requirement to move to a more managed care home market with a greater degree of oversight for the Care Inspectorate. A key part of the review work in this area will be to work with partners to agree the various roles and responsibilities of different organisations to ensure the oversight and management recommendations are supported.

### **3. £500 Project**

In November 2020 the Cabinet Secretary announced that social care workers would receive a one off, pro-rata payment of £500 as thanks for their contribution during the pandemic. The work to disperse funds to those eligible was effectively split into three parts:

- Payments to staff working for eligible private and voluntary providers registered with the Care Inspectorate;
- Payments to local government staff; and
- Payments to personal assistants.

Scotland Excel was commissioned by Scottish Government to undertake the submission and validation process for providers to apply on behalf of their staff. Providers were able to apply on behalf of their staff with over 1,000 submissions validated and financial schedules for payment submitted to Scottish Government in March.

Scotland Excel continues to support Scottish Government in relation to this phase. Ongoing and future activity includes payment adjustments for a small number of providers, a reopening of the application process for providers which did not previously apply and a process for eligible individuals whose employer has ceased trading.

Scotland Excel is also working with Scottish Government, COSLA and other partners to develop a process for payments to be made to personal assistants. It is anticipated that a portal, similar to that used in the first phase, will be launched in the coming weeks enabling personal assistants to apply for their payment. Eligible personal assistants are estimated to number 10.5k.

### **4. Recommendation**

Members are invited to note and support the contract updates provided.



## **Scotland Excel**

**To: Joint Committee**

**On: 18 June 2021**

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

### **Community Benefits and Fair Work Practices Update**

#### **1. Introduction**

In line with legislative requirements and Scotland Excel's sustainable procurement duty this report will highlight the Community Benefits delivered in the period of 1 October 2020 to 31 March 2021, as a result of the Scotland Excel framework portfolio. Additionally, an update will be provided regarding Fair Work Practices which will give an analysis of suppliers and providers' Living Wage status.

Scotland Excel continually strives to be innovative in its approach to Community Benefits. We recognise that Community Benefits have a considerable social, environmental and economic impact within local communities and we continue to encourage and grow awareness in this regard. Our approach to Community Benefit commitments has been developed to further advance the undertakings made by suppliers and to facilitate a robust process for the collection of responses. Scotland Excel utilise the Community Benefit menu that has been favoured by procurement specialists when embarking on new procurement exercises and offers a focused approach across the Scotland Excel procurement portfolio. Furthermore, it aims to encourage suppliers and providers to deliver Community Benefits within the awarding local authority area.

#### **2. Summary**

Twice yearly, suppliers and providers are requested to complete a comprehensive Community Benefits template. Providers were requested to complete a comprehensive Community Benefits template and this information is collated to illustrate the variety and extent of Community Benefits delivered as a result of Scotland Excel frameworks. This method of collection together with ongoing contract management aims to support the delivery of the commitments made by suppliers and providers at point of tender. For the return through to 31 March 2021, Community Benefits have been sought from suppliers and providers who have received in excess of £50,000 spend over the quarter via a Scotland Excel framework.

Table 1 shows a summary of the social value added across the Scotland Excel procurement portfolio since 2013. The figure are complete for the year ending on March 2021.

	2013/ 2014	2014/ 2015	2015/ 2016	2016/ 2017	2017/ 2018	2018/ 2019	2019/ 2020	2020/ 2021	Total
No of Apprentices	9	92	49	18	52	34	37	26	317
No of New Jobs	78	43	29	53	146	280	249	340	1,218
No of Work Placements	0	5	6	17	30	107	43	47	255
Hours of Volunteering & Mentoring	95	377	1279	1570	1637	803	853	608	7,222
Hours of Work Experience	5305	28214	16734	7852	2541	667	10,360	19	71,692
Value of Other Community Benefits	£2,474	£16,550	£46,140	£87,814	£311,549	£437,443	£901,410	£858,590	£2,661,970

*Table 1: Summary of social value added across the collaborative portfolio*

Figures in terms of ‘number of new jobs’ for the current return period have seen further growth with Glasgow being of particular note. These are a result of the business associated with various providers across multiple frameworks, which has resulted in 80 new full-time / part-time employees mainly from Securigroup taking on additional staff to cope with demand and new protocols. In relation to ‘hours of volunteering and mentoring’, Edinburgh received 48 hours of volunteer predominately through the STEM programme ran by AECOM.

As shown in Appendix 1, returns illustrate that North Ayrshire received substantial amount of ‘Other Community Benefits’. This is largely made up of provision of premises for use by local organisations, sponsorships, donation of equipment and Christmas gifts.

With regard to Fair Work Practices (including the Living Wage) Scotland Excel commenced formal consideration within tenders in early 2015. Since this time the respective position on bidders’ work practices has been outlined within Executive Sub Committee Contracts for Approval Reports. From a review of the data available since 2015 the overall position across Scotland Excel’s portfolio is:

Of the 1051 suppliers appointed since formal consideration, 899 (85.5%) notified that they pay the Living Wage. This is broken down within the first four columns below:

Accredited	Progress towards accreditation	Committed to gaining accreditation over the first 2 years of the framework	Not accredited but paying the Living Wage	Not accredited or paying the Living Wage but committed to doing so within 2 years	Neither accredited nor paying Living Wage
200 (19.03%)	49 (4.66%)	97 (9.23%)	553 (52.62%)	33 (3.14%)	119 (11.32%)

Scotland Excel continues to ensure transparency within the tender process and focus on aspects of fair work practices deemed relevant for each framework. Scotland Excel continues to monitor and encourage the implementation of fair working practices and to work closely with suppliers to review their progress in this area.

### 3. Next Steps

The next Community Benefits data collection, analysis and review cycle will be completed in line with the Management Information process to cover the period through to the end of 30 September 2021. The results will be reviewed with the supply base and where appropriate will be incorporated into supplier performance objectives.

### 4. Conclusion

Committee members are requested to note the content of this report, and support the on-going practice to monitor delivery of Community Benefits for the 2021/22 financial year.

## Appendix 1 Community Benefits by Council Oct to Mar 21

	Number of new apprentices	Number of new employees	Number of work placements	Hours of volunteering	Hours of work experience	Monetary value of Other Community Benefits
Aberdeen City	0	26.0	1	7	0	£13,848
Aberdeenshire	0.5	16.5	0	0	0	£12,499
Angus	0	10.0	0	0	0	£7,417
Argyll & Bute	0	0	0	0	0	£4,227
Clackmannanshire	0	1	0	0	0	£2,130
Dumfries & Galloway	0	0	0	0	0	£2,780
Dundee	0	5	1.6	0	0	£6,540
East Ayrshire	0	4.3	0	0	0	£6,959
East Dunbartonshire	0	0.2	0	28	0	£12,498
East Lothian	0.75	1	0	0	0	£6,879
East Renfrewshire	0	0	0	0	0	£6,641
Edinburgh	1	0	3.6	48	0	£22,342
Falkirk	1	3.8	0	2	0	£9,610
Fife	1	1.6	13	0	0	£16,029
Glasgow City	2.75	80.4	4	84	0.5	£46,669
Highland	1.25	7.0	0	0	0	£11,818
Inverclyde	0	0	0	0	0	£3,480
Midlothian	0	0	0	0	0	£3,002
Moray	0	1	0	0	0	£3,336
North Ayrshire	1	7.9	14	0	0	£16,637
North Lanarkshire	0	4.3	0	0	0	£14,156
Orkney Islands	0	0	0	0	0	£1,322
Perth & Kinross	0.75	3.2	0	0	0	£4,567
Renfrewshire	9.2	26.5	0	0	6	£4,123

Scottish Borders	0	0	0	0	0	£4,625
Shetland Islands	0	0	0	0	0	£1,897
South Ayrshire	0	1	0	0	0	£6,896
South Lanarkshire	4	27	0	16	0	£8,509
Stirling	0	0.3	0	0	0	£8,078
West Dunbartonshire	0	3.0	0	0	0	£7,444
West Lothian	1	7.9	0	0	0	£7,338
Western Isles	0	0	0	0	0	£875
Blank	0	9.6	0	0	0	£84,174
<b>Total</b>	<b>24.2</b>	<b>248.7</b>	<b>37.2</b>	<b>185</b>	<b>6.5</b>	<b>£369,345</b>



## **Scotland Excel**

**To: Joint Committee**

**On: 18 June 2021**

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

### **Sickness Absence, Special Leave and Hospitality**

#### **1. Introduction**

As part of the governance process, members of the Joint Committee are advised on an annual basis of staff absence rates, special leave given to staff and hospitality granted by the organisation. The information for the 2020/21 financial year is detailed below.

#### **2. Scotland Excel Staff Absence**

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.

During 2020/21, the average sickness absence rate per full time equivalent member of staff has been 6.6 days. In total, 610.5 sickness leave days were reported across all staff during 2020/21 representing a Sickness Absence Rate of 3.2%. The organisation will continue to monitor this and ensure that, where required, staff are given appropriate support to maintain their attendance.

#### **3. Special Leave**

Under item 6.2(w) of the Scheme of Delegation, the Chief Executive has the authority to permit any member of staff to absent themselves occasionally and temporarily during business hours to attend to duties or services of a civic honour, charitable, academic or social nature provided that these do not interfere with the efficient discharge of the functions of Scotland Excel and to grant special leave, in accordance with the lead authority's special leave policy.

Scotland Excel follows the HR policies and procedures of the lead authority, Renfrewshire Council. When approving requests for special leave, consideration is always given to the operational requirements of Scotland Excel together with requests that may have been previously granted and outstanding annual leave. Categories of special leave include some medical appointments, illness of family dependants, bereavements, civic duties and exam / study leave. A total of 38

days are recorded, 38 days paid leave and 0 days unpaid leave, against the undernoted categories.

<b>Reason</b>	<b>Paid or Unpaid</b>	<b>Days</b>
Support family dependants	Paid	6
Support family dependants	Unpaid	0
Bereavement	Paid	16.5
Exam / Study leave	Paid	13.5
Jury Duty	Unpaid	0
Hospital	Paid	2
Election Duties	Paid	0

#### **4. Hospitality**

Under Item 6.2(e) of the Scheme of Delegation, the Chief Executive has the authority to approve the provision of reasonable hospitality to a maximum of £1,000 in relation to one occasion where this is thought to be in the interests of Scotland Excel.

In the last financial year there was no spend.

#### **5. Recommendation**

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