

Notice of Meeting and Agenda Scotland Excel Chief Executive Officers Management Group

Date	Time	Venue
Tuesday, 29 June 2021	14:00	Remotely by MS Teams ,

KENNETH GRAHAM
Clerk

Membership

Angela Scott (Aberdeen City Council): Annemarie O'Donnell (City of Glasgow Council): Greg Colgan (Dundee City Council): Eddie Fraser (East Ayrshire Council): Cleland Sneddon (South Lanarkshire Council):

Sandra Black (Renfrewshire Council) - Chair

Further Information

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

Items of business

Apologies

Apologies from members.

Conflicts of Interest

Members are asked to intimate any conflicts of interest in any item(s) on the agenda.

- 1 Minute** **3 - 6**
Minute of meeting of this Group held on 24 March 2021.
- 2 Chief Executive's Update Report** **7 - 20**
Report by Chief Executive of Scotland Excel.
- 3 Chief Executive's Presentation**
- 4 Presentation: Care Update**
- 5 Income Stream Review** **21 - 26**
Report by Chief Executive of Scotland Excel.
- 6 Presentation: Sector Skills Analysis**
- 7 Date of Next Meeting**
Note that the next meeting of this Group will be held at 10.00 am on 18 August 2021.



Minute of Meeting Scotland Excel Chief Executive Officers Management Group

Date	Time	Venue
Wednesday, 24 March 2021	10:00	Remotely by MS teams,

Present

Angela Scott (Aberdeen City Council); Margo Williamson, Chief Executive (Angus Council); Annemarie O'Donnell (City of Glasgow Council); Steve Grimmond, Chief Executive (Fife Council); Sandra Black, Chief Executive (Renfrewshire Council); and Cleland Sneddon, Chief Executive (South Lanarkshire Council).

Chair

Sandra Black, Chair, presided.

In Attendance

J Welsh, Director, H Carr Head of Strategic Procurement, S Brannagan, Head of Customer and Business Services, J McKerrall, Strategic Procurement Manager, L Richard, Strategic Procurement Manager and I Calder, Project Account Manager (all Scotland Excel); and K Graham, Head of Corporate Governance (Clerk), L Belshaw, Democratic Services Manager, C MacDonald, Senior Committee Services Officer and K O'Neill, Assistant Democratic Services Officer (all Renfrewshire Council).

Conflicts of Interest

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

1 **Minute**

There was submitted the Minute of the meeting of the Chief Executive Officers Management Group (CEOMG) held on 18 November 2020.

DECIDED: That the Minute be approved.

2 **Chief Executive's Update Report**

There was submitted a report by the Chief Executive of Scotland Excel providing an update on key developments within Scotland Excel since the meeting of the Group held on 18 November 2020.

The report provided information in relation to contingency planning; work in collaboration with the Digital Office; care services; the independent review of adult social care; the Scotland Excel Academy; new build housing; contracts approved since November 2020; an update on the contract plan; projects with other local authorities and associate members; the Scotland Excel Hosted Procurement Team; the tender support being provided to Zero Waste Scotland and the Scottish Local Government Pension Scheme; participation in workstreams associated with the Procurement and Climate Change Forum; and new associate members.

Following discussion in relation to the Scotland Excel Academy, it was agreed that the Chief Executive of Scotland Excel submit a report to the next meeting of this group relative to the capacity and capability gaps across all professions and the turnover of professional staff within Councils.

DECIDED:

(a) That the report be noted; and

(b) That Scotland Excel undertake a review of how capacity and capability gaps could be further understood and make recommendations on how this could be addressed. The recommendations should consider beyond the procurement profession and also look at the turnover of staff.

3 **Social Care Update**

J McKerrall, Strategic Programme Manager, gave a presentation in relation to social care.

In relation to children's services, the presentation provided updates in relation to Scotland Excel's involvement in the application process for the Scottish Government £500 payment for social care staff in the independent and voluntary sector; the Children's Residential Care and Education with Short Breaks framework; the Secure Care framework; the planned activity on the tender for the new generation framework for Fostering and Continuing Care; and the anticipated re-opening of the Social Care Agency Workers flexible framework.

In relation to adult social care, the presentation provided updates in relation to the Care and Support flexible framework; the National Care Home Contract; and the Independent Review of Adult Social Care in Scotland.

DECIDED: That the presentation be noted.

4 **Brexit**

L Richard, Strategic Procurement Manager, gave a presentation in relation to Brexit.

The presentation provided information on the new timelines for border control processes; the trade rule between Great Britain and Northern Ireland; the Northern Ireland Agreement; imports and shipping; and product shortages.

It was noted that the next written Brexit update would be released to Scotland Excel stakeholders by the end of April 2021.

DECIDED: That the presentation be noted.

5 **Update on CEOMG Membership**

The Chief Executive of Scotland Excel intimated that Steven Grimmond and Margo Williamson would be stepping down as members of the group in June 2021. Further that a report would be submitted to the meeting of the Joint Committee to be held on 18 June 2021 requesting that Eddie Fraser, Chief Executive, East Ayrshire Council and Greg Colgan, Chief Executive, Dundee City Council be appointed as members of the group.

DECIDED: That the update be noted.

6 **Date of Next Meeting**

DECIDED: That it be noted that the next meeting of the group would be held at 10.00 am on 12 May 2021.

Valedictories

The Chair thanked Margo and Steve for their participation and contribution in the work of the group.

Scotland Excel

To: Chief Executive Officers Management Group

On: 29 June 2021

Chief Executive's Update Report

1. Introduction

The purpose of this report is to provide the group with an update on key developments within Scotland Excel since the last meeting of the Chief Executive Officers Management Group on 24 March 2021.

2. Summary

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

2.1 Digital Update

Information Gathering

The Scotland Excel and Digital Office information gathering project was rebranded and recently re-launched as STAMP (Scotland's Technical Asset Management Platform). The relaunch took place in mid-April 2021 and STAMP is a complete redesign and re-build of the online data capture solution which delivers a much more flexible, dynamic, responsive, visually appealing and user-friendly system.

The communication strategy for the re-launch sought to ensure maximum impact was achieved through extensive engagement with Scotland's thirty-two local authorities. The approach adopted included the following:

- Presentation to SOLACE
- Digital Office communication to 32 Local Authority IT Leads
- Scotland Excel communication to 32 Local Authority Procurement Leads
- South Lanarkshire Council (system host council) communication to 32 Local Authority key personnel
- Individual meetings with each local authority

The overall feedback from the demo/discussion sessions has been extremely positive, contribution and completion of this exercise is currently being monitored to assess contracting landscape. To date, most local authorities have now started the process of updating the system with appropriate contracts and system data, and it is anticipated that the data set will be in a position to be effectively assessed from the beginning of July to analyse and report on collaborative opportunities.

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

The project for Artificial Intelligence (AI)/ Robotics Process Automation is ongoing to review potential collaborative contracting areas of opportunity across the councils. Consultation with Councils currently using Robotics Process Automation (RPA) has established that it enables organisations to automate repetitive, manual processes and augment the work of the employee workforce to achieve operational improvements and reduce business costs.

A UIG has been created to establish the scope and requirements for the Robotics Process Automation / Intelligent Automation project. Eight councils are represented on the UIG along with a representative from The Scottish Government. Requirements documentation from West Dunbartonshire and West Lothian Councils were circulated across the group as a baseline from which to seek additional functional requirements for a procurement exercise.

An initial draft procurement strategy has been developed and shared with the UIG. Following a subsequent meeting on the content of the strategy, comments and feedback are now being collated and incorporated prior to a wider consultation with all other councils. Thereafter, the updated strategy will be presented through Scotland Excel's internal governance process and the procurement plan for tendering will be developed. It is anticipated that a framework will be delivered within 9 months of this, in around Spring 2022.

Other Digital Developments

(i) Digital Telecare

The project to develop a Dynamic Purchasing System (DPS) to support the delivery of digital telecare is underway.

The DPS is now open to suppliers to submit their PQQs. The closing date is June 30th and it is planned that recommendations will go forward for appointment approval to committee in August. It is estimated that 50 suppliers will be appointed in the first round.

(ii) Digital Booking System

The framework for Digital Booking Systems went live at the start of April and councils are progressing call offs from this framework and the first contract awards should be completed in July.

(iii) Office 365

Scotland Excel and the Digital Office have offered to assist councils to procure Office 365 licences using an aggregated procurement through Crown Commercial Services or via the Scottish Government sole vendor Softcat. The benefits of this approach include access to Office 365 product specialists who will conduct an audit of the councils' estates to identify savings, a clear picture of licence costs and the potential savings in vendor management if a sole vendor proves feasible.

2.3 Care Services

2.3.1 Children's Residential Care and Education

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 residential care include provisions in relation to recruitment and training of care staff and well as provisions relating to relationships between care staff and family contact.

2.3.2 Fostering

The new generation foster care services framework is scheduled to commence in July subject to committee approval in June. This new framework builds on the success of previous frameworks with an increased number of providers offering services.

2.3.3 Secure Care

Scotland Excel is working with stakeholders to agree an appropriate extension period for the existing secure care contracts. The policy direction seeks significant change to way secure services are used at the moment, but timescales and other specifics need to be confirmed.

Scotland Excel will work closely with key stakeholders to understand anticipated timescales and implications for the national contracts and any future arrangements.

2.3.4 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.

2.3.5 National Care Home Contract

The 2021/22 rate for the national care home contract was agreed in April taking effect from the 12th. The settlement this year included a commitment to revisit the rate once the pay increases for nurses had been agreed, work to amend the rate to reflect the now agreed nurse pay increase is underway.

In order to support the significant review of both the national care home contract and cost model, Scotland Excel has recruited a new manager to lead in this area. The postholder will lead the review of both the contract and cost model in relation to the recommendations from the Independent Review of Adult Social Care, lessons learned from the pandemic and other areas such as the work 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.

2.3.6 £500 Project

In November 2020 the Cabinet Secretary announced that social care workers would receive a one off, pro-rata payment of £500 as a thank you for their contribution during the pandemic.

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

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.

2.4 The Scotland Excel Academy

The Academy is engaging 31 councils and 29 public / third-sector organisations across its accredited and non-accredited programmes. There are 890 registered learners in the Academy, with 116 learners actively engaged in accredited programmes across 11 cohorts - comprising 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. 25 cohorts have now been completed, awarding 228 qualifications, with 10 learners being awarded Chartered Manager (CMgr). A further 4 learners are actively working on their CMgr submission.

Building upon the success of 769 learners participating in the Stay Connected one-hour online workshops, video content has been created supporting self-directed online learning - currently nine videos are available in the Academy video library. As an outcome from the Stay Connected workshops our community requested a series of interactive four-hour online workshops. We are currently scoping these and will launch a series of Evolve workshops after the summer holidays.

2.5 Housing Update

Scotland Excel continues to work closely with housing associations across Scotland, promoting the benefits of membership, particularly the construction frameworks including new build housing. The financial constraints and material shortages experienced by these organisations since the pandemic has delivered an opportunity for Scotland Excel to engage and promote associate membership.

Summary Highlights since the last report:

Four new housing associations have recently become associate members of Scotland Excel to access the wider portfolio of contracts. Three of the new housing associates are based in Glasgow with two immediately gaining benefit from the domestic gas boiler maintenance contract to deliver best value for their tenants. The two newest members are working with the associate team to benchmark a few of the contracts across the portfolio to maximise savings potential against their current agreements.

2.6 New Build Update

New Build Housing

Activity under the framework continues to increase with six developments live on site, a further six due on site in the coming months, and more than ten additional projects in the process of being tendered. It is anticipated that by the end of the financial year contracts to build over 1000 homes will have been awarded via the framework to the value of c.£200m.

These developments encompass a wide range of homes, including flats, fully accessible homes and a care facility. Net zero targets are being supported through the framework by building to Passivhaus Standard and Net Zero Homes, as well as building of more sustainable homes through inclusion of measures such as solar panels, triple glazing, two zone heating, electric heating and air source heat pumps.

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, Scotland Excel continues to work with contractors and members to manage project pipelines and market capacity in light of the ongoing impact of COVID-19 and Brexit on their business and supply chain.

Three framework contractors (CCG, Ashleigh Construction and Stewart & Shields) were involved in the Scotland Excel Procurement Week. The contractors discussed what is and can be delivered under the framework under the Climate Emergency and Sustainability and Community Wealth Building.

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

There are 75 current frameworks in the Scotland Excel contract portfolio, with thirty-one of these frameworks to be renewed before 31 December 2022. It is also planned that a further four new frameworks will be added to the contract portfolio by 31 December 2022.

A total of 15 of the frameworks on the current portfolio have extension options that are likely to be exercised in 2021/2022 with two of these extensions already approved.

The overall efficiencies across the whole portfolio for 2020/21 was at 2.9% compared to the 2.5 % forecast range. This efficiencies figure will continue to be monitored throughout 2021/2022.

The following contracts have been approved at Executive Sub Committee since February 2021:

Domestic Furniture and Furnishings

This renewal is a third generation framework for Domestic Furniture and Furnishings and will provide 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. A total of 7 suppliers have been awarded a place on the framework. Of these seven recommended suppliers four are classed as SMEs, three as micro businesses and all seven are Scottish suppliers.

Booking of public sector employees (Supply teacher booking)

This framework allows the appointment of suppliers to a framework agreement for the booking of staff in current employment with local authorities for temporary vacancies.

SEEMiS Group LLP is a central body established by Scotland's local authorities with a remit to develop and service a national education management information system for all of Scotland's schools. It currently provides a module that allows local authorities to record the booking of supply teachers for temporary vacancies. This module will be retired by SEEMiS in July 2021 and local authorities were seeking a solution to replace this module with an increased scope that will allow for the booking of a variety of staff roles, however, it should be noted that the prime booking role is for Supply Teachers.

A total of 5 suppliers have been awarded a place on the framework. Of these five recommended suppliers two are Scottish suppliers and three are small/micro suppliers.

Supply and Delivery of Vehicle Parts

This renewal is a fourth generation framework for the Supply and Delivery of Vehicle Parts and will provide councils and other participating bodies with a mechanism to procure a wide range of vehicle parts, windscreen replacement, auto electrics, specialist vehicles parts, hydraulics and workshop consumables to cover the varied fleet mix across the councils. This varied fleet mix incorporates everything from small cars and light commercial vehicles (including electric), up to 44 tonne refuse collection vehicles (RCV) and other specialist heavy vehicles. A total of 31 suppliers have been awarded a place on the framework. Of these, 16 suppliers are classed as SME's, 7 as micro businesses and 22 are Scottish suppliers.

Waste Composition Analysis Services

This first-generation framework for Waste Composition Analysis Services will offer a mechanism for local authorities to procure the services of suitably qualified service providers to conduct waste composition analysis ("WCA"). This will include sorting and detailed reporting of analysis results following scrutiny of waste collected from households at the kerbside or via Household Waste & Recycling Centres. Scotland Excel has delivered this framework with support from Zero Waste Scotland (ZWS). A total of 5 suppliers have been awarded a place on the framework. Of these, 4 service providers are classed as SME, 1 is classed as a large service provider and 2 of the service providers are Scottish based.

Supply and Delivery of Education Materials

This renewal is a third generation framework for the Supply and Delivery of Education Materials and will provide councils and other participating bodies with a mechanism to procure a wide range of educational materials, including but not limited to, arts and crafts, board, card and paper, exercise books, homework diaries, science equipment and sports equipment. A total of 21 suppliers have been awarded a place on the framework. In order to adequately account for the impact of recent pandemic restrictions on retail businesses in this sector, and to ensure market preparedness for a tender in line with government advice, Scotland Excel is not proceeding to award Lot 7, Musical Instruments, and have informed affected bidders via PCS-Tender. Scotland Excel will look to carry out a tendering exercise for this lot in the coming weeks, in line with applicable law and guidance, to minimise disruption to our stakeholders.

Supply, Delivery & Installation of Education & Office Furniture

This renewal is a third generation framework for the Supply, Delivery & Installation of Education & Office Furniture and will provide councils and other participating bodies with a mechanism to procure a range of furniture suitable for classrooms, pre-5 environments, dining rooms, flexible learning and workspaces, office environments, meeting rooms and reception areas. A total of 21 suppliers have been awarded a place on the framework.

Fostering and Continuing Care

This renewal is a third-generation framework for Fostering and Continuing Care services and will enable local authorities to secure fostering placements from independent and voluntary providers as a supplement to their internal provision. The framework is mainly based around a core placement with local authorities able to source additional services to support individual requirements. Specialised placements are also available, where required, as well as continuing care placements. A total of 15 suppliers have been awarded a place on the framework, including 9 providers that are classed as small or medium enterprises, three as micro businesses and 13 are Scottish providers.

Treatment of Organic Waste Services

This renewal is a third generation framework for Treatment of Organic Waste Services and will provide councils and other participating bodies with a mechanism to procure treatment options for organic materials, including separately collected food waste, garden waste and co-mingled (collected together as a mix) food and garden waste, generating electricity and compost. A total of 10 suppliers have been awarded a place on the framework. All 10 service providers are classed as SME and all providers are Scottish based.

2.8 Projects update

2.8.1 East Lothian Council

The East Lothian Council Improvement Project has been progressing steadily and most improvement areas are now at a mature stage. Over the past six months new side streams have emerged in-line with the Council's overall direction and strategic goals, such as community benefits, local wealth building, sustainability and integrated P2P review to name the more significant ones.

The improvement programme has been embedded into procurement services and reviewed regularly at the Procurement Improvement Panel. Identifying and delivering benefits including cash savings is also a key part of the project. A number of benefits have been achieved along with £1.2m of savings delivered by the procurement team.

Digital transformation and end to end systems review remains in focus as well as skills development within the procurement team. These will be key to underpin further improvements and to maximise the value of procurement intervention within the Council.

2.8.2 East Renfrewshire Council

The East Renfrewshire Programme is continuing to deliver across its inter-related projects for implementation. The Procurement team have completed the SQA Accredited PDA in Project Management and are currently delivering a programme of “Procurement Bitesize” training across the organisation with sessions ranging from Introduction to Procurement, to Managing a Successful Tender to Strategic Commissioning.

Focussed work is underway in reviewing the ICT Portfolio, with Phase 1 complete, and work is also ongoing to deliver an online contracts register which will streamline processes and data analysis, and support the wider organisation.

Significant work has also been undertaken to identify benefits and savings from Procurement activity with the latest presentation to CMT identifying £1.8m in cashable savings and cost avoidance between June 2020 and January 2021, and savings opportunities identified across the Council, including significant savings potential in trades materials.

2.8.3 Tayside

Scotland Excel has recently concluded the work with three Councils in Tayside. The programme was commissioned in early 2019 and lead to 2 years of joint work to deliver improvement. The councils involved in the programme were Angus, Dundee City and Perth and Kinross. The ultimate aim of the programme was to achieve savings, increase efficiency and bring greater value to the citizens of Tayside.

Scotland Excel identified a potential for up to £9.9m of cashable savings opportunities. These opportunities fell into three categories; those which would be achieved from redesigning services, those available from enhancing management of contracts and/or suppliers and those achievable from price management. The Councils have now agreed to move forward on developing a new collaborative approach to three areas of operational activity. Success in these three areas will make more of the potential benefits realisable.

Further benefits from procurement functions working better together and from supporting local economies were also identified. Outputs from the programme include process changes, support for improving data management and toolkits for contract and supplier management. An 18-month plan of improvement activities has been passed to the Board in Tayside to support embedding the changes following conclusion of the programme.

2.8.4 Stirling Council

Scotland Excel has been providing Stirling Council with a Head of Procurement for six months now. During this time, a development plan has been put in place which focuses on management of the corporate procurement team and review of the function, the creation of a community wealth building strategy, and a review and implementation of a procurement savings strategy across the organisation. Focus has been placed on community wealth building with Stirling Council now working

with Scotland Excel on a dedicated project in this area. The project will look to understand current practice and build the strategy, policy and action plan which will then be linked to the Council's wider Economic Development Strategy. Work is also progressing on updating the Council's Procurement Strategy, service plan and Key Performance Indicators to drive and facilitate the next steps towards savings and benefits identification, and capture sustainability, local community benefits and Contract and Supplier Management.

2.8.5 Midlothian Council

Scotland Excel undertook desktop analysis in relation to the procurement procurement function of Midlothian Council. A Report of the findings was well received by the Council and further engagement to agree next steps will take place in the Autumn with their recently appointed Chief Procurement Officer.

2.8.6 Dumfries & Galloway Council

A new programme of work within Dumfries and Galloway Council has been initiated to support the organisations strategic procurement aims. The aim of the programme is to improve control and visibility of procurement spend by restricting delegations to services for a period to give time for a full improvement programme, and training to be delivered. Recruitment has taken place and two senior procurement specialists have recruited by Scotland Excel to support the programme.

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

Scotland Excel continues to support 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. Work has recently begun with East Lothian Council to help them determine a sustainable hourly rate.

2.8.8 Hosted Procurement

There continues to be a growth in demand for Hosted Procurement services where Scotland Excel undertakes a full procurement exercise on behalf of the customer. Tendering exercises are progressing well with Dumfries & Galloway Council and Glasgow Life (an Arm's Length Organisation (ALEO) of Glasgow City Council). The University of Strathclyde, one of our Associate Members, has contracted Scotland Excel to provide short term procurement resource under an agency model. This service will be developed further.

2.8.9 City Property Glasgow (Investments) LLP

City Property Glasgow (Investments) LLP continues to engage with Scotland Excel as their 'Procurement Partner' with a number of tenders being prepared covering the waste streams from the Blochairn Food Market in the City. Work is progressing to publish a tender for a General Waste recycling partner by the end of June 2021 with

the procurement of recycling partners for plastics, wood and cardboard continuing throughout the summer months utilising the Scotland Excel Recyclable and Residual Waste Framework.

Scotland Excel has also been engaged to conduct a mini-competition from a Crown Commercial Services framework for the award of business to a partner in support of the sale of land in the Charing Cross area of the city, formerly the site of Nye Bevan House, which is currently owned by City Property Glasgow (Investments) LLP.

2.8.10 Zero Waste Scotland

Scotland Excel is providing Tender Support to Zero Waste Scotland for the provision of suitably qualified service providers to conduct waste composition analysis. The framework, Waste Composition Analysis Services, was approved at the Scotland Excel Executive Sub Committee meeting in May 2021. It is now live and mobilisation meetings will take place with service providers on 16th June.

2.8.11 Scottish Local Government Pension Scheme

The Scheme Advisory Board (SAB) of the Scottish Local Government Pension Scheme has engaged Scotland Excel to provide support as they review options for reform of the scheme. A project governance paper was agreed by the Scheme Advisory Board on 19th May. As a result, a Senior Project Sponsor has now been elected and a Sub-Group, constituted of SAB members with an independent Chair, met for the first time on 4th June. The independent Chair for this group is Hugh Carr and the group will help steer the work and ensure SAB's ownership. Work is also continuing on stakeholder engagement, evidence gap analysis and establishing a group of Subject Matter Experts to help undertake this highly specialist work.

2.9 Climate Change

Climate Change legislation requires public bodies to report on how their procurement policy and activity contributes to climate change targets. Procurement legislation requires public bodies to consider how they can improve the economic, social and environmental wellbeing of their area, and to secure these improvements. Against this backdrop, public bodies are now required to explicitly address climate change and circular economy obligations (January 2021)

Over the past year alongside Scottish Government and other public sector colleagues, Scotland Excel is leading within Supplier and Market Engagement activities to highlight and embed further standard wording across tender documents within the public sector.

To date, engagement has been made with a number of third sector and SME organisations to ask for input to the climate change emergency. This has been done in the first instance, to check that any amendments to wording and clauses within public sector tendering would be acceptable and proportionate for such

organisations to continue to bid effectively. The next steps will be to test this with the top fifty larger suppliers within public sector tendering activity.

Thereafter, wording will be subject to legal consultation and tested within a low risk tender activity

In addition to this, Scotland Excel continues to support our colleagues within Scottish Government and supports the roll out of Climate Literacy electronic training for Procurers. This is mandatory training and will continue to ensure all procurers understand the importance and urgency of the climate emergency.

3.0 General update

New Associate Members

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

Ark Housing Association Ltd
Cathcart & District Housing Association Ltd
Highlands & Islands Enterprise
Ruchazie Housing Association Ltd
University of Glasgow
Easthall Park Housing Co-operative Ltd
Royal Botanic Garden Edinburgh

Scotland Excel Annual Conference

Scotland Excel's Annual Conference, titled 'Scotland Excel Procurement Week at The Academy', took place online over the w/c 7th June 2021. This year's event focussed on underpinning a sustainable post-COVID recovery for Scotland and its communities, with a range of sessions themed under 5 key priority areas for the local government sector; the climate emergency and sustainability, community wealth building, social care, leadership in a post Covid-19 world and the people of tomorrow.

Speakers delivered the latest thinking on these key themes and shared their experience of translating policy into practice. These included; Councillor Mark Flynn delivering a keynote address to share Dundee City Council's approach to tackling the Climate Emergency through the council's Climate Action Plan, Miriam Brett Director of Research and Advocacy at Common Wealth, delivering a new community wealth building vision for the British economy after covid-19, Nick Ford, Director of Procurement and Property at Scottish Government discussing turning public procurement group priorities into reality and a senior panel considering the future policy direction of Social Care in Scotland.

The format and topics this year were well received, with delegates attending from

across local authorities, HSCPs and ALEOs. In addition, Scotland Excel Associate Members including housing associations, higher education establishments and the third sector were also in attendance.

371 delegates from across 83 organisations attended the event throughout the week.

Community Wealth Building

Scotland Excel is working in partnership with Scottish Government to further develop community wealth building practices in local government. The programme is working with four councils; Stirling, Clackmannanshire, Dumfries and Galloway and Renfrewshire to emphasise the importance of the Scottish Model of procurement in supporting community wealth building aims.

After discussion with councils and Scottish Government, the programme was segmented into 7 projects. These projects are:

1. Grow Local
2. Internal Partner Engagement
3. External Partner Engagement
4. Data Analysis
5. Public Contracts Scotland
6. Quick Quotes
7. Council specific Project

A key aim of the Programme is to generate intelligence, explore and develop good practice and advice that can be shared amongst the community.



Scotland Excel

To: Chief Executive Officers Management Group

On: 29 June 2021

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

Income Stream Review

1. Purpose

- 1.1 This paper provides the group 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

This report provides information on the good progress made on these income stream areas.

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. 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.

Chief Executives 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.

Chief Executives 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 Chief Executives 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.

