

## **Minute of Meeting Scotland Excel Executive Sub-Committee**

<b>Date</b>	<b>Time</b>	<b>Venue</b>
Friday, 15 September 2017	10:45	Scotland Excel Meeting Room 1, Renfrewshire House, Cotton Street, Paisley

### **Present**

Provost Norman Macdonald (Comhairle Nan Eilean Siar); Councillor Altany Craik (Fife Council); Bailie Norman MacLeod (Glasgow City Council); Councillor Todd Ferguson (North Ayrshire Council); Councillor Paul Di Mascio (North Lanarkshire Council); Councillor John Shaw (Renfrewshire Council) and Councillor Amanda Westlake (Shetland Islands Council).

### **By Videolink**

Provost Bill Howatson (Aberdeenshire Council) and Councillor Alister Mackinnon (Highland Council).

### **Chair**

Councillor John Shaw, Convener, presided.

### **Apologies**

Councillor Graham Hutchison (City of Edinburgh Council); Councillor Collette Stevenson (South Lanarkshire Council) and Councillor Stephen Thompson (Dumfries & Galloway Council).

### **In Attendance**

J Welsh, Director; H Carr, Head of Strategic Procurement; S Brannagan, Head of Customer and Business Services and K Copland, Assistant Procurement Specialist (all Scotland Excel); and A MacArthur, Head of Finance; M Ball, Senior Accountant; R Devine, Senior Committee Services Officer and K O'Neill, Assistant Democratic Services Officer (all Renfrewshire Council); and M Ferris, Senior Audit Manager and S Afzal, Auditor (both Audit Scotland).

## **Declarations of Interest**

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

## **Order of Business**

In terms of Standing Order 12, the Convener intimated that he proposed to alter the order of business to facilitate the conduct of the meeting by considering item 2(a) of the agenda after item 2(b) of the agenda.

### **1 Revenue Budget Monitoring**

There was submitted a joint revenue budget monitoring report by the Treasurer and the Director of Scotland Excel for the period 1 April to 18 August 2017.

The report intimated that gross expenditure was £43,000 under budget and income was currently £6,000 over recovered which resulted in a net underspend of £49,000.

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

### **2(a) Annual Audit Report 2016/17**

Under reference to item 12 of the Minute of the meeting of the Joint Committee held on

30 June 2017 there was submitted a report by Audit Scotland relative to the 2016/17 annual audit outlining the findings of the audit team with regards to the annual accounts and the performance of Scotland Excel generally.

The report intimated that the audit certificate issued by Audit Scotland provided an unqualified opinion that the annual accounts presented a true and fair view of the financial position of the Joint Committee as at 31 March 2017, in accordance with the accounting policies detailed in the accounts.

Clarification was sought on the net expenditure of successfully defending the legal action in relation to the decision to exclude a tender from the further evaluation stage of the Demolition contract awarded at the meeting of this Sub-committee held on 20 October 2015. It was proposed that a report relative to this matter be submitted to the next meeting of the Executive Sub-committee to be held on 13 October 2017. This was agreed.

**DECIDED:**

(i) That the annual audit report 2016/17 be noted; and

(ii) That a report detailing the net cost of defending the legal action in relation to the decision to exclude a tender from the further evaluation stage of the Demolition contract awarded by the Executive Sub-committee at a meeting held on 20 October 2015 be submitted to the next meeting of the Executive Sub-committee to be held on 13 October 2017.

## **2(b) Audited Annual Accounts 2016/17**

Under reference to item 12 of the Minute of the meeting of the Joint Committee held on 30 June 2017 there was submitted a joint report by the Treasurer and the Director of Scotland Excel relative to the annual accounts for the Joint Committee for 2016/17.

The report intimated that the Joint Committee at its meeting held on 12 June 2015 delegated authority to the Executive Sub-committee to approve the audited accounts by 30 September in order to meet local authority accounting regulations. The audited accounts would be provided to the Joint Committee in December for information.

Following approval arrangements would be made for the audited accounts to be signed by the Director, Convener and Treasurer.

**DECIDED:** That the audited annual accounts 2016/17 be approved for signature.

## **3 Contract for Approval: Tyres for Vehicles and Plant**

There was submitted a report by the Director of Scotland Excel relative to the award of a renewal framework agreement for tyres for vehicles and plant which would be effective from 1 November 2017 until 31 October 2021.

The report intimated that the framework would provide councils with a mechanism to procure a full range of tyre types and sizes as well as associated tyre management services in order for councils to deliver the various fleet services they provided to end users.

The framework had been divided into six lots as detailed in table 1 of the report. Appendix 1 to the report detailed the participation, spend and savings summary of the 29 councils participating in the framework. It was noted that Tayside Contracts would also be participating in the framework.

The forecast annual spend for participating Councils was circa £6.5m per annum equating to an estimated value of £26m over the term of the contract. Tender responses had been received from 12 suppliers and a summary of offers received was provided in Appendix 2 to the report. Based on the criteria and scoring methodology set out within the tender document, a full evaluation of the compliant offers had been completed 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 detailed within the report it was recommended that a multi-supplier framework agreement be awarded to 12 suppliers across the six lots as detailed in Appendix 3 to the report.

**DECIDED:** That the award of the framework agreement, as detailed in Appendix 3 to the report, be approved.

## **4 Associate Member Strategy Update**

There was submitted a report by the Director of Scotland Excel relative to Scotland Excel's Associate Member Strategy which had been approved at the meeting of the Joint Committee held on 9 December 2016. A copy of the strategy formed the appendix to the report.

The report provided information in relation to the organisations associate member profile and fees. It was noted that Scotland Excel would continue implementing the approved associate member strategy. The primary focus for the short-term would remain housing associations and initial exploratory work was being undertaken with regard to growth potential in the third-sector.

**DECIDED:** That the progress made with regard to the Associate Member Strategy be noted.

## **5 Affordable Housing Project Update**

There was submitted a report by the Director of Scotland Excel relative to the Affordable Housing Project operated by Scotland Excel on behalf of the Scottish Government.

The report intimated that the Scottish Government, as part of the Affordable Housing Supply Programme (AHSP), had committed to delivering at least 50,000 affordable homes by March 2021, backed by over £3 billion of investment. The sector would be required to undertake considerable procurement activity in relation to this programme.

The wider public sector had benefited from significant investment and focus in procurement reform since publication of the Review of Public Procurement in Scotland - Report and Recommendations in 2006. The affordable housing sector had not been part of this national transformation programme.

Scotland Excel submitted a proposal to the Scottish Government in 2016 on the role the organisation could play in delivering the Scottish Government's aspirations within the AHSP. The proposal sought funding of £412,000 for a two-year pilot programme to develop procurement capability, implement policy and identify financial savings. This proposal was accepted by the Scottish Government and approved by Scotland Excel Joint Committee.

The report provided details on the project deliverables and benefits and provided an update on the project since its launch in April 2017.

**DECIDED:** That the progress made on the affordable housing project be noted.

## **6 Request for Associate Membership of Scotland Excel: Bield Housing and Care**

There was submitted a report by the Director of Scotland Excel advising that Bield Housing and Care had submitted an application to become an associate member of Scotland Excel.

**DECIDED**: That the application by Bield Housing and Care to become an associate member of Scotland Excel, at an annual membership fee of £7,020, be approved subject to completion and signing of the agreement document.

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

There was submitted an update report by the Director of Scotland Excel relative to the progress of the 2017/18 contract delivery plan.

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 3 to the report provided further details.

The report highlighted that contract delivery remained active with 51 current frameworks in the Scotland Excel portfolio, 11 of which would be retendered in 2017/18; a further 11 new frameworks would be added to the contract portfolio by the end of the financial year; and a further 9 frameworks on the current portfolio had extension options. The estimated forecast value of the framework portfolio would be just over £1 billion by 31 March 2018.

Scotland Excel was exploring the benefits of further collaborative procurement across high spend, critical service areas of adult social care and was progressing with two stakeholder sub-groups to look at focused work streams for both care at home and adult supported living. This development activity would continue over the remainder of 2017 with a decision being made with stakeholders regarding the appropriate procurement strategy. Scotland Excel had also begun development work on exploring the gas maintenance services market.

It was noted that overall, efficiencies delivered to date continued to be within the 2% to 4% forecast range.

**DECIDED**: That the progress made to date be noted.

## **8 Employee Absence Management Report**

There was submitted a report by the Director of Scotland Excel relative to employee absence statistics for Scotland Excel. The report advised of the absence levels for the month of August 2017, the previous six and 12 months and provided information relating to the absence statistics and reasons.

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

## **9 Supporting Fife Council Transformation Project**

The Head of Customer and Business Services, Scotland Excel provided a verbal update on the Supporting Fife Council Transformation Project. It was noted that the proposal had been submitted to Fife Council for consideration.

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

## **10 Date of Next Meeting**

**DECIDED:** That it be noted that the next meeting of the Executive Sub-committee would be held at 10.45 am on 13 October 2017 in Scotland Excel Meeting Room 1, Renfrewshire House, Cotton Street, Paisley.