

## Notice of Meeting and Agenda Scotland Excel Joint Committee

Date	Time	Venue
Friday, 06 December 2019	10:45	City Chambers, Glasgow City Council, 80 George Square, Glasgow, G2 1DU

KENNETH GRAHAM  
Clerk

### Membership

Councillor Alan Donnelly and Councillor John Reynolds (both Aberdeen City Council); Councillor Bill Howatson and Councillor Alastair Bews (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 Vettraino (Fife Council); Bailie Norman MacLeod and Councillor Martin McElroy (both Glasgow City Council); Councillor Alister Mackinnon and Councillor Matthew Reiss (Highland Council); Councillor Jim Clocherty (Inverclyde Council); Councillor Derek Milligan (Midlothian Council); Councillor Aaron McLean (Moray Council); vacant position (North Ayrshire Council); Councillor Paul Di Mascio and Councillor Allan Graham (North Lanarkshire Council); Councillor Barbara Foulkes (Orkney Islands); Councillor Shiela 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 Eileen Logan and Councillor Collette Stevenson (South Lanarkshire Council); Councillor Alison Laurie (Stirling Council); Councillor Ian Dickson (West Dunbartonshire Council); Councillor John McGinty (West Lothian Council).

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

## **Further Information**

This is a meeting which is open to members of the public.

A copy of the agenda and reports for this meeting will be available for inspection prior to the meeting at the Customer Service Centre, Renfrewshire House, Cotton Street, Paisley and online at <http://renfrewshire.cmis.uk.com/renfrewshire/CouncilandBoards.aspx>

For further information, please either email [democratic-services@renfrewshire.gov.uk](mailto:democratic-services@renfrewshire.gov.uk) or telephone 0141 618 7112.

## **Members of the Press and Public**

Members of the press and public wishing to attend the meeting should report to the customer service centre where they will be met and directed to the meeting.

## Items of business

### Apologies

Apologies from members.

### Declarations of Interest

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

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| <b>1</b>  | <b>Minute of Joint Committee</b>  | <b>5 - 14</b>    |
|           | Minute of meeting of the Joint Committee held on 21 June 2019.  |                  |
| <b>2</b>  | <b>Minutes of Executive Sub-committee</b>   | <b>15 - 46</b>   |
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| <b>3</b>  | <b>Directors Update</b>   |                  |
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|           | Report by Director of Scotland Excel.   |                  |
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## Minute of Meeting Scotland Excel Joint Committee

Date	Time	Venue
Friday, 21 June 2019	10:45	City Chambers, Glasgow City Council, 80 George Square, Glasgow, G2 1DU

### Present

Provost Bill Howatson (Aberdeenshire Council); Councillor Alasdair Rankin (City of Edinburgh Council); Councillor Donald Balsille (Clackmannanshire Council); Provost Norman Macdonald (Comhairle Nan Eilean Siar); Councillor Stephen Thompson (Dumfries & Galloway Council); Councillor Gordon Jenkins (East Ayrshire Council); Councillor John Jamieson (East Dunbartonshire Council); Councillor Tony Buchanan (East Renfrewshire Council); Councillor Gary Bouse (Falkirk Council); Councillor Altany Craik and Councillor Ross Vettrano (both Fife Council); Bailie Norman MacLeod (Glasgow City Council); Councillor Alister Mackinnon (Highland Council); Councillor Aaron McLean (Moray Council); Councillor Paul Di Mascio and Councillor Allan Graham (both North Lanarkshire Council); Councillor Anne Jarvis (Perth & Kinross Council); Councillor John Shaw (Renfrewshire Council); Councillor Amanda Hawick (Shetland Islands Council); Councillor Colette 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, H Carr, Head of Strategic Procurement and S Brannagan, Head of Customer & Business Services (all Scotland Excel); M Conaghan, Legal & Democratic Services Manager, K Campbell, Assistant Chief Auditor, C McCourt, Finance Business Partner, A McNaughton, Senior Committee Services Officer and K O'Neill, Assistant Democratic Services Officer (all Renfrewshire Council).

## **Apologies**

Councillor Alastair Bews (Aberdeenshire Council); Councillor Alan Donnelly and Councillor John Reynolds (both Aberdeen City Council); Councillor Rory Colville (Argyll and Bute Council); Councillor Angus Douglas (Angus Council); Councillor Graham Hutchison and Councillor Matthew Reiss (both City of Edinburgh Council); Baillie Willie Sawers (Dundee City Council); Councillor John McMillan (East Lothian Council); Councillor Jim Clocherty (Inverclyde Council); Councillor Derek Milligan (Midlothian Council); Councillor Barbara Foulkes (Orkney Council); Councillor Donald L Reid (North Ayrshire Council); Councillor Simon Mountford (Scottish Borders Council); Councillor Peter Henderson (South Ayrshire Council) and Councillor Alison Laurie (Stirling Council).

## **Declarations of Interest**

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

### **1 Minute of Joint Committee**

There was submitted the Minute of the meeting of the Joint Committee held on 7 December 2018.

**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 7 December 2018 and 25 January, 22 March, 26 April and 31 May 2019.

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

### **3 Membership of Executive Sub-committee**

There was submitted a report by the Clerk relative to the membership of the Executive Sub-committee seeking approval for the appointment of members to the Executive Sub-committee for the period to June 2020.

The report indicated that the Procedural Standing Orders provided that the Executive Sub-committee should comprise a maximum of 13 members including the Convener and Vice Convener of the Joint Committee. Where possible the membership of the Executive Sub-committee should reflect the geographic diversity of the constituent authorities.

**DECIDED:**

(a) That it be agreed that the Executive Sub-committee continue to comprise of elected members from Renfrewshire Council (Convener), North Lanarkshire Council (Vice Convener), Aberdeenshire Council, Angus Council, City of Edinburgh Council, Comhairle nan Eilean Siar, Dumfries and Galloway Council, Fife Council, Glasgow City Council, Highland Council, North Ayrshire Council, Shetland Islands Council and South Lanarkshire Council; and

(b) That membership of the Executive Sub-committee be next reviewed at the meeting of the Joint Committee to be held in June 2020.

## **Sederunt**

Councillor Jarvis and Councillor Rankin entered the meeting prior to consideration to the following item of business.

### **4 Scotland Excel Unaudited Annual Accounts 2018-19**

There was submitted a report by the Treasurer relative to the unaudited annual accounts for the Joint Committee for 2018/19 which were attached to the report.

The report intimated that the accounts for the year ended 31 March 2019 had been completed and forwarded to Audit Scotland for audit. The accounts indicated that Scotland Excel's core activities resulted in a draw on reserves of £93,288 in 2018/19 compared to a budgeted draw on reserves of £90,000 and projects returned income of £422,404 over expenditure. This produced a combined underspend for the year of £329,116 which had been added to usable reserves, which were committed as outlined in note 6 to the accounts.

The management commentary within the accounts provided an overview of Scotland Excel's performance during 2018/19 along with risk information and its outlook for the future.

In accordance with the Local Authority Accounts (Scotland) Regulations 2014 the unaudited accounts had only been signed by the Treasurer as proper officer. The audited accounts would be signed by the Convener, the Director of Scotland Excel and the Treasurer in accordance with the regulations.

#### **DECIDED:**

- (a) That the unaudited annual accounts for 2018/19 be noted;
- (b) That the annual governance statement be approved; and
- (c) That the transfer of £55,000 of project balances to the revenue reserve be approved.

## **Sederunt**

Councillor Bouse entered the meeting prior to consideration to the following item of business.

### **5 Internal Audit Report Summary - Contract Management (Award Arrangements)**

There was submitted a report by the Chief Auditor, Renfrewshire Council, relative to Internal Audit's report summary on the arrangements in place to award contracts.

The report intimated that in line with the Public Sector Internal Audit Standards, Internal Audit must communicate the results of each engagement to the Joint Committee. Internal Audit had undertaken a review of the arrangements in place to award contracts and the report provided a summary of the work undertaken, the audit

findings and the action being taken by management to address the recommendations made.

The appendix to the report provided a summary of the overall assurance rating for the engagement and the number of recommendations in each category and the committee summary for the engagement.

**DECIDED:** That the Internal Audit summary for the Internal Audit review of Contract Management (Award Arrangements) be noted.

## **6 Internal Audit Annual Report 2018/19**

There was submitted a report by the Chief Auditor, Renfrewshire Council, relative to the Internal Audit annual report on Scotland Excel 2018/19.

The report intimated that the Public Sector Internal Audit Standards required that the Chief Auditor prepare an annual report on the internal audit activity's purpose, authority and responsibility as well as performance relative to its plan. The report must also provide an audit opinion on the overall adequacy and effectiveness of the internal control environment of the audited body.

The annual report for the Joint Committee formed the appendix to the report and outlined the role of internal audit, the performance of the internal audit team; the main findings from the internal audit work undertaken in 2018/19 and contained an audit assurance statement.

**DECIDED:** That the Internal Audit annual report 2018/19 be noted.

## **7 Funding Model Update**

There was submitted a report by the Director of Scotland Excel providing an update on the progress made on generating additional funding which covered the period April to June 2019.

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. It was recognised that over the medium term, local government in Scotland was likely to face further reduction in available resources and in this context, Scotland Excel continued to seek 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.

Funding opportunities had been approved by the Joint Committee and were progressing, with three projects contributing surpluses within the current financial year. The report provided updates in relation to each of the funding streams and the transparent funding mechanism that provided a very competitive offering whilst also supporting value for money for member councils. The report intimated that further updates, including delivery against income targets, would be presented to future meetings of the Joint Committee and the Executive Sub-committee.

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



## **8 Operating Plan Update 2018/19**

There was submitted a report by the Director of Scotland Excel relative to the progress made against operating plan activities during 2018/19.

The report intimated that in June 2018 the Joint Committee approved a new five-year corporate strategy which was supported by annual operating plans. Quarterly reports were produced to track Scotland Excel's performance against operating plan commitments and these reports summarised the progress made against the key priorities identified each year using a 'traffic light' symbol which provided a quick guide to the status of each action. This guide had been revised in 2018/19 and now included symbols to indicate projects or activities which had not yet started and projects or activities which had been completed.

The appendix to the report provided the year-end update report on progress undertaken and updates on 13 key performance indicators (KPIs) included within the plan.

The majority of commitments in the operating plan were progressing in line with plans and were indicated as green within the report. Most of these related to major projects which spanned multiple years or were ongoing business activities which were strategically important to the organisation and which would appear in operating plans throughout the five-year period of the current strategy.

It was noted that seven activities were progressing more slowly than anticipated, predominantly due to external factors and Scotland Excel would deliver these commitments during 2019/20 and take action to mitigate the impact of any external factors which delayed progress; seven commitments were completed during 2018/19; and nine commitments would commence during 2019/20.

The report highlighted that progress reports would be produced at the end of each quarter and submitted to the Executive Sub-committee at their next scheduled meeting. Half-yearly and annual reports would also be submitted to future meetings of the Joint Committee. Members were advised that more information on the reasons for delays on activity progress would be provided in future operating plans.

### **DECIDED:**

(a) That Scotland Excel's performance in the delivery of the operating plan 2018/19 be noted; and

(b) That it be noted that future operating plans would include more information on reasons for delays in activities.

## **9 Operating Plan 2019/20**

There was submitted a report by the Director of Scotland Excel relative to the operating plan 2019/20, a copy of which was appended to the report.

The report intimated that Scotland Excel followed a robust strategic planning process to develop its corporate strategy and operating plans. The future vision of the organisation was supported by a mission statement based on business capabilities and the corporate values shared by all staff. Goals informed the direction of business activity and each goal was further articulated through high level strategic objectives.

The annual operating plan outlined the organisation's commitment to the actions and activities it would undertake each year to meet the strategic objectives and progress towards achieving its vision. The plan was used to develop detailed action plans for the organisation which were cascaded to employees as annual performance objectives.

Progress reports would be produced quarterly and half-yearly and annual reports would be submitted to the Joint Committee with reports for the interim quarters submitted to the Executive Sub-committee. Reports would also track performance against strategy outcomes using 13 key performance indicators.

**DECIDED:** That the proposed operating plan 2019/20 be approved.

## **10 Annual Procurement Report**

There was submitted a report by the Director of Scotland Excel relative to Scotland Excel's annual procurement report, a copy of which was appended to the report.

The report intimated that where a public organisation was required to prepare a procurement strategy or review an existing one, it must also publish an annual procurement report. The Procurement Reform (Scotland) Act 2014 set out what, as a minimum, each annual procurement report must contain. Annual procurement reports must be published as soon as reasonably practicable after the end of the financial year and should be relevant and proportionate; provide transparency of purchasing activities; and address all matters contained in the organisations' procurement strategy.

Scottish Ministers would produce an annual report on procurement activity in Scotland based on information contained in the annual procurement reports from public organisations.

**DECIDED:** That the content of the annual procurement report, as appended to the report, be noted and published on Scotland Excel's website.

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

There was submitted a report by the Director of Scotland Excel relative to progress against the 2019/20 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 68 current frameworks in the Scotland Excel contract portfolio, 11 of which were to be renewed before 31 March 2020; a further 11 new frameworks would be added to the contract portfolio by 31 March 2020; and a further 19 frameworks on the current portfolio had extension options that were likely to be exercised in 2019/20, seven of which had already been approved.

The report advised that the estimated forecast value of the Scotland Excel framework portfolio by 31 March 2020 would be approximately £1.9 billion.

It was noted that overall, efficiencies delivered to date were 1.0% which was below the 2% to 4% forecast savings range. This figure was based on a single contract delivered in 2019/20.

Scotland Excel was exploring the benefits of further collaborative procurement across high spend, critical service areas of adult social care and construction; had finalised the procurement strategy for care and support services; would continue to work with a range of partners to implement the procurement strategy; would continue to work with key stakeholders to deliver a new sourcing strategy for care home services for older people; had taken over operational contract management of care home services for older people from CoSLA on 1 April 2019; would continue work in conjunction with the Digital Office to procure a replacement Social Work Case Management system.

The first-generation new build residential construction framework was progressing well and the second stage of the two-stage tender procedure had been issued in March 2019 and remained on course for going live in September 2019.

There was a plan to create a framework to replace the expired online school payments framework with enhanced content to cover cashless catering and include peripherals such as ordering hardware, biometric recognition and enhanced reporting functionality.

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

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

There was submitted a report by the Director of Scotland Excel highlighting the community benefits delivered as a result of the Scotland Excel framework portfolio in the period 1 October 2018 to 31 March 2019 together with an update on fair work practices which would give an analysis of suppliers and providers Living Wage status.

The report intimated that the requirement to include community benefits in the delivery of goods and services was an integral element within Scotland Excel frameworks. Community benefits were reviewed with suppliers at contract management review meetings and reported to local authority procurement managers at business review meetings. The system had been updated to address the requirements of the statutory guidance made under the Procurement Reform (Scotland) Act 2014 and to further support the drive to deliver sustainable procurement.

Table 1 to the report detailed a summary of the social value added across the portfolio since 2013. The appendix to the report detailed the community benefits by council for 2018/19.

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.

The next community benefits data collection, analysis and review cycle would be completed in line with management information processes to cover the period to the end of September 2019. The results would be reviewed with the supply base and where appropriate would be incorporated into supplier performance objectives.

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

## **Sederunt**

Provost Howatson left the meeting during consideration of the following item of business.

### **13 Procurement Commercial Improvement Programme (PCIP) Update**

There was submitted a report by the Director of Scotland Excel providing an update on the status of the procurement assessment programme within member councils and the work undertaken by Scotland Excel to support councils with the Procurement Commercial Improvement Programme (PCIP).

The report intimated that PCIP, a maturity model designed to assess Scottish public sector procurement performance in a common format, was introduced in 2015 and was a continuation of the work undertaken by the Procurement Capability Assessment carried out on an annual basis since 2008. The focus of PCIP was on the policies and procedures driving procurement performance and the results they delivered.

The first round of PCIP assessments with all 32 councils were carried out in 2016/17 following which a 'lessons learned' and consultation exercise was carried out with key stakeholders. The outcome was that councils would be offered two assessment routes in 2018/19, being either the full assessment route or a streamlined focussed assessment route with any council that scored below 50% in 2016/17 being automatically subject to the full assessment route.

Following selection of the assessment routes, 25 councils were subject to focussed assessment and seven were subject to the full assessment. As of 31 May 2019, 30 of the 32 assessments had been completed and the full programme would be completed by September 2019.

The report provided a summary of the profile of the number of councils and the performance band and a breakdown of the average scores across the local government sector for each section of the PCIP assessment for 2016/17 and 2018/19.

The focussed assessment approach delivered in 2018/19 had been well received by councils and Scotland Excel would work with councils, Scottish Government and other centres of excellence to share lessons and ensure that future programmes maintained value and met the needs and aspirations of the local government sector.

**DECIDED:** That the progress of the 2018/19 PCIP programme be noted.

### **14 Special Leave and Hospitality**

There was submitted a report by the Director of Scotland Excel relative to staff absence rates, special leave given to staff and hospitality granted by the organisation in 2018/19.

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

## **15 Date of Next Meeting**

**DECIDED:** That it be noted that the next meeting of the Joint Committee would be held at 10.45 am on 6 December 2019 within the City Chambers, Glasgow City Council.





## Minute of Meeting Scotland Excel Executive Sub-committee

Date	Time	Venue
Friday, 21 June 2019	09:45	City Chambers, Glasgow City Council, 80 George Square, Glasgow, G2 1DU

### Present

Provost Bill Howatson (Aberdeenshire Council); Provost Norman Macdonald (Cohmhairle Nan Eilean Star); Councillor Stephen Thompson (Dumfries and Galloway Council); Councillor Altany Craik (Fife Council); Bailie Norman MacLeod (Glasgow City Council); Councillor A Mackinnon (Highland 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 John Shaw, Convener, presided.

### In Attendance

J Welsh, Director, S Brannagan, Head of Customer & Business Services, J Kenney and D Pettigrew, both Category Managers (all Scotland Excel); M Conaghan, Legal and Democratic Services Manager, C McCourt, Finance Business Partner, A McNaughton, Senior Committee Services Officer and K O'Neill, Assistant Democratic Services Officer (all Renfrewshire Council).

### Apologies

Councillor Angus Douglas (Angus Council); Councillor Graham Hutchison (City of Edinburgh Council) and Councillor Donald L Reid (North Ayrshire Council).

### Declarations of Interest

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

## **1 Minute of the Executive Sub-committee**

There was submitted the Minute of the meeting of the Executive Sub-committee held on 31 May 2019.

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

## **2 Revenue Budget Monitoring Report to 24 May 2019**

There was submitted a joint revenue budget monitoring report by the Treasurer and the Director of Scotland Excel for the period 1 April to 24 May 2019.

The report intimated that year-to-date net expenditure for Core was £214,000, which comprised gross expenditure of £370,000, less gross income of £156,000.

The Projects year-to-date net expenditure was £70,000, which comprised gross expenditure of £187,000, less gross income of £117,000. Projects were expected to contribute £173,000 funding to Core Operations during 2019/20, as per the approved budget.

The table in the report provided an analysis of the actual spend to date along with projected net expenditure for 2019/20 and included a summary of movement in the Revenue Reserve.

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

## **3(a) Contract for Approval: Bikeability Scotland Training Providers**

There was submitted a report by the Director of Scotland Excel seeking approval for the establishment of a new Dynamic Purchasing System (DPS) for Bikeability Scotland Training Providers, which the Director of Scotland Excel had elected to establish in terms of Contract Standing Order 28 and also for the Director of Scotland Excel to be granted the appropriate delegation to appoint new entrants to the DPS during its lifetime, as detailed in the report.

The report intimated that the DPS provided an opportunity for Scotland Excel to provide a national collaborative solution to deliver a mechanism that would help raise the uptake and standard of Bikeability Scotland training received in schools.

This route to market had been chosen following careful consideration and market engagement. By tendering this opportunity as a DPS, it would allow the flexibility of new entrants to bid to join throughout the lifetime of the contract and increase, not only the supply base, but also the level of cyclist skill in Scotland through professional training.

Based on the current spend analysis and grant information provided by Cycling Scotland, the DPS had been advertised at a value of approximately £300,000 per annum and had been advertised by use by all 32 local authorities.

Appendix 1 to the report detailed the service providers requesting to be granted access to the DPS by adequately evidencing their ability to meet the defined qualification criteria, subject to final clarifications.



It was noted that any reference in the appendices to TTC Group Limited should be replaced by Cycle Experience Limited.

**DECIDED:**

- (a) That the establishment of the Dynamic Purchasing System (DPS) for Bikeability Scotland Training Providers be approved;
- (b) That the initial respondents selected to participate in the DPS, as detailed in Appendix 1 to the report, be approved;
- (c) That delegated authority be granted to the Director of Scotland Excel, or delegate, to approve the evaluation outcome and award participation on the DPS to new entrants completing the DPS qualification process to Scotland Excel's satisfaction, thereby enabling their participation in the DPS during its lifetime, ensuring compliance with the applicable procurement rules including the statutory 10-day maximum period for evaluation and notification of outcome;
- (d) That the Executive Sub-committee be updated on the status of available service providers on an annual basis as part of the annual Procurement Report; and
- (e) That any reference in the appendices to the report to TTC Group Limited be replaced by Cycle Experience Limited.

**3(b) Contract for Approval: Asbestos Related Works and Services**

There was submitted a report by the Director of Scotland Excel relative to the award of a renewal framework agreement for asbestos surveys, removal and disposal and analytical services which would commence on 15 July 2019 to 14 July 2021, with an option to extend for up to a further two 12-month periods until 14 July 2023.

The report intimated that the framework enabled councils to effectively manage planned, ad- hoc and emergency asbestos related requirements in all council owned property such as housing stock and civic buildings. Several enhancements were incorporated in the renewal including the division of each lot into six geographical regions. Tenderers would offer for one, any or all lots and any region within a lot, therefore encouraging bids from local suppliers, facilitating tailored regional pricing and increasing competition and capacity for call-offs.

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

The framework had been divided into three lots as detailed in table 1 of the report and had been advertised at an estimated value of £12 million per annum. It was noted that 29 councils had confirmed their intention to participate in the framework, East Ayrshire, East Renfrewshire and Glasgow City Councils had their own contractual arrangements in place.

Tender responses had been received from 44 suppliers and a summary of offers received was detailed in Appendix 2 to the report. Based on the criteria and scoring methodology set out within the tender document, a full evaluation of the 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 44 suppliers across the three lots as outlined in Appendix 3 to the report.

Appendix 4 to the report detailed suppliers with Scottish Living Wage status at the point of tender.

It was noted that any reference in the appendices to the report to Exova Environmental UK Limited should be replaced with Element Materials Technology Environmental UK Limited.

It was also noted that William Munro Constructions (Highland) Limited had withdrawn their submission in respect of Lot 1.

**DECIDED:**

(a) That the award of the framework agreement, as detailed in Appendix 3 to the report, be approved;

(b) That any reference in the appendices to the report to Exova Environmental UK Limited be replaced with Element Materials Technology Environmental UK Limited; and

(c) That it be noted that William Munro Constructions (Highland) Limited had withdrawn their submission in respect of Lot 1.

**3(c) Contract for Approval: Supply and Delivery of Alcoholic and Associated Beverages**

There was submitted a report by the Director of Scotland Excel relative to the award of a new framework agreement for the supply and delivery of alcoholic and associated beverages which would be effective from 1 August 2019 until 31 July 2022, with the option to extend for up to an additional 12-month period until 31 July 2023.

The report intimated that the requirement for this framework had arisen due to the upcoming expiration of a regional contract led by South Ayrshire Council to procure these requirements with Edinburgh City, Fife and North Ayrshire Councils acting as collaborative partners. Scotland Excel had engaged with these councils with the intention of using this agreement as a model form which to establish a notional framework.

The new framework would provide councils with a mechanism to procure a range of alcoholic and associated beverages including, but not limited to, draught beer and packaged beer and cider, wines, spirits, ready to drink alcoholic beverages and soft drinks and mixers.

The framework had been advertised at a value of £5 million over the four-year period and the report summarised the outcome of the procurement process.

One tender response had been received and a summary of this offer was detailed in Appendix 1 to the report.

Based on the evaluation undertaken, and in line with the criteria and weightings detailed within the report, it was recommended that a single-supplier framework be awarded to Tennent Caledonian Brewers Wholesale Limited (Tennents).

The report further advised that Tennents had accepted as part of the terms and conditions of the framework that they would hold prices firm for the first 12-months of the framework.

**DECIDED:** That the award of the framework agreement, as detailed in Appendix 2 to the report, be approved.

#### **4 Date of Next Meeting**

**DECIDED:**

(a) That an additional meeting of the Executive Sub-committee be held at 10.00 am on 2 August 2019 in Scotland Excel Meeting Room 1, Renfrewshire House, Cotton Street, Paisley; and

(b) That thereafter it be noted that the next meeting of the Executive Sub-committee would be held at 10.45 am on 23 August 2019 in Scotland Excel Meeting Room 1, Renfrewshire House, Cotton Street, Paisley.



## Minute of Meeting Scotland Excel Executive Sub-committee

Date	Time	Venue
Friday, 02 August 2019	10:00	Scotland Excel Meeting Room 1, Renfrewshire House, Cotton Street, Paisley

### Present

Councillor Graham Hutchison (City of Edinburgh Council); Provost Norman Macdonald (Comhairle Nan Eilean Siar); Councillor Altany Craik (Fife Council); Bailie Norman MacLeod (Glasgow City Council); Councillor Paul Di Mascio (North Lanarkshire Council); and Councillor John Shaw (Renfrewshire Council).

### By Video Conference

Councillor Alister Mackinnon (Highland Council).

### Chair

Councillor Shaw, Convener, presided.

### In Attendance

J Welsh, Director; S Brannagan, Head of Customer & Business Services; J McKerrall, Strategic Procurement Manager; L Campbell, Corporate Services Manager; G McColl, Senior Communications Specialist and J Bowles, Category Manager (all Scotland Excel); M Conaghan, Legal & Democratic Services Manager, E Currie, Senior Committee Services Officer and K O'Neill, Assistant Democratic Services Officer (all Renfrewshire Council).

### Apologies

Provost Bill Howatson (Aberdeenshire Council); Councillor Angus Macmillan Douglas (Angus Council); Councillor Stephen Thompson (Dumfries and Galloway Council); Councillor Donald L Reid (North Ayrshire Council); and Councillor Amanda Hawick (Shetland Council).

## **Declarations of Interest**

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

### **1 Minute**

There was submitted the Minute of the meeting of the Executive Sub-committee held on 21 June 2019.

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

### **Sederunt**

Councillors Craik and Di Mascio entered the meeting during consideration of the following item of business.

### **2 Contract for Approval: New Build Residential Construction**

There was submitted a report by the Director of Scotland Excel relative to the award of a national collaborative framework for the construction of new build residential properties.

The report intimated that the development of this framework had been funded by 11 councils and would provide councils, housing associations and other associate members with a mechanism to procure a range of residential properties from contractors, including all enabling and ancillary works and services. The framework focused primarily on the delivery of affordable houses, bungalows and flats, but allowed for the delivery of other residential properties such as sheltered housing, student accommodation and mixed tenure properties.

The Scottish Government introduced the Affordable Housing Supply Programme (AHSP) to address the shortfall in affordable homes and fund the building of 50,000 homes by 2021. As such there was an increased demand from members for these services and this would continue beyond the period of the AHSP.

The new framework supported the delivery of Scotland's National Outcomes which included tackling inequalities in Scottish society; living in well-designed, sustainable places with access to amenities and services we need; improving life chances for children, young people and families at risk; and allowing people to maintain their independence as they get older. The framework specification encouraged delivery of properties which complied with Housing for Varying Needs and Secure by Design to maximise the adaptability of the delivered properties and the living standards of tenants.

The framework had been divided into five lots as detailed in table 1 of the report and would be effective initially for a period of 24 months from the award date with an option to extend for up to a further 24 months.

The framework had been advertised at £1.5 billion over the maximum period of four years and it was noted that 13 councils had confirmed their intention to participate in the framework from the start date. It was anticipated that a further nine councils would use the framework in future and the remaining 10 councils were not currently looking to participate in the framework as they either had no housing stock or were using their other framework arrangements. To allow for potential migration from existing

arrangements, all 32 councils were included in the contract notice for the framework. Cross sectoral discussions had been held with Advanced Procurement for Universities and Colleges and associate members, including housing associations, who had confirmed their intention to participate in the framework. Appendix 1 to the report detailed the participation and spend summary.

The report summarised the outcome of the procurement process for this national framework agreement. From the 26 candidates brought forward to the ITT stage, Scotland Excel received 22 offers before the closing date. One supplier failed to submit a complete commercial response and as such this bid was non-compliant and the supplier had been advised that they would not be considered further.

Based on the criteria and scoring methodology set out in the tender document, a full evaluation of the 21 compliant offers had been completed and Appendix 3 to the report detailed the scoring achieved by each tenderer in each lot and per council area.

Based on the evaluation undertaken, and in line with the criteria and weightings set out in the report and to secure best value, capacity and coverage, it was recommended that a multi-supplier framework be awarded to 19 suppliers across the 32 geographical areas and five lots, as outlined in Appendix 3 to the report.

Appendix 4 to the report detailed suppliers with Scottish Living Wage status at the point of tender.

It was noted that Scotland Excel would host a national launch event for this framework on 8 October 2019 bringing together key players across procurement, housing and policy, together with the awarded suppliers. An invitation to this national launch event would be issued to members of the Executive Sub-committee.

It was proposed that the Director of Scotland Excel provide members of the Executive Sub-committee with information in relation to the awarded suppliers history in relation to blacklisting; and further that the Director of Scotland Excel submit regular reports to the Joint Committee on rebate income from the New Build Housing Framework and other income streams.

**DECIDED:**

(a) That the award of the framework agreement, as detailed in Appendix 3 to the report, be approved;

(b) That the Director of Scotland Excel provide members of the Executive Sub-committee with information in relation to the awarded suppliers history in relation to blacklisting; and

(c) That the Director of Scotland Excel submit regular reports to the Joint Committee on rebate income from the New Build Housing Framework and other income streams.

### **3 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 23 August 2019 in Scotland Excel Meeting Room 1, Renfrewshire House, Cotton Street, Paisley.





## Minute of Meeting Scotland Excel Executive Sub-committee

Date	Time	Venue
Friday, 23 August 2019	10:45	Scotland Excel Meeting Room 1, Renfrewshire House, Cotton Street, Paisley

### Present

Councillor Altany Craik (Fife Council); Bailie Norman MacLeod (Glasgow City Council); Councillor Alister Mackinnon (Highland Council); Councillor John Shaw (Renfrewshire Council) and Councillor Collette Stevenson (South Lanarkshire Council).

### By Video Conference

Provost Norman Macdonald (Comhairle Nan Eilean Siar) and Councillor Stephen Thompson (Dumfries and Galloway Council).

### Chair

Councillor John Shaw, Convener, presided.

### In Attendance

J Welsh, Director, H Carr, Head of Strategic Procurement, S Brannagan, Head of Customer & Business Services, E Kidd and S Brydson, Senior Procurement Specialists and K Copland, Procurement Coordinator (all Scotland Excel); M Conaghan, Legal & Democratic Services Manager, C McCourt, Finance Business Partner and E Currie, Senior Committee Services Officer (all Renfrewshire Council).

### Apologies

Provost Bill Howatson (Aberdeenshire Council); Councillor Angus Macmillan Douglas (Angus Council); Councillor Graham Hutchison (City of Edinburgh Council); Councillor Paul Di Mascio (North Lanarkshire Council); and Councillor Amanda Hawick (Shetland Islands Council).

### Declarations of Interest

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

## 1 Minute

There was submitted the Minute of the meeting of the Executive Sub-committee held on 2 August 2019.

It was proposed that item 2 – Contract for Approval: New Build Residential Construction – be amended by the addition of the words ‘of the Executive Sub-committee’ following the word ‘members’ in the last paragraph and decision (b) of the Minute. This was agreed.

**DECIDED:** That the Minute, as amended, be approved.

## 2 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 19 July 2019.

The report intimated that at the end of period 4, Scotland Excel was projecting a break-even position in its Core activities and Projects were anticipated to contribute £173,000 to Core, as per the approved budget.

The 2019/20 budget had included a temporary drawdown from Project reserve balances carried forward of £120,000 to fund Supported Living/Care at Home activity. The Scottish Government had provided grant funding of £150,000 for this activity and this reserve funding was no longer required in 2019/20.

To better align to the reporting structure, budget adjustments between budget headings had been processed. In addition, a £14,000 reserve drawdown was now budgeted to cover the further 0.5% pay inflation awarded in 2028/19, as approved but not quantified in the 2019/20 budget report.

At 19 July 2019, the year-to-date net expenditure for Core was £694,000, which comprised gross expenditure of £927,000, less gross income of £233,000. The projection for the end of 2019/20 was a break-even position for Core.

The Projects year-to-date net expenditure was £59,000, which comprised gross expenditure of £341,000, less gross income of £282,000. Projects were expected to contribute £173,000 funding to Core Operations during 2019/20, as per the approved budget.

The table appended to the report provided an analysis of the actual spend to date along with projected net expenditure for 2019/20 and included a summary of movement in the Revenue Reserve, as well as a glossary of terms.

It was proposed that ‘other income’ be detailed in the glossary of terms in future revenue budget monitoring reports and this was agreed.

**DECIDED:**

(a) That the report be noted; and

(b) That ‘other income’ be detailed in the glossary of terms in future revenue budget monitoring reports.

## **Declaration of Interest**

Councillor Stevenson declared a financial interest in the following item of business and that she would take no part in the discussion and decision on this item, she remained in the meeting.

### **3 Social Care Flexible Frameworks Governance**

There was submitted a report by the Director of Scotland Excel relative to the children's residential care and education services including short breaks flexible framework agreement and the social care agency workers flexible framework agreement.

The report intimated that the regulations relating to the procurement of social care services allowed for a more flexible approach of these services, in comparison to other goods or services, known as the 'light-touch' regime. This allowed Scotland Excel more scope to choose the procurement methodology most suited to the market whilst fundamentally adhering to the EU Treaty principles of non-discrimination, equal treatment, transparency and proportionality.

Scotland Excel had utilised the flexibility of the light-touch regime and developed the children's residential care and education services including short breaks flexible framework agreement which commenced on 1 May 2018 and the social care agency workers flexible framework agreement which commenced on 1 August 2018. These were similar to a Dynamic Purchasing System (DPS) but were not subject to the same restrictions. The operation of each flexible framework agreement could be varied to suit the specific market requirements and ultimately the needs of those utilising the services.

In order to ensure equal treatment of providers applying to join any flexible framework agreement and to confirm that any new provider met the required framework standards, Scotland Excel would replicate the initial procurement procedures at the point of application for new providers to ensure they were subject to the same minimum requirements and assessment as those who had participated from the commencement dates.

Following evaluation of offers received, a report detailing the recommendation to award would be submitted to the Director of Scotland Excel, or Head of Strategic Procurement in the Director's absence, for approval. In line with the agreed governance for DPS arrangements, the Executive Sub-committee would be updated on the addition of providers to flexible framework agreements on an annual basis in the annual procurement report.

#### **DECIDED:**

(a) That authority be delegated to the Director of Scotland Excel, or Head of Strategic Procurement, in the Director's absence, or their delegates, to approve award recommendations for any new entrants for both the children's residential care and education services including short breaks and social care agency workers flexible framework agreements; and

(b) That the Executive Sub-committee be updated on the addition of providers to both flexible framework agreements on an annual basis in the annual procurement report.

#### **4(a) Contract for Approval: Care Homes for Adults with Learning Disabilities Including Autism (CHALD)**

There was submitted a report by the Director of Scotland Excel relative to the award of a renewal framework agreement for care homes for adults with learning disabilities including autism which would operate from 16 September 2019 to 15 September 2023.

The report intimated that the framework had been based on the existing model whilst encompassing changes to policy, guidance and legislation and the refresh of the Keys to Life strategy. The framework sought to ensure that there continued to be sufficient choice of quality and value for money provision with the capability and capacity to deliver suitable services, as required, and sought to encourage innovative approaches to promoting choice and control, increasing life choices and improving lifestyles for adults with learning disabilities. A key element included supporting people to maintain or develop links with their preferred communities and Scotland Excel had responded to this by developing this renewal as a flexible framework agreement.

New providers and or services would be added to the framework at up to three points during the framework period and incumbent providers could have new services admitted to the framework at these points.

The framework had been advertised with an estimated value of £106 million over the four-year term and breakdown of the forecast formed Appendix 1 to the report. North Lanarkshire Council had intimated that it would not participate in this framework in line with the council's policy of not purchasing adult residential care. The framework would be open to the remaining 31 local authorities, NHS organisations and integrated bodies.

The report summarised the outcome of the procurement process for this framework. Tender responses had been received from 26 providers and 70 services. One provider could not commit to implementing the insurance requirements and withdrew their two services; another provider submitted a bid for a care home which did not meet the Care Inspectorate registration requirements and withdrew; and a further provider, who had 10 services, withdrew in the latter stages of evaluation.

Based on the criteria and scoring methodology set out in the tender documents, a full evaluation of the remaining compliant offers had been carried out and Appendix 1 to the report detailed the scoring achieved by each bidder.

The terms of the framework required that providers hold at least a grade 4 for the Care and Support criteria of a Care Inspectorate inspection. Care homes with lower grades were recommended for a deferred award which would be valid for 12 months, whereby the provider must evidence sufficient improvement and inspection grades which did meet the requirement.

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 agreement be awarded, both immediate and deferred, to 24 providers and 57 care homes as outlined in Appendix 1 to the report.

Appendix 2 to the report detailed the forecast spend; Appendix 3 to the report detailed the Scottish Living Wage status for suppliers at the point of tender; and Appendix 4 to the report detailed the SME status of providers.

It was noted that all awards to Cygnet Health Care Limited would be deferred awards and that Appendix 1 to the report would be amended to reflect this.

**DECIDED:**

(a) That the award of the framework agreement, as detailed in Appendix 1 to the report, as amended, be approved;

(b) That authority be delegated to the Director of Scotland Excel, or Head of Strategic Procurement, in the Director's absence, or their delegates, to approve award recommendations for any new entrants to the framework;

(c) That the Executive Sub-committee be updated on the addition of providers to the framework on an annual basis in the annual procurement report; and

(d) That it be noted that all awards to Cygnet Health Care Limited would be deferred awards and that Appendix 1 to the report would be amended to reflect this.

**4(b) Contract for Approval: Supply and Delivery of Community Meals**

There was submitted a report by the Director of Scotland Excel relative to the award of a renewal framework agreement for the supply and delivery of community meals which would operate from 1 September 2019 until 31 August 2022, with the option to extend for up to 12 months until 31 August 2023.

The report summarised the outcome of the procurement process for this framework and intimated that the framework would provide a wide variety of nutritionally balanced, good quality, affordable meals which would be delivered to people in their own homes, community venues and council premises.

The framework had been divided into three lots as detailed in table 1 of the report and had been advertised with a forecast spend of approximately £4 million per annum across the three lots. It was noted that 16 councils had confirmed their intention to participate in the framework, however, all member councils had been listed in the contract notice as potential participants to enable them to access the framework in the future.

Tender responses had been received from two suppliers and a summary of the offers received was detailed in Appendix 2 to the report. The community meals marketplace was limited at present and the volume of bids received demonstrated this. Scotland Excel would continue to engage with SMEs to provide support and development to expand the marketplace and number of bidders who could provide these services in future.

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

Appendix 4 to the report detailed the Scottish Living Wage status of bidders.

**DECIDED:** That the award of the framework agreement for supply and delivery of community meals, as detailed in Appendix 3 to the report, be approved.

#### **4(c) Contract for Approval: Supply and Distribution of Fresh Bread, Rolls and Baking Products**

There was submitted a report by the Director of Scotland Excel relative to the award of a new framework agreement for the supply and distribution of fresh bread, rolls and bakery products which would operate from 1 October 2019 until 30 September 2022, with the option to extend for up to an additional 12-month period until 30 September 2023.

The report summarised the outcome of the procurement process for this national framework agreement and intimated that the framework would provide a mechanism for local authorities to procure a range of fresh bread, rolls and bakery products.

Tender responses had been received from eight suppliers. One supplier failed to upload their pricing schedule by the closing date and time and had therefore been deemed non-compliant and one supplier was deemed to be non-compliant in the second stage commercial assessment. A summary of the six compliant offers received together with their SME status was detailed in Appendix 1 to the report.

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 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 six suppliers as outlined in Appendix 2 to the report.

Appendix 3 to the report detailed the Scottish Living Wage status of bidders.

**DECIDED:** That the award of the framework agreement for supply and distribution of fresh bread, rolls and bakery products, as detailed in Appendix 2 to the report, be approved.

#### **5(a) Request for Associate Membership of Scotland Excel by Cornerstone Community Care**

There was submitted a report by the Director of Scotland Excel advising that Cornerstone Community Care 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.

It was proposed that the legal persona of organisations be confirmed in future reports relating to requests for associate membership. This was agreed.

**DECIDED:**

(a) That the application by Cornerstone Community Care to become an associate member of Scotland Excel, at an annual membership fee of £500, be approved subject to completion and signing of the agreement documentation; and

(b) That the legal persona of organisations be confirmed in future reports relating to requests for associate membership.

**5(b) Request for Associate Membership of Scotland Excel by Scottish Courts and Tribunals Service**

There was submitted a report by the Director of Scotland Excel advising that the Scottish Courts and Tribunal Service 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 Scottish Courts and Tribunal Service to become an associate member of Scotland Excel, at no annual membership fee, be approved subject to completion and signing of the agreement documentation.

**5(c) Request for Associate Membership of Scotland Excel by Scottish Police Authority**

There was submitted a report by the Director of Scotland Excel advising that the Scottish Police Authority 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.

It was noted that the Scottish Policy Authority was in the process of reviewing its Scottish Living Wage status. It was proposed that this matter be revisited in six-months time and that an update report be submitted to a future meeting of the Executive Sub-committee. This was agreed.

**DECIDED:**

(a) That the application by the Scottish Police Authority to become an associate member of Scotland Excel, at an annual membership fee of £5,000, be approved subject to completion and signing of the agreement documentation; and

(b) That the matter of the Scottish Policy Authority reviewing its Scottish Living Wage status be revisited in six months time and that a report be submitted to a future meeting of the Executive Sub-committee.

#### **5(d) Request for Associate Membership of Scotland Excel by Shettleston Housing Association Limited**

There was submitted a report by the Director of Scotland Excel advising that Shettleston 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 Shettleston Housing Association to become an associate member of Scotland Excel, at an annual membership fee of £3,471, 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 10.45 am on 20 September 2019 in Scotland Excel Meeting Room 1, Renfrewshire House, Cotton Street, Paisley.



## Minute of Meeting Scotland Excel Executive Sub-committee

Date	Time	Venue
Friday, 20 September 2019	10:45	Scotland Excel Meeting Room 1, Renfrewshire House, Cotton Street, Paisley

### Present

Councillor Charles Buchan (substitute for Provost Bill Howatson) (Aberdeenshire 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, Director, H Carr, Head of Strategic Procurement, L Campbell, Corporate Services Manager, and S Morrison, Customer Account Manager (all Scotland Excel); and C McCourt, Finance Business Partner and R Devine, Senior Committee Services Officer (both Renfrewshire Council).

### Also in Attendance

Paul Bonfanti and Sobhan Afzal (Audit Scotland).

### Apologies

Provost Bill Howatson (Aberdeenshire Council); Councillor Angus MacMillan Douglas (Angus Council); Provost Norman Macdonald (Comhairle Nan Eilean Siar); Councillor Stephen Thompson (Dumfries and Galloway Council); Councillor Graham Hutchison (City of Edinburgh Council); Councillor Altany Craik (Fife Council) and Bailie Norman MacLeod (Glasgow City Council).

### Declarations of Interest

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

## 1 Minute

There was submitted the Minute of the meeting of the Executive Sub-committee held on 23 August 2019.

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

## 2 Annual Audit Report on the Annual Accounts 2018/19

Under reference to item 4 of the Minute of the meeting of the Joint Committee held on 21 June 2019 there was submitted a report by the Treasurer relative to the audited annual accounts 2018/19.

The report highlighted that the unaudited annual accounts 2018/19, submitted to the meeting of the Joint Committee in June 2019, had been amended to reflect changes identified during the audit by Audit Scotland. The external auditor's annual audit report, attached as Appendix 1 of the report, highlighted areas of significant risk which had been identified by the auditor and the amendments made to the unaudited accounts. A copy of the audited annual accounts 2018/19 was attached as Appendix 2 to the report.

The report also intimated that in accordance with the Local Authority Accounts (Scotland) Regulations 2014 the audited accounts required to be approved for signature by the Joint Committee no later than 30 September each year. It was noted 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 2019, in accordance with the accounting policies detailed in the accounts. Following approval, arrangements would be made for the audited annual accounts 2018/19 to be signed by the Director of Scotland Excel, the Convener and Treasurer.

**DECIDED:**

(a) That the findings of the 2018/19 audit, as detailed in the external auditor's annual audit report appended to the Treasurer's report be noted; and

(b) That the audited annual accounts 2018/19, attached as Appendix 2 to the report, be approved for signature.

## 3 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 25 October 2019 in Scotland Excel Meeting Room 1, Renfrewshire House, Cotton Street, Paisley.

At the conclusion of the meeting the Director took the opportunity to remind members of the Affordable Housing Event being held in the Radisson Hotel, Edinburgh on 8 October 2019 and advised that Scotland Excel had recently been shortlisted for two Go Awards –Celebrating Excellence in Public Procurement in respect of the (i) Hey Girls and (ii) Scotland's Bravest Manufacturer Company initiatives.

## Minute of Meeting

### Scotland Excel Executive Sub-committee

Date	Time	Venue
Friday, 25 October 2019	10:45	Scotland Excel Meeting Room 1, Renfrewshire House, Cotton Street, Paisley

#### Present

Councillor Charles Buchan (substitute for Provost Bill Howatson) (Aberdeenshire Council); Bailie Norman MacLeod (Glasgow City Council); Councillor Paul Di Mascio (North Lanarkshire Council); and Councillor John Shaw (Renfrewshire Council).

#### Chair

Councillor Shaw, Convener, presided.

#### In Attendance

H Carr, Head of Strategic Procurement, S Brannagan, Head of Customer and Business Services, C Taylor, Affordable Housing Project Manager, L Campbell, Corporate Services Manager, E McCluskie, Procurement Co-ordinator and C Richardson, Senior Procurement Specialist (all Scotland Excel); and M Conaghan, Legal and Democratic Services Manager, C McCourt, Finance Business Partner and E Currie, Senior Committee Services Officer (all Renfrewshire Council).

#### Apologies

Provost Bill Howatson (Aberdeenshire Council); Councillor Angus MacMillan Douglas (Angus Council); Councillor Graham Hutchison (City of Edinburgh Council); Provost Norman Macdonald (Comhairle Nan Eilean Siar); Councillor Stephen Thompson (Dumfries and Galloway Council); Councillor Altany Craik (Fife Council); Councillor Alister MacKinnon (Highland Council); and Councillor Amanda Hawick (Shetland Islands Council).

#### Declarations of Interest

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

## 1 Minute

There was submitted the Minute of the meeting of the Executive Sub-committee held on 20 September 2019.

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

## 2 Revenue Budget Monitoring

There was submitted a revenue budget monitoring report by the Treasurer and the Director of Scotland Excel for the period 1 April to 13 September 2019.

The report intimated that Scotland Excel was projecting an overspend of £14,000 by year-end in its core activities and that it was anticipated that projects would contribute £173,000 to core.

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

### 3(a) Contract for Approval: Provision of Debt Recovery and Sheriff Officer Services

There was submitted a report by the Director of Scotland Excel relative to the award of a new framework for the provision of debt recovery and sheriff officer services which would operate from 1 December 2019 until 30 November 2022, with the option to extend for up to an additional 12 months until 30 November 2023.

The report intimated that the expiry of the regional contract, led by Comhairle nan Eilean Siar, to procure these requirements with Clackmannanshire, East Dunbartonshire and Highland Councils, as collaborative partners, presented an opportunity for Scotland Excel to provide a national collaborative solution that would drive value through consolidation of the spend.

The report summarised the outcome of the procurement process for this national framework agreement and intimated that the framework would provide a mechanism for local authorities to procure a range of debt recovery and sheriff officer services. It was anticipated that these services would be predominately utilised by revenue and budget departments within local authorities who did not have the capacity to retrieve outstanding debt in-house.

The framework had been divided into two lots as detailed in the report and had been advertised at a value of £4.4 million over the four-year period.

Tender responses had been received from six suppliers and Appendix 1 to the report outlined the location of the service providers with all six being based in Scotland supporting the Scottish economy.

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 2 to the report detailed the scoring achieved by each service provider.

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 agreement be awarded to the service providers as outlined in Appendix 2 to the report.

Appendix 3 to the report detailed the Scottish Living Wage status of bidders.

**DECIDED:** That the award of the framework agreement for provision of debt recovery and sheriff officer services, as detailed in Appendix 2 to the report, be approved.

### **3(b) Contract for Approval: Security Services and Cash Collection**

There was submitted a report by the Director of Scotland Excel relative to the award of a renewal framework for the provision of security services and cash collection which would operate from 16 September 2019 until 15 September 2023, effective from 1 December 2019.

The report summarised the outcome of the procurement process for this national framework agreement and intimated that the framework would provide councils and other participating associate members with a mechanism to procure a range of security services, including guarding, stewarding, marshalling, key holding and mobile patrols and included cash collect services.

The framework had been divided into four lots as detailed in table 1 of the report and Appendix 1 to the report detailed the participation and spend summary of those participating in the framework.

It was noted that 18 candidates were brought forward to the ITT stage and one candidate did not submit an offer. Tender responses had been received from 17 suppliers by the closing date then one supplier subsequently withdrew their offer.

Based on the criteria and scoring methodology set out in the tender document, a full evaluation of the 16 compliant offers had been carried out and Appendix 3 to the report detailed the scoring achieved by each tenderer in each lot per council area.

Based on the evaluation undertaken, and in line with the criteria and weightings set out in the report, and to secure best value, capacity and coverage, it was recommended that a multi-supplier framework agreement be awarded to 14 suppliers across the 32 geographical areas and four lots as outlined in Appendix 3 to the report.

Appendix 4 to the report detailed the Scottish Living Wage status of suppliers.

**DECIDED:** That the award of the framework agreement for provision of security services and cash collection, as detailed in Appendix 2 to the report, be approved.

### **4(a) Request for Associate Membership: Loreburn Housing Association Limited**

There was submitted a report by the Director of Scotland Excel advising that Loreburn 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 Loreburn Housing Association Limited to become an associate member of Scotland Excel, at an annual membership fee of £3,564, be approved subject to completion and signing of the agreement documentation.

#### **4(b) Request for Associate Membership: Scottish Legal Aid Board**

There was submitted a report by the Director of Scotland Excel advising that the Scottish Legal Aid Board 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 Scottish Legal Aid Board to become an associate member of Scotland Excel, with no annual fee, be approved subject to completion and signing of the agreement documentation.

#### **4(c) Request for Associate Membership: University of Strathclyde**

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

### **5 Scotland Excel Conference and Supplier Excellence Awards 2020**

There was submitted a report by the Director of Scotland Excel relative to Scotland Excel's Conference and Supplier Excellence Awards 2020.

The report outlined the work being undertaken to deliver the conference and awards ceremony which would be held in the Radisson Blu Hotel, Glasgow on 20 and 21 February 2020.

It was noted that this event contributed to the delivery of a range of commitments within Scotland Excel's operating plan relating to procurement capability, contract management, supplier engagement and business growth. The report detailed the objectives of the event and the project status

#### **DECIDED:**

(a) That the progress made towards delivery of the Conference and Supplier Awards be noted; and

(b) That members note this date in their diaries.

## **6 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 22 November 2019 in Scotland Excel Meeting Room 1, Renfrewshire House, Cotton Street, Paisley.





## Minute of Meeting Scotland Excel Executive Sub-committee

Date	Time	Venue
Friday, 22 November 2019	10:45	Scotland Excel Meeting Room 1, Renfrewshire House, Cotton Street, Paisley

### Present

Councillor Charles Buchan (substitute for Provost Bill Howatson) (Aberdeenshire Council); Provost Norman Macdonald (Comhairle Nan Eilean Siar); Councillor Stephen Thompson (Dumfries and Galloway Council); Bailie Norman MacLeod (Glasgow City 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, Director, H Carr, Head of Strategic Procurement, S Brannagan, Head of Customer and Business Services, L Campbell, Corporate Services Manager, M Robertson, Marketing and Communications Manager, G Muir, Senior Procurement Specialist and S Nixon, Procurement Co-ordinator (all Scotland Excel); and C McCourt, Finance Business Partner and T Slater, Senior Committee Services Officer (both Renfrewshire Council).

### Apologies

Provost Bill Howatson (Aberdeenshire Council); Councillor Angus MacMillan Douglas (Angus Council); Councillor Graham Hutchison (City of Edinburgh Council); Councillor Altany Craik (Fife Council); Councillor Alister MacKinnon (Highland Council); and Councillor Paul Di Mascio (North Lanarkshire Council).

### Declarations of Interest

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

## **1 Minute**

There was submitted the Minute of the meeting of the Executive Sub-committee held on 25 October 2019.

In relation to item 3(b) – Security Service and Cash Collection – an amended Appendix 3 was tabled. It was agreed that the framework agreement for provision of security services and cash, approved at the meeting of the Executive Sub-committee held on 25 October 2019, be now awarded as detailed in the amended Appendix 3 tabled.

### **DECIDED:**

(a) That the Minute be approved; and

(b) That the framework for the provision of security services and cash collection be awarded, as detailed in the amended Appendix 3 tabled at the meeting.

## **2 Draft Revenue Estimates 2020/21**

There was submitted a report by the Treasurer and the Director of Scotland Excel relative to the revenue estimates of Scotland Excel including the requisition of the constituent authorities for the financial year 2020/21 along with indicative planning figures for 2021/22 and 2022/23.

The report provided information on the assumptions that the budget had been based on; a financial overview for Scotland Excel; the Scotland Excel funding model; and member authority requisitions for 2020/21.

Following discussion, it was proposed that an update report on associate membership be submitted to the meeting of the Executive Sub-committee to be held on 31 January 2020. This was agreed.

### **DECIDED:**

(a) That the revenue estimates of Scotland Excel for the financial year 2020/21, as detailed in table 1 of Appendix 1 of the report, be noted and recommended to the Joint Committee;

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

(c) That the indicative estimates for 2021/22 and 2022/23 be noted; and

(d) That an update report on associate membership be submitted to the meeting of the Executive Sub-committee to be held on 31 January 2020.

### **3(a) Contract for Approval: Supply of Social Care Case Management Solutions Software (including Installation and Maintenance)**

There was submitted a report by the Director of Scotland Excel relative to the award of a collaborative framework for the supply of social care case management solutions software (including installation and maintenance) which would operate from 1 January 2020 until 19 November 2023.

The report intimated that the requirement for this procurement had been identified through consultation with commodity user intelligence groups and presented an opportunity for Scotland Excel to provide a national collaborative solution that would drive value through consolidation of the spend, whilst alleviating the resource challenge associated with this type of procurement exercise for local authorities.

The framework had been advertised at an estimated maximum value of £28 million over the four-year period and the report summarised the outcome of the procurement process for this national framework agreement and intimated that the framework would allow councils to call off directly or use a mini-competition process if required.

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

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 2 to the report detailed the scoring achieved by each service provider.

Based on the evaluation undertaken, and in line with the criteria and weightings set out in the report, and to secure best value, capacity and coverage, it was recommended that a multi-supplier framework agreement be awarded to three suppliers as outlined in Appendix 2 to the report.

Appendix 3 to the report detailed the Scottish Living Wage status of bidders.

Following discussion, it was proposed that a report explaining the classifications used within the framework contract management process be submitted to the meeting of the Executive Sub-committee to be held on 31 January 2020.

#### **DECIDED:**

(a) That the award of the framework agreement for the supply of social care case management solutions software (including installation and maintenance), as detailed in Appendix 2 to the report, be approved; and

(b) That a report explaining the classifications used within the framework awarding process be submitted to the meeting of the Executive Sub-committee to be held on 31 January 2020.

### **3(b) Contract for Approval: Supply and Delivery of Plumbing and Heating Materials**

There was submitted a report by the Director of Scotland Excel relative to the award of a renewal framework for the supply and delivery of plumbing and heating materials which would operate from 1 December 2019 until 30 November 2022 with the option to extend for up to 12 months until 30 November 2023, effective from 10 December 2019.

The report summarised the outcome of the procurement process for this fourth-generation framework agreement and intimated that the framework would provide councils and other participating bodies with a mechanism to procure a range of plumbing and heating materials in support of construction projects, ongoing maintenance schedules and ad-hoc repairs.

The framework had been divided into six lots as detailed in table 1 of the report and Appendix 1 to the report detailed the participation and spend summary of those 28 councils participating in the framework. In addition to councils, the NHS, River Clyde Homes, Rossie Secure Accommodation Services, Edinburgh Leisure, Dunedin Canmore Housing Association and the Scottish Prison Service. City Building (Glasgow) have confirmed they will transition to the framework in year three at the expiry of their local agreements.

Tender responses had been received from 12 bidders, however, one bidder rejected the terms and conditions and subsequently withdrew their offer. A summary of the offers received was detailed in Appendix 2 to the report.

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

Appendix 4 to the report detailed the Scottish Living Wage status of suppliers.

An amended Appendix 3 was tabled at the meeting.

**DECIDED:** That the award of the framework agreement for the supply and delivery of plumbing and heating materials, as detailed in the amended Appendix 3 tabled at the meeting, be approved.

## **4 Project Review**

There was submitted a report by the Director of Scotland Excel providing an update on 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. 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 continued to seek 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, with three projects contributing targeted surpluses within the current financial year. The report provided updates in relation to each of the funding streams and advised that further updates, including delivery against income targets, would be presented to future meetings of the Joint Committee and the Executive Subcommittee.

Scotland Excel was currently developing methods or generating further innovation within the organisation, proposing future projects and sharing good practice with the wider Scotland Excel membership.

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

## **5 Request for Associate Membership: Parkhead Housing Association Limited**

There was submitted a report by the Director of Scotland Excel advising that Parkhead 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 Parkhead Association Limited to become an associate member of Scotland Excel, at an annual membership fee of £2,465, be approved subject to completion and signing of the agreement documentation.

## **6 Operating Plan Update**

There was submitted a report by the Director of Scotland Excel relative to the progress made against operating plan activities and commitments during quarter 1 2019/20.

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

## **7 Risk Register Update**

There was submitted a report by the Director of Scotland Excel providing an update on the 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 such risks. A copy of the risk register was appended to the report.

Following discussion on the risk register template, which had been revised, it was proposed that risks be listed in order of severity. This was agreed.

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

## **8 Meetings of Scotland Excel Executive Sub-committee in 2020**

There was submitted a report by the Clerk relative to proposed dates and venues for meetings of the Executive Sub-committee in 2020.

**DECIDED:** That the dates and venues for meetings of the Executive Sub-committee in 2020 as detailed in the report, be approved.

## **9 Date of Next Meeting**

**DECIDED:** That it be noted that the next meeting of the Executive Sub-committee would be held at 9.45am on 6 December 2019 in Glasgow City Chambers, George Square, Glasgow.

## Scotland Excel

**To: Joint Committee**

**On: 6 December 2019**

### **Report by The Treasurer and Director Revenue Estimates 2020/21**

#### **1. Summary**

- 1.1 The following report has been prepared by the Treasurer, in consultation with the Director, to present the Revenue Estimates of Scotland Excel including the requisition of the constituent authorities for the financial year 2020/21 along with indicative planning figures for 2021/22 and 2022/23.
- 1.2 This report was presented to the Executive Sub-Committee on 22 November 2019 and they agreed to recommend the report to the Joint Committee.

#### **2. Recommendations**

- 2.1 It is recommended that members:
  - **agree** the Revenue Estimates of Scotland Excel for the financial year 2020/21 as shown in Table 1 of Appendix 1;
  - **agree** the requisitions from constituent authorities detailed in Appendix 2; and
  - **note** the indicative estimates for 2021/22 and 2022/23.

#### **3. Background**

- 3.1 The Annual Revenue Estimates process each year outlines the summary revenue budget position for the organisation. The budget estimates provided in the attached Appendix 1 outline the projected position and proposed requisitions for 2020/21 and outline an indicative projected position for 2021/22 and 2022/23. The assumptions used in developing these projections are outlined in section 4 below.
- 3.2 Members will note that for this and future financial or budgetary reports, income will be reported in line with the Funding Model Review paper presented to and approved by the Joint Committee in June 2018. The Funding Model Review paper, which aimed to reduce the reliance on requisition income, advised that future funding for Scotland Excel core operating services would be funded by council requisitions, Associate fees, rebates and income from Projects, namely

New Build Housing, Consultancy Services and Learning and Development (The Academy).

- 3.3 Reporting income under these headings should provide members with improved clarity on financial progress against each income stream.
- 3.4 The financial environment in which Scotland Excel and its member authorities operate continues to be characterised by significant demand and cost pressures, compounded by reducing levels of grant support in real terms. It is anticipated that the Scottish Budget and local government settlement will continue to present significant challenges.
- 3.5 Furthermore, it is recognised that over the medium term, local government in Scotland is likely to face further contraction in available resources, relating predominantly to the provision of revenue grant from the Scottish Government. In this context, Scotland Excel will 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 is achieved.

#### 4. **Budget Assumptions**

- 4.1 Expenditure - The expenditure budget is based on the following assumptions:
- 4.2 A budget provision of 3% in relation to the agreed 2020/21 pay award has been included in the budget forecast. An estimated 3% has also been added to the Employee Costs element of the indicative figures shown for 2021/22 and 2022/23. These are estimates only, used to provide indicative figures for 2021/22 and 2022/23.
- 4.3 In line with previous years practice, no inflationary adjustment has been made to most non-salary expenditure lines. Any adjustments made are detailed in paragraph 4.4 below.
- 4.4 Adjustments have been made to specific expenditure lines to reflect operational demand in relation to:
  - **Employee Costs** – a budgeted staffing turnover assumption of 5% has been applied; the Adult Supported Living project has been absorbed into the Core operating budget as approved at the Joint Committee in December 2018 (£157,000); the Associates Team has been absorbed into the Core operating budget (£111,000); Marketing and Corporate Support budgets have been enhanced, reflecting increasing demand on these business areas (£83,500); employee increment payments have been recognised (£30,000); and the agreed 3% increase in relation to the 2020/21 pay award has been included (£90,000).
  - **Property Costs** – rent and service charge costs have been updated to reflect the current lease agreement.



- **Supplies and Services** - ICT costs have increased due to the continuing migration to an agile working environment, as identified within the organisational operating plan and risk register; the introduction of virtual servers, the organisational move to Microsoft Office 365 and the continuing development of data access systems for suppliers, councils and Scotland Excel.
- **Administration Costs** – Administration costs have increased due to anticipated recruitment and telephony costs.
- **Transport Costs** – budgetary provision has been reduced to reflect the increased use of Video Conferencing and Skype for Business.

4.5 Income budget estimates have been created taking into consideration the following,

- **Member Requisitions** – At the Joint Committee in December 2018, members noted indicative 3% increases for 2020/21 and 2021/22. Members approved the overall financial strategy and the 2019/20 requisition increase of 2%.
- **Temporary Use of Reserves** – A temporary drawdown of Project reserves of £120k was approved, but not taken during 2019/20 due to the receipt of a one-off Scottish Government grant – this drawdown will now be taken in 2020/21.
- **Associate Income** – Provision has been added to reflect anticipated increased income via Associate Memberships as a result of consolidation of the Associates Team into Core.
- **Income from Projects** – Includes anticipated income from projects including New Build Housing, Consultancy Services and Learning and Development (Academy)
- **Rebates** – Income provision relating to anticipated rebates accruing during 2020/21 has been included in line with the Funding Review proposal approved by the Joint Committee in December 2018.

4.6 The projected outturn position for 2019/20 is an overspend on core activities of £14,000 against the approved budget. This agreed overspend reflects a shortfall in approved funding following the 3% budget provision for pay inflation made in 2018/19 and the subsequent 3.5% pay agreement.

## 5. Financial Overview

5.1 As outlined above, the financial outlook in the medium term continues to be characterised by uncertainty. At this point, areas of financial risk for the Joint Committee include the increasing levels of pay inflation and the continuing uncertainty in local authority grant settlement figures.

5.2 Members will be aware that, there has been a change in the approach to that adopted in previous years where revenue estimates had been developed to ensure that Core operations are fully funded by requisition income. Members are

aware that a new funding model was approved at the June 2018 Joint Committee which means that core operations will be funded from both requisitions and income generated from a range of other sources. This move to a more commercial funding model does increase the overall level of financial risk to the organisation, which requires to be appropriately mitigated through a prudent level of reserves. It is estimated that uncommitted reserves will amount to £227,141 at the end of the 2019/20 financial year, which represents 5.6% of anticipated operating income in that year. This balance will be held to protect against any unforeseen costs or financial risks that may arise. The minimum level of uncommitted reserves balance recommended by the Treasurer is 5%.

- 5.3 The information provided in Appendix 1 outlines the forecast year-end financial position for 2019/20 and estimates for 2020/21, 2021/22 and 2022/23. The funding streams, set out within the Funding Model Review approved by members at the June 2018 Joint Committee, have been incorporated into these estimates. These include the use of Associate income; the temporary use of project reserves built up by the Small Value Procurement Team; and income that is expected to be earned and generated by Projects during 2020/21. A 3% requisition increase has therefore been recommended for financial year 2020/21 in line with the figure noted by the Joint Committee in December 2018.
- 5.4 Indicative figures have also been included for 2021/22 and 2022/23. These figures, which include an estimated inflationary increase in each year of 3%, show that, with a 3% requisition increase in 2020/21 and 2021/22 and anticipated increasing levels of non-requisition income, Scotland Excel can forecast a zero percent (0%) increase in council requisitions in 2022/23. Non-requisition income is forecast to generate 19% of income required to cover core operating costs in 2022/23.
- 5.5 Members will note that a memorandum section is detailed in Appendix 1 (Table 2) relating to the projects that Scotland Excel operates. The funding relating to these projects is not covered by requisition income and the income and expenditure shown are for information purposes only. Project expenditure and income will vary each financial year and are generally short-term in nature, therefore only the 2020/21 figures, as known at this time, are provided. As outlined above, each project is forecast to contribute income towards Core activities during the forthcoming financial year.

## **6 Scotland Excel Funding Model**

Work continues on the review of the financial sustainability of Scotland Excel since the Joint Committee in June 2018 and on developing the funding solutions set out at that point. The organisation has made good progress in developing each of the potential offerings set out in the report. The Income Stream Update Report within these papers provides an update on each area. Within the financial estimates for Scotland Excel for financial year 2020/21, 14% of required income to deliver core services will be generated through income streams, identified within the Income Stream Update Report, other than council requisitions. In 2019/20 project activity is budgeted to contribute £173k to core operations and this income is anticipated to be achieved in full.

## **7      2020/21 Member Authority Requisitions**

- 7.1    An increase of 3% has been recommended for 2020/21 for member authority requisitions, as detailed in Appendix 2 of this report. As per the Minute of Agreement, member requisitions are calculated by aggregating a fixed annual membership fee, which is 20% of net operating expenditure, with the remainder based on each member council's population as a proportion of total member population. For 2020/21, population numbers have been sourced from the 2017 mid-year population estimates published by the National Records of Scotland. It should be noted that the requisitions outlined do not include amounts payable by councils in relation to the National Care Home Contract.
- 7.2    Any future events that may materially affect these finances will be the subject of a report to the Joint Committee.
- 7.3    The requisition funding drawdown will be invoiced annually during October 2020, in accordance with arrangements made by the Treasurer.



## Appendix 1

Table 1: Core Operating Budget

	2019/20	2019/20	2020/21	2021/2022	2022/23
	Revised	Forecast Outturn	Proposed	Indicative	Indicative
<b>Core Operational Expenditure</b>					
Employee Costs	3,107,580	3,141,000	3,591,300	3,753,800	3,866,400
Property Costs	217,800	217,000	217,500	217,500	217,500
Supplies & Services	254,060	251,000	295,200	295,200	295,200
Administration Costs	220,740	222,000	224,000	224,000	224,000
Transport Costs	35,000	35,000	30,000	30,000	30,000
Transfer Payments	11,320	11,000	13,500	13,500	13,500
Supported Living/Care at Home	169,400	169,000			
<b>Total Core Operating Costs</b>	<b>4,015,900</b>	<b>4,046,000</b>	<b>4,371,500</b>	<b>4,534,000</b>	<b>4,646,600</b>
<b>Core Operational Income</b>					
Council Requisitions	3,553,900	3,554,000	3,660,500	3,770,300	3,770,300
Temporary Reserve Use	120,000	0	120,000	0	0
Scottish Government Grant	0	150,000	0	0	0
18/19 Associate Income	80,000	80,000	0	0	0
Associate Income	75,000	75,000	210,000	225,000	240,000
Income from Projects	173,000	173,000	315,000	395,200	326,700
Rebates	0	0	66,000	143,500	309,600
<b>Total Core Operating Income</b>	<b>4,001,900</b>	<b>4,032,000</b>	<b>4,371,500</b>	<b>4,534,000</b>	<b>4,646,600</b>
<b>Cored Operating Deficit/(Surplus)</b>	<b>14,000</b>	<b>14,000</b>	<b>0</b>	<b>0</b>	<b>0</b>

Table 2: Project Budgets

	2019/20	2019/20	2020/21
	Revised	Forecast Outturn	Proposed
<b>Project Operating Expenditure</b>			
Employee Costs	1,311,000	1,234,400	1,302,500
Property Costs	0	0	0
Supplies and Services	27,000	39,100	28,000
Contractors	0	0	0
Administration Costs	18,500	12,900	28,500
Payments to Other Bodies	291,500	288,000	299,000
Transport	30,000	28,000	22,600
<b>Total Projects Operating Expenditure</b>	<b>1,678,000</b>	<b>1,602,400</b>	<b>1,680,600</b>
<b>Projects Operating Income</b>			
Project Income	1,851,000	1,775,400	1,995,600
<b>Total Projects Operating Income</b>	<b>1,851,000</b>	<b>1,775,400</b>	<b>1,995,600</b>
<b>Project Surplus</b>	<b>173,000</b>	<b>173,000</b>	<b>315,000</b>
<i>Comprising:</i>			
<b>New Build Housing</b>	0	0	30,000
<b>Consultancy Services</b>	70,000	80,000	217,000
<b>Learning and Development (Academy)</b>	53,000	53,000	53,000
<b>New Associate Income</b>	50,000	40,000	0
<b>Other Income</b>	0	0	15,000
	<b>173,000</b>	<b>173,000</b>	<b>315,000</b>

Table 3: Reserves

<b>Scotland Excel Reserves</b>					
<b>Unrestricted Reserves</b>					
Opening Uncommitted Reserves	241,141	241,141	227,141	227,141	227,141
Use of Reserves	(14,000)	(14,000)	0	0	0
<b>Closing Uncommitted Reserves</b>	<b>227,141</b>	<b>227,141</b>	<b>227,141</b>	<b>227,141</b>	<b>227,141</b>
<b>% of Operating Income</b>	<b>5.7%</b>	<b>5.6%</b>	<b>5.2%</b>	<b>5.1%</b>	<b>5.0%</b>
<b>Restricted Reserves</b>					
Opening Project Reserves	636,924	436,924	356,924	TBC	TBC
Use of Reserves	(200,000)	(80,000)	(120,000)		
<b>Closing Project Reserves</b>	<b>436,924</b>	<b>356,924</b>	<b>236,924</b>		
<b>% of Operating Income</b>	<b>23.6%</b>	<b>23.3%</b>	<b>16.0%</b>		



## Appendix 2

### Member Requisitions

Requisition by Authority	2019/20	2020/21	Movement
Aberdeen City	£ 142,125	£ 146,388	£ 4,263
Aberdeenshire	£ 159,420	£ 164,202	£ 4,782
Angus	£ 83,153	£ 85,648	£ 2,495
Argyll and Bute	£ 67,709	£ 69,740	£ 2,031
Clackmannanshire	£ 49,176	£ 50,652	£ 1,476
Dumfries and Galloway	£ 100,407	£ 103,419	£ 3,012
Dundee City	£ 100,150	£ 103,154	£ 3,004
East Ayrshire	£ 86,120	£ 88,703	£ 2,583
East Dunbartonshire	£ 78,882	£ 81,249	£ 2,367
East Lothian	£ 77,158	£ 79,473	£ 2,315
East Renfrewshire	£ 71,874	£ 74,031	£ 2,157
City of Edinburgh	£ 291,182	£ 299,918	£ 8,736
Eilean Siar	£ 36,335	£ 37,426	£ 1,091
Falkirk	£ 106,135	£ 109,319	£ 3,184
Fife	£ 216,865	£ 223,372	£ 6,507
Glasgow City	£ 347,684	£ 358,116	£ 10,432
Highland	£ 145,468	£ 149,832	£ 4,364
Inverclyde	£ 63,489	£ 65,394	£ 1,905
Midlothian	£ 69,427	£ 71,510	£ 2,083
Moray	£ 72,409	£ 74,582	£ 2,173
North Ayrshire	£ 93,378	£ 96,180	£ 2,802
North Lanarkshire	£ 200,383	£ 206,394	£ 6,011
Orkney Islands	£ 33,742	£ 34,754	£ 1,012
Perth and Kinross	£ 101,402	£ 104,444	£ 3,042
Renfrewshire	£ 114,911	£ 118,334	£ 3,423
Scottish Borders	£ 82,493	£ 84,968	£ 2,475
Shetland Islands	£ 34,308	£ 35,337	£ 1,029
South Ayrshire	£ 81,266	£ 83,705	£ 2,439
South Lanarkshire	£ 188,962	£ 194,632	£ 5,670
Stirling	£ 71,477	£ 73,621	£ 2,144
West Dunbartonshire	£ 69,175	£ 71,251	£ 2,076
West Lothian	£ 117,235	£ 120,752	£ 3,517
<b>Total</b>	<b>£ 3,553,900</b>	<b>£ 3,660,500</b>	<b>£ 106,600</b>





## **Scotland Excel**

**To: Joint Committee**

**On: 6 December 2019**

**Report  
by  
Director Scotland Excel**

### **Income Stream Update**

#### **1. Introduction**

This paper provides members with an update on the progress made on generating additional funding through a series of income generating projects. Detailed financial information related to projects has been provided within the Revenue Estimates Report for 2020/21 and a summary provided in Appendix 1 of this report.

#### **2. Background**

The Revenue Estimates 2018-19 report presented at the 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. It was recognised that over the medium term, local government in Scotland is likely to face further contraction in available resources. In this context, Scotland Excel continues to seek operational savings to manage its financial position flexibly to maintain the aim of minimising the level of requisition required, and also to develop value propositions for member authorities to ensure that best value is achieved.

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 Expansion
4. New Build Housing
5. Rebates

All five funding opportunities are progressing, with three projects contributing targeted surpluses within the current financial year.

### 3. Project Updates

All funding opportunities are now being progressed with an emphasis on the projects that are scheduled to deliver income in the current financial year (FY 19/20).

#### 1. Consultancy Services

Scotland Excel is working on several consultancy projects.

The June 2018 Joint Committee approved a surplus target of £70k for Consultancy Services in 2019/20. Based on current and scheduled projects it is anticipated that the target will be exceeded. Appendix 1 provides additional information on the target, forecast result for the current financial year and proposed future targets.

The following projects are currently underway:

***Fife Transformation Programme:*** The programme is now in its second year of operation. The programme consists of a number of projects across many aspects of the council's operation. At the request of the council, the team has increased its focus on the identification and delivery of savings by pushing other projects until later within the programme. In addition to savings, the programme continues its prioritisation of skills development to support handover from Scotland Excel to the Fife procurement team in late 2020. The programme has seen success in a number of areas which will benefit the council covering financial and non-financial benefits.

***Tayside Procurement:*** Scotland Excel has been commissioned to deliver a Tayside wide project to enhance procurement and commissioning capability. Angus Council, Dundee City Council, Perth and Kinross Council and Tayside Contracts will participate in the change programme, including the current shared team which makes up the Tayside Procurement Consortium. An option appraisal to support a choice of future operating model for procurement and commissioning in Tayside is underway. Scotland Excel are supporting the partner organisations to create a robust model which will take public services into the coming years with a strong professional approach to managing external relationships. These include arrangements for delivery of social care services, construction contractors and support industries which enable delivery of frontline services. The approved business case identified opportunities for more effective joint working, realising savings, process enhancement and greater support for evolving services. The target agreed was £18m of benefit over three years for the Tayside area; some of which is likely to be achieved through enhancing the social impact achieved when councils spend externally. Examples of this would be in support for local employment opportunities, targeted training and supply chain management.

***City Property (Glasgow) LLP:*** Scotland Excel was engaged by this organisation to operate a mini competition within Crown Commercial Service's Estates Professional Services framework. This initial project was completed in

June 2019. Scotland Excel continues to work with City Property and is currently scoping a piece of work around waste management services which is scheduled to start in January 2020.

**East Renfrewshire Council:** Following on from previous consultancy work undertaken for East Renfrewshire council, Scotland Excel initiated a 12-month project in July 2019. The project is focussed on supporting a number of foundation elements across procurement including; stakeholder engagement, and relationships, team development, workload planning, identification of savings opportunities and strategic direction of procurement.

**East Lothian Council:** Scotland Excel is at the early stages of a two-year programme working with East Lothian Council to support the development of its Procurement services across the organisation. In mid-October the programme recruited a Commercial Programme Manager who will lead the corporate procurement team. The programme will encompass a number of projects including; contract optimisation, contract and supplier management, systems review, collaborative working and strategic direction of procurement.

**Cycling Scotland:** The project is now complete. It was designed to put in place a Dynamic Purchasing System (DPS) which is an electronic procurement process, similar to a framework agreement, but remains open to allow new suppliers to join. The DPS provides members with a list of training suppliers which can be engaged to provide cycling proficiency training at a professional level within the local authority or school. The DPS was approved by the Executive Sub committee on the 21<sup>st</sup> June 2019.

A number of other consultancy projects are at an early stage with organisations such as Dumfries & Galloway Council, Scottish Borders Council, Midlothian Council and Perth & Kinross Council.

## 2. Learning & Development – The Academy

The June 2018 Joint Committee approved a surplus target of £53k for The Academy in 2019/20. Scotland Excel continues to develop a wide range of programmes to customers including:

- Two further groups in the SQA-accredited Professional Development Award (“PDA”) in Project Management (co-delivered between The Academy and the Improvement Service) have been completed, with 4 groups on-going;
- MCIPS Practitioner group 2 has now completed, with 4 Practitioner and Advanced Practitioner groups in progress;
- Four Chartered Management Institute (CMI) accredited Leadership and Management programmes at levels 5, 6 and 7 (operational and strategic levels) are also on-going;
- Business Analysis, Decision Making & Innovation: one new programme, accredited by the Scottish Qualification Authority (SQA), has been launched in co-delivery with the Improvement Service.

- Launching Coaction, in collaboration with Scottish Government, to enable collaboration and innovation across the wider public sector; and
- One learner has attained Charter Management status after completing the CMI level 5 and 6 Leadership and Management courses.

In addition, numerous day workshops in technical procurement skills have been completed. Classes have been either a mix of attendees from various Councils or attendees from a single Council.

Scotland Excel continues to invest in the Academy to develop the longer-term opportunity and provide a more holistic service for local government and the wider public sector. Examples of current activity include:

- developing the growing demand within the public sector for one-day technical workshops in procurement and leadership and management;
- on-going investment in continued development of the Academy portal;
- continuing delivery of accredited procurement and leadership and management courses;
- investigating the potential for Scotland Excel to become a SCQF-registered credit rating body.

Appendix 1 provides additional information on the target, forecast result for the current financial year and proposed future targets.

### 3. Associate Member - Expansion

The June 2018 Joint Committee approved a surplus target of £50k for Associate Member expansion in the current financial year. At the December 2018 Joint Committee, members approved Scotland Excel's recommendation of a continued focus and dedicated resourcing into the growth of Associate membership.

Prior to April 2019, associate member growth mainly came from housing associations participating in the Scottish Government Affordable Housing project known as the Procurement Commercial Improvement Programme (PCIP). The development of the new associate member strategy continues to target the housing sector and a new focus on the third sector. Further engagement has taken place with council arm's length organisations to encourage free membership and the use of Scotland Excel contracts to help deliver best value back into the community.

The PCIP programme and the award of the Scotland Excel new build framework continues to attract housing association membership. The associates team has engaged with the third sector by attending targeted events and by meeting with appropriate third sector support organisations. The initial aim is to raise awareness of Scotland Excel and associate membership.

Achieving the agreed income target will continue be challenging although it is anticipated that the work underway will support this goal. Appendix 1 provides

additional information on the target, forecast result for the current financial year and proposed future targets.

#### 4. New Build Housing

The New Build Residential Construction framework was targeted to deliver its first contribution of £93k in financial year 2020/21.

Following an extensive development period and a restricted procurement exercise, 19 contractors have been awarded to the framework which commenced on 26<sup>th</sup> August 2019. The new framework comprises five lots for different project sizes and includes provisions which encourage sustainable and energy efficient housing, advertising of sub-contracting opportunities, delivery of community benefits and use of supported businesses and social enterprises.

Extensive engagement has been undertaken with individual contractors and purchasers, as well as a number of other key stakeholder groups. The framework was formally launched at an event in Edinburgh in October 2019 which brought together contractors and Scotland Excel members, and the keynote address was delivered by Derek MacKay, Cabinet Secretary for Finance, Economy and Fair Work.

Individual and bespoke mobilisation sessions are now being undertaken by the Scotland Excel team with member councils and housing associations.

It is anticipated that the contribution to surplus for the New Build project in the 2020/21 budget will fall short of the planned amount. The initial annual estimates derived two years previously are still anticipated to be delivered but over a later time period. Appendix 1 provides additional information on the target, forecast result for the current financial year and proposed future targets.

#### 5. Rebates

The Rebates project was targeted to deliver a contribution of £55k to planned surpluses in financial year 2020/21.

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.

A number of framework opportunities have been identified and are being considered for future rebates. Appendix 1 provides additional information on the target, forecast result for the current financial year and proposed future targets.

#### 4. **Supporting Projects**

Scotland Excel has implemented a number of internal processes and practices to guide and support income generating projects. These range from processes to ensure consistency and transparency, to methods of collecting and sharing good practice. These include:

- A standard and transparent costing model which is shared with prospective customers.
- Staff charged at a fully burdened cost (including standard overheads and IT) to ensure the core budget is not impacted by the growth in projects.
- Agreed internal project reporting and the tracking of all project related costs.
- A periodic income review board is conducted to monitor project financial performance and identify issues and potential obstacles to success.
- Consultation with members to identify future areas of interest and benefit.

The organisation is currently also developing methods for generating further innovation within Scotland Excel, proposing future projects and sharing good practice with the wider Scotland Excel membership.

#### 5. **Recommendations**

Members are asked to note the progress made in this area. Further updates will be presented to future Joint Committees and Executive Sub committees on funding projects including delivery against income targets.

## Appendix 1

	<b>01/06/2018 Target</b>	<b>2019/20 Budget</b>	<b>2019/20 Forecast</b>	<b>2020/21 Target</b>	<b>2021/22 Target</b>	<b>2022/23 Target</b>
Consultancy Services	70,000	120,000	120,000	232,000	220,000	171,300
Learning and Development	53,000	53,000	53,000	53,000	55,000	60,000
Associates Income	130,000	155,000	155,000	210,000	225,000	240,000
New Build Housing	95,390	0	0	30,000	120,200	95,400
Rebates	55,000	0	0	66,000	143,500	309,600





## **Scotland Excel**

**To: Joint Committee**

**On: 6 December 2019**

**Report  
By:  
Director Scotland Excel**

### **Procurement Commercial Improvement Programme (PCIP) Update**

#### **1. Introduction**

This report provides an update on the status of the work undertaken by Scotland Excel to support councils with the Procurement Commercial Improvement Programme (PCIP).

#### **2. Background**

The Procurement and Commercial Improvement Programme was introduced in 2015 and is a maturity model designed to assess Scottish public sector procurement performance in a common format. The PCIP is a continuation of the work undertaken by the Procurement Capability Assessment carried out on an annual basis since 2008 until introduction of the PCIP. PCIP focuses on the policies and procedures driving procurement performance and the results they deliver.

The first round of PCIP assessments was carried out with all 32 Councils in 2016/17. Following this, a lessons learned and consultation exercise was carried out with key stakeholders including the Procurement Improvement Programme (PIP) Steering Group to inform the approach for the next round scheduled for 2018/19.

The outcome of this was for two assessment routes to be offered to Councils in 2018/19: the existing full assessment route and a streamlined Focussed Assessment route. Any Councils that scored below 55% in the 2016/17 assessment were automatically subject to the full assessment. The Focussed Assessment was designed to maintain a proportionate balance between the resources required to undertake assessment, the need to maintain rigour and consistency, and the ability to support continuous improvement.

Following selection of the assessment routes, 25 Councils were subject to Focussed Assessment and 7 to the Full Assessment.

### 3. Results

Following 32 completed assessments in 2018/19, the average assessment score across the local government sector is 70% (Band F1), an increase from 64% (Band F3) in the 2016/17 assessments. The number of councils achieving 70% or above has increased to 17.

PCIP is a common benchmarking tool across the public sector and national comparisons will be available on completion by all sectors, expected by March 2020.

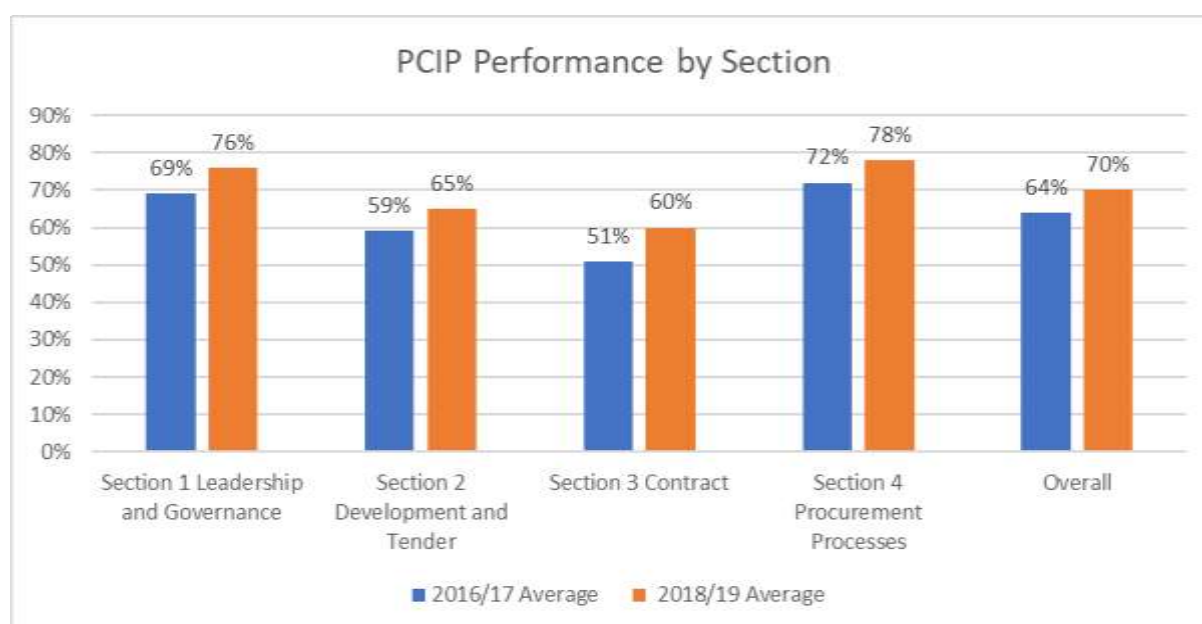
A summary of the profile of the number of Councils and performance band comparing 2016/17 and 2018/19 assessments is shown in table 1 below:

**Table 1**

Performance Band	Number of Councils 2016/17	Number of Councils 2018/19
F1 (>70%)	11	17
F2 (66<=69%)	2	6
F3 (61<=65%)	7	4
F4 (56<=60%)	5	1
F5 (51<=55%)	1	2
F6 (46<=50%)	5	2
F7 (41<=45%)	1	0
<b>Total</b>	<b>32</b>	<b>32</b>

A breakdown of the average scores across the local government sector for each section of the PCIP assessment comparing 2016/17 and 2018/19 is shown in Diagram 1 below:

**Diagram 1**



As Diagram 1 shows, the key development areas for the sector are the Development & Tender and Contract sections. Over the last 2 years, officers have implemented a programme of support focused on addressing the areas of improvement identified through PCIP including:

- Business Change Projects focussing on Contract and Supplier Management; Demand Management; and Support and Guidance
- Targeted Support – it is Scotland Excel’s aspiration to support councils in achieving performance Band F2 & F1 and we are providing targeted support to this group of councils to help them improve prior to the next PCIP assessment
- Workshops and masterclasses – covering a range of issues identified as key challenges across the sector including Contract and Supplier Management; Demand Management; Indexation; Project Development and Control and Working with Stakeholders
- Accredited work-based learning and development through the Scotland Excel Academy including accredited qualifications.

Work is ongoing with the PIP Steering Group to continue to develop and deliver further support to the sector to enable councils to change and improve in response to the PCIP assessments.

The Focussed Assessment approach delivered in 2018/19 was well received by Councils, with feedback on the proportionate resource requirements for the assessment and the focussed discussions on assessment day.

Scotland Excel will work with Councils, Scottish Government and other Centres of Expertise to share lessons from the 2018/19 programme and ensure that future programmes maintain value and meet the needs and aspirations of the local government sector. A workshop, including representatives from councils, is being scheduled by Scottish Government to help inform the future direction of PCIP 2021.

#### **4. Recommendation**

Members are invited to note the progress and completion of the local government sector 2018/19 PCIP programme.



## **Scotland Excel**

**To: Joint Committee**

**On: 6 December 2019**

**Report  
By:  
Director 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 April 2019 to 30 September 2019, from 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 at point of tender has 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 has been favoured by procurement specialists when embarking on new procurement exercises and offers a focussed 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. This information is collated to illustrate the variety and extent of Community Benefits delivered from 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 30 September 2019, Community Benefits have been collated from suppliers and providers who have received in excess of £50,000 spend over the preceding two quarters via a Scotland Excel framework.

Table 1 shows a summary of the social value added across the Scotland Excel procurement portfolio since 2013. The figures are complete for the 6-month period through to the end of September 2019.

	2013/ 2014	2014/ 2015	2015/ 2016	2016/ 2017	2017/ 2018	2018/ 2019	Apr19- Sep 19	Total
No of Apprentices	9	92	49	18	52	34	21	275
No of New Jobs	78	43	29	53	146	280	192	821
No of Work Placements	0	5	6	17	30	107	27	192
Hours of Volunteering & Mentoring	95	377	1279	1570	1637	803	601	6362
Hours of Work Experience	5305	28214	16734	7852	2541	667	5879	67184
Value of Other Community Benefits	£2,474	£16,550	£46,140	£87,814	£311,549	£437,443	£560,090	£1,462,060

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

Community Benefits delivered via Scotland Excel frameworks continue to be positive. 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 the Social Care Agency Workers framework, where one supplier recruited 15 new full-time employees. It is also worth noting that a total of 7 new apprentices have been recruited within Falkirk. In relation to 'hours of volunteering and mentoring' the highest number was provided within Inverclyde where some suppliers' staff conducted befriending and driving duties within the local area. Furthermore, suppliers within Fife provided 13 adult work placements.

As shown in Appendix 1, returns illustrate that North Lanarkshire received the most 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 provision of a sports leadership academy.

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 926 suppliers appointed since formal consideration, 768 (83%) notified that they pay the Living Wage. This is broken down within the first four columns below:

Scotland Excel continues to ensure transparency within the tender process, and focusses on aspects of fair work practices deemed relevant for each framework.

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
170 (18.4%)	42 (4.5%)	87 (9.4%)	469 (50.7%)	36 (3.9%)	122 (13.1%)

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 31 March 2020. 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 measures proposed to monitor delivery of Community Benefits for the 2019/20 financial year.





## **Appendix 1 Community Benefits by Council Apr 19-Sep 19**

	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		14.7	0.8	27		£14,541
Aberdeenshire	0.1	7	1			£34,265
Angus		0.5	0.6	50.4		£6,633
Argyll & Bute						£8,789
Clackmannanshire		4.2				£6,075
Dumfries & Galloway		5.5				£11,437
Dundee	1.5	1.5	1.3			£16,952
East Ayrshire	1	5				£13,005
East Dunbartonshire	1	12			8	£9,062
East Lothian	0.1	4.2				£10,893
East Renfrewshire		3				£6,689
Edinburgh	0.2	19.8	3	14.3	96	£32,430
Falkirk	9	6.2			200	£19,745
Fife	1.1	13.9	13	32	496	£21,083
Glasgow	0.5	32.7	3.7	105.5		£36,090
Highland	0.4				608	£14,638
Inverclyde				312		£22,481
Midlothian						£8,248
Moray	0.1					£6,016
North Ayrshire	2	4	0.1	7.8	132	£14,532
North Lanarkshire	0.3	3.2			208	£42,465
Orkney						£5,000
Perth & Kinross	0.5	2.8	0.3	7.7	5	£7,927
Renfrewshire	0.4	12.2		104	352	£10,111
Scottish Borders	0.1	1				£8,508
Shetland						£5,062
South Ayrshire	1.3	1			168	£21,994
South Lanarkshire	0.6	13.3	0.1		3602	£29,577
Stirling		10.1	2.3			£10,488
West Dunbartonshire		0.5				£23,469
West Lothian	1	11.3				£24,665
Western Isles						£5,000
Blanks		2.1	1.3		4	£55,220
<b>Total</b>	<b>21.2</b>	<b>191.7</b>	<b>27.4</b>	<b>600.7</b>	<b>5879.2</b>	<b>£563,090</b>



## Scotland Excel

**To: Joint Committee**

**On: 06 December 2019**

**Report  
By:  
Director Scotland Excel**

### Operating Plan Update 2019-20






#### 1. Purpose of the report

In June 2018, Scotland Excel's Joint Committee approved a new five-year corporate strategy which is supported by annual operating plans. This report presents the organisation's half year performance against the Operating Plan 2019-20.

#### 2. Reporting methodology

Progress reports are produced quarterly to track Scotland Excel's performance 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:

	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

The report also tracks performance against fourteen key performance indicators (KPIs) linked to strategic outcomes.

#### 3. Performance

The majority of activities in the operating plan are progressing in line with plans and are indicated as green within the report. Two activities are progressing more slowly than anticipated due to external factors, and these are indicated as amber within the report. Scotland Excel is undertaking actions to mitigate these issues.

Three activities were completed during the first two quarters and are indicated as black within the report. Five activities indicated as white will commence in the latter part of this financial year or during 2019-20. Most of these activities have dependencies on the outcome of other actions being undertaken as part of the 2019-20 Operating Plan.

#### **4. Recommendation**

The members of the Joint Committee are invited to note Scotland Excel's performance in the delivery of the Operating Plan 2019-20.








# Operating Plan






2019 – 2020

Half Year Progress Report












## 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 to identify new collaborative procurement opportunities</li> </ul>		<ul style="list-style-type: none"> <li>The first of two new framework opportunities, identified through engagement with catering managers, was delivered in Q2. The framework for fresh bread and rolls was awarded in August 2019, and will be followed by a framework for fruit and vegetables in early 2020. Scotland Excel's Operating Supplies and Services (OSS) team has been engaging with procurement and services staff to support the uptake of small value contracts and identify requirements for future frameworks.</li> </ul>
	<ul style="list-style-type: none"> <li>Complete the tender process for a new build residential housing framework on behalf of participating local authorities and market this effectively to local authorities and housing associations</li> </ul>		<ul style="list-style-type: none"> <li>The new build residential housing framework was awarded to 19 suppliers, including 12 Scottish SMEs, in August 2019. Extensive marketing and engagement activity is underway to support uptake by councils and housing associations.</li> </ul>
	<ul style="list-style-type: none"> <li>Embed ownership for the National Care Home Contract (NCHC) within Scotland Excel and refresh the approach to this contract based on the implementation of the NCHC Cost Model ©</li> </ul>		<ul style="list-style-type: none"> <li>Scotland Excel took ownership of the National Care Home Contract (NCHC) on 01 April 2019, and has now agreed all contract management arrangements with COSLA.</li> </ul>
	<ul style="list-style-type: none"> <li>Complete the delivery of a framework for adult care and support services and secure sustainable funding for ongoing management of this contract</li> </ul>		<ul style="list-style-type: none"> <li>Work to develop the adult care and support framework continues. A full suite of tender documents has been produced, and the tender was advertised at the end of September 2019.</li> </ul>
	<ul style="list-style-type: none"> <li>Complete the Scottish Government funded project to deliver guidance, procurement templates, and terms and conditions to support the expansion of early learning and childcare provision</li> </ul>		<ul style="list-style-type: none"> <li>Scotland Excel has delivered five regional sessions to help local authorities use the guidance documents for purchasing early learning and childcare services. The sessions attracted a broad range of attendees from procurement, early learning and childcare quality teams, legal, finance and other service areas. A first draft of the procurement templates and terms and conditions to support the guidance documents was submitted to the Scottish Government in September 2019.</li> </ul>



	<ul style="list-style-type: none"> <li>Continue to develop and deliver contract and supplier management (CSM) and key supplier management (KSM) programmes which monitor and enhance the performance of Scotland Excel contracts</li> </ul>		<ul style="list-style-type: none"> <li>The revised approach to contract and supplier management (CSM) is now embedded across the contract portfolio. Work is continuing on a sector-wide key supplier management (KSM) programme, and a meeting has been arranged with council representatives and a key supplier in December to explore options. Cross-sector partners have also been invited to attend.</li> </ul>
	<ul style="list-style-type: none"> <li>Continue to identify opportunities to lead and/or participate in national cross-sector procurement 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 has been engaging with the Scottish Government and Scottish Futures Trust (SFT) on the development of public sector construction frameworks. Regular meetings will continue to take place to share information and avoid duplication.</li> </ul>
	<ul style="list-style-type: none"> <li>Continue to inform and support national procurement policy in consultation with the local government procurement community</li> </ul>		<ul style="list-style-type: none"> <li>Regular reports continue to be provided to the Scottish Government to inform their decisions on Brexit preparations. In September 2019, Scotland Excel gave evidence to the Scottish Parliament's Justice Committee on secure care services for children and young people.</li> </ul>
1.2 Deliver programmes which lead and develop professional, organisational and commercial capability	<ul style="list-style-type: none"> <li>Complete the second cycle of Procurement &amp; Commercial Improvement Programme (PCIP) assessments for all local authorities</li> </ul>		<ul style="list-style-type: none"> <li>Procurement &amp; Commercial Improvement Programme (PCIP) assessments have now been completed for all councils.</li> </ul>
	<ul style="list-style-type: none"> <li>Develop and deliver a targeted programme of sector-wide change projects based on development needs identified by the second cycle of PCIP assessments</li> </ul>		<ul style="list-style-type: none"> <li>Three sector-wide change programmes are currently in progress for contract and supplier management, demand management and developing councils. Further projects are being discussed with the Procurement Improvement Programme (PIP) steering group.</li> </ul>








	<ul style="list-style-type: none"> <li>Continue to deliver the chargeable consultancy projects and transformation programmes for Fife Council, East Renfrewshire Council and the Tayside councils, and respond to any further requests for these types of services</li> </ul>		<ul style="list-style-type: none"> <li>A review of the first year of Fife Council's transformation programme has taken place and the council has indicated their satisfaction with progress made. Project and communications plans are now in place for the Tayside transformation programme, with projects scheduled to begin from Q3. The third phase of East Renfrewshire Council's consultancy project is progressing well. A proposal submitted to East Lothian Council in Q1 has been approved, and Scotland Excel is currently working on a proposal for Dumfries &amp; Galloway Council.</li> </ul>
	<ul style="list-style-type: none"> <li>Continue to develop and deliver accredited work-based learning programmes through the Scotland Excel Academy</li> </ul>		<ul style="list-style-type: none"> <li>In August 2019, the Scotland Excel Academy held 'Coaction', an event to discuss public sector organisational development and training needs. Outputs will be used to draft a national roadmap for fulfilling these requirements, and this work will continue through regional events. The Academy currently has 219 learners across 17 programme cohorts, including a new masters level qualification in strategic leadership and management launched in September 2019.</li> </ul>
	<ul style="list-style-type: none"> <li>Develop and deliver a programme of non-accredited practice workshops through the Scotland Excel Academy</li> </ul>		<ul style="list-style-type: none"> <li>Scotland Excel has delivered two practice workshops to date. A further 16 workshops have been scheduled to the end of the fiscal year, subject to demand.</li> </ul>
	<ul style="list-style-type: none"> <li>Continue to develop Scotland Excel Academy online resources to support learning programmes and create a community platform for sharing best practice</li> </ul>		<ul style="list-style-type: none"> <li>The design of the Academy online platform was refreshed in August 2019. Content is continually evolving as new programmes and cohorts are introduced, and information from events and practitioner workshops is shared with the wider procurement community.</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 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>Scotland Excel is supporting the Digital Office with the development of their new business plan which will include procurement priorities for the next two years. Six bidders for the social work case management system have presented their solutions to the evaluation panel, and award recommendations will be made in November 2019.</li> </ul>
	<ul style="list-style-type: none"> <li>Continue to develop data analytic tools and resources to support the expansion of the contract portfolio and provide management information to the sector</li> </ul>		<ul style="list-style-type: none"> <li>Requirements have been defined for the next phase of Scotland Excel's new spend data repository system which is expected to be completed by the end of Q3. Two further phases of development will be required to complete the system which will be implemented during 2020-21.</li> </ul>
	<ul style="list-style-type: none"> <li>Complete 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>Scotland Excel is leading negotiations with Scottish Care, the representative body for independent care home providers. Agreement has not yet been reached on using the NCHC Cost Model for setting care home rates, with providers requesting further movement on a number of commercial aspects. COSLA is continuing to support negotiations.</li> </ul>
	<ul style="list-style-type: none"> <li>Continue to develop and share access to Indexation Modelling to track market influences on costs</li> </ul>		<ul style="list-style-type: none"> <li>Scotland Excel is continuing to use Indexation Modelling across its contract portfolio. Indexation workshops will be delivered as part of the Tayside transformation programme and East Renfrewshire Council consultancy project, and will be held for other councils on request.</li> </ul>
	<ul style="list-style-type: none"> <li>Develop plans to roll out data analytic tools to staff across the organisation</li> </ul>		<ul style="list-style-type: none"> <li>Power BI data analytics tools will be rolled out to staff once the development of data resources has been completed in 2020-21.</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, COSLA and other partners to support the development and/or delivery of national policy in social care</li> </ul>		<ul style="list-style-type: none"> <li>Scotland Excel is continuing to work with the Scottish Government, COSLA and other social care partners as a member of the Leadership Alliance for the reform of adult social care. Scotland Excel met with the Scottish Government in September to advise them of the work being undertaken to deliver sustainable rates for the National Care Home Contract.</li> </ul>
	<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 education policies such as early learning provision, pupil attainment funding, and food procurement for school meals</li> </ul>		<ul style="list-style-type: none"> <li>Scotland Excel is supporting councils with planning for proposed amendments to the Nutrition Act for Schools. Scotland Excel has been invited to attend a round table meeting with the Deputy First Minister in November to discuss the new Act.</li> </ul>
	<ul style="list-style-type: none"> <li>Continue to work with the Scottish Government, Association of Local Authority Chief Housing Officers (ALACHO) and other partners to support the development and/or delivery of national policy in affordable housing</li> </ul>		<ul style="list-style-type: none"> <li>Scotland Excel is continuing to work with the Scottish Government, Scottish Federation of Housing Associations (SFHA) and West of Scotland Housing Association to agree options for embedding procurement policy within the affordable housing sector. A presentation on the new build residential framework was given to Association of Local Authority Chief Housing Officers (ALACHO) members in August 2019.</li> </ul>
	<ul style="list-style-type: none"> <li>Continue to work with the Scottish Government, Zero Waste Scotland and other partners to support the development and/or delivery of national environmental policy</li> </ul>		<ul style="list-style-type: none"> <li>Scotland Excel is continuing to work with partners to support national environmental policy. Recent tenders for food frameworks included method statements which made specific reference to food waste in line with advice from Zero Waste Scotland.</li> </ul>

	<ul style="list-style-type: none"> <li>• Develop and deliver a calendar of communications activities which promotes our knowledge and experience in support of our policy and public affairs goals</li> </ul>		<ul style="list-style-type: none"> <li>• The Cabinet Secretary for Finance, Economy &amp; Fair Work has agreed to give the keynote address at a conference being organised by Scotland Excel to promote the new build residential framework and raise the profile of the organisation's work with housing associations. Plans for a social care round table in association with Holyrood magazine are on hold pending the Scottish Government's roll out of their Review of Adult Social care, and is now expected to take place in early 2020.</li> </ul>
	<ul style="list-style-type: none"> <li>• Explore the feasibility of becoming a Scottish Credit &amp; Qualifications Framework (SCQF) Credit Rating Body to support the expansion of the Scotland Excel Academy and position it as a future provider of Graduate Apprenticeships</li> </ul>		<ul style="list-style-type: none"> <li>• The Scotland Excel Academy is continuing to work on a proposal to become a Scottish Credit &amp; Qualifications Framework Partnership (SCQFP) credit rating body which is expected be submitted at the end of November 2019.</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>Continue to monitor the proportion of Scotland Excel suppliers paying their staff the Scottish Living Wage and identify any opportunities to increase this</li> </ul>		<ul style="list-style-type: none"> <li>Information is captured in all tenders and monitored as part of on-going contract management. Around 80% of Scotland Excel's suppliers have confirmed payment of the Scottish 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</li> </ul>		<ul style="list-style-type: none"> <li>Work is underway to gather community benefits data from suppliers for the six months to end of September 2019. A community benefits forum was held for councils in August 2019, and a number of collaborative actions have been agreed.</li> </ul>
	<ul style="list-style-type: none"> <li>Continue to support opportunities for disabled/disadvantaged workers through community benefits and/or the participation of supported businesses and the third sector within our supply chain</li> </ul>		<ul style="list-style-type: none"> <li>Scotland Excel is identifying senior level champions within councils to accelerate their organisation's engagement with supported businesses and the third sector. This approach is currently being piloted with a number of councils. Scotland Excel has been shortlisted as a finalist at this year's GO Awards for joint entries with supported business, Scotland's Bravest Manufacturing Company and social enterprise, Hey Girls.</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>Continue to work with the Supplier Development Programme (SDP) to raise awareness of public procurement opportunities and encourage participation among Scottish SMEs</li> </ul>		<ul style="list-style-type: none"> <li>Scotland Excel delivered a training session in Edinburgh on behalf of the Supplier Development Programme (SDP) in August 2019, and attended their 'Meet the Buyer North' event in Aviemore in September.</li> </ul>
	<ul style="list-style-type: none"> <li>Continue to increase direct and supply chain opportunities for Scottish SMEs and contractors within Scotland Excel contracts, particularly within the construction portfolio</li> </ul>		<ul style="list-style-type: none"> <li>Opportunities to encourage Scottish SMEs participation continue to be considered during strategy development for all contracts. The new build residential framework awarded in August 2019 includes a requirement for suppliers to advertise all sub-contracting opportunities through the Public Contracts Scotland portal.</li> </ul>





	<ul style="list-style-type: none"> <li>Continue to encourage housing associations to consider the local economic impact they can deliver through the use of Scotland Excel contracts</li> </ul>		<ul style="list-style-type: none"> <li>Housing associations which become associate members of Scotland Excel are being encouraged to use Scotland Excel contracts to access community benefits for their area.</li> </ul>
2.3 Deliver positive and measurable environmental benefits through our contracts	<ul style="list-style-type: none"> <li>Continue to encourage suppliers to Scotland Excel contracts to consider opportunities to increase recycling of their products and packaging and/or reduce their carbon footprint</li> </ul>		<ul style="list-style-type: none"> <li>All Scotland Excel tender documents incorporate appropriate environmental considerations including, where appropriate, the weighting and scoring of emissions.</li> </ul>
	<ul style="list-style-type: none"> <li>Continue to consider 'whole life' costing within tender evaluations</li> </ul>		<ul style="list-style-type: none"> <li>All Scotland Excel tender documents include appropriate cost evaluation to ensure that overall value is assessed.</li> </ul>
	<ul style="list-style-type: none"> <li>Develop plans for assessing and mitigating the environmental impact of Scotland Excel's activities</li> </ul>		<ul style="list-style-type: none"> <li>Scotland Excel continues to follow environmentally friendly office practices across the organisation including recycling and agile working.</li> </ul>
2.4 Lead and develop sustainable procurement knowledge and practice	<ul style="list-style-type: none"> <li>Produce an annual report on 2018-19 procurement activity in line with the requirements of the Procurement Reform (Scotland) Act 2014</li> </ul>		<ul style="list-style-type: none"> <li>An Annual Procurement Report for 2018-19 has been published in line with the requirements of the Procurement Reform (Scotland) Act 2014.</li> </ul>
	<ul style="list-style-type: none"> <li>Monitor the progress and publication of annual procurement reports within the local government sector, providing support and guidance to councils as required</li> </ul>		<ul style="list-style-type: none"> <li>Scotland Excel is continuing to liaise with the Scottish Government and councils to support the publication of Annual Procurement Reports across the sector.</li> </ul>
	<ul style="list-style-type: none"> <li>Continue to work with national partners on the development of sustainable procurement guidance and tools</li> </ul>		<ul style="list-style-type: none"> <li>Scotland Excel continues to engage with national partners through the Scottish Government's Best Practice Working Group. Current focus is on developing practical, proportional guidance on sustainable procurement.</li> </ul>
	<ul style="list-style-type: none"> <li>Continue to develop opportunities to increase the local government sector's sustainable procurement knowledge and capability through the Scotland Excel Academy</li> </ul>		<ul style="list-style-type: none"> <li>Sustainable procurement principles and practices are embedded throughout the Chartered Institute of Procurement &amp; Supply (CIPS) accredited programmes offered by the Scotland Excel Academy, and are incorporated into procurement practitioner workshops. Sustainable procurement was a key theme at this year's Scotland Excel Annual Conference.</li> </ul>







	<ul style="list-style-type: none"> <li>• Develop and implement plans to promote sustainable procurement to elected members and senior officers to support a 'whole organisation' approach</li> </ul>		<ul style="list-style-type: none"> <li>• Plans to promote sustainable procurement to elected members and senior officers will form part of senior stakeholder engagement plans which will be developed in Q4. In the meantime, senior officers and elected members are being invited to Scotland Excel conferences and events which include presentations on sustainable procurement.</li> </ul>
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## 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 develop Scotland Excel's account management services to ensure they deliver value to local authority procurement teams and support a positive customer experience for councils</li> </ul>		<ul style="list-style-type: none"> <li>Scotland Excel has restructured its account management function to integrate the project management team. Staff now have a dual project and account management role and provide a wide range of support to council procurement teams including quarterly business reviews, change projects, PCIP assessments and workshops.</li> </ul>
	<ul style="list-style-type: none"> <li>Continue to explore further opportunities to use digital technologies to engage with and/or provide online 'self-service' to customers, incorporating the findings into Scotland Excel's ICT strategy and roadmap</li> </ul>		<ul style="list-style-type: none"> <li>Following the launch of two new interactive business intelligence reports for contract spend and savings in Q1, Scotland Excel is now working on a report to provide councils with information on spend with local suppliers. An interactive pricing tool has been developed for the new build residential housing framework to help users calculate project costs for specific requirements.</li> </ul>
	<ul style="list-style-type: none"> <li>Explore the feasibility of providing additional services requested by customers, incorporating the findings into future operational plans</li> </ul>		<ul style="list-style-type: none"> <li>Scotland Excel's Senior Management Team has identified a range of new business opportunities which will be assessed during the second half of 2019-20. Customer feedback will also be used to inform new opportunities, and an internal innovation forum is being established to support the development of new services.</li> </ul>
	<ul style="list-style-type: none"> <li>Embed the outputs of Scotland Excel's stakeholder engagement project into all engagement plans and activities, ensuring that these reflect the organisation's expanding customer base</li> </ul>		<ul style="list-style-type: none"> <li>Work to expand and refresh customer and stakeholder mapping across the organisation was completed in Q2. The outputs will be reviewed to inform the development of stakeholder engagement plans in the second half of 2019-20.</li> </ul>





3.2 Engage stakeholders in the delivery of effective local solutions	<ul style="list-style-type: none"> <li>Continue to incorporate community engagement, where appropriate, into the development of procurement strategies</li> </ul>		<ul style="list-style-type: none"> <li>Scotland Excel's sustainable procurement strategy is being updated with an enhanced focus on community engagement. Opportunities for stakeholder participation, including wider community engagement, are considered within all procurement strategies.</li> </ul>
	<ul style="list-style-type: none"> <li>Continue to engage directly with service users, where appropriate, to ensure their needs are considered within service design</li> </ul>		<ul style="list-style-type: none"> <li>In August 2019, Scotland Excel met with people who use or have used traditional care and support services, and their feedback has informed the specifications for the new framework.</li> </ul>
	<ul style="list-style-type: none"> <li>Continue to work with educational partners and/or suppliers to promote the benefits of procurement to pupils</li> </ul>		<ul style="list-style-type: none"> <li>Scotland Excel is continuing to work with educational charity, Founders4Schools. Mock job interviews were held across two days with Glasgow Gaelic school pupils in September 2019.</li> </ul>
3.3 Represent the collective views of stakeholders at a national level	<ul style="list-style-type: none"> <li>Review Scotland Excel's representation activities to ensure that these are targeted where they can have the greatest impact</li> </ul>		<ul style="list-style-type: none"> <li>An updated map of Scotland Excel's wider public sector stakeholder landscape has been completed. This will be reviewed in the second half of 2019-20 to prioritise and develop plans which strengthen influence on behalf of the sector. Similar workshops have been held for the social care team to facilitate a deeper understanding of their key external stakeholders and their influence across the full social care portfolio.</li> </ul>
	<ul style="list-style-type: none"> <li>Establish a model for undertaking representation activities, including a clear feedback loop for customers and/or communities</li> </ul>		<ul style="list-style-type: none"> <li>The model will be developed on completion of the review of national engagement activity. Outputs will be discussed with key stakeholders including the Scottish Local Government Procurement Forum (SLGPF).</li> </ul>
	<ul style="list-style-type: none"> <li>Continue to build on relationships with the Convention of Scottish Local Authorities (COSLA) and/or elected members to represent customers and communities in appropriate policy and political matters</li> </ul>		<ul style="list-style-type: none"> <li>Scotland Excel is continuing to meet regularly with COSLA at a strategic and operational level, particularly in relation to social care. The findings of the stakeholder mapping exercise undertaken in July will be used to ensure that relationships are in place with COSLA across all relevant areas.</li> </ul>




3.4 Implement policies which develop, empower, value and engage our workforce	<ul style="list-style-type: none"> <li>• Refresh Scotland Excel's organisational development strategy to incorporate feedback from Investors in People, involving staff in the development of plans, policies and initiatives where appropriate</li> </ul>		<ul style="list-style-type: none"> <li>• Scotland Excel will begin a refresh of its organisational development strategy in Q3. The strategy will be informed by the recent Investors in People report and will incorporate working groups for staff development and innovation.</li> </ul>
	<ul style="list-style-type: none"> <li>• Develop and implement talent management initiatives to inspire and develop staff, increase Scotland Excel's capability, and support succession planning</li> </ul>		<ul style="list-style-type: none"> <li>• A working group established to enhance the organisation's approach to staff development is exploring ways to integrate the national procurement competency and development framework into Scotland Excel's performance review and development (PRD) activities. This action will support staff development, workforce planning, organisational development, succession planning and wider talent management. Scotland Excel has refreshed its graduate programme, and is currently recruiting for a trainee.</li> </ul>
	<ul style="list-style-type: none"> <li>• Complete and embed plans for agile working to create a productive working environment that benefits staff, Scotland Excel, and customers</li> </ul>		<ul style="list-style-type: none"> <li>• Scotland Excel now supports a fully agile workforce where employees can work remotely with full access to email and files held centrally. Hot desking is now available within the Scotland Excel headquarters in Paisley, allowing remote workers to base themselves there as required.</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>Continue to implement appropriate funding models to support the delivery of new and existing services, monitoring income and providing regular reports to the joint committee</li> </ul>		<ul style="list-style-type: none"> <li>Income is being accrued through Academy programmes, consultancy revenue and associate membership fees. The new build residential housing framework is expected to accrue income from 2020-21, and all new frameworks are now being reviewed for rebate potential. An income board has been established, and meets on a monthly basis to monitor revenue against targets. Early indications suggest that the overall income target for 2019-20 will be met.</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 monitor Scotland Excel's business infrastructure to ensure it can support the organisation's growth ambitions, developing plans for continuous improvement and to address any gaps in capacity and/or capability</li> </ul>		<ul style="list-style-type: none"> <li>Work is continuing on a refresh of Scotland Excel's ICT strategy, with priority projects to be agreed by the Senior Management Team during Q3. A refresh of the organisational development strategy is due to begin in Q3.</li> </ul>
	<ul style="list-style-type: none"> <li>Develop a risk model for evaluating new business opportunities to assess their impact on internal resources and/or existing customers</li> </ul>		<ul style="list-style-type: none"> <li>Scotland Excel's Senior Management Team has identified a range of new business opportunities which will be assessed during the second half of 2019-20 as part of ongoing horizon scanning meetings.</li> </ul>
	<ul style="list-style-type: none"> <li>Continue to implement technology solutions which increase efficiency, support agile working and offer scalability for business growth</li> </ul>		<ul style="list-style-type: none"> <li>Significant work is continuing to assess and strengthen the organisation's cyber resilience. Work is also continuing on a range of business apps which increase staff communication and/or efficiency.</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>Review collaborative procurement and leading change solutions available in other public sector markets to identify potential business opportunities, reporting on the findings to inform future operational plans</li> </ul>		<ul style="list-style-type: none"> <li>Scotland Excel is currently evaluating new growth opportunities through regular horizon scanning meetings and will undertake a competitive review of the markets for existing and potential new services during Q4.</li> </ul>

	<ul style="list-style-type: none"> <li>Continue to deliver procurement support to housing associations and implement plans to market additional services to this sector</li> </ul>		<ul style="list-style-type: none"> <li>Scotland Excel is continuing to provide procurement support to housing associations on request. The Scottish Government has agreed to fund a further programme of work for the housing sector which is expected to begin in Q4.</li> </ul>
	<ul style="list-style-type: none"> <li>Continue to develop and market Scotland Excel's associate membership programme to maximise its commercial potential for the organisation and the benefits it provides to members</li> </ul>		<ul style="list-style-type: none"> <li>Four new associate members joined Scotland Excel in Q2, generating £8,971 in annual membership fees. Associate member income is also being generated through chargeable projects, with a further three proposals for City Property agreed during Q2. In September 2019, Scotland Excel attended the Social Enterprise Market event in Glasgow to raise awareness of the benefits of associate membership among the third sector.</li> </ul>
	<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</li> </ul>		<ul style="list-style-type: none"> <li>A comprehensive marketing campaign is underway to promote the new build residential framework. Media articles are appearing across a range of titles during September and October, supported by digital advertising on key housing websites. A conference will take place in Edinburgh on 08 October to launch the framework to councils and housing associations. High profile speakers secured for the event include Derek Mackay MSP and the Chief Executive of the Scottish Federation of Housing Associations (SFHA).</li> </ul>
	<ul style="list-style-type: none"> <li>Continue to identify opportunities arising for staff development through new business opportunities, fostering an understanding of commercial and entrepreneurial approaches across the organisation</li> </ul>		<ul style="list-style-type: none"> <li>A number of staff are working on external consultancy projects as full-time team members while others are providing support for projects in specific areas. Further participation will be encouraged through the Performance Review &amp; Development (PRD) programme in Q3.</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 explore opportunities to work in partnership with other public sector bodies to increase internal efficiency and/or improve service delivery for customers, reporting on the findings to inform future operational plans</li> </ul>		<ul style="list-style-type: none"> <li>Scotland Excel is continuing to work with the Improvement Service on the delivery of Academy programmes, and has requested a meeting with Skills Development Scotland to discuss potential partnership opportunities. Other partnership opportunities will be considered in the second half of 2019-20 as part of a review of the organisation's stakeholder landscape.</li> </ul>
	<ul style="list-style-type: none"> <li>Continue to manage Scotland Excel's partnership with Crown Commercial Service (CCS) to ensure it is delivering against customer expectations, and explore opportunities to extend this partnership</li> </ul>		<ul style="list-style-type: none"> <li>Scotland Excel and Crown Commercial Service (CCS) presented at a Scottish Greenfleet event in Glasgow in August 2019. This was the third in a series of Scottish events focusing on Ultra Low Emission Vehicles (ULEVs) and electric vehicles. The partnership with CCS continues to progress well, and Scotland Excel attended a forum at their Liverpool offices in September 2019.</li> </ul>
	<ul style="list-style-type: none"> <li>Continue to provide procurement support to SEEMiS in line with the partnership agreement</li> </ul>		<ul style="list-style-type: none"> <li>A project plan for £1.5m of procurement activity is being developed with SEEMiS to support Phase II of the Next Generation management information system for schools.</li> </ul>

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

## Key Performance Indicators

Outcomes	Key Performance Indicators	Q2 Status
Our services shape the effective and efficient delivery of public services	<ul style="list-style-type: none"> <li>Number of contracts delivered v plan<sup>1</sup></li> <li>Value of contract portfolio v target</li> </ul>	<ul style="list-style-type: none"> <li>7 of 38 contracts delivered</li> <li>£1.88bn against £1.9bn target</li> </ul>
Our expertise leads continuous improvement in commercial performance	<ul style="list-style-type: none"> <li>Number of PCIP assessments delivered v plan</li> <li>Number of Scotland Excel Academy courses v plan<sup>2</sup></li> </ul>	<ul style="list-style-type: none"> <li>7 of 7 assessments delivered</li> <li>46 of 88 courses delivered</li> </ul>
Our services facilitate the delivery of national and local policy priorities	<ul style="list-style-type: none"> <li>Tonnes of waste diverted from landfill through Scotland Excel contracts</li> <li>Number of Scottish suppliers &amp; percentage SMEs</li> </ul>	<ul style="list-style-type: none"> <li>86,277 tonnes (Apr-Jun 2019)</li> <li>546 Scottish suppliers of which 76% are SMEs</li> </ul>
Our services enable positive and sustainable outcomes for people and communities	<ul style="list-style-type: none"> <li>Number of community benefits realised to date</li> <li>Number of Scottish suppliers &amp; percentage SMEs</li> </ul>	<ul style="list-style-type: none"> <li>821 jobs</li> <li>275 apprenticeships</li> <li>192 work placements</li> <li>67,184 hours work experience</li> <li>6,362 hours volunteering/mentoring</li> <li>£1,462m value of other initiatives</li> </ul>
Our insight and knowledge underpins innovative solutions for our customers	<ul style="list-style-type: none"> <li>Number of business change initiatives delivered v plan</li> </ul>	<ul style="list-style-type: none"> <li>3 of 6 initiatives in progress</li> </ul>
Our activities are recognised as leading the way in public procurement	<ul style="list-style-type: none"> <li>Media coverage v target</li> <li>Number of speaking engagements v target</li> </ul>	<ul style="list-style-type: none"> <li>16 of 60 media items published</li> <li>10 of 20 speaking engagements</li> </ul>
Our customers receive a measurable return on investment through savings	<ul style="list-style-type: none"> <li>Percentage savings achieved across the portfolio v target<sup>3</sup></li> <li>Savings achieved in the last quarter</li> </ul>	<ul style="list-style-type: none"> <li>3.34% against 2.5% savings target</li> <li>£2.8m (Apr-Jun 2019)</li> </ul>
Our customers are satisfied with our services and how we deliver them	<ul style="list-style-type: none"> <li>Customer satisfaction scores v target<sup>4</sup></li> </ul>	<ul style="list-style-type: none"> <li>80% of respondents</li> </ul>

Report issued: November 2019

<sup>1</sup> Contracts developed, renewed or extended

<sup>2</sup> Programmes, workshops and masterclasses

<sup>3</sup> Average savings during the strategy period (2018-23) excluding social care contracts

<sup>4</sup> Percentage of respondents reporting 'good' or 'very good' overall satisfaction in the most recent customer satisfaction survey (currently 2017)



## **Scotland Excel**

**To: Joint Committee**

**On: 06 December 2019**

### **Report by Director Scotland Excel**

### **Risk Register Update**

#### **1. Introduction**

This report provides an update on the Risk Register which is maintained to assess threats/risks that could impact on the delivery of Scotland Excel's organisational objectives and to identify controls and actions that are being taken to mitigate these risks.

#### **2. Background**

The attached Risk Register was created in June 2018 when Scotland Excel carried out a full review of the organisation's Risk Register to reflect the new 5-year operating plan. It was agreed that 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 elected members visibility of the risks, and actions taken by the organisation to manage and mitigate these risks.

In response to a request made following the Exec Sub Committee in June 2019, Scotland Excel met with Laura Heggie (Head of Compliance) with Glasgow City Council to review risk management practice and committee reporting across both organisations.

Following this meeting, the risk register template used by Scotland Excel was adjusted to better reflect that used by Glasgow City Council. The revised template which is now in use can be seen at Appendix 2 of this document.

In addition to a revised risk register template, discussion also took place in relation to organisational reporting of risk to committees during which elements of best practice were shared resulting in the additional information provided within this report at Appendix 1.

#### **3. Risk Management update**

The risk register is maintained and continues to be a focus for the organisation; a process for regular review is in place including Senior Management Team meetings held quarterly to review, revise and update the register.

Currently there are 9 risks identified ranging in assessed residual risk score from 6 to 20. A summary of key statistics in relation to each identified risk is shown in appendix 1 to this report.

Brexit uncertainty has been a continuing theme throughout the year in relation to risk management. This uncertainty is reflected in the upwards trend showing against risk SXL001 - Organisational Sustainability; risk SXL002 - Managing Growth and Diversity; risk SXL003, which relates directly to Political Change and risk SXL005 concerning Supplier Failure.

Other factors taken into consideration when reviewing the risk register over the year included recruitment challenges within the procurement sector, continuing financial uncertainty across local government, the growing importance of Corporate Social Responsibility across our partners and suppliers and a similar growth in Environmental Awareness not only in relation to our partners and suppliers but also across society as a whole.

Another key factor taken into consideration when reviewing the risk register is the continuing growth of Scotland Excel as an organisation and the potential for increased risk in relation to this growth. Examples include monitoring an increasing number of suppliers engaged in a growing portfolio of frameworks; wider product ranges across which to manage organisational reputation, and the increasing number and scope of projects being delivered by Scotland Excel.

Following quarterly review of these and other factors, the Scotland Excel Risk Register as at 31<sup>st</sup> October 2019 is shown in appendix 2.

#### **4. Recommendation**

Members are invited to provide any feedback on the risk register and the actions identified to manage risks.

## Appendix 1










Table 1 summarises risks identified within the Scotland Excel Risk Register and orders them according to their residual risk score as at 28th October 2019. The residual risk score represents the assessed risk score taking into consideration all risk controls and mitigations in place in relation to that specific risk.

**Table 1: Risk – Highest to Lowest Residual Risk Score**

Risk Ref.	Risk Title	Risk Score 31/10/19
SXL005-19/20	Supplier Failure	20
SXL003-19/20	Political Change	16
SXL001-19/20	Organisational Sustainability	12
SXL002-19/20	Managing Growth and Diversity	12
SXL006-19/20	Staff Recruitment and Retention	9
SXL004-19/20	Reputational Risk	8
SXL008-19/20	Risk of Not Performing/Delivering	8
SXL007-19/20	Corporate Social Responsibility	6
SXL009-19/20	Environmental Impact	6

Table 2 charts risk score movement and trend over the past year in relation to each risk identified within the Scotland Excel Risk Register. Where there has been movement in the risk score, a brief explanation has been provided.


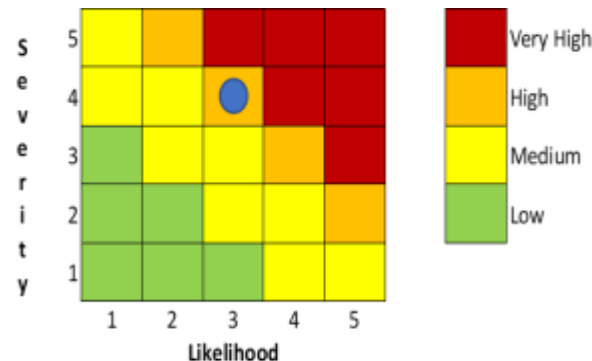
**Table 2: Risk Movement During Past Year**


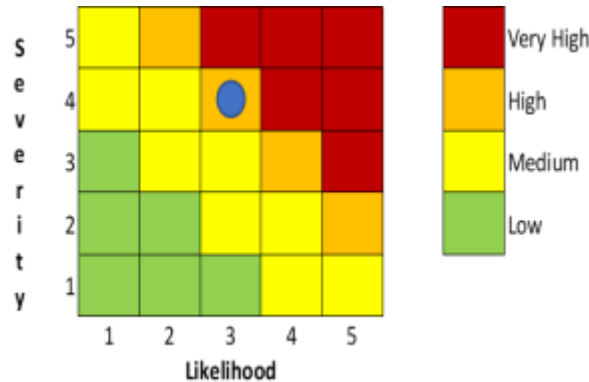
Period	<u>Q1</u> Nov 18 - Feb 19	<u>Q2</u> Feb 19 – May 19	<u>Q3</u> May 19 – Aug 19	<u>Q4</u> Aug 19 – Oct 19	
Risk Ref.					Trend
SXL005-19/20	16	20	20	20	
	Risk increase due to Care Home financial collapse				
SXL003-19/20	12	12	12	16	
	Residual risk maintained and increased due to Brexit uncertainty				
SXL001-19/20	8	8	12	12	
	Growth in framework portfolio and value				
SXL002-19/20	8	12	12	12	
	Challenges in relation to Business Development resource				
SXL006-19/20	9	9	9	9	
	Recruitment and Retention challenges across the sector				
SXL008-19/20	8	8	8	8	
	No change in risk score over the period				
SXL004-19/20	8	8	8	8	
	No change in risk score over the period				
SXL007-19/20	6	6	6	6	
	No change in risk score over the period				
SXL009-19/20	n/a	n/a	n/a	6	
	New Risk Added Oct '19				


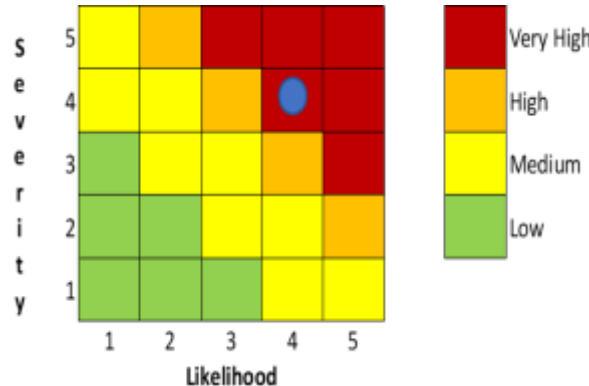
**Diagram 1: Consolidated Risk Matrix**


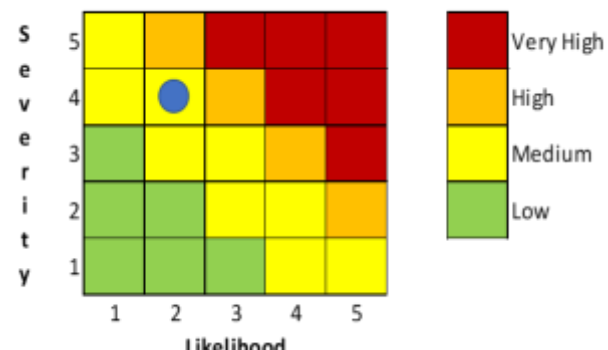
Severity	5				SXL005	
	4		SXL004 SXL008	SXL001 SXL002	SXL003	
	3		SXL007 SXL009	SXL006		
	2					
	1					
		1	2	3	4	5
		Likelihood				

## Appendix 2: - Scotland Excel Risk Register (October 2019)


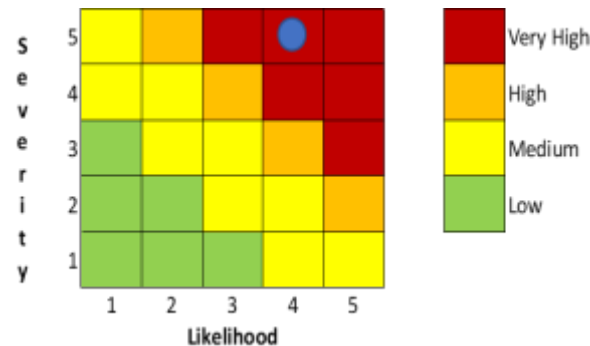
Reference:		SXL001-19/20		Organisational Sustainability					
Context		Risk Statement	Risk Owner	Current Risk Controls	Risk Score				
					Likelihood	Impact	Evaluation	Trend	Residual
<p>Potential for local government organisations withdrawing support.</p> <p>Requirement to attract additional resources.</p> <p>Council budget cuts impacting upon use of services provided.</p>		Membership of Scotland Excel is optional for all stakeholders and Scotland Excel must be alert to this and the impact of Councils or Associate Members resigning their membership.	JW	<p>Continuing focus on added Core Value delivered for all member councils.</p> <p>On-going development of projects offering new services and increasing benefits to stakeholders.</p> <p>Identification of new opportunities to provide additional chargeable services based on customer demand.</p> <p>Ongoing robust market testing of all new shared service propositions.</p> <p>Ongoing robust business model is in place for all new services (cost to serve, funding/uptake forecasts).</p> <p>Regular engagement with Chief Execs, Finance Directors, Corporate Procurement Leads and Elected Members demonstrating the value added by Scotland Excel</p>	3	4	12		12
									
Risk Register Review Updates									
Date	05/02/19	New risk control measure added around engagement. Evaluation and residual impact remain static (Likelihood 2/ Impact 4 for residual risk)							
	07/05/19	No changes							
	06/08/19	Linked Action added - New Stakeholder Mapping Exercise to be carried out; Risk score revised to 3 likelihood, 4 Severity							
	28/10/19	New linked action added re engagement exercise; Risk scores to be maintained at current levels							
Linked Actions									
Description				Assigned To:		Due Date	Status	Notes	
Stakeholder Mapping Exercise to be carried out				MR		31/12/19	On-going	Complete pending review by SMT	
Continuing Customer Engagement exercise with key partners				JW		31/12/19	On-going	Engagement plan in development	


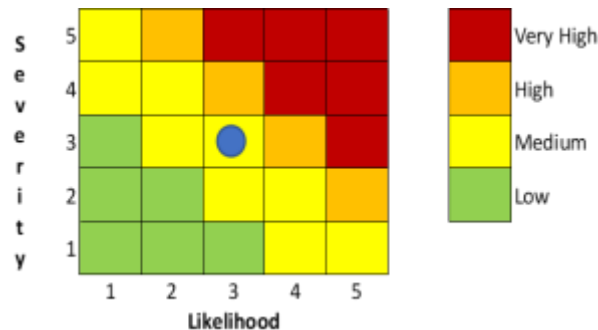
Reference:		SXL002-19/20		Managing Growth and Diversity					
Context		Risk Statement	Risk Owner	Current Risk Controls	Risk Score				
					Likelihood	Impact	Evaluation	Trend	Residual
Failure to identify and manage emerging opportunities  Inability to evolve service offering in a changing landscape		There is a risk to the long-term future of the organisation if it fails to grow the portfolio of services offered to members	SB	Regular Horizon Scanning meetings help to identify market development opportunities and give the organisation time to plan for capability and capacity.  OD strategy and workforce planning tools used to ensure that Scotland Excel has the right caliber of staff to deliver and grow a quality service offering.  New project opportunities have been won across a number of councils and other public sector bodies.  Employment of additional temporary marketing resource to ensure key projects/initiatives are adequately promoted.	3	4	12		12
									
Risk Register Review Updates									
Date	05/02/19	Linked actions added - Evaluation and residual impact remain static (Likelihood 2/ Impact 4 for residual risk) Residual risk reduced from 12 to 8							
	07/05/19	Residual risk increased to 12 as a result of challenges around recruiting and retaining Business Development Resource (likelihood to 3)							
	06/08/19	Acknowledgement that time is moving quickly; addition of mitigating action – recruitment of additional temp marketing resource							
	28/10/19	New linked actions added relating to Business Development and General Procurement Services – No change to Risk scores							
Linked Actions									
Description				Assigned To:	Due Date	Status	Notes		
Innovation management process being developed.				IMN	31/03/21	On-going	Being led by SXL Academy		
Review of market competitors to be refreshed.				HC	31/03/20	On-going			
Review of Business Development Strategy				SB	31/03/20	On-going	Considering recruitment challenges		
Provision of General Procurement Services for Key Partner				HC	31/03/20	On-going	Emerging service delivery option being trialed		


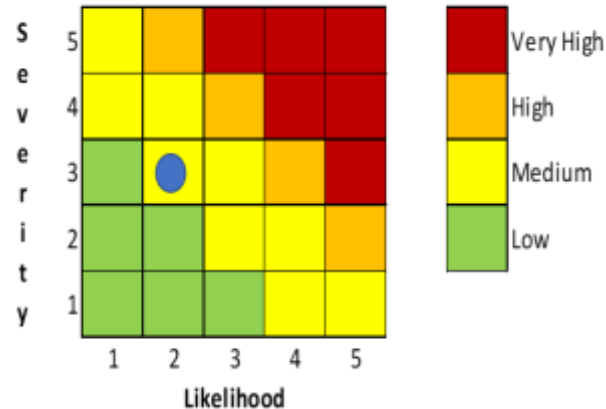
Reference: SXL003-19/20		Political Change						
Context	Risk Statement	Risk Owner	Current Risk Controls	Risk Score				
				Likelihood	Impact	Evaluation	Trend	Residual
Legislative changes impact upon the organisation and how it must operate.  Political uncertainty created by, for example, Brexit create unknown challenges	Political change at local, national, UK and international levels which Scotland Excel must be aware of in order to respond to, and maintain services to stakeholders	JW	An effective and properly resourced public affairs strategy is in place.  Through effective research, engagement, partnership working and briefings – for example Brexit white paper - this ensures that the organisation is aware of and able to respond to challenges and opportunities in the external environment.  Active participation by the organisation in various groups and boards influencing policy and “direction of travel”.	4	4	16		16
								
Risk Register Review Updates								
Date	05/02/19	Residual risk increased to 12 due to Brexit uncertainty						
	07/05/19	No Change						
	06/08/19	Continuing uncertainty on “No Deal Brexit”; linked action added to revisit SXL White Paper on Brexit Impact; score change to 4 x 4						
	28/10/19	Due to continuing uncertainty around Brexit and the possibility of an election causing governance challenges, linked action added, score maintained						
Linked Actions								
Description			Assigned To:	Due Date	Status	Notes		
Carry out review of SXL White Paper on Brexit			HC	31/12/19	On-going			
Proposed General Election – Review Governance Challenges			JW	31/12/19	Complete	Governance committees unaffected by election		


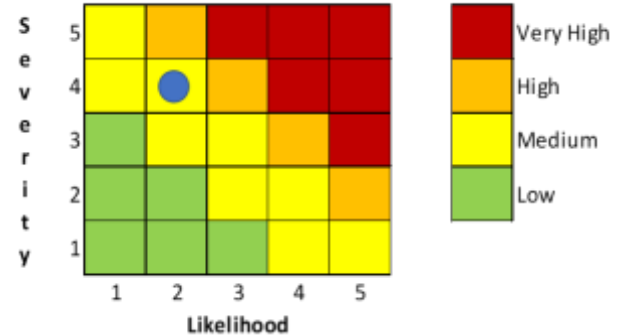
Reference:		SXL004-19/20		Reputational Risk					
Context		Risk Statement	Risk Owner	Current Risk Controls	Risk Score				
					Likelihood	Impact	Evaluation	Trend	Residual
Negative publicity or media coverage affects the organisation and impacts stakeholders.  Negative media reports relating to a framework or service provider.		Scotland Excel is faced with negative publicity or a media crisis through a service issue or failure that compromises the organisation's stakeholders	JW	Colleagues advise communications team of any potential issues to enable effective planning for “negative” media interest.  Pro-active monitoring of press coverage carried out by marketing team and wider organisation.  Pro-active and robust engagement with press organisations to ensure positive relationships and coverage.	3	4	12		8
									
Risk Register Review Updates									
Date	05/02/19	1 new Linked Action added around media training.							
	07/05/19	No Change							
	06/08/19	Discussed heightened risk due to increasing portfolio size. To be reviewed at October meeting.							
	28/10/19	Linked action added relating to Brexit uncertainty – risk scores are maintained							
Linked Actions									
Description				Assigned To:	Due Date	Status	Notes		
Media Training Refresher to be arranged for SMT				MR	31/12/19	Complete	Delivered to SMT 20/11/19		
Carry out review of SXL White Paper on Brexit				HC	31/12/19	On-going			


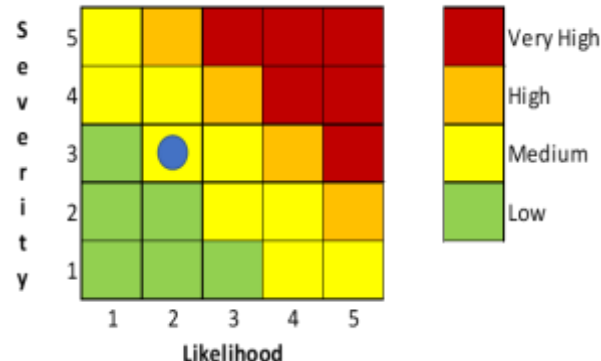


Reference: SXL005-19/20		Supplier Failure							
Context		Risk Statement	Risk Owner	Current Risk Controls	Risk Score				
					Likelihood	Impact	Evaluation	Trend	Residual
<p>Financial (and other) factors impacting on resilience of suppliers.</p> <p>Negative reputational results across the portfolio from potential breach of contract and / or supplier failure.</p> <p>Focus required in areas which have a direct impact on delivery as a result of business failure.</p>		The failure of a service provider could have significant implications for service provision within member council areas.	HC	<p>Effective risk management is in place during development and management of contracts.</p> <p>Robust processes for monitoring the financial stability of suppliers is carried out prior to award and throughout the life of a contract, utilising external advice as required.</p> <p>Specific measures are in place to meet the management of Social Care contracts and these key areas of risk.</p> <p>Scotland Excel has a range of measures for monitoring supplier resilience in addition to the external financial monitoring tools used.</p> <p>A new tailored approach to financial risk for high risk contracts has been implemented</p> <p>“Step-in Right” within relevant and appropriate contracts maintained</p>	4	5	20		20
									
Risk Register Review Updates									
Date	05/02/19	2 new linked actions added to source additional support for forensic accounting, and review ‘Step-in Right’ terms within relevant contracts.							
	07/05/19	1 new risk control measure added around monitoring financial risks in care. Residual risk increased to 20 as a result of care home financial sustainability risks considering Four Seasons position							
	06/08/19	No Change							
	28/10/19	Linked action added in relation to Market Analysis – risk scored maintained							
Linked Actions									
Description				Assigned To:	Due Date	Status	Notes		
Review “Step-in Right” within relevant and appropriate projects				HC	30/06/19	Complete	Added to Current Controls.		
Develop robust Market Analysis Strategy across procurement categories				HC	31/03/2020	On-going			

Reference: SXL006-19/20		Staff Recruitment and Retention						
Context	Risk Statement	Risk Owner	Current Risk Controls	Risk Score				
				Likelihood	Impact	Evaluation	Trend	Residual
Demand in the market for staff makes recruiting and retaining staff problematic.	Scotland Excel encounters problems in recruiting and retaining staff of suitable skill, quality and experience to deliver the operating plan	SB	Recruitment processes reviewed and updated.  PRD process reviewed and updated in consultation with the Scotland Excel staff.  Successful recruitment campaigns including events to be replicated.  Retention measures improved including secondment opportunities and projects to enrich roles.  Enhanced organisational reputation through events, partnerships and marketing.  Retain Investors in People accreditation	3	3	9		9
								
Risk Register Review Updates								
Date	05/02/19	2 new linked actions added – a review of the exit interview process, and a need to better monitor staff turnover figures. Residual risk increases from 6 to 9 in light of retention challenges throughout the sector.						
	07/05/19	New risk linked action added – a review of job specs and person profiles. Work underway to implement actions from Investors in People process						
	06/08/19	No Change						
	28/10/19	Linked actions added in relation to Investors in People and Organisational credibility beyond procurement – No change to risk score						
Linked Actions								
Description			Assigned To:	Due Date	Status	Notes		
Exit interview process to be reviewed and issues escalated			LC	31/03/2020	On-going	Collection and reporting process development		
Staff turnover figures to be collated and monitored			LC	31/03/2020	On-going	Will be presented to SMT by March 2020		
Review of job specs and person profiles to be completed			LC	31/03/2020	On-going	Reviewed in conjunction with PRD process		
Increase Investors in People grade from Silver to Gold			JW	31/03/2021	On-going	Work is continuing with Staff Engagement Group		
Build credibility beyond procurement professionals to cover other areas including the Academy.			IMN	31/03/2020	On-going	Being led by SXL Academy		

Reference:	SXL007-19/20	Corporate Social Responsibility							
Context		Risk Statement	Risk Owner	Current Risk Controls	Risk Score				
					Likelihood	Impact	Evaluation	Trend	Residual
Ensure that, where possible, community benefits are delivered as part of the contract portfolio.  Ethical sourcing of products and supplies in the whole supply chain.		Scotland Excel may not be seen as an industry leader in how it addresses key aspects of corporate social responsibility with an associated negative impact upon our reputation and stakeholder perceptions.	HC	Management and Reporting of Community Benefits has been developed and embedded.  Community benefit requirements issued to suppliers at tender stage.  Active promotion of community benefits in delivered through our contracts.  Living Wage Employer accreditation secured, used to raise awareness with stakeholders.  Workforce matters and living wage considerations are built in at strategy stage.  Ethical sourcing strategies provided by suppliers as part of the tender process.  Co-ordination of Community Benefits Forum for partner local authorities  Staff have become mentors for children in schools under MCR Pathways  Partnership with Founders 4 Schools supporting CV writing, mock interviews etc.	2	4	8		6
									
Risk Register Review Updates									
Date	05/02/19	No Change							
	07/05/19	Two new control measures added – work with MCR pathways and Founders 4 Schools							
	06/08/19	No Change							
	28/10/19	Addition of Community Benefits Forum risk control and “Fair Work First” linked action – No change to risk score.							
Linked Actions									
Description				Assigned To:	Due Date	Status	Notes		
Carry out review of how “Fair Work First” initiative can be incorporated into Scotland Excel frameworks				BM	31/03/2020	On-going	Being led by the Procurement Development Team		

Reference: SXL008-19/20		Risk of Not Performing/Delivering							
Context		Risk Statement	Risk Owner	Current Risk Controls	Risk Score				
					Likelihood	Impact	Evaluation	Trend	Residual
<p>Failure to deliver in line with member council expectation.</p> <p>System failures impact on the ability of the organisation to deliver services.</p> <p>Increasing member expectations as financial challenges increase</p>		Scotland Excel fails to perform in line with customer expectations.	SB	<p>Approved 5 years strategy and one-year operating plan in place.</p> <p>A range of KPIs currently exist at contract and organisational level. These are regularly reviewed.</p> <p>Regular operating plan updates to Executive subcommittee to ensure robust governance.</p> <p>Regular financial period review and reporting across core and projects.</p> <p>Business continuity approach ensures that the organisation and its systems can operate effectively remotely</p> <p>Scotland Excel are providing new and improved services to member councils on an ongoing basis.</p>	3	4	12		8
									
Risk Register Review Updates									
Date	05/02/19	New risk control measure included to recognise new and improved services offered to member councils. Residual risk remains static at 8 (likelihood 2/ Impact 4)							
	07/05/19	New linked action added – review of SXL infographic							
	06/08/19	No Changes							
	28/10/19	Linked actions added - Cyber Security, Stakeholder Mapping, Customer Engagement – No change to risk score							
Linked Actions									
Description			Assigned To:	Due Date	Status	Notes			
Review of Member Infographic			SB/HC	31/03/20	On-going	Project team in place			
Carry Out Cyber Security Review and Training for all staff			SB	31/12/19	On-going	All staff trained by 30 November ‘19			
Stakeholder Mapping Exercise to be carried out			MR	31/12/19	On-going	Complete pending review by SMT			
Continuing Customer Engagement exercise with key partners			JW	31/12/19	On-going	Engagement plan in development			

Reference: SXL009-19/20		Environmental Impact						
Context	Risk Statement	Risk Owner	Current Risk Controls	Risk Score				
				Likelihood	Impact	Evaluation	Trend	Residual
Impact of organisational activity of Scotland Excel on the Environment.	Reputational/legal Risk in relation to the organisation having an adverse impact on the Environment.	JW	Adoption of environmentally aware office practices within Scotland Excel i.e. recycling, agile working, double sided printing etc.	2	3	6		6
Impact of Scotland Excel frameworks on the Environment	Reputational/legal Risk in relation to Scotland Excel frameworks having an adverse impact on the Environment		Requirement for Environmental Policy, ISO certificate or equivalent for access to certain frameworks					
Influence of Scotland Excel on environmentally friendly public service delivery	Reputational/legal Risk in relation to Scotland Excel frameworks having an adverse impact on the Environment		Actions in relation to reducing carbon footprint scored in assessment for certain frameworks					
	Failure to champion Environmentally friendly practices via SXL frameworks		Information in relation to environmental practices and plans requested across all frameworks					
Risk Register Review Updates								
Date	05/02/19	n/a						
	07/05/19	n/a						
	06/08/19	n/a						
	28/10/19	Environmental Change and Policy Impact Risk added to Scotland Excel Risk Register, Initial Risk Score 6 (likelihood 2, Severity 3)						
Linked Actions								
Description			Assigned To:	Due Date	Status	Notes		
Review of what further actions can be taken by Scotland Excel to impact organisational, supplier and partner carbon footprint reduction activity			HC	31/03/20	On-going			





## Scotland Excel

**To: Scotland Excel Joint Committee**

**On: 6 December 2019**

### **Report by the Clerk**

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

#### **1. Summary**

- 1.1 The purpose of this report is to seek approval for the membership of Scotland Excel's Chief Executive Officers Management Group (CEOMG), a key governance body for the organisation and which has been part of Scotland Excel's governance since its inception in 2008.
- 1.2 The CEOMG comprises six Chief Executives from the Member Authorities of Scotland Excel. The Chief Executive of Renfrewshire Council is a standing member of the group due to Renfrewshire Council being the lead authority for Scotland Excel. The other five members of the Group are appointed annually by the Scotland Excel Joint Committee although membership can be renewed.
- 1.3 In August 2018 a presentation was made to the SOLACE branch group seeking a new CEOMG member due to the retiral of Mary Pitcaithly. The SOLACE Executive decided to review the overall membership, and the following nominations were received and agreed by the Joint Committee at a meeting held on 7 December 2018:

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

- 1.4 Sandra Black continued to Chair meetings of the CEOMG in line with the CEOMG procedures.

- 1.5 It is proposed that the CEOMG membership remain as detailed in paragraph 1.3 above until December 2020 to allow for continuity in the strategic direction for Scotland Excel.

**2. Recommendation**

- 2.1 That the membership of the CEOMG remain as detailed in paragraph 1.3 until December 2020.



## **Scotland Excel**

**To: Joint Committee**

**On: 6 December 2019**

**Report  
By:  
The Clerk**

### **Meetings of Scotland Excel Joint Committee in 2020**

#### **1. Summary**

- 1.1 The purpose of this report is to seek approval for the proposed dates for meetings of the Scotland Excel Joint Committee in 2020.

#### **2. Recommendation**

- 2.1 That meetings of Scotland Excel Joint Committee be held at 10.45 am on 19 June and 11 December 2020 within the City Chambers, Glasgow City Council.

#### **3. Background**

- 3.1 In terms of Scotland Excel's Procedural Standing Orders:-

5. The Joint Committee shall meet not less than two times in each calendar year. The dates, times and places for ordinary meetings of the Joint Committee shall be decided by the Joint Committee.
6. A special meeting of the Joint Committee may be called at any time:
  - (a) by the Convener or Vice-Convener; or
  - (b) if at least one quarter of the total number of members require a meeting in writing specifying the business to be transacted.

Any special meeting shall be held within 14 days from the date when the Clerk receives a written request and at the time and place specified by the Clerk in consultation with the Convener.

- 3.2 The Joint Committee normally meets in June of each year to approve the draft accounts for Scotland Excel and also in November or December of each year to approve the budget.

- 3.3 It is considered at this time that all of the business that requires to be transacted by the Joint Committee in 2020 can be dealt with at the two meetings.
- 3.4 The Executive Sub-committee, at its meeting held on 22 November 2019 decided that it would meet on 19 June and 11 December 2020.