

Minute of Meeting Scotland Excel Joint Committee

Date	Time	Venue
Friday, 19 June 2020	10:45	Remotely by MS Teams ,

Present

Councillor John Reynolds and Councillor David Cameron (both Aberdeen City Council); Provost Bill Howatson (Aberdeenshire Council); Councillor Rory Colville (Argyll and Bute Council); Councillor Alasdair Rankin (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 Tony Buchanan (East Renfrewshire Council); Councillor Gary Bouse (Falkirk Council); Councillor Altany Craik and Councillor Ross Vettraino (Fife Council); Bailie Norman MacLeod (Glasgow City Council); Councillor Alister Mackinnon (Highland Council); Councillor Jim Clocherty (Inverclyde Council); Councillor Aaron McLean (Moray Council); Councillor Paul Di Mascio (North Lanarkshire Council); Councillor Sheila McCole (Perth and Kinross Council); Councillor John Shaw (Renfrewshire Council); Councillor Robin Tatler (substitute for Councillor Simon Mountford) (Scottish Borders Council); Councillor Peter Henderson (South Ayrshire Council); Councillor Collette Stevenson (South Lanarkshire Council); and Councillor John McGinty (West Lothian Council).

Chair

Councillor Shaw, Convener, presided.

In Attendance

J Welsh, Director, S Brannagan, Head of Customer & Business Services, H Carr, Head of Strategic Procurement and L Campbell, Corporate Services Manager (all Scotland Excel); M Conaghan, Legal & Democratic Services Manager, K Campbell, Assistant Chief Auditor, C McCourt, Finance Business Partner and E Currie, Senior Committee Services Officer (all Renfrewshire Council); and M Ferris, Senior Manager (Audit Scotland).

Apologies

Councillor Alastair Bews (Aberdeenshire Council); Councillor Angus Macmillan Douglas (Angus Council); Councillor Graham Hutchison (both City of Edinburgh Council); Councillor John Jamieson (East Dunbartonshire Council); Councillor John McMillan (East Lothian Council); Councillor Martin McElroy (Glasgow City Council); Councillor Matthew Reiss (Highland Council); Councillor Derek Milligan (Midlothian Council); Councillor Allan Graham (North Lanarkshire Council); Councillor Simon Mountford (Scottish Borders Council); Councillor Amanda Hawick (Shetland Islands Council); and Councillor Ian Dickson (West Dunbartonshire Council).

Declarations of Interest

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

1 Minute of Joint Committee

There was submitted the Minute of the meeting of the Joint Committee held on 6 December 2019.

It was noted that in the Apologies section of the Minute, Councillor Ross Vettraino should be shown as an elected member from Fife Council.

DECIDED: That, subject to the above amendment, 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 6 December 2019, 31 January, 28 February, 27 March and 29 May 2020.

DECIDED: That the Minutes be noted.

3 Membership of Executive Sub-committee

There was submitted a report by the Clerk relative to the membership of the Executive Sub-committee and seeking approval for the appointment of members to the Executive Sub-committee for the period to June 2021.

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.

Members discussed the process for appointment of members to the Executive Sub-committee; the attendance and participation of members; and possible amendments to the Procedural Standing Orders governing the appointment of members to the Executive Sub-committee.

It was proposed that a report detailing the attendance of members, at meetings of the Executive Sub-committee since appointment in June 2017, be submitted to the next meeting of the Joint Committee to be held on 11 December 2020.

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;

(b) That membership of the Executive Sub-committee be next reviewed at the meeting of the Joint Committee to be held in June 2021; and

(c) That a report detailing the attendance of members, at meetings of the Executive Sub-committee since appointment in June 2017, be submitted to the next meeting of the Joint Committee to be held on 11 December 2020.

4 Scotland Excel Unaudited Annual Accounts 2019/20

There was submitted a report by the Treasurer relative to the unaudited annual accounts for the Joint Committee for 2019/20, a copy of which were attached to the report.

The report intimated that the accounts for the year ended 31 March 2020 would be submitted to Audit Scotland for audit in advance of the statutory deadline of 30 June 2020. The accounts indicated that Scotland Excel's core activities resulted in a draw on reserves of £6,139 in 2019/20 compared to a budgeted draw on reserves of £14,000 and projects returned income of £126,368 over expenditure. This produced a combined underspend for the year of £120,229 which had been added to usable reserves, which were committed as outlined in note 5 to the accounts.

The management commentary within the accounts provided an overview of Scotland Excel's performance during 2019/20 along with risk information and its outlook for the future.

The Local Authority Accounts (Scotland) Regulations 2014 required that Scotland Excel prepare and publish a set of accounts, including an annual governance statement, by 30 June each year. The unaudited accounts were then required to be formally considered by the Joint Committee no later than 31 August and the annual governance statement should be formally approved at this time.

In accordance with the Local Authority Accounts (Scotland) Regulations 2014, the unaudited annual accounts would be signed only by the Treasurer as proper officer. The accounts would then be subject to external audit by the Joint Committee's appointed auditor, Audit Scotland, by 30 September. The 2019/20 audited annual accounts were scheduled to be presented to the Executive Sub-committee on 18 September 2020 for approval and signing by the Convener, the Chief Executive of Scotland Excel and the Treasurer, in accordance with the regulations.

DECIDED:

(a) That the unaudited annual accounts for 2019/20 be noted; and

(b) That the annual governance statement be approved.

5 Internal Audit Report Summary - Contract Strategy 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 Report Summary for the Internal Audit review of Contract Strategy Arrangements be noted.

6 Internal Audit Annual Report 2019/20

There was submitted a report by the Chief Auditor, Renfrewshire Council, relative to the Internal Audit Annual Report on Scotland Excel 2019/20.

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 Scotland Excel 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 2019/20 and contained an audit assurance statement.

DECIDED: That the Internal Audit Annual Report 2019/20 be approved.

7 Review of Scotland Excel Governance

There was submitted a report by the Chief Executive of Scotland Excel seeking approval from the Joint Committee to delegate authority to the Executive Sub-committee to approve the Internal Audit Annual Report and any other scheduled annual Internal Audit report and for the Scheme of Delegation to be amended accordingly.

The Chief Executive intimated that this request for approval should be amended to delete reference to 'scheduled annual' where it appeared in the report.

The report intimated that in terms of Scotland Excel's Procedural Standing Orders, the Joint Committee could delegate authority on certain matters to the Executive Sub-committee. The Internal Audit Annual Report was usually considered each year at the June meeting of the Joint Committee together with an Internal Audit Report Summary on one area of Scotland Excel's work. The timing of preparation of these reports and content of them would be better aligned to the Executive Sub-committee as this usually met every month outwith recess periods and regularly considered matters such as the

risk register. This would remove the current inconsistency between approval of external and internal audit reports.

DECIDED:

(a) That approval of the Internal Audit Annual Report and any other Internal Audit report be delegated to the Executive Sub-committee; and

(b) That the Scheme of Delegation be amended by the insertion of a new paragraph 4.3 (i) in the following terms – “(i) to consider and approve the Internal Audit Annual Report and any other Internal Audit report.”

8 Financial Impact of COVID-19 Pandemic on Scotland Excel

There was submitted a report by the Chief Executive of Scotland Excel relative to the specific financial challenges facing Scotland Excel in this financial year and the actions taken and planned to mitigate these challenges.

The report intimated that in December 2019, the Joint Committee approved the core operating budget for 2020/21 which contained revenue estimates for the year based on previous and planned expenditure along with income estimates which included targets for the five new income streams contained within the approved Scotland Excel Funding Model. Section 4 of the report identified areas of core expenditure which would present financial challenges during 2020/21 and section 5 of the report identified new income streams and the challenges associated with each. Planned mitigating actions aimed at minimising the overall impact on Scotland Excel’s financial position were also detailed in the report.

The table in the report provided a summary of the anticipated financial impact of the COVID-19 pandemic on Scotland Excel and the projected outturn after mitigating actions. The anticipated financial impact of the COVID-19 pandemic on Scotland Excel, subject to mitigation, was currently a deficit of £53,000.

Scotland Excel would continue to monitor all expenditure lines and income streams and would be targeting a break-even position at year end. Regular budget monitoring reports would be presented to the Executive Sub-committee ensuring members were kept fully aware of the financial position on an on-going basis.

DECIDED: That the financial challenges faced by Scotland Excel and the associated actions being taken to mitigate these challenges be noted.

9 Annual Procurement Report

There was submitted a report by the Chief Executive 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 were expected to be published no later than five months following 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 informed by the individual annual procurement reports published by contracting authorities in Scotland.

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

10 Operating Plan Update 2019/20

There was submitted a report by the Chief Executive of Scotland Excel relative to the progress made against operating plan activities during 2019/20.

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 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 key performance indicators (KPIs) included within the plan.

It was noted that 49 of the 64 activities in the operating plan were progressing in line with plans and were indicated as green within the report.; three activities were progressing more slowly than anticipated, mainly due to external factors and these were indicated as amber within the report; four activities were significantly behind schedule and these were indicated as red within the report; six activities had been completed by the end of the financial year and were indicated as black within the report; and two activities would commence during 2020/21 and these were indicated as white within the report.

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. In response to feedback from members of the Executive Sub-committee, it was noted that Scotland Excel were currently working on a new approach to reporting progress against its corporate strategy and operating plan commitments and proposals would be submitted to the Joint Committee in due course.

It was noted that not all councils had provided ICT contract data to Scotland Excel and as such this data set remained incomplete. The Chief Executive advised that partial information had been received from most councils whilst almost half of the councils had provided all of the information requested.

It was proposed that the information received from individual councils be forwarded to the respective elected members of that council to help facilitate the provision of the information to Scotland Excel. This was agreed.

The Chief Executive advised that an update report would be submitted to the next meeting of the Joint Committee to be held on 11 December 2020, and that individual council information would be shared after this.

DECIDED:

(a) That Scotland Excel's progress in delivering the commitments contained in the Operating Plan 2019/20 be noted;

(b) That the information received from individual councils be forwarded to the respective elected members of that council to help facilitate the provision of the information to Scotland Excel.

(c) That an update report be submitted to the next meeting of the Joint Committee to be held on 11 December 2020, and that individual council information would be shared after this.

11 Special Leave and Hospitality

There was submitted a report by the Chief Executive of Scotland Excel relative to staff absence rates, special leave given to staff and hospitality granted by the organisation in 2019/20.

DECIDED: That the report be noted.

12 COVID-19 Update

There was submitted a report by the Chief Executive of Scotland Excel providing an update of the impact of COVID-19 on the operational activity within Scotland Excel including where emerging opportunities had been pursued to provide additional support within and out with the sector.

The report intimated that in March 2020, the UK government issued detailed guidance in relation to measures that should be taken to restrict the spread of the COVID-19 virus, including the restriction of unnecessary travel and meetings and advice for specified groups of citizens who were seen as being at greater risk from infection.

The Executive Sub-committee at a meeting held on 27 March 2020 granted delegated authority to the Director, in consultation with the Chair and/or Vice Chair of the Executive Sub-committee to cancel, if necessary, the planned meeting of the Executive Sub-committee on 29 May 2020 and any subsequent meeting; further delegated authority to make all decisions required relating to the functions of the Executive Sub-committee in advance of the next meeting of the Executive Sub-committee; and agreed to temporary associate membership at no fee to any public body or third sector organisation that the Director felt would benefit efforts to tackle the current crisis.

Scotland Excel was currently operating a full service via remote working for all employees in line with government guidance with the specific focus of working with suppliers to ensure that goods and services required to support essential frontline services continued to be available to councils. Regular updates were being provided to councils in relation to supplier stock levels for essential items and advice on alternative sources of supply where possible.

The report provided updates in relation to the work of the account management team; the support provided in relation to the provision of PPE; and contract category updates for Corporate and Education, Environmental Services, Construction Services, Social Care, the Academy; and project activity.

DECIDED: That the report and measures taken to continue operations during the COVID-19 pandemic be noted.

13 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 11 December 2020.