

Minute of Meeting Scotland Excel Joint Committee

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

Present

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

Chair

Councillor Shaw, Convener, presided.

In Attendance

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

Apologies

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

Declarations of Interest

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

1 Minute of Joint Committee

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

DECIDED: That the Minute be approved.

2 Minutes of Executive Sub-committee

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

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

DECIDED:

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

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

3 Presentation

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

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

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

DECIDED:

(a) That the presentation be noted; and

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

4 Revenue Estimates 2021/22

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

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

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

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

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

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

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

DECIDED:

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

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

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

5 **Income Stream Update**

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

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

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

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

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

6 **Annual Value Reports**

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

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

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

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

DECIDED: That the content of the report be noted.

7 **Brexit Update**

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

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

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

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

DECIDED: That the content of the report be noted.

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

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

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

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

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

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

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

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

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

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

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

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

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

10 **Strategic Risk Register Update**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

DECIDED:

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

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

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

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

DECIDED:

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

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