

Notice of Meeting and Agenda Scotland Excel Joint Committee

Date	Time	Venue
Friday, 09 December 2016	10:45	City Chambers, Glasgow City Council, 80 George Square, Glasgow, G2 1DU

KENNETH GRAHAM
Clerk

Membership

Councillor Ramsay Milne and Councillor Willie Young (Aberdeen City Council); Councillor William Howatson and Councillor Cryle Shand (Aberdeenshire Council); Councillor Ellen Morton (Argyll and Bute Council); Councillor Alasdair Rankin and Councillor Iain Whyte (City of Edinburgh Council); Councillor Archie Drummond (Clackmannanshire Council); Councillor Norman Macdonald (Comhairle Nan Eilean Siar); Councillor Gill Dykes (Dumfries and Galloway Council); Baillie Willie Sawers (Dundee City Council); Councillor Jim Roberts (East Ayrshire Council); Councillor Bill Hendry (East Dunbartonshire Council); Councillor John McMillan (East Lothian Council); Councillor Gordon Wallace (East Renfrewshire Council); Councillor Rosie Murray (Falkirk Council); Councillor Ian Chisholm and Councillor Altany Craik (Fife Council); Councillor Norman MacLeod and Councillor Martin McElroy (Glasgow City Council); Councillor Bill Fernie and Councillor Alister Mackinnon (Highland Council); Councillor Jim Clocherty (Inverclyde Council); Councillor Jim Bryant (Midlothian Council); Councillor Grace McLean (North Ayrshire Council); Councillor Pat O'Rourke and Councillor Andrew Spowart (North Lanarkshire Council); Councillor James Stockan (Orkney Islands); Councillor John Kellas (Perth and Kinross Council); Councillor John Mitchell (Scottish Borders Council); Councillor Amanda Westlake (Shetland Islands Council); Councillor Robin Reid (South Ayrshire Council); Provost Eileen Logan and Councillor Jim Wardhaugh (South Lanarkshire Council); Councillor Neil Benny (Stirling Council); Councillor Allan Wright (The Moray Council); Councillor Kath Ryall (West Dunbartonshire Council); Councillor Anne McMillan (West Lothian Council)

Councillor Michael Holmes (Renfrewshire Council) (Convener) and Councillor Paul Valentine (Angus Council) (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 www.renfrewshire.cmis.uk.com/renfrewshire/CouncilandBoards.aspx

For further information, please either email 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 reception 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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Minute of Meeting Scotland Excel Joint Committee

Date	Time	Venue
Friday, 17 June 2016	10:45	City Chambers, Glasgow City Council, 80 George Square, Glasgow, G2 1DU

PRESENT

Councillors Milne (Aberdeen City Council); Shand (Aberdeenshire Council); Valentine (Angus Council); Rankin and Whyte (both City of Edinburgh Council); Macdonald (Comhairle Nan Eilean Siar Council); Roberts (East Ayrshire Council); McMillan (East Lothian Council); Wallace (East Renfrewshire Council); Murray (Falkirk Council); and Craik (Fife Council); Baillie MacLeod and Councillors McElroy (both Glasgow City Council); Fernie (Highland Council); Clocherty (Inverclyde Council); O'Rourke (North Lanarkshire Council); Stockan (Orkney Islands Council); Holmes (Renfrewshire Council); Mitchell (Scottish Borders Council); and Wardhaugh and Provost Logan (both South Lanarkshire Council).

CHAIR

Councillor Holmes, Convener, presided.

APOLOGIES

Councillors Howatson (Aberdeenshire Council); Dykes (Dumfries and Galloway Council); Bailie Sawers (Dundee City Council); and Councillors Bryant (Midlothian Council); Kellas (Perth and Kinross Council); Westlake (Shetland Islands Council); Reid (South Ayrshire Council); Wright (The Moray Council); Ryall (West Dunbartonshire Council); and McMillan (West Lothian Council).

IN ATTENDANCE

J Welsh, Director, S Brannagan, Head of Customer & Business Services, H Carr, Head of Strategic Procurement and L Jones, Personal Assistant to the Director (all Scotland Excel); and M Conaghan, Legal & Democratic Services Manager, K Campbell, Assistant Chief Auditor, D Forbes, Finance Manager, E Currie, Senior Committee Services Officer and K Brown, Committee Services Officer (all Renfrewshire Council).

ALSO IN ATTENDANCE

F McKinlay, Director and D Black, Audit Manager (both Audit Scotland).

DECLARATIONS OF INTEREST

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

1(a) MINUTE OF JOINT COMMITTEE

There was submitted the Minute of the meeting of the Joint Committee held on 27 November 2015.

DECIDED: That the Minute be approved.

1(b) MINUTES OF EXECUTIVE SUB-COMMITTEE

There were submitted the Minutes of the meetings of the Executive Sub-committee held on 27 November 2015, 4 March and 13 May 2016.

With reference to the sederunt of the Minute of the Executive Sub-committee held on 27 November 2015 it was noted that Councillor Howatson (Aberdeenshire Council) had been in attendance and not Councillor Shand as stated. With reference to items 3 and 4 of this Minute, Councillor Roberts sought clarification as to why it had been agreed that both Cordia (Services) LLP and City Building (Glasgow) LLP become associate members of Scotland Excel at no fee. The Director advised that a policy decision had been taken some time ago that ALEOs would not be charged a fee as a payment was received via Councils.

With reference to item 5 of the Minute of the Executive Sub-committee held on 4 March 2016, Councillor O'Rourke sought clarification as to when a report on the award of the demolition services contract would be submitted to a future meeting. The Head of Strategic Procurement advised that this report would be submitted to the meeting of the Executive Sub-committee to be held on 16 September 2016.

Baillie MacLeod sought clarification as to whether Scotland Excel had changed the powers of the Executive Sub-committee in relation to applications for associate membership of Scotland Excel. The Director undertook to advise Baillie MacLeod if the delegation to consider and approve requests for associate membership lay with the Executive Sub-committee or the Chief Executive Officers Management Group.

DECIDED:

(a) That the Minute of the Executive Sub-committee held on 27 November 2015, as amended, be approved;

(b) That the Minutes of the Executive Sub-committee held on 4 March and 13 May 2016 be approved; and

(c) That the Director advise Baillie MacLeod if the delegation to consider and approve requests for associate membership lay with the Executive Sub-committee or the Chief Executive Officers Management Group.

2 OPERATING PLAN UPDATE 2015/16

There was submitted a report by the Director of Scotland Excel relative to the progress made against operating plan activities and commitments during 2015/16.

The report intimated that in June 2015 the Joint Committee approved a new three-year strategy and rolling annual operating plan. From April 2016, quarterly reports were being produced to track Scotland Excel's performance against operating plan activities and these reports summarised the progress made against the priorities identified each year using a 'traffic light' symbol which provided a quick guide to the status of each action. Appendix 1 to the report provided an update on progress made during the full year to 31 March 2016. Future reports would contain updates on ten key performance indicators (KPIs) which were included within the 2016/17 operating plan.

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.

It was proposed that the Director provide information to members (a) which highlighted what was being done to turn the red actions into amber or green actions; (b) on how Council savings were made up; (c) community benefits delivered by suppliers by Council area; and (d) to provide information in the operating plan relative to Scotland Excel being more proactive in working with providers of procurement courses and qualifications. This was agreed.

DECIDED:

(a) That the reporting methodology and schedule and the progress made by Scotland Excel in delivering its corporate strategy during 2015/16 be noted; and

(b) That the Director provide information to members (i) which highlighted what was being done to turn the red actions into amber or green actions; (ii) on how Council savings were made up; (iii) community benefits delivered by suppliers by Council area; and (iv) to provide information in the operating plan relative to Scotland Excel being more proactive in working with providers of procurement courses and qualifications.

3 OPERATING PLAN 2016/17

There was submitted a report by the Director of Scotland Excel relative to the proposed operating plan 2016/17.

The report intimated that in June 2015 the Joint Committee approved a new three-year strategy and rolling annual operating plan. The plan was reviewed and updated each year to ensure that it remained closely aligned with strategy and responded to any changes in the external environment. A copy of the updated operating plan proposed for 2016/17, which would guide the projects and activities undertaken by the organisation in 2016/17, was appended to the report.

DECIDED: That the updated operating plan for 2016/17 be approved.

SEDERUNT

Councillor Shand left the meeting during consideration of the following item.

4 ANNUAL AUDIT PLAN 2015/16

There was submitted a report by the Treasurer relative to the annual audit plan 2015/16 for the Joint Committee which outlined Audit Scotland's planned activities in their audit of the 2015/16 financial year.

The report highlighted that the annual audit plan 2015/16 included a section on Audit Issues and Risks and that within this section, Audit Scotland had identified a risk of 'management override of controls'. This risk had been included in the audit plans of all bodies which Audit Scotland worked with, in light of international standards on auditing. The inclusion of this risk was not a reflection of increased risk within Scotland Excel and Audit Scotland had confirmed that they had not found any issues on this in previous years.

DECIDED: That Audit Scotland's annual audit plan 2015/16 be noted.

5 INTERNAL AUDIT ANNUAL REPORT 2015/16

There was submitted a report by the Chief Auditor, Renfrewshire Council, relative to the Internal Audit annual report 2015/16. The report intimated that the public sector internal audit standards required that the Chief Auditor prepare an annual report on the activities of internal audit to demonstrate performance. The report must also provide an audit opinion on the overall adequacy and effectiveness of the internal control system of the audited body.

The annual report for the Joint Committee was attached as an appendix to the report and outlined the role of internal audit, the performance of the internal audit team and the main findings from the internal audit work undertaken in 2015/16 and contained an audit assurance statement.

DECIDED: That the Internal Audit annual report for 2015/16 be noted.

SEDERUNT

Councillor Shand entered the meeting during consideration of the following item.

6 SCOTLAND EXCEL UNAUDITED ANNUAL ACCOUNTS 2015/16

There was submitted a report by the Treasurer relative to the unaudited annual accounts for the Joint Committee for 2015/16 which were attached to the report. The report intimated that the accounts for the year ended 31 March 2016 had been completed and forwarded to Audit Scotland for audit. The accounts showed a deficit for the year of £250,631 against a budgeted deficit of £505,500. Further comments in relation to the Accounts were detailed in pages 5 and 6 of the Annual Financial Statements 2015/16 document, a copy of which was appended to the report.

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 new guidelines.

DECIDED: That the unaudited annual accounts for the year ended 31 March 2016 be noted and that the accounts be further presented to the Executive Sub-committee on completion of the audit.

7 ACCOUNTS COMMISSION REPORT - PROCUREMENT IN COUNCILS

There was submitted a report by the Director of Scotland Excel relative to the report published by the Accounts Commission in February 2016 titled Procurement in Councils – Impact Report, a copy of which was appended to the report.

Fraser McKinlay, Director and Douglas Black, Audit Manager, Audit Scotland gave a presentation to members on this matter and answered questions raised by members. Mr Black agreed to provide members with more detailed information in relation to the statement in page 5 of the report that ‘Councils are relying on procurement to generate savings to meet budget pressures, but some of their savings calculations may not be reliable or may be incomplete’.

DECIDED: That the Audit Commission report and the actions related to Scotland Excel be noted.

8 PROCUREMENT COMMERCIAL IMPROVEMENT PROGRAMME (PCIP) UPDATE

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

The report intimated that between 2009 and 2014 Scotland Excel had carried out Procurement Capability Assessments (PCA) across the sector to measure performance. The PCA was a nationally developed maturity model designed to assess public procurement performance in Scotland in a common format. By 2014 Councils had made significant improvements in its procurement performance with the sector average at 62% compared with an average of 22% in 2009.

The report advised that having recognised the need to further improve procurement capability, a national working group involving Scotland Excel, other centres of expertise and the Scottish Government developed a replacement for the PCA. The replacement PCIP built on the good work completed to date with a continued focus on driving improvement and encouraging the sharing of good practices.

DECIDED:

(a) That the progress made in introducing the new assessment regime be noted; and

(b) That it be noted that a full update report on the results would be submitted to the meeting of the Joint Committee to be held on 9 December 2016.

9 MEMBERSHIP OF THE EXECUTIVE SUB-COMMITTEE

There was submitted a report by the Clerk seeking approval for the continued appointment of the existing membership of the Scotland Excel Executive Sub-committee for a further period to the next Local Government Elections on 4 May 2017.

DECIDED:

- (a) That it be agreed that the members of the Scotland Excel Executive Sub-committee should continue to come from the member Councils detailed in paragraph 3.3 of the report; and
- (b) That it be agreed that existing members appointed to the Scotland Excel Executive Sub-committee should continue in post until the next Local Government Elections on 4 May 2017.

10 REVIEW OF SCOTLAND EXCEL GOVERNANCE

There was submitted a report by the Clerk seeking approval for the revised Scotland Excel Scheme of Delegations and Chief Executive Officers Management Group Procedures as set out in the appendices to the report.

With reference to the Chief Executive Officers Management Group Procedures it was noted that the reference to the Clerk in the Definitions section should be the Head of Corporate Governance of Renfrewshire Council or his nominee and not the Director of Corporate Services as stated.

Councillor Shand highlighted that section 5.3(g) of the Scheme of Delegation referred to City Deal objectives and that Aberdeenshire Council refer to this as City Region Deal. It was proposed that this section be amended to read City Deal/City Region Deal objectives and this was agreed.

DECIDED:

- (a) That the revised Scotland Excel Scheme of Delegations and Chief Executive Officers Management Group Procedures as set out in the appendices to the report be approved;
- (b) That authority be delegated to the Executive Sub-committee to appoint members to the Chief Executive Officers Management Group based upon nominations from the Society of Local Authority Chief Executives and Senior Managers (Solace);
- (c) That it be noted that the membership of the Chief Executive Officers Management Group should be next reviewed by the Joint Committee at its meeting in November/December 2017; and
- (d) That in relation to the Chief Executive Officers Management Group Procedures reference to the Clerk in the Definitions section be amended to read 'the Head of Corporate Governance of Renfrewshire Council or his nominee' and that in relation to the Scheme of Delegations, section 5.3(g) be amended to read 'Opportunities for Scotland Excel to support councils in delivering City Deal/City Region Deal objectives'.

11 REVIEW OF STANDING ORDERS RELATING TO CONTRACTS

There was submitted a report by the Clerk relative to the need to review the Standing Orders Relating to Contracts in light of recent legislation and guidance including the Public Contracts (Scotland) Regulations 2015; the Procurement (Scotland) Regulations 2016; the Concession Contracts (Scotland) Regulations 2016; and statutory guidance made under and in terms of the Procurement Reform (Scotland) Act 2014.

The report intimated that the review would take some time to complete and recommended that authority be delegated to the Executive Sub-committee to approve the changes required to the Standing Orders Relating to Contracts.

DECIDED:

(a) That the need to review the Standing Order Relating to Contracts in light of recent legislation and guidance including the Public Contracts (Scotland) Regulations 2015; the Procurement (Scotland) Regulations 2016; the Concession Contracts (Scotland) Regulations 2016; and statutory guidance made under and in terms of the Procurement Reform (Scotland) Act 2014 be noted;

(b) That authority be delegated to the Executive Sub-committee to approve the changes required to the Standing Orders Relating to Contracts as a result of this review;

(c) That it be agreed that the delegation to the Executive Sub-committee to approve the changes required to the Standing Orders Relating to Contracts be temporary and only for the purposes of this review; and

(d) That it be agreed that a report by the Clerk on the approved changes should be submitted to the next meeting of the Joint Committee to be held on 9 December 2016.

12 ORGANISATION INFORMATION REPORT

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 2015/16.

DECIDED: That the report 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 9 December 2016 within the City Chambers, Glasgow City Council.

Councillor Holmes advised that Scotland Excel had been awarded the Procurement Innovation or Initiative of the Year Award – Other Organisations at the recent National GO (Government Opportunities) Excellence in Public Procurement Awards Ceremony held in Manchester on 8 March 2016.



Minute of Meeting Scotland Excel Executive Sub-Committee

Date	Time	Venue
Friday, 17 June 2016	09:45	City Chambers, Glasgow City Council, 80 George Square, Glasgow, G2 1DU

PRESENT

Councillors A Craik (Fife Council); B Fernie (Highland Council); M Holmes (Renfrewshire Council); M McElroy (Glasgow City Council); P Valentine (Angus Council); and I Whyte (City of Edinburgh Council).

CHAIR

Councillor Holmes, Convener, presided.

APOLOGIES

Councillors G Dykes, (Dumfries and Galloway Council); W Howatson (Aberdeenshire Council); N Macdonald (Comhairle Nan Eilean Siar); and A Westlake (Shetland Islands Council).

IN ATTENDANCE

J Welsh, Director of Scotland Excel, S Brannagan, Head of Customer & Business Services, H Carr, Head of Strategic Procurement, R Bridgen, Senior Procurement Specialist (all Scotland Excel); and K Campbell, Assistant Chief Auditor, D Forbes, Finance Manager, E Currie, Senior Committee Services Officer and K Brown, Committee Services Officer (all Renfrewshire Council).

DECLARATIONS OF INTEREST

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

1 **CONTRACT FOR APPROVAL - STREET LIGHTING**

There was submitted a report by the Director of Scotland Excel relative to a new collaborative framework for the provision of contractors to renew traditional lighting luminaires with energy efficient LED luminaires.

The report intimated that the framework would cover all of the works necessary to renew traditional street lighting luminaires and would facilitate the efficient appointment of suitably qualified contractors to ensure that Councils were able to deliver the benefits that energy efficient lighting could provide in terms of energy, carbon reduction and maintenance savings.

The report detailed that the framework was advertised at a value of £20 million over a four year period (£5 million per annum) and there had been 15 tender responses received. A full evaluation of the offers received had been completed and Appendix 3 to the report advised the scores achieved by each bidder. Based on the evaluation undertaken, and in line with the criteria and weightings set out within the report and the published tender documents, it was recommended that the a multi-supplier framework agreement be awarded to the 13 suppliers as outlined in Appendix 3 to the report.

The results of the benchmarking were listed in Appendix 1 to the report. The projected average saving was estimated at 27.45% and based on anticipated annual replacement volumes equated to an estimated total saving of approximately £0.35 to £0.4 million per annum. Of the 32 Scottish Councils, Glasgow City Council had indicated that they would not participate and North Lanarkshire, Scottish Borders, Fife, West Dunbartonshire and Dumfries and Galloway Councils had indicated that they were unlikely to participate.

DECIDED: That the award of the multi-supplier framework agreement to the 13 suppliers, as detailed in Appendix 3 to the report, be approved.

2 **REQUEST FOR ASSOCIATE MEMBERSHIP - CULTURE NORTH LANARKSHIRE**

There was submitted a report by the Director of Scotland Excel indicating that CultureNL, a specially created Scottish charity and company limited by guarantee established by North Lanarkshire Council in 2013, had submitted an application to become an associate member of Scotland Excel with continued access to contracts under the North Lanarkshire Council's annual requisition fee.

DECIDED: That the application by CultureNL to become an associate member of Scotland Excel be approved, under North Lanarkshire Council's annual requisition fee, subject to completion and signing of the agreement document, be approved.

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 Friday 16 September 2016 in Scotland Excel Meeting Room 1, Renfrewshire House, Cotton Street, Paisley.

Minute of Meeting Scotland Excel Executive Sub-Committee

Date	Time	Venue
Friday, 16 September 2016	10:45	Scotland Excel Meeting Room 1, Renfrewshire House, Cotton Street, Paisley

PRESENT

Councillors P Valentine (Angus Council); N Macdonald (Comhairle Nan Eilean Siar); A Craik (Fife Council); M McElroy (Glasgow City Council); G McLean (North Ayrshire Council); and A Westlake (Shetland Islands Council).

CHAIR

Councillor Valentine, Depute Convener, presided.

BY VIDEO LINK

Councillor B Fernie (Highland Council).

APOLOGIES

Councillors C Shand (Aberdeenshire Council); I Whyte (City of Edinburgh Council); M Holmes (Renfrewshire Council); and Provost E Logan (South Lanarkshire Council).

IN ATTENDANCE

J Welsh, Director of Scotland Excel, S Brannagan, Head of Customer & Business Services, H Carr, Head of Strategic Procurement, L Richard, Strategic Procurement Manager and S Irvine, Graduate Trainee (all Scotland Excel); and M Simpson, Finance Manager, D Low, Senior Committee Services Officer, M Ball, Accountant and K Druce, Assistant Democratic Services Officer (all Renfrewshire Council).

DECLARATIONS OF INTEREST

The Clerk intimated that this was a standard item on the Agenda and asked members to indicate if there were any declarations of interest.

Councillor McElroy declared an interest in item 8 as his employer owned one of the consortia involved in the contract which was being awarded and indicated his intention to leave the meeting and not take part in any discussion or voting thereon.

1 REVENUE BUDGET MONITORING

There was submitted a joint revenue budget monitoring report by the Treasurer and the Director of Scotland Excel for the period 1 April to 19 August 2016.

DECIDED: That the report be noted.

2 AUDITED ANNUAL ACCOUNTS 2015/16

Under reference to item 5 of the Minute of the meeting of the Joint Committee held on 17 June 2016 there was submitted a report by the Treasurer and Director relative to the annual accounts for the Joint Committee for 2015/16. The report intimated that the Audit Certificate issued by Audit Scotland provided an unqualified opinion that the abstract of accounts presented a true and fair view of the financial position of the Joint Board as at 31 March 2016, in accordance with the accounting policies detailed in the accounts. A report on the 2015/16 audit by Audit Scotland was also attached to the report and indicated that there were no matters arising from the audit which required specific reporting to members.

Following the introduction of the Local Authority Accounts (Scotland) Regulations 2014 the audited accounts had to be approved for signature by the Executive Sub-committee no later than 30 September each year. Following approval the audited accounts would be signed by the Director, Convener and Treasurer.

DECIDED: That the audited annual accounts 2015/16 be approved for signature and the report by Audit Scotland be noted.

3 REQUEST FOR ASSOCIATE MEMBERSHIP OF SCOTLAND EXCEL BY HIGHLAND AND ISLANDS AIRPORTS LIMITED

There was submitted a report by the Director of Scotland Excel indicating that Highland and Islands Airports Limited, had submitted an application to become an associate member of Scotland Excel.

It was proposed that a report be submitted to the next meeting of the Sub-committee quantifying the benefits of associate membership. This was agreed.

DECIDED:

(a) That the application by Highland and Islands Airports Limited to become an associate member of Scotland Excel, at an annual membership fee of £500, subject to completion and signing of the agreement document, be approved; and

(b) That a report be submitted to the next meeting of the Sub-committee quantifying the benefits of associate membership

4 REQUEST FOR ASSOCIATE MEMBERSHIP OF SCOTLAND EXCEL BY TRANSITION EXTREME SPORTS ABERDEEN

There was submitted a report by the Director of Scotland Excel indicating that Transition Extreme Sports, Aberdeen had submitted an application to become an associate member of Scotland Excel.

DECIDED: That the application by Transition Extreme Sports, Aberdeen to become an associate member of Scotland Excel, at an annual membership fee of £500, subject to completion and signing of the agreement document, be approved.

5 CHIEF EXECUTIVE OFFICERS MANAGEMENT GROUP

There was submitted a report by the Director of Scotland Excel which sought approval for the appointment of the membership of the Chief Executive Officers Management Group.

DECIDED: That the membership of the Chief Executive Officers Management Group comprising the undernoted Council Chief Executives be approved:

S Black, Chair, Renfrewshire Council (ex-officio member)

A Scott, Aberdeen City Council

C Sneddon, Argyll & Bute Council

M Pitcaithly, Falkirk Council

A O'Donnell, Glasgow City Council

J White, West Dunbartonshire Council

6 WORKSTREAM: REBATE MANAGEMENT

There was submitted a report by the Director of Scotland Excel relative to an update on one of the workstreams that Scotland Excel was undertaking to support its members in the current challenging financial climate.

The report advised that it was important that Scotland Excel continued to recognise the need to deliver exceptional value to its member councils. An annual report would be produced and sent to each Council in order to communicate this value. An example of the type of information that would be provided was outlined in Appendix 1 to the report.

The report intimated that Scotland Excel considered the use of procurement rebates as a possible funding mechanism, as part of its previous review of funding operations. After discussion with stakeholders, it was felt that existing rebates currently received by members should be left untouched. In order to provide a degree of mitigation towards the annual requisition fee it was proposed that Scotland Excel manage new rebates and provide an annual return to councils.

The report intimated that Scotland Excel would work with the relevant suppliers to collect rebates earned and issue these to finance departments within the respective councils. Appendix 2 to the report outlined the value of this service to member councils and was based on councils' previous annual spend on this commodity and therefore may be higher or lower than the estimates provided.

It was further emphasised that this rebate amount was completely new to councils and was not currently received by members. The detailed contract spend for each member council was included in Appendix 3 to the report. Scotland Excel had utilised the council 15/16 actual spend data and the contractually agreed rebate percentage (0.75%) in order to calculate the predicted rebate. Implementation of this proposal would mean that there was no change to Scotland Excel requisitions in 2017/18.

DECIDED:

(a) That the report be noted; and

(b) That the Director of Scotland Excel provide for approval a detailed proposal to the Joint Committee on 9 December 2016.

7 CONTRACT FOR APPROVAL - SUPPLY AND DELIVERY OF CATERING SUNDRIES

There was submitted an amended report by the Director of Scotland Excel relative to the proposed renewal framework for the supply and distribution of Catering Sundries and provisions which would operate from 1 August 2016 to 31 April 2020.

The report intimated that the framework would provide councils with a mechanism to procure a range of catering sundries including disposable cups, tableware, food containers, food packaging, cookware, crockery, cutlery, glassware, utensils and other table servicers, for use within council catering environments including schools, cafes and restaurants, corporate and civic locations, leisure centres, community centres and social work premises. The renewal incorporated a number of enhancements to the current framework including a wider range of sustainable products, added value and community benefits.

The framework had been split into four lots as detailed in table 1 in the report. This lotting structure recognised the current structure of the market place and had been designed to more closely align the requirements of councils and continued to maximise opportunities for small and medium-sized enterprises (SMEs) and the SME status for each bidder was detailed in Appendix 2 to the report.

Appendix 1 to the report detailed the participation, spend and savings summary of the 31 councils participating in the framework. It was noted that Tayside Contracts would also be participating in the framework.

The framework had been advertised at £6 million per annum and 14 tender responses had been received. Based on the criteria and scoring methodology set out in the tender document, a full evaluation of the compliant offers received had been completed and Appendix 3 to the report detailed the scores relative to each bidder.

Based on the evaluation undertaken and in line with the criteria and weightings detailed in the report it was recommended that a multi-supplier framework be awarded to ten suppliers across the four lots as detailed in Appendix 3 to the report.

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

SEDERUNT

Councillor McElroy left the meeting prior to consideration of the following item.

8 CONTRACT FOR APPROVAL - DOMESTIC FURNITURE AND FURNISHINGS

There was submitted a report by the Director of Scotland Excel relative to the proposed renewal framework for the supply and delivery of electrical materials which would operate from 1 November 2016 to 31 October 2018, with an option to extend for up to two 12 month periods until 31 October 2020.

The report intimated that the framework would provide councils and other participating bodies with a mechanism to procure a comprehensive range of domestic furniture and

furnishings to enable people to live independently or to be supported in temporary accommodation via the Scottish Welfare Fund. The Scottish Welfare Fund was worth around £35 million per annum and was split between community care grants and crisis loans, with 70% of the community care grants awarded through the fund provided via the existing framework.

The framework had been split into two lots as detailed in table 1 in the report. This lotting structure recognised the current structure of the market place and had been designed to more closely align the requirements of councils and continued to maximise opportunities for small and medium-sized enterprises (SMEs) and the SME status for each bidder was detailed in Appendix 2 to the report.

Appendix 1 to the report detailed the participation, spend and savings summary of the 29 councils participating in the framework. It was noted that Advanced Procurement for Universities and Colleges, River Clyde Homes and the Scottish Prison Service would also be participating in the framework.

The framework had been advertised at £80 million per annum and 11 tender responses had been received. Based on the criteria and scoring methodology set out in the tender document, a full evaluation of the compliant offers received had been completed and Appendix 3 to the report detailed the scores relative to each bidder.

Based on the evaluation undertaken and in line with the criteria and weightings detailed in the report it was recommended that a multi-supplier framework be awarded to six suppliers across the two lots as detailed in Appendix 3 to the report.

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

SEDERUNT

Councillor McElroy re-entered the meeting prior to consideration of the following item.

9 DEMOLITION SERVICES CONTRACT

There was submitted a report by the Clerk relative to the Demolition Services contract which had been agreed at the meeting of the Executive Sub-committee held on 2 October 2015.

The Head of Strategic Procurement advised that following a tender exercise, challenges had been received from two partially successful bidders. It was determined that the contract be not awarded and that the contract be re-tendered.

The contract was duly re-tendered with a closing date of 14 April 2016. In the course of assessing the tenders received, Scotland Excel had advised a tenderer that its tender could not be processed further and a judicial challenge was then received to that decision which had suspended the award process. The raising of the proceedings had delayed the award of the framework already beyond its scheduled date and further delays were anticipated.

DECIDED: That the position be noted and a further report be presented to a future meeting of the Sub Committee.

10 QUARTERLY PROGRESS REPORT

There was submitted a report by the Director of Scotland Excel relative to the projects and activities undertaken by the organisation in Quarter 1 of the 2016/17 Operating Plan.

The report intimated that the rolling operating plan recorded the high level activities and commitments delivered to achieve the organisation's four strategic goals and was used to set annual priorities and detailed performance objectives for the organisation and employees. A review of progress would be undertaken in April each year and the plan updated to ensure it remained closely aligned with the goals of the three year strategy and respond to any changes in the external environment.

DECIDED: That the progress made be noted.

11 EMPLOYEE ABSENCE MANAGEMENT REPORT

There was submitted a report by the Director of Scotland Excel relative to employee absence statistics for Scotland Excel. The report advised of the absence levels for the period to August 2016 and provided information relating to the absence statistics and reasons.

DECIDED: That the report be noted.

12 MEETINGS OF SCOTLAND EXCEL EXECUTIVE SUB-COMMITTEE IN 2017

There was submitted a report by the Clerk relative to proposed dates and venues for meetings of the Executive Sub-committee in 2017.

DECIDED: That the dates and venues for meetings of the Executive Sub-committee in 2017, as detailed in the report, be approved.

13 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 14 October 2016 in Scotland Excel Meeting Room 1, Renfrewshire House, Paisley.

Minute of Meeting

Scotland Excel Executive Sub-Committee

Date	Time	Venue
Friday, 18 November 2016	10:45	Scotland Excel Meeting Room 1, Renfrewshire House, Cotton Street, Paisley

PRESENT

Councillors C Shand (Aberdeenshire Council); P Valentine (Angus Council); A Craik (Fife Council); M McElroy (Glasgow City Council); M Holmes (Renfrewshire Council); and Provost E Logan (South Lanarkshire Council).

CHAIR

Councillor Holmes, Convener, presided.

VIDEO CONFERENCING

N Macdonald (Comhairle Nan Eilean Siar) and I Whyte (City of Edinburgh Council).

APOLOGIES

Councillors G Dykes (Dumfries and Galloway Council); B Fernie (Highland Council); G McLean (North Ayrshire Council) and A Westlake (Shetland Islands Council).

IN ATTENDANCE

J Welsh, Director of Scotland Excel, S Brannagan, Head of Customer & Business Services, H Carr, Head of Strategic Procurement, B Murray, Procurement Development Manager, A Richmond, Strategic Procurement Manager, G Sutherland, Senior Procurement Specialist, M Boyle, Senior Business Services Specialist, A Weir, Assistant Procurement Specialist, K Kerr, Assistant Procurement Specialist, I McNaught, Customer Development Manager, L McIntyre, Senior Communications Specialist, A Fraser, IT Modern Apprentice and L Jones, Personal Assistant to the Director (all Scotland Excel); and D Low, Senior Committee Services Officer, M Ball, Accountant and K Druce, Assistant Democratic Services Officer (all Renfrewshire Council).

DECLARATIONS OF INTEREST

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

1 REVENUE BUDGET MONITORING

There was submitted a joint revenue budget monitoring report by the Treasurer and the Director of Scotland Excel for the period 1 April to 14 October 2016.

DECIDED: That the report be noted.

2 REVIEW OF STANDING ORDERS RELATING TO CONTRACTS

There was submitted a report by the Clerk to Scotland Excel seeking approval to revoke the existing Standing Orders Relating to Contracts and replace these with revised Standing Orders Relating to Contracts, a copy of which were appended to the report.

The report intimated that the revised Standing Orders had been developed following a detailed review in light of the Public Contracts (Scotland) Regulations 2015; the Procurement (Scotland) Regulations 2016; the Concession Contracts (Scotland) Regulations 2016; and statutory guidance made under and in terms of the Procurement Reform (Scotland) Act 2014. The report highlighted the key changes which had been made to the Standing Orders Relating to Contracts.

DECIDED:

(a) That it be agreed that the existing Standing Orders Relating to Contracts be revoked;

(b) That the revised Standing Orders Relating to Contracts attached as the Appendix to the report be approved; and

(c) That it be agreed that the revocation of the existing Standing Orders Relating to Contracts and implementation of the revised Standing Orders Relating to Contracts would take effect on the first working day following this meeting of the Executive Sub-Committee.

3 REQUEST FOR ASSOCIATE MEMBERSHIP: FOREST ENTERPRISE SCOTLAND

There was submitted a report by the Director of Scotland Excel indicating that Forest Enterprise Scotland had submitted an application to become an associate member of Scotland Excel.

DECIDED: That the application by Forest Enterprise Scotland to become an associate member of Scotland Excel, at an annual membership fee of £500, subject to completion and signing of the agreement document, be approved.

4 UPDATE ON THE PROVISION OF PROCUREMENT SERVICES TO SEEMIS LLP

There was submitted an update report by the Director of Scotland Excel in relation to recent discussions to provide procurement support services to the Seemis Group LLP.

The report intimated that Seemis Group LLP delivered an integrated national education management information system (MIS) for Scottish Local Government and associated supporting organisations and was initially established on behalf of the 12 Strathclyde Region councils. Since 2014, Seemis offered a complete solution that spanned all the essential requirements of an Education MIS geared to the needs of all Scottish Local Authorities. Whilst the products were now relatively stable it was clear that the current Seemis solution would become increasingly less fit for purpose over the next three to five years and it was intended to source a suitable partner from the marketplace and develop a new operating platform.

The report highlighted that as Seemis Group LLP pursued the delivery of a solution that would support an expanded operating model, a key enabler would be the implementation of a robust strategic sourcing model. Scotland Excel had developed a proposal to provide a procurement support services for this exercise and the report detailed a summary of this approach.

DECIDED:

(a) That the report be noted; and

(b) That the provision of procurement support services to Seemis Group LLP be approved.

5 CONTRACT APPROVAL: DEMOLITION SERVICES

There was submitted an amended report by the Director of Scotland Excel relative to the award of a demolition services framework.

The report intimated that councils had an ongoing programmed requirement to demolish both domestic and commercial buildings. The framework provided Councils with the mechanism to procure demolition services without a repeated need to approach the open market for each programmed demolition. To meet the varying contracting requirements of Councils, Scotland Excel had developed this framework to incorporate two sets of standing industry terms and conditions to award demolition work. The NEC3 Engineering and Construction Short Contract and the SBCC Minor Works Building Contract were both available for use to participating Councils under this framework.

The report detailed that the framework was advertised at £16 million per annum across all three lots and there had been 31 tenderers submitting an offer before the closing date and time. Two tenderers failed to include a commercial submission as part of their response and were therefore not compliant and not considered further. Notice of non-compliance to one of the tenderers, Dem-Master Demolition Limited, prompted them to raise a court action against Scotland Excel challenging the decision to exclude their tender from further evaluation. Scotland Excel had successfully defended this challenge and following a decision issued on 19 October 2016 the framework could be awarded in the usual way. Based on the criteria and scoring methodology set out in the tender documents, a full evaluation of the

remaining compliant offers was conducted and Appendix 3 to the report provided full details of the overall scores per lot. Based on the evaluation undertaken, and in line with the criteria and weightings set out within the report and the published tender documents, it was recommended that the a multi-supplier framework agreement be awarded to the 24 suppliers as outlined in Appendix 3 to the report.

DECIDED: That the recommendations to award agreements to the suppliers, as detailed in Appendix 3 to the report, be approved.

6 **COMMUNITY BENEFITS UPDATE**

There was submitted an update report by the Director of Scotland Excel relative to the community benefits facilitated and delivered from the Scotland Excel portfolio of framework agreements from 1 April to 30 June 2016.

DECIDED:

(a) That the report be noted; and

(b) That the measures proposed to monitor delivery of community benefits for the remainder of the financial year be agreed.

7 **CONTRACT DELIVERY PLAN UPDATE**

There was submitted an update report by the Director of Scotland Excel relative to the progress of the 2016/17 contract delivery plan.

The report intimated that the contract delivery plan comprised framework renewals, new developments, framework extensions and framework with ongoing contract management only and appendices 1 to 3 provided further details.

The report highlighted that contract delivery remained very active with 5 new contracts delivered so far and a further 12 planned by March 2017. In addition, 9 new contracts had been extended so far, with a further 5 planned by March 2017. The value of the portfolio was expected to grow to around £800 million by March 2017.

DECIDED: That the progress made to date be noted.

8 **OPERATING PLAN UPDATE**

There was submitted a report by the Director of Scotland Excel relative to the Q2 progress made against operating plan activities and commitments during 2016/17.

DECIDED: That the report be noted.

9 JOINT COMMITTEE DRAFT REPORTS

9(a) ASSOCIATE MEMBERSHIP STRATEGY

There was submitted an Associate Membership Strategy by the Director of Scotland Excel relative to the strategic directions and recommendations for operating the Associate membership of Scotland Excel.

The report intimated that the aim of the Associate Membership Strategy was to explore the method of offering supplementary and complementary services to a second tier of members that generated potential incremental income, whilst having no detrimental impact on our core members and to provide additional value to the wider public family.

DECIDED:

- (i) That the Associate Membership Strategy for Scotland Excel be noted; and
- (ii) That the submission of the Associate Membership Strategy to the Joint Committee meeting on 9 December 2016 be endorsed.

9(b) SUSTAINABLE PROCUREMENT STRATEGY

There was submitted a report by the Director of Scotland Excel relative to a revised Scotland Excel Sustainable Procurement Strategy, a copy of which was appended to the report.

The revised strategy built upon current practice and set out how Scotland Excel would best address recent changes in legislation, implement the new sustainable procurement duty and further incorporate sustainability into all of its procurement activity.

DECIDED:

- (i) That the report be noted; and
- (ii) That the submission of the report to the Joint Committee meeting on 9 December 2016 be endorsed.

9(c) UPDATE ON THE LEARNING AND DEVELOPMENT PROVISION

There was submitted an update report by the Director of Scotland Excel relative to Scotland Excel's Learning and Development (L&D) provision and direction. It was intended that the L&D strategy would be presented to the Scotland Excel Joint Committee meeting scheduled on 9 December 2016.

DECIDED:

- (i) That the report be noted; and
- (ii) That the submission of the Associate Membership Strategy to the Joint Committee meeting on 9 December 2016 be endorsed.

9(d) **UPDATE ON THE DEVELOPMENT OF A SMALL VALUE PROCUREMENT SERVICE**

There was submitted an update report by the Director of Scotland Excel relative to the proposal regarding the value that Scotland Excel could deliver to its member through the introduction of a small value procurement service. The proposal, if approved, would be implemented in fiscal 2017/18 and would run for four years, the life of the proposed contract.

DECIDED:

- (i) That the report be noted;
- (ii) That the introduction of a small value contracts team be endorsed; and
- (iii) That the submission of the report to the Joint Committee meeting on 9 December 2016 be endorsed.

9(e) **CARE HOME FUNDING**

There was submitted an update report by the Director of Scotland Excel relative to Scotland Excel's care home services for older people activity, as well as their role in the wider reform of adult social care and seeking support from the Executive Sub-committee for ongoing funding to be made available to continue with this critical service activity.

DECIDED:

- (i) That the progress made in developing and implementing a procurement and contract management service for care home services for older people be noted;
- (ii) That the prominent role Scotland Excel was undertaking in preparation for the National Care Home Contract fee negotiations for 2017/18 be noted;
- (iii) That the support Scotland Excel had provided to the wider adult social care reform agenda be noted;
- (iv) That a proposal for local authorities to continue to fund Scotland Excel's work in these areas for the next three years be supported;
- (v) That the submission of the update report to the Joint Committee meeting on 9 December 2016 be endorsed.

9(f) **PROPOSAL TO DEVELOP A PARTNERSHIP MODEL WITH CROWN COMMERCIAL SERVICES**

There was submitted a report by the Director of Scotland Excel relative to the proposal that Scotland Excel enter into a Partnership Agreement with Crown Commercial Services for the provision of cars and light commercial vehicles.

DECIDED:

- (i) That the report be noted; and

(ii) That the submission of the report to the Joint Committee meeting on 9 December 2016 be endorsed.

9(g) AFFORDABLE HOUSING PROCUREMENT

There was submitted a proposal document by the Director of Scotland Excel relative to a the role Scotland Excel could play in delivering the Scottish Government's aspirations within the Affordable Housing Supply Programme and seeking funding of £412,000 for a two year pilot programme to develop capability, implement policy and identify financial savings.

DECIDED:

(i) That the proposal document be noted; and

(ii) That the submission of the proposal document to the Joint Committee meeting on 9 December 2016 be endorsed.

9(h) PROCUREMENT OF SOCIAL CARE SERVICES

There was submitted a proposal document by the Director of Scotland Excel relative to a business case for interim financial investment to expand Scotland Excel's social care procurement shared service. Funding of £350,000 over the next two years would allow Scotland Excel to deliver an ambitious work programme that would ensure procurement plays its part in supporting the Scottish Government's flagship reform of health and social care.

DECIDED:

(i) That the proposal document be noted; and

(ii) That the submission of the proposal document to the Joint Committee meeting on 9 December 2016 be endorsed.

10 JOINT COMMITTEE/EXECUTIVE SUB-COMMITTEE INDUCTION PLANS

The Director of Scotland Excel referred to the local government elections to be held in May 2017 and advised that Scotland Excel would be preparing an induction package for new members of the Joint Committee and Executive Sub-committee to explain the role and function of the organisation. She then invited comments on what could be included in the induction package together with any other actions which could raise the profile of Scotland Excel amongst councils.

Comments received from members of the Sub-committee related to: the need to convey a proper understanding of Scotland Excel, what it was trying to achieve and how its business dovetailed with councils' business; the preparation of a letter to new council leaders highlighting the role of Scotland Excel; the need to continue dialogue with the Chief Executive Officers' Group; the production of a position statement, detailing progress on current workstreams; the importance of the appointment of capable elected members to the Joint Committee and Executive Sub-committee; and the general need to emphasise the importance of effective procurement within councils.

DECIDED: That the comments be noted.

11 **DATE OF NEXT MEETING**

That it be noted that the next meeting of the Executive Sub-committee would be held at 9.45 am on Friday 9 December 2016 in Glasgow City Chambers, George Square, Glasgow.



Minute of Meeting Scotland Excel Chief Executive Officers Management Group

Date	Time	Venue
Monday, 07 November 2016	14:30	Scotland Excel Meeting Room 1, Renfrewshire House, Cotton Street, Paisley

PRESENT

A O'Donnell, Chief Executive (City of Glasgow Council); J Whyte, Chief Executive (West Dunbartonshire Council); and S Ritchie, Director of Corporate and Housing Services (Falkirk Council).

BY VIDEOLINK

J Orr, Head of Customer and Support Services (Argyll & Bute Council) and C Innes, Head of Commercial and Procurement Services (Aberdeen City Council).

IN ATTENDANCE

J Welsh, Director, H Carr Head of Strategic Procurement, S Brannagan, Head of Customer and Business Services and A Richmond Senior Procurement Manager (all Scotland Excel); V Andrews, Executive Director (South Ayrshire Council); and K Graham, Head of Corporate Governance and E Currie, Senior Committee Services Officer (both Renfrewshire Council).

APOLOGIES

S Black, Chief Executive (Renfrewshire Council); M Pitcaithly, Chief Executive (Falkirk Council); A Scott, Chief Executive (Aberdeen City Council); and C Sneddon, Chief Executive (Argyll & Bute Council).

APPOINTMENT OF CHAIR

In the absence of the Chair, J Whyte, the Chair's nominee, chaired the meeting.

1 **PRESENTATION: COLLABORATIVE PROCUREMENT LANDSCAPE**

H Carr delivered a presentation to the group covering Scotland Excel's portfolio growth by category; Scotland Excel's category growth as a percentage of the overall value; local government sector spend under collaboration 2012/16; public procurement in Scotland 2016 and national, sectoral and local contracts.

The group discussed the points raised during the presentation

DECIDED:

(a) That the presentation be noted; and

(b) That a presentation on the collaborative procurement landscape be delivered to this group on an annual basis.

2 **SMALL VALUE CONTRACTS TEAM**

There was submitted a report by the Director of Scotland Excel which provided an update on the previously presented proposal regarding the value that Scotland Excel could deliver to its members through the introduction of a small value procurement service. The proposal, if approved, would be implemented in fiscal 2017/18 for a period of four years.

The report intimated that as part of a review of funding operations in 2015, Scotland Excel had considered the use of procurement rebates as a possible funding mechanism. Following discussion with stakeholders it was felt that existing rebates currently received by members should be left untouched.

Subsequent to this agreement, Scotland Excel had recently implemented a framework for groceries with a new rebate attached and the report sought to utilise this new rebate, not currently utilised by members, to fund a new service based around low value procurement opportunities. The initial proposal sought to return cash to members to provide a degree of requisition mitigation however, extensive consultation resulted in a request for a value proposition rather than a cash return. In terms of Scotland Excel's requisition for 2016/17 it was proposed that this would remain static. Appendix 1 to the report detailed the indicative source of rebates by council based on historical spend patterns.

The report detailed the operating model of the delivery team and the benefits across three areas of cost avoidance, resources and contractual savings.

DECIDED: That the report be noted and that presentation of this proposal to the December meeting of the Joint Committee be supported.

3(a) **PROCUREMENT OF SOCIAL CARE SERVICES PROPOSAL**

There was submitted a report by the Director of Scotland Excel relative to a proposal submitted to the Scottish Government setting out the business case for interim financial investment to expand Scotland Excel's social care procurement shared service.

The report intimated that funding of £350K over the next two years would allow Scotland Excel to deliver an ambitious work programme that would ensure procurement played its part in supporting the Scottish Government's flagship reform of health and social care. Scotland Excel had identified two areas of significant public sector expenditure, adult supported living and care at home, which would benefit from a collaborative approach to developing and implementing procurement strategies.

Within three months of securing investment, Scotland Excel would agree a full project plan with the Scottish Government including expenditure, timescales and deliverables. In parallel with this, Scotland Excel would undertake a recruitment exercise to ensure a suitably qualified team was in place to resource the programme.

It was noted that the Director of Scotland Excel would be discussing this matter with Derek Mackay MSP, Cabinet Secretary for Finance and the Constitution, and the group would receive an update following these discussions.

It was proposed that the Director of Scotland Excel discuss this proposal with the Integrated Joint Board Chief Officers Network and this was agreed.

DECIDED:

(a) That the proposal be noted;

(b) That it be noted that the Director of Scotland Excel would discuss this business case with Derek Mackay MSP, Cabinet Secretary for Finance and the Constitution; and

(c) That the Director of Scotland Excel also discuss this business case with the Integrated Joint Board Chief Officers Network.

3(b) AFFORDABLE HOUSING PROCURMENT PROPOSAL

There was submitted a report by the Director of Scotland Excel providing details of a proposal submitted to the Scottish Government regarding the role Scotland Excel could play in delivering the Scottish Government's aspirations within the Affordable Housing Supply Programme (AHSP). Funding of £412K was sought for a two-year pilot programme to develop capability, implement policy and identify financial savings.

The report intimated that the wider public sector had benefited from significant investment and focus in procurement reform since publication of the Review of Public Procurement in Scotland – Report and Recommendations in 2006. The affordable housing sector had not been part of this national transformation programme. The Scottish Government, as part of the AHSP, had committed to delivering at least 50,000 affordable homes by March 2021, backed by over £3 billion of investment. The sector would therefore be required to undertake considerable procurement activity in relation to the programme.

Within three months of securing investment, Scotland Excel would agree a full project plan with the Scottish Government including expenditure, timescales and deliverables. In parallel with this, Scotland Excel would undertake a recruitment exercise to ensure a suitably qualified team was in place to resource the

programme.

DECIDED: That the proposal be noted and that regular update reports be submitted to future meetings of this group.

3(c) **SEEMIS PROPOSAL**

There was submitted a report by the Director of Scotland Excel relative to a proposal submitted to SEEMiS Group LLP to provide a high level overview of the benefits associated with SEEMiS partnering Scotland Excel to pursue the delivery of a solution which would support an expanded operating model, a key enabler of which would be the implementation of a robust strategic sourcing model.

The report intimated that SEEMiS Group LLP delivered an integrated national education management information system for Scottish local government in education establishments and headquarters and associated supporting organisations such as SQA and ScotXed. It offered a complete solution that spanned all the essential requirements of an education management information system geared to the needs of Scottish local authorities.

Since 2014 a challenging programme had been undertaken to review and stabilise SEEMiS's product offerings. Whilst the products were now relatively stable it was clear that the current SEEMiS solution would become increasingly less fit for purpose over the next three to five years.

It was noted that a significant number of assumptions had been made developing the proposal outlined in the report and as such further detailed planning would be required to identify and forecast relevant project management milestones. Prior to the commencement of the procurement process Scotland Excel would prepare a project plan and risk matrix..

DECIDED:

(a) That the proposal be noted and that regular update reports be submitted to future meetings of this group; and

(b) That the Director of Scotland Excel discuss this proposal with the Local Government Digital Transformation Board.

3(d) **CROWN COMMERCIAL SERVICES PROPOSAL**

There was submitted a report by the Director of Scotland Excel providing details of a proposal to work collaboratively with Crown Commercial Service as a partner in the adoption of their light vehicle procurement framework to replace the current Scotland Excel 0612 Cars & Light Commercial Vehicles framework for the purchase of cars and light commercial vehicles upon its expiry on 31 May 2017.

The report intimated that as councils had an ongoing requirement to procure light vehicles beyond May 2017 there were two basic viable procurement options open to Scotland Excel being (i) Scotland Excel conduct a vehicles procurement exercise independently, or (ii) Scotland Excel work collaboratively with a public sector procurement partner of choice, Crown Commercial Services. The proposal for a partnership approach with Crown Commercial Services had been unanimously agreed, in principle, at a User Intelligence Group meeting held on 12 September 2016.

Scotland Excel would agree a full project plan with the Fleet User Intelligence Group and Crown Commercial Services by holding a UIG in 2017, including agreement on estimated future framework, end user training timescales/requirements and overall framework service level/contact management agreements.

DECIDED: That the report be noted and that regular updates be provided to this group.

4 **CARE UPDATE**

A Richmond gave a verbal update relative to the position of the care contracts.

DECIDED: That a report on this matter be issued to members of this group.

5 **ASSOCIATE MEMBERSHIP STRATEGY**

There was submitted a report relative to Scotland Excel's Associate Membership Strategy.

S Brannagan delivered a presentation to the group relative to the strategic direction on Associate Membership of Scotland Excel

DECIDED:

(a) That the presentation and strategy be noted;

(b) That the strategic direction and recommendations for operating Associate Membership of Scotland Excel, as detailed in the strategy, be continued; and

(c) That details of Associate Members be submitted to this group quarterly.

6 **SUSTAINABLE PROCUREMENT STRATEGY**

There was submitted a report by the Director of Scotland Excel relative to a sustainable procurement strategy setting out how Scotland Excel intended to ensure that its regulated procurements, as defined by the Procurement Reform (Scotland) Act 2014, would be carried out in compliance with the sustainable procurement duty.

DECIDED: That the report be noted.

7 **ANY OTHER BUSINESS**

SOLACE MEETINGS

DECIDED: That cascade notes of meetings of this group be tabled at SOLACE meetings to ensure that all 32 local authorities were aware of matters discussed.

JOINT COMMITTEE

DECIDED: That this group be advised of items of business to be considered by the Joint Committee.

COSLA

DECIDED: That the Director of Scotland Excel update members of this group in relation to her discussions with COSLA.

8 DATE OF NEXT MEETING

DECIDED: That it be noted that the next meeting of this group would be held at 10.00 am on 20 February 2017 in Scotland Excel Meeting Room 1, Renfrewshire House.



Scotland Excel

To: Joint Committee

On: 9 December 2016

**Joint Report
by
The Treasurer & Director Scotland Excel**

Audited Annual Accounts 2015-2016

1. Summary

- 1.1 At the meeting of the Scotland Excel Joint Committee on 17 June 2016 a report on the unaudited annual accounts for the year ended 31 March was noted.
- 1.2 At the meeting of the Scotland Excel Executive Sub Committee on 16 September 2016 it was reported that Audit Scotland had issued an audit certificate providing 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 2016, in accordance with the accounting policies detailed in the accounts.
- 1.3 In accordance with the revised Scheme of Delegation and the Local Authority Accounts (Scotland) Regulations 2014, the Scotland Excel Executive Sub Committee considered and approved the Audited Annual Accounts 2015-16 for signature. Copies of both the Audited Annual Accounts 2015-16 and Audit Scotland's report on the audit are available on the Scotland Excel website at the address below and will also be available for members to view on the day.

<http://www.scotland-excel.org.uk/home/Resources/Publications.aspx>

2 Recommendations

- 2.1 Members are asked to note the report.

Scotland Excel

To: Joint Committee

On: 9 December 2016

**Report
by
The Clerk to Scotland Excel**

Scotland Excel Scheme of Delegated Functions

1. Summary

- 1.1 The purpose of this report is to seek approval from the Joint Committee for the Scheme of Delegations attached as the Appendix to this report.

2. Recommendations

- 2.1 The Joint Committee is recommended to approve the Scheme of Delegations attached as the Appendix to this report.

3. Background

- 3.1 At its meeting on 17 June 2016, the Joint Committee considered a report on Scotland Excel's governance arrangements and approved changes to sections 5 and 6 of Scotland Excel's Scheme of Delegated Functions.
- 3.2 Due to an administrative error, the wrong version of the Scheme of Delegated Functions was included with that report.
- 3.3 The correct version is attached to this report.

SCOTLAND EXCEL SCHEME OF DELEGATIONS

(Revised December 2016)

SCOTLAND EXCEL - SCHEME OF DELEGATIONS

1. General Principles

- 1.1 The exercise of delegations as described in this Scheme is subject always to the following:-
- a) the policies of Scotland Excel as embodied in any formal document which has been approved and issued and in particular, Standing Orders and any other Guidance issued in connection with the exercise of a particular function
 - b) appropriate provisions for financial outlays having been made in the estimates for the current financial year
 - c) the joint committee may choose to exercise any of the functions delegated in this Scheme where the joint committee believes it to be in the interests of Scotland Excel to do so
- 1.2 Where a word or expression is used in the Scheme that is a defined term in the Scotland Excel terms and conditions signed by each Member Authority, ("the terms and conditions") that word or expression will be given to it the same meaning as in those terms and conditions.
- 1.3 Words imparting the masculine gender only shall include the feminine gender and vice versa.

2.0 Matters Reserved to the Joint Committee

- 2.1 The following matters shall be reserved for the decision of the Joint Committee:-
- a) the making of governance arrangements for the Joint Committee, the Executive Sub-committee and any other sub-committee;
 - b) the approval of the annual budget and any review or amendment of the budget;
 - c) approval of the overall procurement strategy;
 - d) the approval of the three year strategic plan; and

3. Convener and Vice Convener of the Joint Committee

- 3.1 The Convener, whom failing the Vice-Convener, shall be authorised in furtherance of the duties of his office to undertake visits within the United Kingdom.
- 3.2 The Convener, whom failing the Vice-Convener, shall be authorised to incur expenditure to meet the expenses of his office on the provision of reasonable hospitality, to representatives of Member Authorities or other organisations.

4. Executive Sub-Committee

- 4.1 Meetings of the Executive Sub-committee shall be convened and conducted in accordance with procedural standing orders approved by the joint committee.
- 4.2 The Executive Sub-committee shall consider such matters as are delegated to it by the joint committee.
- 4.3 The matters initially delegated to the Executive Sub-committee are as follows:-
- a) to consider and approve for signature the Audited Accounts of Scotland Excel
 - b) to approve or endorse as appropriate executive actions recommended by the Director
 - c) to deal with urgent matters relating to staffing or to the structure of Scotland Excel
 - d) the selection process for appointments to the posts of Director or Heads of Service
 - e) to approve the annual business plan
 - f) to approve the award and extension of contracts or groups of contract in terms of the Standing Orders Relating to Contracts.
 - g) to consider, and, where appropriate, approve applications by bodies to become Associate Members and shall agree/review/waive, as appropriate, the fees to be applied in respect of organisations applying for Associate Membership of Scotland Excel; and
 - h) to consider and determine:-
 - (i) urgent matters relating to contract continuity which cannot be dealt with by the Joint Committee;
 - (ii) approval or homologation of matters where urgency precludes full Joint Committee consideration; and
 - (iii) any other matter referred to the Executive Sub-committee by the Joint Committee.
- 4.4 The Executive Sub-committee may delegate to the Director or such other suitably qualified person, the power to make decisions regarding the award and extension of any contract or group of contracts or contracts of an estimated value below a financial threshold fixed by them.
- 4.5 The Joint Committee may at its discretion add or remove matters from the list of delegations to the Executive Sub-committee.

5. The Management Group

- 5.1 The Management Group shall comprise such number of Chief Executives of Member Authorities as set out in the terms and conditions.
- 5.2 The Chair of the Management Group shall be the person appointed by the Joint Committee or his/her nominee.
- 5.3 The Management Group shall ensure delivery of Scotland Excel's overall business plan objectives and shall provide strategic direction for Scotland Excel, particularly on the following matters:-
- a) Portfolio priorities including new areas to be developed and areas to be amended or discontinued.
 - b) Social Policy including in the use of community benefits clauses, the living wage, and blacklisting.
 - c) Supporting local economic growth.
 - d) Opportunities for Scotland Excel to provide additional shared services to support member councils, in line with the drive for efficiency across the public sector.
 - e) National priorities, for example those arising from existing or new legislation and procurement reform.
 - f) Opportunities for increasing innovation in supply chains to improve efficiency and service delivery.
 - g) Opportunities for Scotland Excel to support councils in delivering their City Deal objectives.
 - h) Opportunities for additional funding sources, for example through the extension of the Associate Membership base.
 - i) Review of funding and governance models to ensure that these remain fit for purpose and competitive.
- 5.4 The Management Group shall monitor the use made by Member Authorities and Associate Members of contracts awarded on behalf of Scotland Excel.
- 5.5 The Management Group may request employees of Member Authorities or other persons to attend meetings of the Management Group to act as advisors to the Group or to prepare reports for consideration by the Management Group.
- 5.6 The Management Group shall have responsibility for the overall supervision and monitoring of the performance of the Director and the Scotland Excel staff.

6 The Director

- 6.1 The delegations to the Director shall also be delegations to the Heads of

Service but only in those circumstances where the Director is not available to exercise any of these delegations.

6.2 The Director is authorised:-

- a) In conjunction with the Joint Committee and the Management Group, to determine the business plan and strategic objectives for Scotland Excel.
- b) Subject to the Financial Regulations and subject to there being appropriate provision in the budget, to deploy resources as the Director thinks fit for the best execution of functions under the Director's management.
- c) To organise working processes safely.
- d) To maintain proper security for staff, buildings, stock, stores, furniture, equipment and similar items under the Director's control. Where special arrangements are considered necessary the Director shall consult with the Treasurer.
- e) To ensure that all activities undertaken are within the legal powers of Scotland Excel and in the event of doubt to consult with the Clerk.
- f) Where thought to be in the interests of Scotland Excel to approve the provision of reasonable hospitality up to a maximum of £1,000 in relation to any one occasion. The Director shall maintain a register of hospitality approved under this delegation and shall provide a report to the Executive Sub-committee on request detailing the entries in the register.
- g) To sign all documents on behalf of Scotland Excel relevant to the functions for which the Director is responsible and to authorise other officers to do so, excluding always any specific provisions made for documents in terms of primary or subordinate legislation, statutory direction, the policies of Scotland Excel or in this or other administrative schemes.
- h) To terminate on behalf of Scotland Excel any contract which Scotland Excel is entitled to terminate under the appropriate conditions of contract after consultation with the Clerk, if satisfied that it is in the interests of Scotland Excel and of any Member Authority or other body on whose behalf the contract was entered into.
- i) To act in an emergency situation with the approval of the Clerk and where possible after consulting the Convener, or in his absence the Vice-Convener of the joint committee and the Chair of the Management Group, and thereafter report on the action taken to the first available meeting of the joint committee.
- j) In consultation with the Clerk, to make decisions regarding complaints made under Scotland Excel's complaints procedure.
- k) To issue publicity, including pamphlets or other forms of publicity relating

to the promotion of Scotland Excel's interests and to issue press releases on behalf of Scotland Excel. Before doing so, if the Director considers it to be necessary, the Director may consult with the Chair or Vice Chair of the Management Group.

- l) To deal with any operational matter not otherwise delegated in the period between the last meeting of the joint committee and prior to the setting up of a new joint committee following statutory elections.
- m) To submit responses to consultation documents which concern operational issues.
- n) To authorise the acceptance of gifts on behalf of Scotland Excel and acknowledge the acceptance of these gifts.
- o) To sign and issue (i) authorisation to Scotland Excel staff to exercise statutory powers; and (ii) identity cards.
- p) To take all necessary action of a routine nature in terms of the Director's appointment, to implement any policies, practices and procedures previously agreed by the Joint Committee, the Executive Sub-committee any other sub-committee and the Management Group and also to take such action implicitly in all matters ancillary thereto, including the incurring of expenditure of a minor or recurring nature and for which adequate provisions have been made in the budget.
- q) To approve the attendance of officers at conferences within the United Kingdom, where considered to be in the interests of Scotland Excel provided that the cost does not exceed £1500 exclusive of VAT, subsistence travelling, or other ancillary expenses.
- r) To authorise the attendance of officers on full or part time courses of study or training and the payment of appropriate fees.
- s) To appoint all staff below the level of Head of Service within the authorised establishment except where the joint committee determines otherwise.
- t) To exercise the powers given to Chief Officers in the various conditions of service so far as discipline and efficiency are concerned.
- u) To apply the lead authority's Conditions of Service as affecting members of staff.
- v) To authorise the working of overtime by appropriate grades of officers and the payment of overtime or compensatory leave or honoraria in accordance with the criteria laid down by the lead authority.
- w) To permit any member of staff to absent themselves occasionally and temporarily during business hours to attend to duties or services of a civic honorary, charitable, academic or social nature provided that these do not interfere with the efficient discharge of the functions of Scotland Excel and

to grant special leave in accordance with the lead authority's special leave policy. The Director shall maintain a register of occasional and temporary absences and special leave approved under this delegation and shall provide a report to the Executive Sub-committee on an annual basis detailing the entries in the register.

- x) To appoint temporary staff on appropriate grades additional to the formal establishment to address additional workload peaks, such appointments to be for periods not exceeding 13 weeks or such longer period as may be approved by the Management Group and subject to funding being met from existing budgets. If the Director considers it to be necessary, the Director may take advice on these appointments from the lead authority's Human Resources and Organisational Development Team.
- y) in consultation with the lead authority's Head of Human Resources and Organisational Development, to amend the grading of posts and to make minor changes to the formal establishment below Head of Service level, provided that the grading of amended posts are in accordance with the lead authority's Pay and Grading structure and any increase in costs can be met from existing budgets;
- z) To allow reasonable unpaid leave of absence to any employee to attend to public duties as defined in section 50(1) of the Employment Rights Act 1996 on such conditions as the Director considers appropriate where this will not interfere with the efficient discharge of the functions of the Scotland Excel and in accordance with lead authority's special leave policy.
- aa) Subject to the exigencies of the service to approved the secondment of staff between Scotland Excel and other Member Authorities or other organisations such appointments to be for periods not exceeding six months. If the Director considers it to be necessary, the Director may take advice on these appointments from the lead authority's Human Resources and Organisational Development Team.
- bb) To approve salary placings within the agreed salary scales in consultation with the lead authority's Human Resources and Organisational Development Team.
- cc) to approve the acceleration of increments within the existing salary scales to members of staff, following consultation with the lead authority's Human Resources and Organisational Development Team;
- dd) To determine the public holidays to be taken by Scotland Excel staff.
- ee) to exercise delegations in terms of the Standing Orders Relating to Contracts, including the issue of orders for the supply of goods and services required for normal working and for which there is provision in the estimates and in accordance with the Financial Regulations;
- ff) To authorise the payment of accounts due by Scotland Excel for goods and services properly supplied and for which there is adequate provision in the

estimates.

- gg) To make recompense in respect of damage to, or loss of employees personal property in respect of any one incident up to an amount not exceeding £500 and up to £1000 with the agreement of the Treasurer.
- hh) To advise the Treasurer about any extraordinary financial obligation which will affect Scotland Excel.
- ii) To advise the Treasurer about any extraordinary risk which will affect the insurance held on behalf of Scotland Excel.
- kk) Following consultation with the Treasurer to decide in terms of the lead authority's procedures whether to refer any particular case to the Police.

7. The Clerk

The Clerk is empowered:-

- a) To act as adviser to the Joint Committee and the Management Group on procedural and administrative matters and in this capacity to ensure the provision of adequate administrative, legal and personnel support to the joint committee, the Executive Sub-committee and the Management Group.
- b) To act as proper officer to exclude reports containing exempt information from the public, and to provide documents to the press, in accordance with the provisions of section 50(B) of the Local Government (Scotland) Act 1973.
- c) To liaise and deal with any enquiries made by the Scottish Public Services Ombudsman. Should any investigation be carried out by the Scottish Public Services Ombudsman resulting from a complaint received, the necessary arrangements will be undertaken by the Clerk, within timescales specified within the guidance to local authorities in dealing with formal investigation involving the Scottish Public Services Ombudsman.
- d) Following consultation with the Director and the Treasurer, to authorise ex-gratia payments up to a maximum of £1,000 relative to recommendations of the Scottish Public Services Ombudsman.
- e) To exercise delegations in terms of the Standing Orders relating to Contracts.
- f) To exercise delegations in terms of the Financial Regulations.
- g) To maintain a register for inspection by the Surveillance Commissioner of authorisations for covert surveillance approved by the Director under sections 6 and 7 of the Regulation of Investigatory Powers (Scotland) Act 2000 and the appointment officer to act as investigation managers for the purposes of the Act.

8 The Treasurer

The Treasurer is empowered:

- a) To co-ordinate the financial planning of Scotland Excel in terms of the Financial Regulations.
- b) To issue guidance for the control of all expenditure in terms of the Financial Regulations.
- c) To determine procedures for accounting and financial record keeping by Scotland Excel.
- d) In respect of insurance:
 - i) to make arrangements with insurance companies concerning the settlement of claims
 - (ii) In consultation with the Clerk, the Convener of the Joint Committee and the Director to settle without reference to the Joint Committee claims against Scotland Excel not otherwise covered by Scotland Excel's insurance arrangements up to a maximum of £50,000 per claim and with the approval of the Chair, whom failing the Vice-Chair, of the Management Group up to maximum of £100,000 per claim.
- e) To make the necessary arrangements concerning the collection of debts owed to Scotland Excel and the terms and commissions payable for services rendered by other authorities and agents with regard to the collect of debt.
- f) To determine in consultation with the Director, the beneficiary of any payments to be made in terms of the lead authority's Group Life Assurance Scheme.
- g) To exercise delegations in terms of the Standing Orders relating to Contracts.
- h) To exercise delegations in terms of the Financial Regulations.

Scotland Excel

To: Joint Committee

On: 9 December 2016

**Report
by
The Clerk to Scotland Excel**

The Review of Standing Orders Relating to Contracts

1. Summary

- 1.1 The purpose of this report is to update the Joint Committee on the review the Standing Orders Relating to Contracts.

2. Recommendations

- 2.1 The Joint Committee is asked to note that the Standing Orders Relating to Contracts attached as an appendix to this report were approved by the Executive Sub Committee at its meeting on 18 November 2016.

3. Background

- 3.1 Scotland Excel is required to have Standing Orders Relating to Contracts in terms of section 81 of the Local Government (Scotland) Act 1973.
- 3.3 At the meeting of the Joint Committee on 17 June 2016 it was noted that the Standing Orders required to be reviewed in light of recent legislation and guidance and authority was delegated to the Executive Sub Committee to approve the changes required as a result of that review.
- 3.3 The Standing Orders Relating to Contracts attached as an appendix to this report were approved by the Executive Sub Committee at its meeting on 18 November 2016.

Scotland Excel

Standing Orders Relating to Contracts

2016

Standing Orders Relating to Contracts - 2016

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1 Introduction

- 1.1 These Standing Orders are made under Section 81 of the Local Government (Scotland) Act, 1973 and shall apply to the making of all contracts by or on behalf of Scotland Excel. For the avoidance of doubt, the term “contract” includes any form of agreement, written or unwritten, to which Scotland Excel is a party which creates rights and/or responsibilities for any of the parties involved.
- 1.2 The Standing Orders are subject to any overriding requirements of:-
- a) EU Directive 2014/24/EU on public procurement; EU Directive 2014/23/EU on the award of concession contracts; and any Scottish legislation implementing these Directives (the “EU Procurement Rules”);
 - b) the Procurement Reform (Scotland) Act 2014 and all regulations and guidance made under and in terms of that Act (the “Procurement Reform Rules”); and
 - c) the relevant provisions of the Treaty on the Functioning of the European Union particularly the principles of equal treatment, non discrimination and transparency (“the Treaty Principles”).
- 1.3 All contracts let by or on behalf of Scotland Excel, regardless of whether any such contracts are otherwise exempt from the application of these Standing Orders, shall be subject to an obligation to seek best value and to be able to demonstrate fairness, non-discrimination, equal treatment and transparency in the contract procedure chosen to all parties having an interest in that procedure.

2 Interpretation

- 2.1 For the purposes of these Standing Orders the following words and expressions shall have the meanings given to them in this Standing Order:
- (a) any reference to “a signature” or “signed” includes reference to a signature or being signed using electronic means;
 - (b) “electronic means” means electronic equipment for the processing (including digital compression) and storage of data which is transmitted, conveyed and received by radio, by wire, by optical means or by other electromagnetic means;

- (c) “written” or “in writing” means any expression consisting of words or figures which can be read, reproduced and subsequently communicated. It may include information which is transmitted and stored by electronic means;
- (d) “the Chief Executive Officers Management Group” means the group of that name established under the Terms and Conditions of Scotland Excel and having responsibility for the overall supervision and monitoring of the performance of the Director and the Scotland Excel staff in delivering Scotland Excel’s annual business plan objectives;
- (e) “the Clerk” means the Head of Corporate Governance of Renfrewshire Council or his nominee;
- (f) “Contract Documents” means the documents to be used in any tendering procedure and where different those intended to form part of any contract following on from a tendering procedure. It includes, but is not restricted to, the ESPD, the invitation to tender for or to negotiate a contract, the proposed conditions of contract, the specification or the description of the goods, services or works required by Scotland Excel and any Bills of Quantities and includes any such documents or their equivalents issued using electronic means;
- (g) “the Director” means the officer appointed by the Joint Committee to have overall responsibility for the operational performance of Scotland Excel or her nominee;
- (h) “ESPD” means the European Single Procurement Document;
- (i) “the EU Procurement Rules” is defined in Standing Order 1.2 a);
- (j) “the Threshold” for the purpose of these Standing Orders refers to the threshold under Article 4 (c) of Directive 2014/24/EU (the threshold for public supply and service contracts awarded by sub-central contracting authorities). The sterling equivalent is currently £164,176, but is recalculated every second year on 1 January of that year. The next change is due on 1 January 2018;
- (k) “Executive Sub-Committee” means the sub-committee of that name appointed by the Joint Committee in accordance with the Terms and Conditions of Scotland Excel and having such role and functions as determined by the Joint Committee. Any references to the Executive Sub-Committee shall be treated as references to the Joint Committee;
- (l) “the Functions” means the general purchasing functions that the Member Authorities wish to carry out jointly all as more particularly described in the Terms and Conditions of Scotland Excel;

- (m) “Health or Social Care Services” means any of the services listed in the Schedule to the Procurement (Scotland) Regulations 2016;
- (n) “Member Authority” means any local authority which is a member of the Joint Committee;
- (o) “the Policy Review Group” means the group of that name established within Scotland Excel to periodically review, and identify areas for improvement within, Scotland Excel’s strategic procurement policies, procedures and guidance;
- (p) “Regulated Contract” means a public contract (other than a public works contract) with an estimated value equal to or greater than £50,000; or a public works contract with an estimated value equal to or greater than £2,000,000 unless the public contract or public works contract is an excluded contract under the Procurement Reform Rules;
- (q) “Regulated Procurement” means (i) any procedure carried out by the Scotland Excel in relation to the award of a Regulated Contract including, in particular, the seeking of offers in relation to the contract and the selection of suppliers; and (ii) the award of a Regulated Contract by Scotland Excel;
- (r) “Scotland Excel” and “Joint Committee” mean the Joint Committee constituted under Section 57 of the Local Government (Scotland) Act 1973 and established for the purpose of regulating the joint discharge of the Functions by the Member Authorities. References to Scotland Excel are to be treated as references to the Joint Committee and vice versa;
- (s) “Social and Other Specific Services” means the services listed in Schedule 3 of the Public Contracts (Scotland) Regulations 2015;
- (t) “Sustainable Procurement Duty” means the duty of that name under the Procurement Reform Rules; and,
- (u) “the Terms and Conditions of Scotland Excel” means those terms and conditions agreed among the Member Authorities to govern their individual memberships and the operation of Scotland Excel and its Functions;
- (v) Any reference to a statute, other legislation or EU Directive shall include reference to any statute, legislation or Directive amending or replacing it;
- (w) Any reference to a contract shall include, where the context allows, reference to a framework agreement or a sub-contract.

3 Suspension, Variation and Revocation of Standing Orders

- 3.1 These Standing Orders may be varied or revoked by the Joint Committee. Any variation to or revocation of the Standing Orders will be effective on the first working day after the conclusion of the meeting of the Joint Committee at which it was approved.
- 3.2 These Standing Orders or any part of them may be suspended by the Executive Sub-Committee in respect of any procurement exercise or contract on receiving a joint recommendation from the Director and the Clerk that there are special circumstances justifying such suspension and that it is in the interests and within the powers of Scotland Excel to do so.
- 3.3 The Clerk shall have power to vary these Standing Orders but only in the following circumstances:-
- (a) to reflect changes in job titles, reorganisations of departments and vacancies in posts; or
 - (b) to change references to any legislation where the legislation is repealed or amended and to insert references to new legislation where the new legislation largely re-enacts the provisions of the repealed or amended legislation; or
 - (c) to change the financial values of the EU Thresholds where referred to in these Standing Orders to implement any changes in these thresholds.

4 Financial Provision

- 4.1 Where the Director considers it appropriate to do so, prior to inviting offers or recommending the acceptance of offers, the Director will ensure she is satisfied that:-
- (a) in the case of periodic call off contracts of a general nature, suitable general financial provision has been made or will be made in the budgets of Member Authorities; or
 - (b) in the case of specific one off contracts for individual authorities or bodies, specific financial provision has been approved.
- 4.2 In the case of Standing Order 4.1(b) above, confirmation of such approval will be required to be obtained by the Director in advance from the individual authority.

5 Equalities and Prevention of Discrimination

- 5.1 Before entering into a contract, the Director shall obtain from the contractor an assurance in writing that, to the best of the contractor's knowledge and belief, the contractor has complied with all statutory

requirements under the Equality Act 2010 and all previous legislation, regulations and statutory guidance relating to equality matters.

- 5.2 All contracts entered into by or on behalf of Scotland Excel shall contain a condition obliging the contractor to comply with all duties arising from the Equality Act 2010.

6 Form of Contract

- 6.1 Except in circumstances where the Director and the Clerk agree otherwise, every contract shall be:-
- (a) in the name of Renfrewshire Council as servicing and contracting authority for Scotland Excel;
 - (b) in writing;
 - (c) signed by the Director or the Clerk or other officer authorised to sign contracts; and
 - (d) subject to the Laws of Scotland.
- 6.2 The Contract Documents in respect of all contracts shall be prepared by the Director. The Director may also make use of Contract Documents prepared by the Scottish Government; the Crown Commercial Service, or any other agency of the UK government; other Scottish Centres of Procurement Expertise; local authorities; and other collaborative bodies where Scotland Excel is eligible to use these Contract Documents and is permitted by those bodies to do so. It is the Director's responsibility to ensure that Scotland Excel is eligible to use the Contract Documents and that these are suitable for the contract.
- 6.3 All tender documents must clearly state that the Freedom of Information (Scotland) Act 2002 and the Environmental Information (Scotland) Regulations 2004 apply to all contracts arranged by or on behalf of Scotland Excel. This is to ensure that contractors are aware that Scotland Excel or any of the Member Authorities may be required, as a matter of law, to release information to third parties that the contract or may wish to be treated as confidential.

7 Valuing the Contract

- 7.1 The values stated in these Standing Orders are the total estimated value of the contract concerned and not the estimated annual value of the contract. Where it is likely that a supply of goods or services will be required on a continuing basis over a number of years, for example with maintenance contracts, the Director shall take into account the anticipated duration of the continuing supply when estimating the value of the contract for the purposes of these Standing Orders.

- 7.2 It is not permitted to deliberately divide any procurement exercise or disposal into two or more contracts if the intention in doing so is to avoid the application of any financial thresholds in these Standing Orders, the EU Procurement Rules or the Procurement Reform Rules.
- 7.3 For the avoidance of doubt, the values stated are exclusive of any Value Added Tax that may be levied.

8 General Powers and Duties of the Director

- 8.1 The Director may transfer any power or duty under the Standing Orders to a Head of Service. The Director may also delegate, in writing, any power or duty under these Standing Orders to an appropriate officer nominated by the Director.
- 8.2 The Director, taking advice from the Policy Review Group as appropriate, may approve guidance notes on tendering procedures for any contract or type of contract let by or on behalf of Scotland Excel. Any such guidance notes once approved shall form part of these Standing Orders and shall be complied with.
- 8.3 Where a contract is subject to the EU Procurement Rules, the Director shall ensure that consideration is given to whether the contract should be divided into lots. Where it is decided not to divide the contract into lots, the main reasons for that decision shall be indicated in the Contract Documents.
- 8.4 For every contract, the Director shall ensure that consideration is given to whether community benefit requirements should be included in accordance with the Procurement Reform Rules and current Scotland Excel policy.

9 Exemptions

- 9.1 Subject to Standing Order 1, there shall be exempted from the provisions of these Standing Orders any contract where:-
- (a) The Executive Sub-Committee is satisfied that there are special circumstances justifying exempting the contract from these Standing Orders or any part of them.
 - (b) The total estimated value of the proposed contract is less than £50,000 but the contract shall be let in accordance with any guidance on such contracts published under Standing Order 8.2.
 - (c) In the opinion of the Director, action is urgently required to prevent danger to life, serious risk to health or damage to property. In such circumstances a report will be submitted to the Executive Sub-Committee or the Management Group at the first available subsequent meeting detailing both the circumstances justifying use of this exemption and the action taken. For the avoidance of doubt,

when using this exemption the Director shall ensure that any relevant requirements of the Treaty Principles, the EU Procurement Rules and the Procurement Reform Rules are complied with.

- (d) Tenders are to be invited on behalf of any consortium, or similar body, of which Scotland Excel is a member, in accordance with any method adopted by such a body, except where specific provision has been made for the application of these Standing Orders or any part of them to a particular consortium. However, in the event that the financial contribution by Scotland Excel to a consortium or similar body in respect of any one contract is in excess of the exemption limit in Standing Order 9.1 (b) and the contract is not being let by any local authority in terms of its own Standing Orders relating to contracts, the use of this exemption requires the prior approval of the Executive Sub-Committee.
- (e) Notwithstanding Standing Order 18, the contract is for the execution of works or the supply of goods, materials or other services being an extension to an existing contract and identified by the Director as necessary and being so urgent as not to permit the invitation of tenders; such matters to be reported to the next meeting of the Executive Sub-Committee.
- (f) It is a contract of employment. However, this exemption does not apply to contracts with employment agencies for the supply of staff.
- (g) The contract relates to the transfer, acquisition or disposal of an interest in heritable property including a licence to occupy or use heritable property.
- (h) The contract relates to the appointment of legal counsel and solicitors to act as Scotland Excel's Edinburgh agents. However, any such contract must be let in accordance with any relevant requirements of the Procurement Reform Rules.
- (i) In the Director's opinion it is essential that the contract is entered into for the settlement of any claim or litigation raised by or against Scotland Excel; such matter to be reported in the next meeting of the Executive Sub-Committee.
- (j) The contract is being funded by money provided by the government or a public body (including funds from the National Lottery) and the award of that money to Scotland Excel is subject to such conditions that make it impractical for Scotland Excel to comply with these Standing Orders in letting the contract. However, in such circumstances, any relevant requirements of the Treaty Principles, the EU Procurement Rules and the Procurement Reform Rules shall be complied with and the Director shall submit a report to the Executive Sub-Committee explaining the procedure used and why these Standing Orders could not be complied with.

- (k) The contract is for the commissioning of theatrical, musical, dramatic or other artistic performances.
- (l) The contract is for the disposal by Scotland Excel of surplus or scrap materials and equipment previously used by Scotland Excel or any Member Authority.

9.2 These Standing Orders apply to contracts for Social and other Specific Services and contracts for Health or Social Care Services unless varied by the special arrangements set out in Schedule 1.

10 Publicity for Tenders and Contracts

10.1 Scotland Excel is under a duty to ensure that, contracts it intends to award are given a degree of advertising which is sufficient to enable open competition and to meet the requirements of the principles of equal treatment, non-discrimination and transparency. Contracts that are subject to the EU Procurement Rules must comply with the provisions relating to advertising of contracts in these Rules. For all other contracts Scotland Excel must put in place procedures to meet its obligations with regard to advertising those contracts. Accordingly the following procedures shall apply:-

- (a) The obligation to advertise tendering opportunities for contracts in terms of this Standing Order applies only to contracts for supplies or services with a value of £50,000 or more and to contracts for works with a value of £2,000,000 or more.
- (b) Contracts to which Standing Order 10.1(a) applies shall be advertised using the Public Contracts Scotland website.
- (c) In addition to advertising on the website referred to in Standing Order 10.1(b) the Director may choose to advertise the contract in any other way.
- (d) The Director shall ensure that Scotland Excel's own website contains links to the Public Contracts Scotland website.

10.2 This Standing Order does not apply where an exemption under contract Standing Order 9 applies; or use can be made of the Negotiated Procedure without Prior Publication of a Notice under Standing Order 14 ; or the contract is for Social and Other Specific Services or for Health or Social Care Services and one to which Schedule 1 applies.

11 Procedures

11.1 Where the estimated value of any contract is likely to equal or exceed the thresholds for the application of the EU Procurement Rules, the Director shall be responsible for determining whether or not those Rules apply and may refer the matter to the Clerk who will

provide assistance and guidance to the Director in determining whether the EU Procurement Rules apply to the contract and ensuring that the various requirements of the EU Procurement Rules and Treaty Principles are followed.

- 11.2 Where it is established that the EU Procurement Rules apply to any contract, the Director will be responsible for determining the appropriate procedure to be followed in terms of those Rules and shall ensure that the contract is advertised, tendered evaluated and awarded in compliance with those Rules. The tendering procedures under the Rules are not set out in these Standing Orders. The procedures in Standing Orders 12 to 17 inclusive may only be used where Scotland Excel is not required to use the equivalent procedures in the EU Procurement Rules.
- 11.3 Any contract that is not required to follow a procedure set out in the EU Procurement Rules must be let in accordance with one of the procedures set out in these Standing Orders.
- 11.4 The procedure to be used and the reasons for selecting that procedure shall be recorded in the contract strategy document.
- 11.5 The ESPD shall be used in all procedures.

12 Open Procedure

- 12.1 The Director may approve the use of the open procedure which shall be conducted in accordance with this Standing Order.
- 12.2 Where the Director approves the use of the open procedure, the Director shall issue a notice on the Public Contracts Scotland website. In addition, the Director may choose to publicise the contract more widely.
- 12.3 The notice must contain the same information as would be required under the EU Procurement Rules. The date and time stated in the notice by which tenders must be received must be no sooner than 10 working days from the date the notice is published.
- 12.4 At the same time as the notice is issued in terms of Standing Order 12.2, the Director shall make the relevant Contract Documents available electronically and it shall be the responsibility of the contractor to access the invitation to tender through the e-procurement system.

13 Restricted Procedure

- 13.1 The Director may approve the use of the restricted procedure which shall be conducted in accordance with this Standing Order.

- 13.2 Where the Director approves the use of the restricted procedure, a notice shall be issued on the Public Contracts Scotland website. In addition the Director may choose to publicise the contract more widely.
- 13.3 The notice must contain the same information as would be required under the EU Procurement Rules.
- 13.4 All applicants responding to the notice issued in terms of Standing Order 13.2 shall be required to provide a completed ESPD by the date and time specified in the notice. This date and time must be no sooner than 10 working days from the date the notice is published.
- 13.5 At the same time as a notice is issued in terms of Standing Order 13.2, the Director shall make the relevant Contract Documents available electronically.
- 13.6 No contractor may be invited to tender unless they have successfully complied with the technical and financial checks in Standing Order 22 and have met the criteria to be invited to tender set out in the notice and Contract Documents.
- 13.7 The Director must select a sufficient number of applicants to be invited to tender. To ensure genuine competition, the number of applicants selected shall not be fewer than five. However, in any circumstances where fewer than five applicants express an interest, all those applicants meeting the minimum selection criteria, must be invited to tender.
- 13.8 The Director shall send invitations to tender simultaneously to each applicant selected to tender for a contract and the invitation to tender shall be accompanied by a link to the Contract Documents which shall have been made available under Standing Order 13.5.
- 13.9 The invitation to tender shall also include the final date and time for the receipt of tenders by Scotland Excel and the criteria to be used in evaluating the tenders.

14 Negotiated Procedure without Prior Publication of a Notice

- 14.1 The negotiated procedure without prior publication of a notice is only available in very limited circumstances. It may only be used with the prior written approval of the Director and a record including a full explanation as to why the Director considered it appropriate to use the procedure shall be retained.
- 14.2 Where the EU Procurement Rules do not apply, the negotiated procedure without prior publication of a notice may only be used in the circumstances stated in the Procurement Reform Rules.

- 14.3 Where the EU Procurement Rules apply, the negotiated procedure without prior publication of a notice may only be used on any ground specified in those Rules.
- 14.4 For the purposes of these Standing Orders the negotiated procedure without prior publication of a notice means direct negotiations with a single contractor, or all suitable contractors, without competition, or further competition, with a view to awarding the contract to a single contractor or to extending an existing contract.
- 14.5 Where the negotiated procedure without prior publication of a notice has been used and the estimated value of the proposed contract is £50,000 or more but does not exceed the Threshold, the contract shall be awarded by the Director.
- 14.6 Where the negotiated procedure without prior publication of a notice has been used and the estimated value of the proposed contract exceeds the Threshold, the contract shall be awarded by or on the instruction of the Director on the prior authority of the Executive Sub Committee.
- 14.7 In all cases where the negotiated procedure without prior publication of a notice is used, a full written record of all contacts, discussions and communications with prospective contractors shall be kept by the Director.
- 14.8 A minimum of two officers, one of whom to be at least of Senior Procurement Specialist grade, must be present at all times during any discussions with prospective contractors.
- 14.9 The Director must ensure that records of all discussions with prospective contractors are signed as such by all participants.
- 14.10 The Treaty Principles will be observed at all times during the negotiations.
- 14.11 For the avoidance of doubt, where the negotiated procedure is used for any contract in terms of this Standing Order 14, there is no requirement to publish prior information relating to that contract on the Public Contracts Scotland website.

15 Competitive Procedure with Negotiation

- 15.1 The Director may choose to use the competitive procedure with negotiation where, in the Director's view, the restricted and open procedures in these Standing Orders are not appropriate for a contract.
- 15.2 The competitive procedure with negotiation may only be used on one of the following grounds:

- (a) Where the needs of the Scotland Excel cannot be met without adaptation of readily available solutions;
 - (b) Where the contract includes design or innovative solutions;
 - (c) Where the requirement is complex in nature, in its legal and financial make-up or because of its risks;
 - (d) Where the technical specifications cannot be established with sufficient precision; or
 - (e) Where unacceptable or irregular tenders have been received following a restricted or open procedure.
- 15.3 The Director shall ensure that the justification for use of the competitive procedure with negotiation is recorded.
- 15.4 Where the Director elects to use the competitive procedure with negotiation, the rules for such a procedure set out in the EU Procurement Rules shall be followed. However, where the EU Procurement Rules would not otherwise apply to the contract, the Director shall determine the timescales that are to apply to the procedure taking into account factors such as the complexity of the subject matter of the contract.
- 15.5 In all cases where the competitive procedure with negotiation is used, a full written record of all contacts, discussions and communications with tenderers shall be kept by the Director.
- 15.6 A minimum of two officers, one of whom to be of at least Senior Procurement Specialist grade, must be present at all times during any discussions with tenderers.
- 15.7 The Director must ensure that records of all discussions with tenderers are signed as such by all participants.
- 15.8 The Treaty Principles will be observed at all times during the negotiations.

16 Competitive Dialogue Procedure

- 16.1 The Director may choose to use the competitive dialogue procedure where, in the Director's view, the restricted and open procedures in these Standing Orders are not appropriate for a contract.
- 16.2 The competitive dialogue procedure may only be used on one of the grounds set out in Standing Order 15.2.
- 16.3 The Director shall ensure that the justification for use of the competitive dialogue is recorded.

- 16.4 Where the Director elects to use the competitive dialogue procedure the rules for such a procedure set out in the EU Procurement Rules shall be followed. However, where the EU Procurement Rules would not otherwise apply to the contract, the Director shall determine the timescales that are to apply to the procedure taking into account factors such as the complexity of the subject matter of the contract.
- 16.5 In all cases where the competitive dialogue procedure is used, a full written record of all contacts, discussions and communications with tenderers shall be kept by the Director.
- 16.6 A minimum of two officers, one of whom to be of at least Senior Procurement Specialist grade, must be present at all times during any discussions with tenderers.
- 16.7 The Director must ensure that records of all discussions with tenderers are kept and these must be signed as such by all participants.
- 16.8 The Treaty Principles will be observed at all times during the competitive dialogue.

17 Innovation Partnerships

- 17.1 The Director may choose to use the innovation partnership procedure where, in the Director's view, there is a need for innovative works, products or service which cannot be met by solutions already available on the market.
- 17.2 The aim of the innovation partnership will be the development of the required innovative works, products, or services and the subsequent purchase of the resulting works, supplies, or services.
- 17.3 The estimated value of the works, supplies or services must not be disproportionate in relation to the investment required for their development.
- 17.4 Where the Director elects to use the innovation partnership procedure, the rules for such a procedure set out in the EU Procurement Rules shall be followed. However, where the EU Procurement Rules would not otherwise apply to the contract, the Director shall determine the timescales that are to apply to the procedure taking into account factors such as the complexity of the subject matter of the contract.

18 Extensions to Existing Contracts

- 18.1 Where the Director considers that an existing contract should be extended and the option to extend is given to Scotland Excel in terms of the contract, the Director may authorise the exercise of

that option on behalf of Scotland Excel. For the avoidance of doubt, where the contract does not make provision for the extension of the contract, the Director shall not extend that contract. However, a new contract may be entered into if the use of the negotiated procedure without publication of a notice can be justified in terms of these Standing Orders in which case the procedure in Standing Order 15 shall be followed.

18.2 For the purposes of Standing Order 18.1 an extension of a contract includes the option to increase the amount of supplies, services or works acquired under the contract as well as the option to increase the duration of the contract.

18.3 Where in terms of Standing Order 18.1, the contract does not make provision for the extension of the contract and the initial contract was not let in accordance with the EU Procurement Rules, the total value of the contract including the value of any extension shall not exceed the Threshold.

19 E-Procurement

19.1 This Standing Order shall apply to any tendering procedure or contract entered using electronic means.

19.2 Unless in exceptional circumstances the Director has agreed otherwise, all tendering exercises or negotiated procedures shall be conducted using electronic means ("e-procurement").

19.3 The Director must consider whether it is appropriate to impose any specific requirements regarding verification and authentication of the tender submission and the signature of the person making that submission.

19.4 Any tender document issued using electronic means must state whether Scotland Excel has any specific requirements relating to authentication or verification of the tender submission or of the signature of the person making the submission.

19.5 Any invitation to tender shall provide information as to the internet address which offers unrestricted and full direct access by electronic means to the Contract Documents.

19.6 No tender submitted using electronic means will be considered unless it is received in the format requested by Scotland Excel in the Contract Documents and at the electronic address specified by Scotland Excel and unless it is received prior to the deadline for the receipt of tenders, as stated in the Contract Documents.

19.7 The Director shall ensure that each tender is kept unopened in a single secure electronic mailbox that cannot be opened before the deadline for the receipt of tenders.

- 19.8 Prior to the tenders being opened after the deadline for the receipt the Director shall implement such internal controls as are necessary to ensure that the identity of none of the contractors who have applied for an invitation to tender or has submitted a tender shall be revealed to any person other than those members of Scotland Excel staff authorised by the Director to administer the e-procurement system for that tender.
- 19.9 The Director shall ensure that for each procurement project the system used shall keep and, if required, produce a record showing the time and date of receipt of all tenders received in respect of each e-procurement exercise.
- 19.10 This Standing Order shall also apply to the receipt and custody of tenders for sub-contracts let using electronic means to be performed by nominated sub-contractors.
- 19.11 The system used must not allow any tenders sent to the wrong address to be received.
- 19.12 Late tenders must be clearly identified as such by the system and shall be recorded as rejected on the tender record sheet with the tenderer being notified to this effect.
- 19.13 The Director may extend the deadline for the submission of bids by notifying all potential tenderers of the extension in the following circumstances:-
- (a) prior to any bids being received by Scotland Excel; or
 - (b) where following bids being received but before Scotland Excel has opened those bids due to the functionality of the e-procurement system.
- 19.14 The Director shall extend the deadline for submission of tenders:
- (a) where additional relevant information, although requested by a tenderer in good time, is not supplied to a tenderer at least six days before the deadline; or
 - (b) where significant changes are made to the Contract Documents.
- 19.15 The Director may also elect to extend the deadline for submission of tenders where it is considered appropriate to do so.
- 19.16 Where the deadline for submission of tenders is extended by the Director in terms of Standing Orders 19.14 or 19.15 above, the Director shall notify all potential tenderers of the extension and any tenderers who have already submitted tenders shall be given the opportunity to re-submit their tenders.

20 Opening of Tenders

- 20.1 All tenders shall be opened in the presence a member of staff of Senior Procurement Specialist grade or over and at least one other member of staff, neither of whom is, at the time, directly involved in the contract to which the tenders relate.
- 20.2 A record shall be prepared to show who opened the tenders and who witnessed the process and the record shall be signed by the relevant officers.

21 Electronic Auctions

- 21.1 The following provisions apply to the undertaking of electronic auctions by or on behalf of Scotland Excel:-
- (a) For the purpose of these Standing Orders, the expression “electronic auction” means a repetitive process involving an electronic device for the presentation of new prices, revised downwards, and/or new values concerning certain elements of tenders, which occurs after an initial full evaluation of tenders, enabling them to be ranked using automatic evaluation methods.
 - (b) The Director may authorise the carrying out of an electronic auction where satisfied that it is in the interests of Scotland Excel or any of the Member Authorities to do so and that the electronic auction is in accordance with the EU Procurement Rules.
 - (c) The Director may only authorise the carrying out of an electronic auction where she is satisfied that the likely benefit of an electronic auction will outweigh the costs of undertaking the electronic auction.
 - (d) An electronic auction may only be carried out where the possibility of the use of an electronic auction has been stated in the Contract Documents issued to contractors and, where the EU Procurement Rules apply, in the contract notice published in OJEU.
 - (e) For the avoidance of doubt, an electronic auction may be used where previous stages of a tendering procedure have not been undertaken using electronic means.
 - (f) Before proceeding with an electronic auction, the Director shall make a full initial evaluation of the tenders in accordance with the award criteria set and with the weighting fixed for them. All tenderers who have submitted admissible tenders shall be invited simultaneously by electronic means to submit new prices and/or new values.

- (g) At least two working days must elapse between the date on which the invitations referred to in Standing Order 21.1(f) are sent and the date of the electronic auction.
- (h) Throughout each phase of an electronic auction Scotland Excel shall instantaneously communicate to all tenderers involved at least sufficient information to enable them to ascertain their relative rankings at any moment. Scotland Excel may also, at any time, announce the number of participants in that electronic auction. In no case, however, may Scotland Excel disclose the identities of the tenderers during any phase of an electronic auction.
- (i) Prior to the commencement of any electronic auction, Scotland Excel shall intimate to all tenderers involved:-
 - (i) All relevant information concerning individual connection to the electronic system to be used in the electronic auction.
 - (ii) The date and time fixed for the start of the electronic auction.
 - (iii) The number of phases in the electronic auction.
 - (iv) The mathematical formula to be used in the electronic auction to determine automatic re-ranking of tenders on the basis of the new values or new prices submitted and incorporating the weighting of all the criteria set to determine the most economically advantageous tender.
 - (v) Where variant bids are authorised, a separate mathematical formula for each variation.
 - (vi) Proposed duration of the electronic auction together with any proposals for the extension of the duration of the electronic auction.
- (j) Any electronic auction will be subject to such additional procedural requirements as the Director considers necessary.

22 Technical and Financial Checks

22.1 No tenderer may be awarded a contract for the supply of goods, materials or services or the execution of works unless, following a review of the proposed contractor, the Director is satisfied as to:-

- (a) the technical capability of the proposed contractor; and
- (b) the financial standing of the proposed contractor.

22.2 Where the Director considers it appropriate to do so, advice may be obtained from the Director of Finance and Resources of

Renfrewshire Council or his nominee on the financial standing of the proposed contractor.

22.3 It shall not be necessary to review the financial standing of proposed contractors where, for example:-

- (a) the estimated value of the contract is £100,000 or below; or
- (b) it has been reviewed in the preceding 12 months from the date of invitation to tender; or
- (c) the Director considers the contract to be of low financial and operational risk.

22.4 Assessment of a tenderer's technical capacity shall include a determination by the Director as to whether:

- (a) the tenderer meets the selection criteria; and
- (b) any exclusion grounds under the Procurement Reform Rules, or where appropriate the EU Procurement Rules, apply to the tenderer.

22.5 The assessment under Standing Order 22.5 shall be based initially on the ESPD submitted by the tenderer but, at any moment during the procedure, the Director may require the tenderer to submit all or any of the supporting documents where the Director considers this is necessary to ensure the proper conduct of the procedure.

22.6 Where a procedure requires a shortlist of participants to be prepared, before a participant may be included on the shortlist the Director shall:-

- (a) verify that the participant whom he/she intends to shortlist meets all relevant criteria; and
- (b) require the participant to submit such means of proof and supporting documents that the Director considers to be necessary.

22.7 Before preparing any report to seek approval to award a contract, except a contract which is a direct award under a framework, the Director shall:-

- (a) verify that the participant who is the proposed contractor meets all relevant criteria; and
- (b) require the participant who is the proposed contractor to submit such means of proof and supporting documents that the Director considers to be necessary.

22.8 Where the Director is unable to verify that a participant meets all the relevant criteria, or where a participant fails to submit such means

of proof as required by the Director in terms of this Standing Order, the participant shall be excluded from the procedure.

- 22.9 The Director shall keep a record showing the results of each check of the technical capacity and financial standing of proposed contractors.

23 Checking of Tenders & Post Tender Negotiations

- 23.1 All tenders shall be subject to checking by the Director who shall, if required by Standing Order 24.3, prepare and submit a written report in respect of all the tenders received in a form that complies with Standing Order 25 and containing a specific recommendation as to the acceptance of the successful tender or tenders and the reasons therefor.
- 23.2 Where the Director considers that a tender may be abnormally low, the procedures in the EU Procurement Rules shall be followed.
- 23.3 Between the last date and time for the receipt of tenders and the date on which a decision is taken as to which, if any, tender is to be accepted the Director may instruct members of staff or consultants to enter into post tender negotiations. Post tender negotiations shall only be used in circumstances where the Director has identified a tenderer who has submitted the best price of the most economically advantageous tender to Scotland Excel for a contract or part of a contract and where the Director is satisfied that there is scope for improvement in the offer received and that such negotiations will be in the best interests of securing value for money or improved terms and conditions for Scotland Excel. Post tender negotiations may only be used with that tenderer so identified. Post tender negotiations shall not be used to put other tenderers at a disadvantage or to distort competition.
- 23.4 Where it is considered possible that post tender negotiations might apply, a clear indication will be given to prospective contractors in the tender documents that post tender negotiations might be considered.
- 23.5 Between the last date and time for the receipt of tenders and the date on which a decision is taken as to which, if any, tender is to be accepted, the Director may instruct members of the Director's staff or consultants to contact a tenderer in respect of any contract in cases where such contact may be necessary to validate or clarify the terms of the tender or to effect any necessary adjustments but for no other purpose.
- 23.6 Notwithstanding the other terms of this Standing Order 23, where examination of the tenders reveals obvious errors or discrepancies

which would affect the tender figures, these errors will be dealt with in the following manner:-

- (a) Any obvious arithmetical errors will be rectified by the appropriate officer checking the tenders and the amount of tender shall be held to be the amount so rectified and the tenderer informed in writing of the corrected amount.
- (b) Where there is an obvious and genuine error in rates occurring, the tenderer will be given the opportunity of either confirming that they agree to their tender being considered with the error remaining or withdrawing their tender. This procedure must be undertaken in writing. Should the tenderer decide to withdraw their tender, it will not be considered for acceptance. The tenderer must not be given the opportunity to submit an amended tender.

23.7 A full written record shall be kept by the Director of all contracts where post tender negotiations have been used and the written record will be retained with the original tender. The written record will include the justification for authorising post tender negotiations, the nature of the negotiations undertaken, the outcome of such negotiations and shall detail any additional terms agreed by Scotland Excel.

24 Acceptance and Giving Reasons for Decisions

24.1 Where a contract is to be awarded following the evaluation of tenders against criteria set out in the Contract Documents, the Director shall keep a written record showing the assessment of each valid tender against those criteria and demonstrating why the successful tenders were accepted.

24.2 In cases where the value of the contract exceeds £50,000 but does not exceed the Threshold, the contract shall be accepted by the Director. Where a contract is accepted in the aforementioned circumstances the Director shall report the award of the contract to the Executive Sub-Committee as soon as reasonably practicable thereafter.

24.3 In cases where the value of the contract exceeds the Threshold, the contract shall be accepted by the Director or, on her instructions, by the Clerk on the authority of the Executive Sub-Committee. However, in circumstances where Scotland Excel has undertaken work on behalf of a third party who is not a member of Scotland Excel for contracts where the value exceeds the Threshold the Director may accept the contract, providing that she has obtained clear instruction and the necessary authority from the third party to do so and shall report the award of the contract to the Executive Sub Committee as soon as reasonably practicable thereafter.

- 24.4 In cases where the value of the contract exceeds the Threshold and in the opinion of the Management Group, urgency precludes obtaining the approval of the Executive Sub-Committee, the contract may be accepted by the Director or the Clerk on the authority of the Management Group, provided always that the acceptance of a contract in such circumstances is subject of a report to the next meeting of the Executive Sub-Committee.
- 24.5 Member Authorities may request Scotland Excel to undertake a tendering procedure on their behalf but may specifically request that the acceptance of the contract following on from that procedure is dealt with by the Member Authority in accordance with that Member Authority's Standing Orders relating to contracts. In such circumstances paragraph 22.1 to 22.5 do not apply to the award of that contract.
- 24.6 The Director may terminate any tendering or negotiated procedure at any time up to the award of the contract where she believes that justification exists for that course of action. Where the Director does decide to terminate a tendering or negotiated procedure the Director shall write to all tenderers involved in that procedure informing them of her decision and the reasons for that.
- 24.7 In accordance with the Procurement Reform Rules, where a participant is excluded from a procedure at any stage before submitting a tender, the Director shall notify the participant in writing and provide reasons as soon as reasonably practicable.
- 24.8 Where, after submission of tenders, a decision is taken to eliminate a tenderer from a tendering procedure, for example where a tender is incomplete or fails to meet the minimum criteria, the relevant tenderer shall be notified as soon as is reasonably practicable by the Director.
- 24.9 All tenderers shall be informed in writing of the success or otherwise of their tender as soon as is reasonably practicable after the approval of the successful tender.
- 24.10 Except in the case of letters issued to successful tenderers by the Clerk in terms of Standing Orders 24.3 and 24.4, the Director shall be responsible for writing to tenderers but may request the Clerk to issue the letters on her behalf.
- 24.11 Communication with tenderers may be undertaken using Scotland Excel's e-procurement system.
- 24.12 Where the EU Procurement Rules apply, no tender shall be accepted until the date when the mandatory standstill period in terms of those Rules has expired and the Director is satisfied that no valid challenge has been received to the contract award decision.

- 24.13 The mandatory standstill period is a period of at least 10 calendar days between the date of dispatch of the letters issued under Standing Order 24.8 and the date when it is proposed to enter into the contract.
- 24.14 Where a mandatory standstill period is not required, the Director may elect to follow a voluntary standstill period if she considers it appropriate to do so.
- 24.15 Where a valid challenge is made to the contract award decision before the award of a contract is made, the Director shall provide a report (which at the Director's discretion may be written or verbal) to the next meeting of the Executive Sub-Committee setting out the nature of the challenge made; an explanation as to why the challenge is valid; and a recommendation on the further procedures to be followed.
- 24.16 The Director shall keep and maintain a register of all contracts that are not exempt from these Standing Orders and, in respect of each contract shall enter into that register, the following information:-
- the name and address of the contractor;
 - a description of the purpose of the contract;
 - the duration of the contract; and
 - any other information relating to the contract which the Director considers to be material.

25 Content of Reports on Contracts

- 25.1 For all contracts requiring the approval of the Joint Committee or the Executive Sub-Committee, a report will be submitted detailing the following:-
- (a) The nature of the requirements of the contract.
 - (b) The tendering procedures adopted.
 - (c) The selection and/or invitation of contractors and their responses to the invitation.
 - (d) A comparative digest of offers received.
 - (e) The recommendation on the award of the contract or contracts.

26 Nomination of Sub-Contractor

- 26.1 Where a contract provides for the nomination of a sub-contractor, the appointment of a nominated sub-contractor shall comply with these Standing Orders.

27 Framework Agreements

27.1 Where the Director wishes to establish a Framework Arrangement (“the Framework”) to provide for agreement on the terms for future contracts between Scotland Excel and the contractors for the purchase of goods, services or works, the following requirements shall be complied with:-

(a) Where the EU Procurement Rules apply, the Director shall establish the Framework in accordance with those Rules.

(b) In all other circumstances:-

- i. The contractors to participate in the Framework will be selected from those who have responded to a notice.
- ii. The notice shall be published on the Public Contracts Scotland website and in addition the Framework may be advertised in any other way the Director considers appropriate (including publication in the Official Journal of the European Union), taking into account the estimated value of the contracts to be let under the Framework and the importance of the subject matter of the Framework to Scotland Excel.
- iii. The notice shall mention:-
 - A. that Scotland Excel wishes to establish a Framework;
 - B. a description of the goods, service or works which are to be purchased under the Framework;
 - C. a description of the procedure which is to be followed to establish the Framework;
 - D. where the procedure to be followed is similar to the open procedure:-
 1. a period, being not less than 14 days from the date of publication of the Notice within which prospective participants may apply for the tender documents; and
 2. a closing date for tenders to participate in the Framework to be submitted to Scotland Excel;
 - E. where the procedure to be followed is similar to the restricted procedure:-
 1. a period being not less than 14 days from the date of publication of the Notice, within which contractors may apply for the pre qualifying questionnaire; and

2. a closing date for completed pre qualifying questionnaires to be submitted to Scotland Excel; and
 3. The number of applicants that Scotland Excel intends to invite to tender which shall not be fewer than five. However, if fewer than five pre qualification questionnaires are received, all of those applicants meeting the minimum selection criteria shall be invited to tender.
- (c) The Contract Documents must contain the procedures to be used for the award of contracts.
- (d) The establishment of the Framework shall comply with Standing Order 24.
- 27.2 Where a Framework has been established in accordance with Standing Order 27.1, a contract may be awarded under the Framework without the requirement to seek further competition amongst the contractors on the Framework. However the contract must be awarded in accordance with the terms and procedures for award of contracts laid down in the Framework and, where the contract is to be awarded by Scotland Excel, in compliance with Standing Order 24.
- 27.3 Where a Framework has been established but it does not lay down all of the terms of a proposed contract including, for example, where a new item can legitimately be added to the Framework, a mini competition procedure shall be held under the Framework and in accordance with Standing Order 27.4 below.
- 27.4 Any mini-competition procedure in terms of Standing Order 27.3 shall be conducted in accordance with the procedures laid down in the Framework and the following:-
- (a) every contractor on the Framework capable of performing the contract shall be issued with an invitation to take part in the mini competition. All invitations shall be issued at the same time.
 - (b) the invitations shall specify the closing date and time for submission of tenders under the mini competition procedure. The time limit fixed for the return of the tenders shall take into account factors such as the complexity of the subject matter of the contract and the time needed to submit tenders, but in any event shall not be less than 10 working days from the date the invitation to take part is issued.
 - (c) each tender shall be kept confidential until the expiry of the time limit for the receipt of tenders;
 - (d) the award of contract shall be made to the contractor or contractors who have submitted the best tender or tenders on the basis of the

award criteria specified in the Contract Documents based on the Framework documents; and

- (e) where following a mini competition procedure any award of contract is to be made by Scotland Excel, the contract shall be awarded in compliance with Standing Order 24.

27.5 The Director may elect to enter into contracts under an existing Framework that has been properly constituted by the Scottish Government; the Crown Commercial Service, or any other agency of the UK government; other Scottish Centres of Procurement Expertise; local authorities; and other collaborative bodies. Any such contracts must be entered into in accordance with the conditions applicable to the relevant Framework.

28 Dynamic Purchasing Systems

28.1 The Director may elect to establish and use a Dynamic Purchasing System (“DPS”) if satisfied that:

- (a) it is in the interests of Scotland Excel to do so;
- (b) the DPS will only be used for commonly used purchases the characteristics of which, as generally available on the open market, meet Scotland Excel’s requirements; and
- (c) the costs of the DPS will not outweigh the likely benefits of using the DPS.

28.2 Any DPS established under this Standing Order shall be operated as a completely electronic process and, throughout its period of validity, shall be open for the admission of any suppliers who meet the selection criteria set by the Director.

28.3 Where the Director elects to establish and use a DPS, the rules for such a procedure set out in the EU Procurement Rules shall be followed.

29 Concessions

29.1 Where Scotland Excel intends to grant a services concession contract or a works concession contract (“concession”), the Director shall be responsible for determining a best estimate of the financial value of the concession which shall be in accordance with the EU Procurement Rules, if applicable.

29.2 Based on the best estimate of the financial value of the concession, the Director shall determine the procedures that require to be followed in terms of these Standing Orders and, where applicable, the EU Procurement Rules.

30 Design Contests

- 30.1 Where the Director considers it appropriate to do so she may hold a design contest, which shall be a competitive procedure in which the Director invites the entry of plans and designs under predetermined rules under which the successful entry selected in terms of those rules is awarded a contract.
- 30.2 Where a design contest is to be held, a notice shall be placed on the Public Contracts Scotland website and the design contest may be advertised in any other way that the Director may consider necessary. The notice shall state:-
- (a) that a design contest is being held;
 - (b) a description of the project;
 - (c) the place where a prospective competitor may obtain a copy of the rules; and
 - (d) the date not less than 14 days from the date of the publication of the notice by which the prospective competitor must initiate, in writing, their interest in being involved in the contest.
- 30.3 After the expiry of the period specified in the notice, invitations to tender shall be sent to at least three persons selected by the Director. If fewer than three persons have applied and are considered suitable by the Director, then invitations to tender shall be sent to all suitable persons. Where only one suitable applicant has applied the Director shall decide either to abandon the contest or to negotiate with the sole suitable applicant for the award of the contract using the Negotiated Procedure without Prior Publication of a Notice in Contract Standing Order 14.
- 30.4 The prior approval of the Joint Committee or the Executive Sub-Committee is required before a design contest in terms of this Standing Order is commenced.
- 30.5 For the purposes of these Standing Orders a design contest means a competition in which Scotland Excel:-
- (a) invites the entry of plans and designs;
 - (b) establishes rules for the competition under which the plans or designs will be judged by a jury;
 - (c) may award prizes; and
 - (d) is enabled to acquire the use or ownership of plans or designs selected by the jury.

31 Specification of Standards

- 31.1 Where there is a recognised British, European or International Standard applicable to any contract which is current at the date of tender, the Contract Documents shall require that the goods, materials or services to be used or supplied and all workmanship shall at least meet the requirement of that standard.

32 Assignment, Sub-Contracting, Termination and Modification

- 32.1 In every contract, there shall be a provision whereby the contractor shall be prohibited from transferring or assigning to any person or persons whatever, any portion of the contract without the prior written consent of Scotland Excel. The Director shall have the power to consent on behalf of Scotland Excel to the assignment of a contract.
- 32.2 The sub-contracting of any part of a contract except to the extent permitted in writing by the Director shall be prohibited.
- 32.3 The Director may exercise any power on behalf of Scotland Excel to terminate any contract or part of a contract or to terminate Scotland Excel's participation in a Framework Agreement or to agree to vary or amend the terms of any contract but only following consultation with the Clerk and subject to the Director and the Clerk being satisfied that it is reasonable and in the interest of Scotland Excel to exercise that power.
- 32.4 Where it is proposed to modify a contract or framework, the Director shall determine whether the proposed modification would require a new procurement procedure. For the avoidance of doubt, modification includes any changes to the scope; terms and conditions; value; or parties to the contract or framework.
- 32.5 Where the Director determines that a modification would not require a new procurement procedure, the procedures under Standing Order 36 shall be followed if the contract is a schedule of rates contract.

33 Liquidated and Ascertained Damages

- 33.1 Where the Director deems it to be appropriate following consideration of the risks involved, the Director shall ensure that the contract provides for liquidated and ascertained damages. The amount to be specified in each such contract shall be determined by the Director.

34 Prevention of Collusion and Corrupt or Illegal Practices

- 34.1 In every written contract a clause shall be inserted to secure that Scotland Excel shall be entitled to cancel the contract and to recover from the contractor the amount of any loss resulting from such cancellation if the contractor or the contractor's representative (whether with or without the knowledge of the contractor), shall have practised collusion in tendering for the contract or any other contract with Scotland Excel or any Member Authority or shall have employed any corrupt or illegal practices either in the obtaining or performance of the contract or any other contract with Scotland Excel or any Member Authority.

35 Health and Safety

- 35.1 No contract to which these Standing Orders apply will be accepted unless the contractor satisfies Scotland Excel that the contractor is operating health and safety policies which conform with current legislation.

36 Schedule of Rates Contract

- 36.1 In every works contract which is a schedule of rates contract, the Director shall, prior to invitations to tender being issued, fix an indicative total value for the contract. The indicative total value shall be set out in any report to the Executive Sub-Committee.
- 36.2 Where it becomes apparent to the Director that the indicative total value is likely to be exceeded, the Director shall ensure that a report on the matter is submitted to the next meeting of the Executive Sub-Committee. Where a contract has not been advertised under the EU Procurement Rules and the increase in the value of the contract is such that the EU Threshold is likely to be exceeded, no further orders shall be made under the contract.
- 36.3 The Director shall ensure that a condition is inserted in any such contract to the effect that the indicative total value of the contract cannot be exceeded without the approval of Scotland Excel.

37 Sustainable Procurement

- 37.1 The Director shall be responsible for ensuring that the Scotland Excel fulfils its Sustainable Procurement Duty.
- 37.2 The Director shall ensure that the Sustainable Procurement Duty is considered in the development of every Regulated Procurement and shall take into account how the Regulated Procurement can

- (a) improve the economic, social and environmental wellbeing of Scotland Excel's geographic area of operation;
- (b) facilitate the involvement of small and medium enterprises, third sector bodies and supported businesses in the Regulated Procurement; and
- (c) promote innovation.

37.3 Where improvements in terms of Standing Order 37.2 (a) have been identified, the Director shall ensure that the Regulated Procurement is carried out with a view to securing such improvements.

38 Consultants

38.1 It shall be a condition of the engagement of the services of any consultant that:-

- (a) they shall comply with these Contract Standing Orders as though they were officers of Scotland Excel; and,
- (b) at any time during the performance of the contract, the consultant shall, on a request by the Director produce all records maintained by them in relation to the contract and on completion of the contract transmit all such records to the Director, if so required.

38.2 All contracts for consultancy services must set out clear output targets for performance by the consultant under the contract.

39 Records and Registers

39.1 The Director shall maintain a contracts register in accordance with the Procurement Reform Rules.

39.2 Where these Standing Orders require that records or registers are kept, the Director shall obtain the approval of the Executive Sub-Committee prior to making arrangements for the disposal of any such records or registers.

39.3 The contracts register kept in accordance with Standing Order 39.1 is to be regarded as a permanent record of Scotland Excel and is not to be destroyed or disposed of.

40 Procurement Strategy and Annual Report

40.1 In accordance with the Procurement Reform Rules, the Director shall prepare and publish a procurement strategy setting out how Scotland Excel intends to carry out Regulated Procurements in the next financial year.

- 40.2 Where Scotland Excel's procurement strategy for the current financial year requires to be reviewed, the Director shall make such revisions as are considered appropriate and publish the revised strategy.
- 40.3 The Director shall prepare and publish an annual procurement report on Scotland Excel's Regulated Procurement activities in relation any financial year as soon as reasonably practicable after the end of that financial year.

Schedule 1

Special Arrangements for Contracts for Social and Other Specific Services and for Health or Social Care Services

Unless varied by the special arrangements set out in this Schedule 1, the foregoing standing orders apply to contracts for Social and Other Specific Services and contracts for Health or Social Care Services. The special arrangements are as follows:

A. Procedures for the Award of Contracts for Social and Other Specific Services

- A.1 Where a contract is for Social and Other Specific Services and the estimated value of the contract is equal to or greater than the threshold for Social and Other Specific Services, the Director shall follow the relevant procedures for such services set out in the EU Procurement Rules and the Procurement Reform Rules.

B. Procedures for the Award of Contracts for Health or Social Care Services

- B.1 Where a contract is for Health or Social Care Services and the estimated value of the contract is less than the threshold for Social and Other Specific Services, instead of using the procedures set out in the foregoing Standing Orders, the Director may elect to follow the procedures set out in the Procurement Reform Rules. In such circumstances, the Director may decide, that offers shall not be sought for example where:
- (a) it can be demonstrated that the contract is of no interest to service providers in other EU member states; and/or
 - (b) the total sum to be paid under the contract is so low that service providers located in other EU member states would not be interested in bidding for the contract; and/or
 - (c) the service is of such a specialised nature that no cross-border market of suitable service providers exists; and/or
 - (d) advertising the contract would result in the loss of a linked service; and/or
 - (e) the services are required by a service user and can best be provided by the service user's existing service provider.
- B.2 Where a decision is taken under paragraph B.1 above that offers shall not be sought, the Director shall decide if and how the contract shall be advertised.
- B.3 Where a decision is taken under paragraph B.2 above not to advertise the contract, the Negotiated Procedure without Prior Publication of a Notice set out in Standing Order 14 shall be followed.

C. Guidance from the Scottish Government

C.1 Subject to Standing Order 9.2, contracts for Health or Social Care Services shall be procured in accordance with the Scottish Government's Guidance on the Procurement Reform (Scotland) Act 2014 and Guidance on the Procurement of Care and Support Services 2016 (Best-Practice) issued under Scottish Procurement Policy Note SPPN 7/2016 (as such may be amended or replaced).

C.2 In the event of any conflict between these standing orders and the Guidance referred to in paragraph C.1 above, the Guidance shall prevail.

D. SCSWIS and other Mandatory Registration

D.1 All Contractors providing Health or Social Care services must be registered with Social Care and Social Work Improvement Scotland (SCSWIS) (commonly known as the Care Inspectorate) and/or any other regulatory bodies relevant to the service provided.

E. Review of Decisions

E.1 Any decision taken under paragraph B.1 or B.2 shall be reviewed at regular intervals by the Director.



Scotland Excel

To: Joint Committee

On: 9 December 2016

**Report
by
Director Scotland Excel**

Sustainable Procurement Strategy

1 Introduction

The purpose of this report is to present the new Scotland Excel Sustainable Procurement Strategy for approval.

2 Summary

The present Scotland Excel Sustainable Procurement Policy/Strategy has been in place since June 2013. It was developed from Scotland Excel's original Sustainability Policy which was introduced in 2010 following the launch of the first national plan for sustainable procurement – The Scottish Sustainable Procurement Action Plan.

Over the last few years there have been a number of changes to policy and legislation which has given greater focus on sustainable procurement and the benefits to be realised. In particular during 2016 the coming into force of the Public Contracts (Scotland) Regulations 2015; the Procurement (Scotland) Regulations 2016; and statutory guidance made under and in terms of the Procurement Reform (Scotland) Act 2014 have further supported the drive to deliver sustainable procurement.

The new Sustainable Procurement Strategy (attached as an annex to this report) has been developed following a detailed review of the statutory guidance and best practice and is clearly aligned to the strategic priorities of local government. The strategy will support local government in meeting the challenge of delivering social benefits and contributing to economic growth. Additionally it further strengthens the consideration of Social considerations such as Workforce Matters (including the Living Wage) and Community Benefits at the outset of a procurement exercise to ensure that overall value and potential social benefits are optimised.

Delivery of the Sustainable Procurement Strategy will be monitored through the internal governance process on a contract by contract basis and will be reported within Scotland Excel's Annual Procurement Report which will detail performance against and compliance with the Annual Procurement Strategy (as required under the Procurement Reform (Scotland) Act 2014).

3 Conclusion

Committee members are requested to note the content of this report and approve the new Sustainable Procurement Strategy for Scotland Excel.

Scotland Excel

Sustainable Procurement Strategy

October 2016

Scotland Excel: Sustainable Procurement Strategy

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1 Introduction

Sustainable procurement is a process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits not only to the organisation, but also to society and the economy, while minimising damage to the environment¹.

With the goal of achieving social, economic and environmental value from public sector spend Scotland Excel has, particularly over recent years, been a prominent first-adopter and practitioner of sustainable procurement. Our lead in the development of the sustainable procurement Flexible Framework self-assessment tool and our sustainable public procurement training to the public sector exemplify this approach. Our success in implementing sustainable procurement is clearly seen in our National GO Award for Sustainability Initiative of the Year, and the fact that around 70% of suppliers on our contracts are SMEs.

This strategy builds upon current practice and sets out how Scotland Excel will best address recent changes in legislation, implement the new sustainable procurement duty and will further incorporate/embed sustainability into all of its procurement activity.

Scotland Excel is committed to understanding how its procurement activity can contribute to national and local priorities. The Scottish Government's National Outcomes align with those of the United Nations Sustainable Development Goals. The Scottish Government's purpose is to focus government and public services on creating a more successful country, with opportunities for all of Scotland to flourish through increasing sustainable economic growth. Therefore, sustainable public procurement, covering all of Scotland and implemented and supported by Scotland Excel, will help the government achieve its overarching purpose and strategic objectives.

Scotland Excel is permitted under the EU public procurement rules and required under the Procurement Reform (Scotland) Act 2014's ("**Act**") sustainable procurement duty, to consider before it procures anything, how it can improve the social, environmental and economic well-being of the area in which it operates. There is a particular focus on reducing inequality. Scotland Excel is also required to consider how its procurement processes can facilitate the involvement of SMEs, third sector bodies and supported businesses and how its procurements can be used to promote innovation.

The purpose of this strategy is to set out how Scotland Excel intends to ensure that its regulated procurements (as defined under the Act ²) will be carried out in compliance with

¹ Procuring the Future (Sustainable Procurement Task Force).

² For the purposes of this policy, it is assumed that all of Scotland Excel's procurements are regulated procurements as defined in the Act, namely, any procedure carried out in relation to the award of a proposed contract / framework agreement with an estimated value equal or greater than £2,000,000 for public works contracts / framework agreements and £50,000 for other public contracts / framework agreements (assuming the contract / framework agreement is not an excluded contract / framework agreement).

the sustainable procurement duty. This strategy sets out how Scotland Excel will draft and / or revise its statement in its annual Procurement Strategy setting out its compliance with the sustainable procurement duty. This strategy, together with each year's Procurement Strategy, will detail a robust, achievable approach to sustainable procurement that is relevant and proportionate to the scope of Scotland Excel's procurement activities.

The sustainable procurement duty is roughly divided into three sections. It is sensible for this strategy to follow these sections, which are:

- Economic, Social and Environmental wellbeing
- SMEs, Third Sector Bodies, Supported Businesses
- Promoting Innovation

2 Economic, social and environmental wellbeing

2.1 What does this mean?

Under its sustainable procurement duty, Scotland Excel must, before carrying out a regulated procurement, consider how in conducting the procurement process it can improve the economic, social and environmental wellbeing of Scotland Excel's area and act, when carrying out the procurement, with a view to securing these benefits.

2.2 How Scotland Excel implements this

In general, we will consider how best our procurements can achieve the following:

- economic outcomes, including: optimal availability of suitable and high quality jobs; encouragement of local small businesses; efficient and effective transport links; lifelong learning, training and skills development; and the provision of infrastructure and new information and communication technologies;
- social outcomes, including: encouragement of the voluntary sector; satisfaction of the needs of children and young people (particularly the most vulnerable); and fuller access to education;
- environmental outcomes, including: improving the availability of clean air, clean water, and clean streets; improving the quality and safety of the built environment; protecting communities against the threat of climate change, including flooding; and improving and promoting biodiversity and accessibility to nature.

In particular, to ensure that Scotland Excel identifies and addresses how it can optimise these economic, social and environmental outcomes through its procurement activity (and so satisfy its sustainable procurement duty), it shall positively implement the methodology agreed by the Scottish Government's Public Procurement Reform governance structure.

First, each year in the preparation of its sustainable procurement duty statement in its annual Procurement Strategy (which outlines its proposed approach to sustainable

procurement), Scotland Excel will use the 'Sustainable Public Procurement Prioritisation Tool' ('SPPPT') to identify the best opportunities for sustainable procurement in relation to its anticipated procurement spend over that coming calendar year.

Second, during the development phase of each procurement exercise the 'Sustainability Test' may be used (alone, or using information derived from the SPPPT) to check the anticipated sustainability-related opportunities, outcomes and risks that an individual procurement might involve.

Third, during the development phase of each procurement, or at regular strategy development-related intervals, Scotland Excel may run the 'Life-Cycle Impact Mapping' exercise in order to identify sustainability-related (economic, social, health and environmental) impacts at each stage in the life of the works, products or services to be procured. The outputs of this exercise can then be used to best mitigate the potential for negative impacts, or further develop any positive impacts, in, for example, the design of the: procurement process; contractual performance clauses; or Scotland Excel's contractual management procedures.

Finally, Scotland Excel will continue to use the 'Flexible Framework' self-assessment tool for sustainable procurement to develop action plans, responsibilities and targets, to help it realise its intended sustainability outcomes. Note that in 2013 Scotland Excel was one of the first organisations to reach level 4 of the 'Flexible Framework'.

Some of the ways in which Scotland Excel will specifically promote economic, social and environmental sustainability are:

- Economic sustainability:
 - *Fair working practices*: Use our procurement processes to the full extent permissible to promote fair working practices by our suppliers, in particular, encouraging the payment of the Living Wage and discouraging the use of zero-hours contracts;
 - *Community benefits*: Further embed the provision by suppliers of recruitment and training and other economic community benefits into our future tender opportunities, and encourage current suppliers to provide these;
 - *Unfair commercial practices*: Continue to use and develop our procurement processes to the full extent permissible to discourage the use of unfair commercial practices such as blacklisting, corruption, bribery, fraud and anti-competitive practices;
 - *Local businesses*: Further encourage the participation of local businesses in our tender opportunities, for example, by strengthening our partnership with the Supplier Development programme, supplier / buyer events, training suppliers on our e-procurement platforms and by developing a model for engaging directly with local suppliers in partnership with our members' procurement and economic development teams;

- *Best-value*: Continue to make sure that all our procurement provide the opportunity for our members to achieve best value in their procurements;
- *Education and training*: Ensure that our education related frameworks provide the best products and services for child and adult education;
- Social sustainability:
 - *Ethical procurement*: Continue to design our procurement processes to offer fairly sourced, manufactured and traded products;
 - *Social Care*: Continue to ensure our adult and children care services deliver relevant national policy outcomes;
 - *Community benefits*: Fully embed the provision by suppliers of social-related community Benefits into our future tender opportunities, and encourage current suppliers to provide these;
 - *Our frameworks*: Continue to design our food-related procurement processes to offer healthy food options, such as organic products , and to ensure that all of our frameworks, and in particular our social care, food, hygiene and safety and safety and security frameworks, maximise healthy and safe outcomes;
- Environmental sustainability:
 - *Our frameworks*: Continue to embed in all of our frameworks, in particular, those specifically with environmental-related purposes, implementation of relevant Government environmental-related strategies (e.g. reduction of environmental impacts, waste, recycling and climate change) and, so, support, our members' compliance with legislation, climate change targets and efforts to recover value from waste;
 - *Community benefits*: Fully embed the provision by suppliers of environmental-related community Benefits into our future tender opportunities, and encourage current suppliers to provide these;

3 SMEs, Third Sector Bodies, Supported Businesses

3.1 What does this mean?

Under its sustainable procurement duty, Scotland Excel must, before carrying out a regulated procurement, consider how in conducting the procurement process it can facilitate the involvement of: SMEs; third sector bodies; and supported businesses in the relevant procurement process. This is particularly important for micro-businesses which constitute the majority of businesses in Scotland.

In brief, this means keeping the costs associated with submitting a tender as low as possible, and removing barriers to participation, in order to encourage the participation of small firms (including the self-employed), third sector bodies and supported businesses.

3.2 How Scotland Excel implements this

Scotland Excel already addresses the well-documented concerns regarding the participation of SMEs, Third Sector Bodies and Supported Businesses in its procurement processes, namely, transparency, simplicity of processes and facilitating access. A key driver of the sustainable procurement duty is to increase the transparency of procurement activity to economic operators and simplicity is the key to help facilitate access to public contracts.

Transparency

Scotland Excel already carries out a number of requirements that complement the sustainable procurement duty's aims of increased transparency, with the aim of assisting businesses to assess current spend areas, organisational priorities and potential future contract opportunities:

- Full use of Public Contracts Scotland ('PCS') to provide fully transparent tendering and award procedures;
- Using the Contracts Register on the Scotland Excel website to provide information on the scale and nature of procurement by a contracting authority (enabling the market to identify opportunities); and
- Fully debriefing of unsuccessful candidates and tenderers to help them understand in detail the relative strengths and weaknesses of their bids to provide them with a focus for developing their business.

Scotland Excel will continue to provide its transparency enhancing activities outlined above. In addition,

- Its annual procurement strategy will set out how it intends to conduct its procurements and its annual procurement report will set out the scale and nature of its previous year's procurements, both of which will enable the market to identify further opportunities; and
- Scotland Excel foresees that it will continue to develop and enhance its debriefing of unsuccessful candidates and tenderers to assist them in future tenders.

Simplicity

Scotland Excel currently aims to make the process of accessing its procurements by candidates and tenderers as simple as possible. For example, it strives to ensure that its selection and award stages are designed in as simple and as clear a manner as possible, and fully and clearly explained to candidates and tenderers via PCS, the procurement documents and tenderer information sessions. Further, we make no charges for participation in our procurement processes and have no intention to do so.

Scotland Excel will build upon its current systems to make the process of accessing its procurements by candidates and tenderers as simple and straightforward as possible. Furthermore, it will consider whether other models of procurement might suit its

procurement categories, for example, consider substituting the procurement of framework agreements with the procurement and use of the dynamic purchasing model.

Access

Scotland Excel currently strives to ensure maximum access to its procurements by SMEs, third sector bodies and supported businesses in the following ways:

- Using only selection conditions and requirements, award criteria and conditions of contract that are proportionate to the framework agreement being procured;
- Undertaking significant preliminary market consultations to ensure that the market is aware of Scotland Excel's requirements and procurement plans;
- Dividing framework agreement requirements into lots to permit access from smaller businesses;
- Flexibly procuring our social care framework agreements to the extent permitted by the procurement rules; and
- Encouraging its suppliers, via community benefit tender commitments or otherwise, to consider: using SME, third sector and supported business sub-contractors to fulfil the contract requirements; and providing / facilitating development activities within its supply chain.

In addition to its current access enhancing activities outlined above, Scotland Excel foresees that it will further develop the access of SMEs, third sector bodies and supported businesses to its procurements and plans to:

- take full advantage of the new public procurement rules to help participation of these organisations, such as: limited financial capacity no longer being a bar on being selected to tender; only asking relevant and proportionate questions and requiring the satisfaction of proportionate minimum conditions and requirements in the new ESPD (Scotland); and, limiting the qualification-related evidence required by bidders to the minimum necessary;
- take steps to encourage the participation of consortiums involving SMEs, third sector bodies and supported businesses;
- consider whether it is appropriate for certain framework agreements, or lots thereunder, to reserve participation, or certain contracts, to supported businesses;
- consider ways to further encourage its suppliers (e.g. legally enforceable community benefit contract commitments, or softer means) to consider: using SME, third sector and supported business sub-contractors to fulfil the contract requirements; and providing / facilitating development activities within its supply chain;
- consider how the flexible procurement regime for health and social care might encourage SME, third sector and supported business bidder, for example, by reducing for them any administrative burden barriers to participation; and

- continue to encourage participation by local companies in Scotland Excel's tender opportunities. For example, Scotland Excel will: continue to host supplier events and train suppliers on our e-procurement platforms; continue to strengthen our partnership with the Supplier Development Programme; engage with industry bodies, such as the Federation of Small Businesses and Chambers of Commerce, all to identify opportunities to improve access for SMEs.

4 Promoting innovation

4.1 What does this mean?

Under its sustainable procurement duty, Scotland Excel must, before carrying out a regulated procurement, consider how in conducting the procurement process it can promote innovation. This means Scotland Excel can influence the market towards innovative solutions. This might involve: innovation in the design and delivery of public services; the procurement of innovative goods and services; and innovative procurement processes and models.

4.2 How Scotland Excel Implements this

Not only do a number of Scotland Excel's framework agreements facilitate the purchase of innovative technologies by our members, but Scotland Excel has driven: the procurement of innovative goods and services; and, innovative procurement processes and models.

In relation to the former, Scotland Excel implements government policies through its procurements and thus drive demand for, and the development of, new goods / services available to our members. For example, the provision of a recycled furniture lot in our recent Domestic Furniture and Furnishings procurement process was driven by the government 'circular economy' policy. The desire for such a lot was only developed at the instigation of Scotland Excel via our preliminary market consultations.

In relation to the latter, Scotland has been at the forefront of developing novel ways to encourage its suppliers to pay at or above the living wage and provide economic, social and environmental community benefits to their wider community. Furthermore, we have helped establish and embed the development of e-procurement and the use of e-catalogues and e-invoicing through our frameworks.

Scotland Excel will continue to proactively monitor the legislative, policy, commercial and market place backgrounds in order to identify opportunities through which it can develop, or encourage its members or suppliers to develop new: ways to deliver public services; goods and services; and procurement processes and models, and contractual models.

Scotland Excel, in a spirit of continuous improvement, will also further build knowledge and understanding through collaboratively engaging with Scottish Government and Zero Waste Scotland, and by further developing relationships, it will actively participate in the development of new learning initiatives with other sectors including higher education.

5 Supporting our members

Scotland Excel actively promotes the sustainable “whole organisation” approach to procurement starting at the very beginning of the procurement process when customers (local authorities) begin to consider their contract requirements.

In line with this approach Scotland Excel are also committed to taking a lead role in the delivery of sustainable procurement through being an advocate of best practices, facilitating sharing knowledge and support, and building capacity and capability within local authorities across Scotland.

Where required, Scotland Excel will support its members with duties arising from the new procurement rules applicable in Scotland. We will work with partners and members to ensure that tools and guidance to support sustainable procurement are developed and used to maximise social, economic and environmental benefits.

6 Summary, Key Principles and Outcomes

Scotland Excel is totally committed to the on-going development of, and delivering, this Sustainable Procurement Strategy. As the Centre of Procurement Expertise for Local Authorities it is appropriate and suitable that Scotland Excel aims to be at the forefront of best practice.

For Scotland Excel, procuring responsibly and sustainably means adhering to our sustainability principles:

- We will deliver best value collaborative contracts which fully incorporate sustainability considerations and support the delivery of best practice sustainable procurement;
- We will ensure that the procurement decisions we take are full informed to so that resulting courses of action have the minimum possible impact on the environment, both now and in the future. We aim to increase knowledge and skills to evaluate and respond to conflicting demands;
- We will continue to further embed ethical and social issues into the procurement process including the Living Wage and Community Benefits, and will be proactive in addressing issues of broader human rights within the supply chain;
- We will demonstrate the highest possible professional standards, which we will underpin by providing effective training, development and support to all staff involved in the procurement process. We will fully meet the requirements of the Chartered Institute of Purchasing and Supply (CIPS) Code of Ethics;
- We will engage with suppliers across all the markets in which we work and simplify our processes wherever possible, helping to better equip them to compete for public sector business. We will work in partnership with suppliers to drive sustainability benefits from contracts;

- We will share expertise, best practice and engage with internal and external stakeholders to promote approaches to sustainable procurement. We will monitor our progress and publish outputs; and
- We will keep abreast of developments and take an innovative approach to sustainable procurement, ensuring that our decisions are based on prevailing best practice.

Successful implementation of this strategy will be demonstrated by delivery of the following outcomes:

- Procurements with potential for high sustainability impacts clearly identified and appropriate mitigation plans and actions determined;
- Specifications include sustainability considerations (including whole life costing) ;
- Terms and Conditions upgraded to include appropriate sustainability and corporate social responsibility provisions.
- Sustainability within the Evaluation Criteria appropriately weighted;
- Improved transparency of Contractors position regarding Workforce matters (in particular payment of the Living Wage;)
- Increased Number of Contractors paying the Living Wage;
- Reduced Number of Contractors using zero hours contracts;
- Provision of Community Benefits will be maximised;
- Improved assurance that goods on Scotland Excel Frameworks are ethically sourced;
- Raised production and process standards;
- Waste and environmental impacts will be minimised;
- Increased participation from small and medium sized local businesses, supported businesses and the third sector; and
- Higher consumption of healthy and nutritious food.

7 Change Control

Amendments to this document can only be authorised by the Author and in accordance with approved processes and procedures.

The electronic version of this document held by the Custodian is the only true version – all printed copies are uncontrolled.

8 Document history and version control

Document Title	Sustainable Procurement Strategy.
Document File Name	Sustainable Procurement Strategy draft v0.3
Revision No.	Draft v0.3
Author (Business Owner)	Procurement Coordinator (Policy) (Procurement Development Manager).



Scotland Excel

To: Joint Committee

On: 9 December 2016

**Report
by
Director Scotland Excel**

Learning and Development Strategy Update

1. Introduction

This report illustrates the proposed Learning & Development (L&D) strategy to members. This is a progressive strategy fulfilling the needs of the local authority community.

2. Background

Providing L&D leadership to our members has been at the heart of Scotland Excel's strategic direction since inception. The organisation has delivered a national and award winning service throughout this period. Increasingly however, the local government community has highlighted the challenges of educating their workforce in a sustainable manner, supporting their continuous professional development through a mode which delivers practical results in the workplace.

One of the main delivery mechanisms provided by Scotland Excel was provision of one day standalone courses delivered through an external training provider. With this contract having come to an end on the 30 November 2016 and our community asking for a more progressive L&D solution, a new strategy was required. To inform the strategy, structured interviews were conducted across the local authority community capturing the communities' current and future needs nationally. A 3 month pilot then implemented outcomes from the consultation, followed by multiple lessons learned exercises, which further inform this paper.

3. L&D Strategy

Scotland Excel Academy: [<http://academy.scotland-excel.org.uk>]

We have created an online learning platform through the Scotland Excel Academy, replicating best practice from Scotland's Higher Education community. Through the Academy, we will deliver a portfolio of multi-disciplinary L&D provision supporting Procurement; Leadership & Management and Project Management knowledge. Image 1 illustrates the Academy.

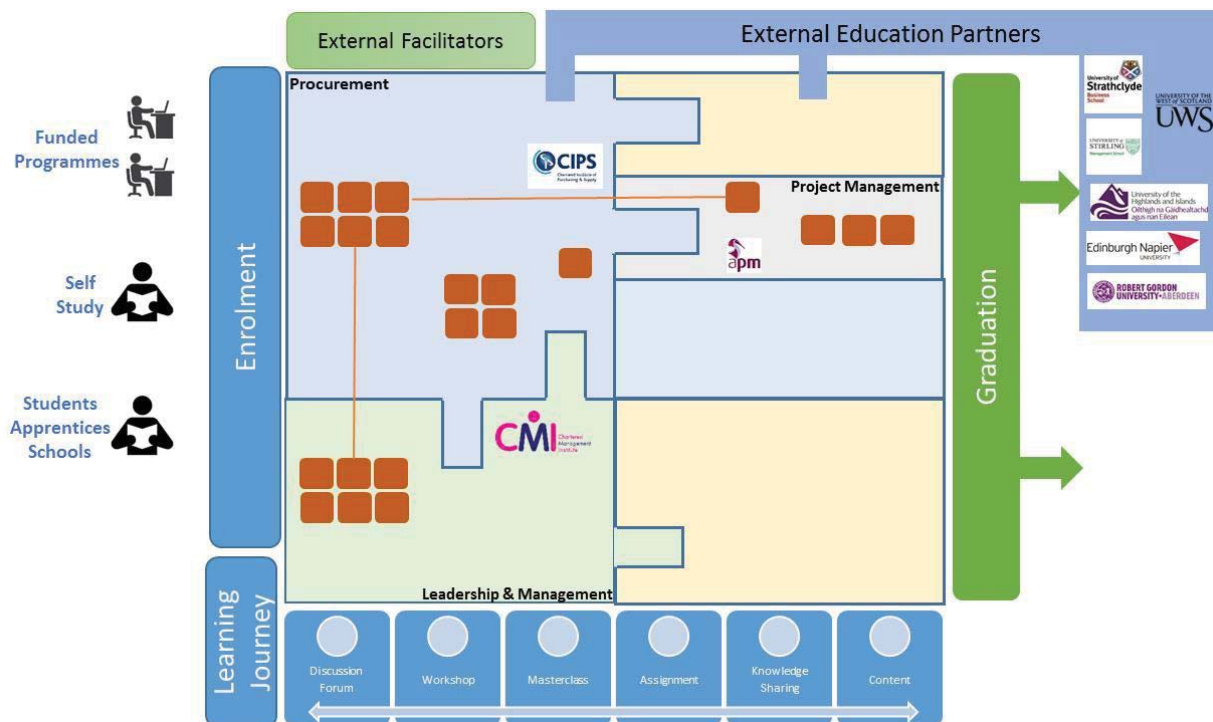


Image1: Scotland Excel Academy

Each L&D programme detailed in image 1 supports a methodology comprising self-directed learning; face-face workshops and work based projects. The overarching objective is to impart practical knowledge to the learners that can be implemented in the learners' work based practice to realise tangible outcomes.

Partnering with professional bodies and collaborative Scottish business schools, the L&D strategy can incorporate best practice and current thought leadership within its core delivery.

Responding to the communities' needs, the programmes will be accredited with the professional bodies resulting in the learners earning professionally recognised qualifications in addition to acquiring useful knowledge.

As learners outgrow the Academy, pathways have been established with regional academic partners where learners can continue their continuous professional development and lifelong learning.

Procurement:

Scotland Excel is in discussion with the Chartered Institute of Procurement and Supply (CIPS) professional body. It is our intention to deliver the CIPS Practitioner and Advanced Practitioner programmes.

Whilst discussions and negotiations at an early stage, current discussions appear promising. Scotland Excel is striving to negotiate a compelling blended learning

proposal as an alternative to the current model of self-directed study and exams. It is anticipated that the price point of the programme may be restrictive, however discussions will continue.

Leadership & Management (L&M):

Scotland Excel has now earned Approved Centre status with the Chartered Management Institute (CMI) and is therefore validated to deliver professional L&M qualifications.

Scotland Excel will deliver Certificate and Diploma programmes in Management & Leadership accredited by the CMI.

This provision also supports two themes of the Scottish Government's Procurement Competency Framework.

Project Management:

Scotland Excel has licensed content from the Association of Project Management (APM) professional body. Therefore project management knowledge can be incorporated into multi-disciplinary modules and programmes (non-accredited).

Scotland Excel also plans to deliver an introduction to project management module and an accredited project management module through our CMI Approved Centre status.

Evolving Strategy:

It is Scotland Excel's intention to evolve and scale this strategy, expanding collaboration with other professional bodies, and external partners, where this fulfils the local authority communities' needs. For example, working towards implementing a commercial best practice programme accredited with one of the finance professional bodies.

Image 2 illustrates a 5 year Academy roadmap across the 3 knowledge disciplines, complemented by regional workshop delivery.

Two other themes are illustrated in image 2. Sustainable change can be realised through blending standalone L&D needs into Scotland Excel's *Leading Change* initiative, resourcing the local authorities' change needs with our Business Change Project Management team.

The Scottish Government's Procurement Competency Framework provides opportunities for Scotland Excel to cohesively support the medium-long term development of the local authority community. Through our Co-Chairing of the Scottish Government's Professional Practice & Development Strategic Forum (PPDSF), we are striving to inform the debate and explore sources of funding to support the wider Procurement Competency Framework L&D needs.

In summary, this strategy creates the Academy online learning platform supplemented with face-face workshops and online debates to deliver a L&D provision that fulfils the communities' needs. Workshops will be delivered regionally

and peer networks will be established both regionally and nationally, supported by the Academy online debates and knowledge sharing.

Multi-disciplinary programmes will develop the community with learners earning professionally accredited qualifications. Acquired knowledge can be implemented in the learners' work based practice. Assessed work based projects enable the learners to deliver tangible outcomes for the benefit of their organisations.

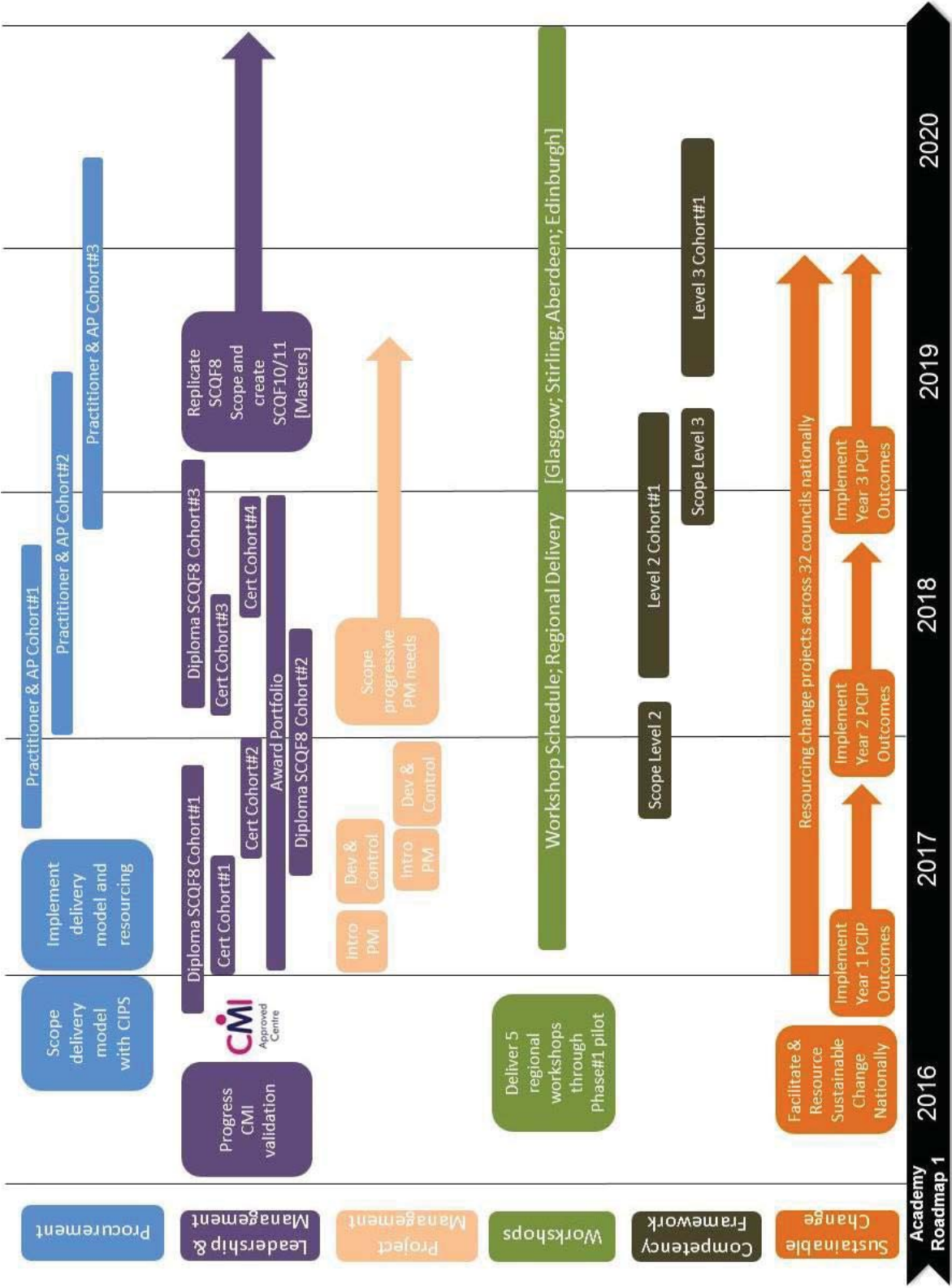
Where learners outgrow the Academy provision, six established regional academic partnerships create pathways for learners to support their ongoing continuous professional development and lifelong learning.

External partnerships provide opportunities to inform the programme delivery with best practice and current thought leadership from subject matter experts.

4. Recommendation

Members are invited to note the progress and approve the recommendation to implement the strategy.

Image 2: Academy 5 Year Roadmap





Scotland Excel

To: Joint Committee

On: 9 December 2016

**Report
by
Director Scotland Excel**

Associate Member Strategy

1. Introduction

This report provides an update on the work Scotland Excel has undertaken with regard to Associate members. The attached strategy seeks to detail the organisations recommended direction with regard to this group.

2. Background

At the time of publication of the attached strategy, Scotland Excel had 32 Scottish local authority members and 47 associate members. Eligibility to join as an associate member is determined within the governance of Scotland Excel and derived from the 1970 Local Government (Goods and Services) Act, as amended by the Local Government (Scotland) Act 2003.

In addition to full members and associate members, a reciprocal agreement is in place which allows use of frameworks to bodies represented by the other 3 centres of expertise at no charge:

- NHS - National Shared Services (NSS)
- Advanced Procurement for Universities and Colleges (APUC)
- Scottish Government Procurement

Scotland Excel, as part of its three year strategy, has sought to grow its associate membership whilst maintaining focus on its core membership. In order to formally document the approach, an associate member strategy has been developed.

3. Associate Member Strategy

The attached strategy covers a number of areas:

Membership and Services

The cost of membership is currently decided based on levels of spend by the organisation and ranges from £500 to a maximum of £30,000. Service offering falls into three broad categories; collaborative procurement, capability services and learning and development.

To-date little has been done to “actively” promote associate membership and very limited support is currently provided to associate members.

Competitive Analysis

A high level competitive analysis has been undertaken utilising the three service categories identified. In addition to the competitive analysis, this strategy attempts to identify the unique selling points of the organisation that provide competitive advantage and therefore enable a successful implementation of this strategy.

Competitive advantage may be viewed as offering better value to customers through better pricing or by demonstrating higher benefits at an equivalent or greater price. As a public body, the aim of the organisation is not to maximise shareholder returns but rather to return maximum value to its stakeholder members and ideally the wider public family. Its aim is therefore not to dominate a market but rather provide a cost effective and high quality service or product to its members.

Market Strategy

Scotland Excel utilised a formal mechanism to consider the directions to take in its market strategy. This model considered four elements:

- Provide more existing services to its existing market
- Provide existing services to new market
- Develop new services for a new market
- Develop new services for its existing market

In considering the above approaches the following target markets were identified:

- Housing Associations
- Transport Partnerships
- Charitable Organisations
- Arm's Length Organisations
- Integrated Joint Boards

Key Recommendations

A number of recommendations are contained within the Associate member strategy. The following list represents the key recommendations to be considered. Members are asked to approve these recommendations and the approach being taken by Scotland Excel.

Target Market:

Scotland Excel has identified housing associations as the first group to be targeted for growth in associate membership. This recommendation is linked and dependent on the proposal for Scottish government to fund a small project team within Scotland Excel to work within this sector.

Arm's Length Organisations:

The 19 ALEOs currently registered as associate members pay no fee. This is a historic agreement that argues, as originally part of local government, their fee is covered within Scotland Excel's core requisition.

Recognising the significant financial challenges that members are facing and potentially also within their ALEOs, it is recommended that implementation of any fee should be postponed to a future date.

Reciprocal Agreement:

Reciprocal fee waivers are in place for a number of organisations:

- NHS trusts and organisations served by National Shared Services (NSS)
- All higher and further education organisations covered by Advanced Procurement for Universities and Colleges (APUC)
- All Non Departmental Public Bodies (NDPB) supported by Central Government Procurement

Overall this fee waiver will cover over 150 organisations. In addition to a fee waiver, organisations utilising Scotland Excel frameworks may also earn a monetary rebate against their expenditure.

It is unclear at this stage what extent local government makes use of framework agreements provided by the above centres of expertise. Understanding this and the potential impact to Scotland Excel core members is key to any future changes to this agreement. It is recommended that further analysis of this potential impact be undertaken and reported back to committee.

Membership Fees:

The associate membership fee for Scotland Excel was reviewed in 2015 and a new three tier model implemented. The fees structure agreed was as follows:

- Contract spend up to £10,000 pay a £500 annual membership fee.
- Contract spend between £10,000 and £50,000 pay a £1000 annual membership fee.
- Contract spend over £50,000 pay a membership fee which represents a percentage of the spend. In this instance a maximum fee of £30,000 has been set.

The new fee structure works relatively well at the first and second tiers but has caused some difficulty at the third tier. Although one new third tier member was successfully signed up in 2016, the calculation process tends to be fairly detailed and not immediately available to the prospective customer.

It is recommended that further work be undertaken to ascertain a better third tier fee structure and also investigate the possibility of a specific fee structure for housing associations. Any results of this will be reported back to committee.

4. Recommendation

The Joint Committee is asked to note the progress made and to approve the attached Associate Members strategy.

ASSOCIATE MEMBER STRATEGY

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1 INTRODUCTION

This document contains the strategic direction and recommendations for operating Associate membership of Scotland Excel. This strategy should be read in conjunction with the organisation's corporate strategy 2015-18¹

Since the organisation's inception, governing members of the organisation were keen to ensure the focus of its efforts were fixed on its core membership. As the organisation has matured and in significantly more challenging financial times, Scotland Excel's Joint committee has been supportive of the organisation exploring alternative funding sources. A key caveat to this is that these sources do not conflict with the objectives of the organisation or dilute the support given to the local authority members

The aim of the strategy is therefore twofold:

- Explore the method of offering supplementary and complementary services to a second tier of members that generates potential incremental income whilst having no detrimental impact on our core members.
- Providing Additional value to the wider public family.

2 BACKGROUND

Scotland Excel was formed in 2008 as the procurement centre of expertise for Scottish local authorities. It is a leading non-profit organisation representing all 32 local authorities.

In addition to full membership offered to Scotland's local authorities, the organisation offers access to its frameworks and additional services through associate membership. Associate members pay a significantly reduced fee in comparison to full members and therefore play no formal role in the governance or strategic direction of Scotland Excel. As a public body however, Scotland Excel endeavours to return additional value to the wider public family and does so through its use of associate membership. A robust governance process is utilised to ensure that organisations that apply fit within the public and third sector and also fully serve a public purpose.

Although associate membership has been in place since the outset of the organisation it is now felt prudent to review the strategic direction of this customer segment, consider the current operational model and make a series of recommendations on how to proceed.

¹ [Scotland Excel Strategy 2015-18](#)

3 EXECUTIVE SUMMARY

At the time of publication, Scotland Excel had 32 Scottish local authority members and 47 associate members. Eligibility to join as an associate members is determined within the governance of Scotland Excel and derived from the 1970 Local Government (Goods and Services) Act, as amended by the Local Government (Scotland) Act 2003.

In addition to full members and associate members, a reciprocal agreement is in place which allows use of frameworks to bodies represented by the other 3 centres of expertise at no charge:

- NHS - National Shared Services (NSS)
- Advanced Procurement for Universities and Colleges (APUC)
- Scottish Government Procurement

The associate membership fee for Scotland Excel was reviewed in 2015 and a new three tier model implemented. The fees structure agreed was as follows:

- Contract spend up to £10,000 pay a £500 annual membership fee.
- Contract spend between £10,000 and £50,000 pay a £1000 annual membership fee.
- Contract spend over £50,000 pay a membership fee which represents a percentage of the spend. In this instance a maximum fee of £30,000 has been set.

Services offered by Scotland Excel that may be interest to associate members have been split into three broad categories; Collaborative Procurement, Capability services including consultancy, assessment and policy and provision of learning and development.

Scotland Excel has undertaken an analysis of the market and potential competitors to understand the opportunities and strategic direction for associate membership. Markets for associate membership include:

- Housing Associations
- Charitable Organisations
- Transport Partnerships
- Arms Length Organisations (ALEO)

It is the recommendation of this strategy that Scotland Excel focuses on housing associations as its primary market for development. There are approximately 170 Registered Social Landlords (RSLs) governed by the Scottish Housing Regulator (SHR). The SHR sets very clear and specific criteria for membership and these guidelines mirror the requirements for Scotland Excel to accept organisations as associate members. There are a number of reasons why this group of organisations fit well with Scotland Excel now and how the organisation can develop to support them going forward as associate members. These are covered within this strategy.

Scotland Excel, at the request of Scottish Government, has provided a proposal outlining the implementation of a small team of four people dedicated to the housing sector for a fixed period of 2 years. Future operation of this team would have to be self funded. This recommendation is based on the acceptance of this proposal.

Funding

Scotland Excel believes that all work related to associate membership should be self-funding. This recognises the challenging economic position its core membership currently face and likely to continue to face. Scotland

Excel will continue to seek alternative funding options similar to that discussed previously with Scottish Government and housing associations. It should however be recognised that in order to generate greater levels of associate member income resources and funding will be required. The main resource requirement areas are within business generation, account management and marketing. Any requirement for specific framework development would also require procurement resource.

Committee members may consider various funding options including re-investment of additional associate membership fees to generate greater returns or re-allocation of any budgetary surpluses. Scotland Excel recommends the creation of a robust business case for any resourcing and investment within this area whilst adhering to the self-funding principles.

Fees

The third tier membership is currently being reviewed and an alternative clearer method sought.

Reciprocal fee waivers are in place for a number of organisations:

- NHS trusts and organisations served by National Shared Services (NSS)
- All higher and further education organisations covered by Advanced Procurement for Universities and Colleges (APUC)
- All Non Departmental Public Bodies (NDPB) supported by Central Government Procurement

In addition to a fee waiver organisations utilising Scotland Excel frameworks may also earn a monetary rebate against their expenditure.

Options open to members include:

- Charging an associate member fee to these organisations and therefore terminating the bilateral fee waiver agreement.
- Retaining fee waiver as it currently stands.
- Retaining fee waiver but Scotland Excel retains any rebates earned by associate members.

It is unclear at this stage what extent local government makes use of framework agreements provided by the above centres of expertise. Understanding this and the potential impact to Scotland Excel core members is key to any future changes to this agreement. Further work is being undertaken in this area to consider the most beneficial route to core members and Scotland Excel.

The 19 ALEOs currently registered as associate members pay no fee. Recognising the significant financial challenges that members are facing and potentially also within their ALEOs it is recommended that implementation of any fee should be postponed to a future date. Guidance from members and committee is sought on this approach.

Scotland Excel is considering a more tailored fee structure for housing associations should this market sector grow to a reasonable scale. A number of ways are currently utilised by other member organisations in this sector and will be reviewed for suitability. The model that appears to be most accepted and utilised by housing associations is based on number of housing units.

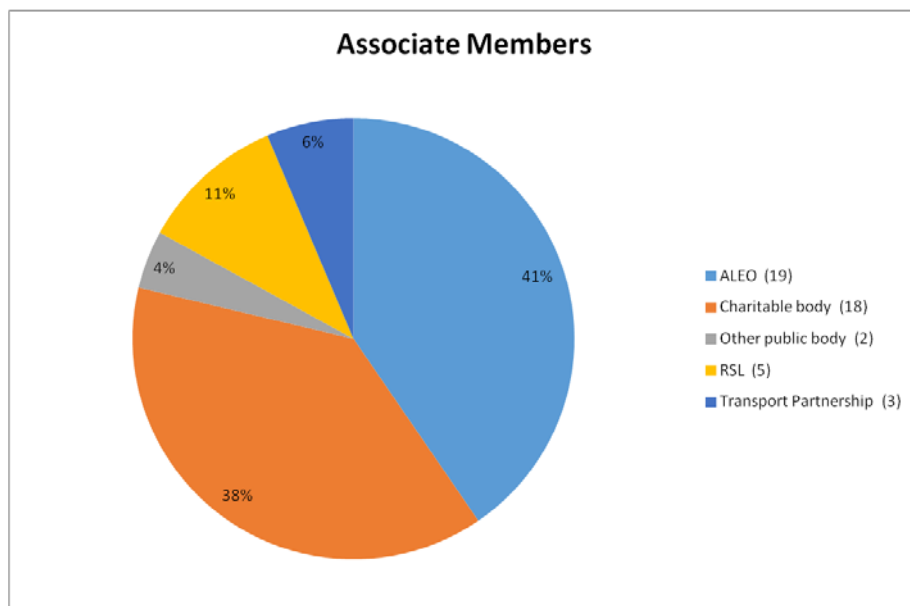
4 MEMBERSHIP AND SERVICES

At the time of publication Scotland Excel had the following membership profile:

- 32 Scottish Local Authorities.
- 47 Associate Members – (See <http://www.scotland-excel.org.uk/home/Aboutus/Ourmembers/Associate-members.aspx> on our website for a current list of associate members) A current list at time of publication is included in Appendix 1.

Associate members are split between various types of organisations which are represented in Figure 1.

Figure 1



Eligibility to join as an associate member's organisation is determined within the governance of Scotland Excel. "As a public sector procurement agency, Scotland Excel is restricted in the types of organisation which it can supply its services to. In order to become an associate member of Scotland Excel, the organisations Constitution, or Articles and Memorandum of Association must comply with the requirements of the 1970 Local Government (Goods and Services) Act, as amended by the Local Government (Scotland) Act 2003."

Non council bodies granted associate status typically fall under Part 1 Section 8(b) of the Local Government (Scotland) Act 2003. :

(c) a person who, in the circumstances set out in subsection (1L) below, enters into the contract in order to provide the local authority with goods or services, or with a person who, not being a public body, has functions of a public nature or engages in activities of that nature and the purpose or effect of the agreement is to facilitate discharge by that person of those functions or that person's engagement in those activities.

In addition to full members and associate members, a reciprocal agreement is in place which allows use of frameworks to bodies represented by the other 3 centres of expertise:

- NHS - National Shared Services (NSS)
- Advanced Procurement for Universities and Colleges (APUC)
- Scottish Government Procurement

The nature of this agreement has been discussed at a senior level to review its suitability. Each of the other three centres operate under a different central funding model affording this option.

4.1 Associate Membership Fees

The associate membership fee for Scotland Excel was reviewed in 2015 and a new three tier model implemented. The fees structure agreed was as follows:

- Contract spend up to £10,000 pay a £500 annual membership fee.
- Contract spend between £10,000 and £50,000 pay a £1000 annual membership fee.
- Contract spend over £50,000 pay a membership fee which represents a percentage of the spend. In this instance a maximum fee of £30,000 has been set.

The new fee structure works relatively well at the first and second tiers but has caused some difficulty at the third tier. Although one new third tier member was successfully signed up in 2016, the calculation process tends to be fairly detailed and not immediately available to the prospective customer. On a number of occasions, organisations that were felt to reside at this tier were confused by the inability to receive an immediate fee quotation. It is therefore recognised that a further review of this tier of associate membership and utilise a model that provides a clearer and timelier quotation to prospective members.

4.2 Service Offering

Services offered by Scotland Excel that may be of interest to associate members have been split into three broad categories:

- Collaborative Procurement
- Capability services including consultancy, assessment and policy.
- Provision of Learning and development.

Collaborative Procurement

Through collaboration with councils, suppliers, and partners, Scotland Excel has reached the point where we save Scottish local government in the region of £17m a year, while helping our members get the best possible value when it comes to sourcing the goods and services they need.

There are many factors at play in collaborative procurement - engaging, sharing, learning, benchmarking, agreeing, improving, and innovating - to name but a few. It is about achieving consensus not compromise. Scotland Excel procurement teams are committed to working with local authority colleagues to provide the best possible arrangements for all members.

Scotland Excel offers a number of frameworks to its members. Categories covered include:

- Construction
- ICT
- Education
- Social Care
- Fleet
- Corporate

The initial range of contracts offered by Scotland Excel was valued at circa £100m in 2008 and has grown to in excess of £700m today. While continuing to grow, the portfolio today embraces a wider range of goods and services with higher value and more complex contracts for technical and professional services. This increasing range of contracts has seen an increase in interest and in the use of the Scotland Excel portfolio by a wide range of organisations. Some of these are already associate members, some are not, and some gain access to the contracts through the principle of cross sector collaboration.

It is generally recognised that these organisations are making significant savings through the negotiated prices, economies of scale and the cost avoidance of having to run their own tenders.

The growth in the contract portfolio has resulted in a range of new opportunities for existing Associate Members and offers the potential to attract a wider range of organisations to join as associate members going forward

Capability Services

In addition to its extensive contract portfolio, Scotland Excel offers a wide range of services designed to support the ongoing development of member capabilities. In the local government sector, there was a real willingness to work together to deliver improvements. Scotland Excel developed a programme to facilitate this based on three phases – assessment, analysis and action – with priorities for the next phase agreed with councils at an annual event. These priorities informed a rolling programme of workshops, best practice initiatives and consultancy services delivered by Scotland Excel to lead and support change

One of the key mechanisms utilised by Scotland Excel is the use of a formal nationally recognised assessment tool. The Procurement Capability Assessment (PCA) tool has recently been redesigned and renamed the Procurement and Commercial Improvement Programme (PCIP).

To date Capability Services have only been offered to Scotland Excel's core membership however, a recent Scottish Government funded pilot programme for Scottish Housing Associations has demonstrated a potential new market opportunity. This market is covered later within this document.

Learning & Development

Scotland Excel is recognised as leading the way in learning and development across the public procurement sector. We are committed to supporting procurement capability to further develop the specialist knowledge and skills that exist within local authorities.

Our Enhancing Procurement Capabilities training programme for 2016 is well underway. This offers a range of courses for public procurement staff at all stages of their career, whether starting out or continuing their professional development. Our courses cover a wide variety of topics in procurement, legal, finance and supplier management, as well as specialist courses for construction, professional services and ICT procurement.

All learning and development services are open to associate members. To date little marketing of this has taken place with associate members.

4.3 Marketing and Communications

In general, very little specific marketing or communication for associate members is undertaken other than the page on the corporate web site. Associate members will receive general communications that are aimed at a wider distribution such as the quarterly newsletter.

More recently Scotland Excel has sought to increase visibility and awareness of the organisation and has attended external events such as the Chartered Institute of Public Finance and Accountancy (CIPFA) annual conference and the Chartered Institute of Housing (CIH) conference. This necessitated the need for associate member collateral and a leaflet was produced internally to minimise cost.

A significant increase in marketing and communication is required to increase the visibility to potential associate members.

4.4 Account Management

Scotland Excel provides dedicated account management to each of its 32 members from a pool of four full time account managers. At a minimum this involves a formal quarterly business review meeting with corporate procurement managers and their teams to review a number of elements including contract usage. Account managers provide core members with an extensive amount of information and work to ensure member satisfaction.

To date it has been the policy to only provide account management to core members. This has recently changed with the enrolment of an associate member paying the maximum £30k annual membership. In order to provide ongoing support to this associate member it has been agreed to schedule a quarterly account management meeting. The extent of this meeting is currently under development.

5 COMPETITIVE ANALYSIS

A high level competitive analysis has been undertaken utilising the three service categories identified above. In addition to the competitive analysis, this strategy attempts to identify the unique selling points of the organisation that provide competitive advantage and therefore enable a successful implementation of this strategy.

5.1 Competitive Services

Procurement frameworks

There are a wide variety of competitive products offered in the market. These products are offered by both public and private organisations. A full competitive analysis is beyond the scope of this strategy.

Organisations that provide a degree of overlap include:

- NHS National Procurement (NP)
- Scottish Government Procurement
- Advanced Procurement for Universities and Colleges (APUC)
- Crown Commercial Services (CCS)
- Eastern Shires Procurement Organisation (ESPO)
- Yorkshire Purchasing Organisation (YPO)
- Procurement for Housing (PfH)
- London Housing Consortium (LHC)
- Central Purchasing Consortium (CPC)
- North East Procurement Organisation (NEPO)

The above list is not exhaustive but does cover a number of the more prominent organisations. A recent review of overlap with regard to frameworks suitable for the housing sector indicated overlap in particular with Construction and Corporate framework categories.

Scotland Excel works extensively with its core customers to ensure that the frameworks being developed are appropriate and within the strategic direction of its members and therefore the organisation. Through the Collaborative Leads Group (CLG), the organisations works with the other centres of expertise to agree a common collaborative strategy.

Capability Services

Competition for the provision of these services occurs primarily within the private sector. The services delivered under the “Leading Change” banner mirror many of the services provided by private sector consultancy organisations. Scotland Excel does not have the breadth of resources available to many of the larger private sector competitors. In addition, the organisation does not have the financial resources to make the scale of investment often required at the outset of these projects.

Competition also exists within the public sector. It is recognised that a number of other public bodies provide similar services to their own customers. These customers all reside within the wider public family but in more recent months these customer boundaries have become more blurred. The growth ambition of the NHS National Services Scotland (NSS) has shown that more work is required to understand both boundaries and opportunities for collaboration. NSS, a centrally funded organisation, have much greater funding and resources and have an ability to invest significantly in change projects.

Despite these challenges Scotland Excel can and does still undertake competitive exercises on behalf of its members.

Learning & Development

Competition for learning and development provision resides primarily in the private sector. There are a number of organisations providing generic and specific face to face training on a multitude of subjects. Private provision of training is fairly disparate and typically does not have the insight into our customers' needs that Scotland Excel has.

5.2 Competitive Advantage

Competitive advantage may be viewed as offering better value to customers through better pricing or by demonstrating higher benefits at an equivalent or greater price. As a public body, the aim of the organisation is not to maximise shareholder returns but rather to return maximum value to its stakeholder members and ideally the wider public family. Its aim is therefore not to dominate a market but rather provide a cost effective and high quality service or product to its members. It is however important for the organisation to understand its competitive advantage and unique selling points to maximise customer value.

Procurement frameworks

Scotland Excel frameworks have a number of competitive advantages over other organisations.

As a public body driven by the requirements of its members and not shareholders, the organisation is focussed on delivering frameworks providing true member value.

Scotland Excel does not add any hidden rebate costs to fund framework provision. A number of the organisations listed above do not "charge" for membership but recoup substantial returns on less than transparent rebates.

Scotland Excel adheres to the Scottish Model of procurement and delivers substantial incremental social value within many of its frameworks. This includes living wage, community benefit, Scottish SME centred activities and a number of other sustainability criteria.

Many of the frameworks provided by Scotland Excel are within challenging areas that other providers are not able to tackle. These frameworks predominantly within the social care arena continue to grow and provide important services to members.

The organisation provides associate members with access to a dedicated web based Catalogue Content Management (CCM) system.

A number of competitive organisations have advantage over Scotland Excel through their extensive resources and ability to invest. The use of embedded rebates appears to be their main funding mechanism. Scotland Excel operates within a regime whereby members prioritise framework areas and gaps unfortunately remain.

It is also worth recognising the challenges associated with restrictions to associate members who join after frameworks have been put in place.

A number of areas of opportunity exist for associate members and frameworks. These opportunities tend to be based on the nature of the associate member.

Capability Services

The most significant challenge to Scotland Excel capability services lies in the ability of competitors to invest and in resource availability. The organisation does not have the bandwidth or funding to create services or offerings for future potential customers. This “loss leader” strategy is commonplace within private sector organisations to initiate customer engagement. Larger consultancy bodies also have a wealth of pre-created services and a breadth of talent that Scotland Excel cannot offer.

Competition also exists from NSS although has been limited to date. This situation is expected to change over the coming period.

Scotland Excel’s competitive advantage lies within its knowledge and experience of local government, its primary customers. With eight years of experience in leading capability development the organisation has built a wealth of knowledge and a degree of intellectual property that provides its advantage. In 2015 the Joint Committee agreed to permanent funding for three full time employees to provide these services. In conjunction with a number of other internal resources, the organisation provides this predominantly to its core customers.

An additional competitive advantage lies within the ethos of the organisation to serve members and not shareholders. This provides a financial advantage over private sector competitors.

Limited scope exists within the existing organisation to provide these services beyond core customers to associate members. This is solely due to financial and resource constraints. This situation may however be changed if appropriate opportunities arose and committee members were willing for this approach to proceed.

Learning & Development

Learning and Development services from Scotland Excel have generally sought to provide cost neutral or free courses to its customer base. The primary aim is to maximise value and cover primary costs associated with training provision. In the past this has not covered the cost of learning and development administration. In 2015 the Joint Committee agreed to fund two full time resources for the provision of Learning and Development.

This cost neutral approach has provided significant competitive advantage over private sector providers. In addition, the knowledge gained from delivery of a highly successful service over a number of years has served the organisation and its members well.

Scotland Excel believe there are potential routes to developing Learning & Development services which are currently being considered within its Learning and Development strategy. This will require further investment but will also offer better services to associate members and therefore provide a competitive advantage.

6 MARKET STRATEGY

In order to consider the market strategy for associate members an analysis of existing and future markets was undertaken.

6.1 Strategic Options

Scotland Excel utilised the Ansoff matrix² to consider the potential directions to take. Figure 2 represents the matrix. The tool is a widely utilised specifically when considering market expansion.

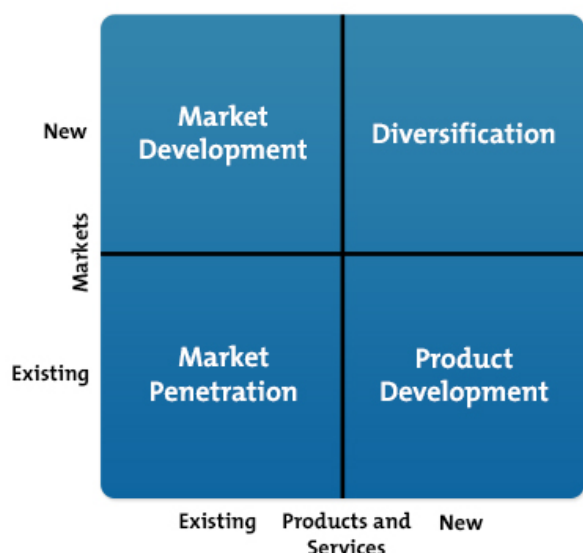


Figure 2

Market Penetration

This quadrant is where an organisation sets out to provide more of its existing services to its existing market.

Scotland Excel believe this is an important quadrant for the wider organisation. Growth of existing services to existing core members is an important part of our strategic direction and is covered within our corporate strategic plan. It is also equally relevant to our associate members.

The organisation has typically regarded its “market” as the wider public sector and made little effort to grow and develop this other than through an opportunistic approach. In addition to this, little effort has been placed on promotion of services to associate members once they join. Members once enrolled have little direct communication with the organisation and receive little support. Extensive work has however been undertaken with the organisational web site to provide a better “self-service” experience for members. A level of account management has also recently been introduced for third tier associate members and is outlined later within this document.

Market penetration may therefore be regarded as a “simpler” option where Scotland Excel seeks to develop its services and relationship with existing members with an aim to improve member retention and explore incremental revenue within this group.

² [Ansoff Matrix](#)

Market Development

This quadrant is where an organisation sets out to provide its existing core services to new customers within a new market

It may be argued that this is the quadrant that associate membership primarily resides. It is another important aspect to the organisations wider ambitions. Figure 1 demonstrated that the majority of associate members are currently arm's length organisations of our core membership.

In this quadrant we explore the division of our wider public sector market into a number of divisions. One example of this may be Housing Associations. At the time of publication there were 5 housing associations registered as associate members. This represents approximately less than 3% of the Scottish market.

Diversification

This quadrant is where an organisation sets out to develop new services and to provide them to new customers in a new market. This is typically the most radical and difficult market expansion for an organisation. With regards to Scotland Excel associate membership, it is felt that sufficient opportunities exist within other quadrants and that this strategic option be considered at a future date.

Product Development

This quadrant is where an organisation sets out to develop new services and provide them to customers within its existing market. Similarly to the diversification quadrant, with regard to associate membership, this strategic direction is less attractive than market development and market penetration. It should however be forefront within the wider organisational strategic direction where new services could potentially support existing members.

6.2 Target Markets

A number of potential markets that may be considered as part of the "market development" approach have been identified. The areas being considered do not encompass all potential areas available but provide enough opportunity for this strategic timeframe.

6.2.1 Housing Associations

The area which has been identified as offering the greatest potential opportunity for Scotland Excel to develop is that of housing associations. There are approximately 170 Registered Social Landlords (RSLs) governed by the Scottish Housing Regulator (SHR). The SHR sets very clear and specific criteria for membership and these guidelines mirror the requirements for Scotland Excel to accept organisations as associate members

There are a number of reasons why this group of organisations fit well with Scotland Excel now and how the organisation can develop to support them going forward as associate members.

Housing Associations are to be subject to procurement legislation, the Public Contracts (Scotland) Regulations, and as part of this the Scottish Government has stated that Housing Associations should undertake procurement assessments as part of the process to embed continuous performance improvement. These changes place a new burden on housing associations many of which have relatively small staff teams for whom the main task is providing and managing social rented housing and may have little if any procurement knowledge or experience.

Scotland Excel is in a unique position in the market place to become the partner of choice to housing associations to support them with the challenges that they face.

Scotland Excel offers:

- Compliant frameworks which enable organisations to easily and quickly access the goods and services they require (whilst recognising existing contract restrictions).
- An organisation which is based in Scotland, supporting the local economy with 70% of suppliers being SMEs.
- Promotes, as fully as possible, community benefits including the Living Wage, modern apprenticeships and training opportunities as part of contract delivery.
- Experience in reviewing organisations and assessing their procurement practices.
- Is a not for profit organisation with no shareholders or private partners.

However, there are specific new services that will need to be developed and offered to support the organisations and make membership an attractive option:

- Support to carry out tenders for specific goods and services which are not and would not be part of the Scotland Excel contract portfolio.
- Access to general procurement capability and policy services.
- A range of training for staff and management committees to allow them to understand procurement requirements and then specific training for staff carrying out procurement processes.
- Access to best practice to staff with technical skills but limited procurement expertise.

6.2.2 Transport Partnerships

Regional transport partnerships (RTPs) were established on 1 December 2005 to strengthen the planning and delivery of regional transport so that it better serves the needs of people and businesses.

RTPs are independent bodies defined in the Transport (Scotland) Act 2005. That legislation bases them on the local government model but they are not local authorities and they are not NDPBs. RTPs are like joint boards, bringing councils together to perform local government functions collectively and strategically over a larger area.

Three of the seven RTPs are existing associate members of Scotland Excel. Further work should be undertaken to engage the remaining four organisations.

6.2.3 Charitable Organisations

There are 24,122 different charities registered with the Scottish Charities Register (OSCR). Scotland Excel has eighteen (38 percent of current Scotland Excel members) that we regard generally as charitable bodies. This includes a wide variety of organisations by nature and scale. Scotland Excel can offer a number of attractive options to a number of these bodies and achieve bilateral benefits. These offerings and requirements are similar to those described above to housing associations in Scotland. The scale and diversity of charities is clearly however different and therefore will require a different approach.

6.2.4 Arm's Length Organisations

In recent years there has been a growing number of Arm's Length Organisations (ALEOs) set up by councils to deliver a range of services previously provided by the local authority. When the first of these were set up many years ago the argument was made that these were part of the council and as such should be given free associate membership of Scotland Excel. However, as the number and use of these has grown the nature of the relationship with the councils has changed and some organisations are almost completely separate from the council. Additionally, there is a growing demand from these organisations to have their own separate communication and engagement from Scotland Excel.

Currently there are 19 ALEOs which represents 41% of associate members. Governing members have questioned at committee on a number of occasions whether this group should continue to receive free membership. This is an area for further debate and consideration for committee members

6.2.5 Integrated Joint Boards

Legislation to implement health and social care integration, passed by the Scottish Parliament in February 2014, came into force on April 1, 2016. This brings together NHS and local council care services under one partnership arrangement for each area. In total 31 local partnerships have been set up across Scotland and they will manage almost £8 billion of health and social care resources.

At present procurement for IJBs has been undertaken through either local government or NHS budgets. Associate membership for IJBs should be discussed if further changes are applied to the IJB landscape.

7 RECOMMENDATIONS AND IMPLEMENTATION OF STRATEGY

This document has sought to consider the strategic direction for associate membership of Scotland Excel. It has considered; current membership, services offered and undertaken a high level competitive analysis. Utilising the Ansoff matrix, the potential strategic market direction has also been investigated.

This section of the strategy will now provide recommendations on the various options that are available.

7.1 Implementation of target markets

Potential markets for associate membership were previously identified in section 6.1.

7.1.1 Housing Associations

Scotland Excel has identified housing associations as the first group to be targeted for growth in associate membership.

A number of actions may be considered:

- Gain an improved understanding of the housing association market and segment to a suitable level. Initial recommendations are to target the top 40 in terms of revenue identified from the information available from the Scottish Housing Regulator.
- Agree a clear fee strategy for membership to allow effective marketing and discussions with organisations.
- Create appropriate marketing material specific to housing associations.
- Identification and provision of appropriate training courses covering an introduction to procurement, procurement legislation and then more specific technical procurement skills.
- Consider the development of an associate member user group to develop existing members, identify sector specific issues / solutions and to market services particularly training and consultancy.
- Consider a housing sector specific membership enrolment process. Rather than committee having to review and approve numerous reports submitted for housing association membership, provide delegated approval to officers to automatically approve if they are already members of the Scottish Housing Regulator.

Scotland Excel has previously worked with Scottish Government and housing associations to undertake a pilot project which investigated the procurement capability of the sector. This project was fully funded by Scottish Government and generated incremental income for Scotland Excel. In addition to the income it also allowed Scotland Excel to understand the market further and demonstrate its suitability as a partner of choice. Throughout this project it was made clear to all parties that no further work could be undertaken without additional funding. Scotland Excel, at the request of Scottish Government, has provided a proposal outlining the implementation of a small team of four people dedicated to the housing sector for 2 years. The team would provide the following:

- Resources to undertake procurement assessments. This would firstly focus on the 40 associations that are developing houses and then the remaining 130 or so over a longer period.
- Support for wider capability development in the sector.
- Support for implementation of procurement policy.
- A more detailed understanding of the spend profile of the sector.
- Undertake appropriate procurement exercises appropriate to the sector.

This proposal brings a number of benefits to our associate member strategy:

- Scotland Excel will gain a unique and detailed view of the housing sector spend profile.
- Promotion of Scotland Excel and benefits of associate membership.
- Increase spend on wider Scotland Excel frameworks hopefully providing further benefits to existing core members.
- Potential ability to create frameworks that will also benefit core members.
- A fully externally funded model.

The proposal has been presented to ministers by Scottish Government and Scotland Excel awaits a decision.

It is recommended that if the proposal is accepted by Scottish Government then this market should be the primary group for associate membership. Other groups may be considered based on resources required and opportunistic membership progressed when received.

7.1.2 Transport Partnerships

The remaining four transport partnerships have been identified. An initial analysis of existing transport partners will be undertaken to quantify benefits and understand which frameworks are currently being utilised. Once this is completed each partnership will be contacted and meetings organised.

7.1.3 Charitable Organisations

Rather than target each of the specific sectors within this market, it is recommended that a more specific product or service offering be communicated to enrol new members. This is more about targeted communication rather than provision of a new product or service.

This approach would be progressed once the work on the primary group (housing associations) is at a more mature stage in its development.

7.1.4 Arm's Length Organisations

The challenges regarding ALEOs was covered previously within this document and is also covered later when discussing fee structures.

The scale of arm's length organisations across the 32 local authorities and wider public sector is unknown and unquantified in general. Further work may be undertaken to add clarity to this landscape.

Limited support is currently provided to the local authority originating ALEOs.

Further work on this market would again be undertaken after the primary group is addressed.

7.1.5 Organisations utilising Scotland Excel frameworks who are not members

Scotland Excel suppliers provide spend data on a quarterly basis. This data lists organisations who spend on frameworks. Suppliers have provided data that indicates spend by organisations who are not fee paying members of Scotland Excel e.g. in the last fiscal year there were over twenty housing associations listed as utilising frameworks yet only five fee paying members.

This associate level data has not been investigated further for accuracy but it is proposed that this is done as part of this strategic implementation.

7.2 Funding and Resources

Scotland Excel believes that all work related to associate membership should be self-funding. This recognises the challenging economic position its core membership currently face and likely to continue to face. Scotland Excel will continue to seek alternative funding options similar to that discussed previously with Scottish Government and housing associations. It should however be recognised that in order to generate greater levels of associate member income resources and funding will be required. The main resource requirement areas are within business generation, account management and marketing. Any requirement for specific framework development would also require procurement resource.

Committee members may consider various funding options including re-investment of additional associate membership fees to generate greater returns or re-allocation of any budgetary surpluses. Scotland Excel recommends the creation of a robust business case for any resourcing and investment within this area whilst adhering to the self-funding principles.

7.3 Associate Membership Fees

Associate membership fees should be considered in a number of ways:

Third tier membership

As previously highlighted, the third tier membership is being reviewed and an alternative clearer method sought.

Reciprocal Agreement

Reciprocal fee waivers are in place for a number of organisations:

- NHS trusts and organisations served by National Shared Services (NSS)
- All higher and further education organisations covered by Advanced Procurement for Universities and Colleges (APUC)
- All Non Departmental Public Bodies (NDPB) supported by Central Government Procurement

Overall this fee waiver will cover over 150 organisations.

In addition to a fee waiver organisations utilising Scotland Excel frameworks may also earn a monetary rebate against their expenditure.

Options open to members include:

- Charging an associate member fee to these organisations and therefore terminating the bilateral fee waiver agreement.
- Retaining fee waiver as it currently stands.
- Retaining fee waiver but Scotland Excel retains any rebates earned by associate members.

It is unclear at this stage what extent local government makes use of framework agreements provided by the above centres of expertise. Understanding this and the potential impact to Scotland Excel core members is key to any future changes to this agreement. Further work is being undertaken in this area to consider the most beneficial route to core members and Scotland Excel.

Arm's Length Organisations

The 19 ALEOs currently registered as associate members pay no fee. This is a historic agreement that argues, as originally part of local government, their fee is covered within Scotland Excel's core requisition. ALEOs currently make extensive use of Scotland Excel frameworks and in one instance receive extensive rebate income from use of the contracts.

Recognising the significant financial challenges that members are facing and potentially also within their ALEOs it is recommended that implementation of any fee should be postponed to a future date. Guidance from members and committee is sought on this approach.

Housing Associations

Scotland Excel is considering a more tailored fee structure for housing associations should this market sector grow to a reasonable scale. A number of ways are currently utilised by other member organisations in this sector and will be reviewed for suitability.

The model that appears to be most accepted and utilised by housing associations is based on number of housing units.

7.4 Service offering

Service offering to associate members may be regarded as a subset of that offered to core members. Further work will be undertaken to understand how these services may be positioned to better reflect the market sector e.g. Housing or charitable bodies.

7.5 Account Management

Scotland Excel recommends an account management approach for associate members which is proportionate to their scale and fee. This will initially be covered by existing account management resource whilst numbers are below an agreed level. This account management will likely be quarterly and seek to be a bilateral meeting providing benefits to both organisations.

7.6 Marketing and Communications

In order to better "sell" associate membership to prospective customers a significant marketing and communications effort will be required. Scotland Excel will review its marketing and communications strategy to consider how this can be achieved. Prior to this a review of current member communications must be undertaken. Resources and investment will provide challenges in this area also.

Appendix 1

Organisation Name
Angus Alive
Church of Scotland Social Care Council
City Building (Glasgow) LLP
Cordia (Services) LLP
Culture Perth & Kinross
CultureNL
East Ayrshire Leisure Trust
Edinburgh Leisure
Fife Cultural Trust
General Teaching Council
Glasgow Life
Hanover (Scotland) Housing Association
Hayfield Support Services with Deaf People
High Life Highland
Highland Reserve Forces and Cadets Association
Inverclyde Leisure
Islay and Jura Community Enterprise Ltd
Jobs & Business Glasgow
Jordanhill School
Kibble Education and Care Centre
Live Borders
Lochalsh and Skye Housing Association
North Area Transport Association
North Ayrshire Leisure Ltd
North East Transport Partnership (NESTRANS)
North Lanarkshire Leisure Ltd
RegenFX
Renfrewshire Association for Mental Health
Renfrewshire Leisure Ltd
River Clyde Homes
Rossie Secure Accommodation Services
Safer Glasgow
SB Cares
Scottish Wildlife Trust
Seamab School
SEEMIS Group LLP
South Lanarkshire Leisure and Culture
Sport Aberdeen
St Roch's Childcare Services
Strathclyde Partnership for Transport
The Firhill Complex
The Royal Zoological Society of Scotland
Transport Scotland
Tron Theatre
Trust Housing Association
Turning Point Scotland
Wheatley Group



Scotland Excel

To: Joint Committee

On: 9 December 2016

Report by Director Scotland Excel

Implications for Scotland Excel of a UK exit from the European Union

1. Introduction

This report gives an overview of the implications from a procurement perspective for Scotland Excel and its' member councils, as a result of a UK exit from the European Union (EU).

2. Summary

Public Procurement

Much of UK public procurement is regulated by EU rules, which are set out in the core EU Treaties, in EU directives and in Scottish (and UK, for England, Wales and Northern Ireland) regulations that implement the directives.

The Procurement Reform (Scotland) Act 2014 was designed to dovetail with the EU Directives and Treaty.

There is significant uncertainty surrounding the implications of a UK exit from the EU and this is compounded by the strongly divergent and subjective views arising from both sides of the debate.

This general uncertainty applies to the future of public procurement as the UK exits from the EU.

Possible Outcomes

If the UK government negotiates a deal with the EU which retains single market access, continued compliance with EU procurement law, in part or in full, is expected to form part of that deal.

It is not yet clear whether Scotland will be able to secure a separate deal regarding access to the single market. As in the case of a UK deal, continued compliance with EU public procurement law would be likely to form part of any such agreement for Scotland to remain in the single market.

Triggering Article 50 simply commences a process which will take around 2 years and possibly longer. The Great Repeal Bill proposed by the UK Government as the means of delivering Brexit will not change Scotland's procurement laws. Our law will only change as and when the Scottish Parliament and Government decide to make a change. The Scottish Government's position is that Scotland's interests are best served by retaining our position and status in the EU, including membership of the Single Market. So at this point, there can be no assumption that anything at all will change and in any event there can't be any changes in relation to our compliance with EU law until Brexit actually becomes a reality.

Economic Interests/Impacts on Businesses

There is emerging evidence of worsening exchange rates leading to pressure on contract pricing. Also, in the event that public procurement market access is reduced post-Brexit, Scotland's businesses may suffer as they may be denied access to contract opportunities and/or rights to protection against discrimination.

A recent House of Commons briefing paper, 'Brexit: impact across policy areas' suggests that the extent of UK cross-border public procurement is limited, 'An estimated 1.3% of the value of the larger UK public sector contracts were awarded directly abroad in 2009 – 2011. Some 0.8% of the value of larger public contracts secured by UK companies was directly from abroad.'

3. Scotland Excel Perspective

To date, the impact on pricing across the contract portfolio has been inconsistent, with some areas impacted more than others.

In groceries, discussions are ongoing, but price increase requests have been received that could incur additional costs of between 1% and 2% over the contract value. This is outside the agreed price variation process, and as such this will not be supported without agreement from member councils.

In construction materials, price variation requests averaging between 7-12% have been received. Such requests were not blanket across all products but limited to specific brands. The final variations, where accepted, were around 1-2% with a number of additional reductions, and all were within defined price review periods.

Looking forward, a number of suppliers across several categories have indicated that ongoing review of their supply contracts is underway, which will almost certainly result in price increase requests being submitted early in 2017.

Scotland Excel will continue to follow the pricing review requirements agreed with all participating suppliers at the award stage as a condition of contract. This clearly defines the relevant timescales that price change requests can be issued, and the supporting evidence required.

4. Recommendation

It is recommended that Joint Committee members note the content of this report.



Scotland Excel

To: Joint Committee

On: 9 December 2016

**Report
by
Director Scotland Excel**

Update On The Contract Delivery Plan

1. Introduction

This report provides a progress update on the 2016/2017 contract delivery plan.

2. Progress to Date

As detailed in appendices 1 – 3, the 2016/2017 contract delivery plan comprises framework renewals, new developments, framework extensions and frameworks with ongoing contract management only.

Contract delivery remains very active, with seven contracts delivered so far, and another 11 planned by March 2017. In addition, 11 contracts have been extended so far, with a further two planned by March. As such, the value of the portfolio is expected to grow to around £800m by March 2017. The forecast value for the framework for Energy Efficiency Contractors has been maintained at £40m at this stage; however, it is likely that this will increase.

The key growth area is construction, where delivery predictability has been constrained in the past due to a combination of resource availability and extended stakeholder consultation, and efforts will continue to ensure that we engage with the appropriate local authority representatives to ensure that contracts delivered align with council requirements. In addition, we will continue to ensure that focus is maintained on the high priority areas, supported as appropriate with additional resources, contained within the current budget.

In parallel to the contract delivery plan, Scotland Excel continues to provide procurement and contract management care home services for older people, the details of which are the subject of a separate report. Efficiencies delivered to date are in line with the targets set at 5%.

3. Conclusion

Members are invited to note the progress made to date.

Appendix 1 - List of contracts to be renewed

2016/17

Service	Estimated Annual Collaborative Contract Opportunity	Activity	Original Forecast Date	Previous Forecast Date	Delivered Date	Latest Forecast Date if Different	Forecast Savings Range	Delivered Savings Forecast	Comments
Groceries & Provisions	24,000,000	Renew	Mar-16		Mar-16		2% - 4%	8.3%	Presented and approved at Exec Sub Committee 04/03/16
Electrical Materials	14,000,000	Renew	Mar-16		Mar-16		2% - 4%	5.1%	Presented and approved at Exec Sub Committee 04/03/16
Waste Disposal Equipment	1,250,000	Renew	Mar-16		Mar-16		2% - 4%	5.0%	Presented and approved at Exec Sub Committee 04/03/16
Catering Sundries	6,000,000	Renew	Sep-16		Sep-16		2% - 4%	7.0%	Presented and approved at Exec Sub Committee 16/09/16
Domestic Furniture	20,000,000	Renew	Sep-16		Sep-16		2% - 4%	0.1%	Presented and approved at Exec Sub Committee 16/09/16
Vehicle Parts	12,000,000	Renew	Nov-16				2% - 4%		ITT published 19th Sept, closed 17th October
Personal Protective Equipment	7,500,000	Renew	Jan-17				2% - 4%		ITT in development, due to be published imminently
Bitumen	15,000,000	Renew	Mar-17				2% - 4%		ITT in development, due to be published imminently
Fostering	25,000,000	Renew	Mar-17				n/a		ITT published 7th Sept, closed 26th Oct
Education & Office Furniture	9,000,000	Renew	Mar-17				2% - 4%		Technical group currently assessing requirements with feedback being collated.
Education Materials	10,000,000	Renew	Mar-17				2% - 4%		ITT in development, due to be published November 2016
Engineering Consultancy	17,000,000	Renew	Mar-17				2% - 4%		Tender Released - closes 1st December 2016
Secure Care	20,000,000	Renew	Mar-17				n/a		ITT published 19th Sept, closed 25th Oct

Appendix 2 – List of new contracts to be developed and delivered in 2016/17

Service	Estimated Annual Collaborative Contract Opportunity	Activity	Original Forecast Date	Previous Forecast Date	Delivered Date	Latest Forecast Date if Different	Forecast Savings Range	Delivered Savings Forecast	Comments
Customer Services Platform	3,750,000	New contract	May-16		May-16		2% - 4%		Presented and approved at Exec Sub Committee 13/05/16
Street Lighting (Bulk Renewal of Luminaires)	5,000,000	New contract	May-16		May-16		2% - 4%		Presented and approved at Exec Sub Committee 17/06/16
Demolition	16,000,000	New contract	Mar-15	Dec-15		Dec-16	2% - 4%		Timeline delayed due to legal challenge. After successful outcome, Exec Sub Committee approved recommendations on 18th Nov with a contract start date expected by mid Dec 2016.
Energy Efficiency Contractors	40,000,000	New contract	Mar-14	Dec-16		Mar-17	2% - 4%		Ongoing. Technical UIG approved lots and working towards completion of ITT
Playground Equipment & Artificial Surfaces	17,000,000	New contract	Mar-15	Dec-16		Mar-17	2% - 4%		ITT published Fri 7th Oct. Closes 28th Nov
Surveying & Construction Management	8,000,000	New contract	Mar-15	Mar-16		TBA	2% - 4%		ON HOLD - Subject to resource. Priority given to council requirement for Energy Efficiency.
Adult Supported Living	30,000,000	New contract	Dec-12	Mar-16		TBA	N/A		ON HOLD - Subject to funding, project schedule & timeline can be defined

Appendix 3 – Contracts with extension options and contract management activity ongoing in 2016/17

Contracts with extension options in 2016/17

Contract Description	Est Annual Value
Meats - Fresh, Prepared and Cooked (incl. Fresh Fish)	£ 7,000,000
Trade Materials	£ 7,667,000
Road Maintenance Materials	£ 2,500,000
Vehicle and Plant Hire	£ 20,000,000
Street Lighting Materials	£ 35,000,000
Tyres	£ 6,000,000
Roadstone	£ 35,000,000
Heavy Vehicles	£ 33,750,000
Agency Workers Social Care	£ 20,000,000
Asbestos	£ 8,000,000
Telecare & Telehealth Technologies	£ 3,400,000
On Line School Payments	£ 2,500,000
Signage	£ 2,000,000

Contracts with no renewal or extension activity but with ongoing contract management in 2016/17

Contract Description	Est Annual Value
Building and Timber Materials	£ 15,200,000
Children's Residential Care	£ 75,000,000
Frozen Foods	£ 13,000,000
Grounds Maintenance Equipment	£ 12,500,000
Heavy Plant	£ 12,500,000
Janitorial Products	£ 9,000,000
Light Vehicles	£ 25,000,000
Milk	£ 9,000,000
Recyclable & Residual Waste	£ 25,000,000
Recycle/Refuse Containers	£ 8,000,000
Salt for Winter Maintenance	£ 15,375,000
Security Services & Equipment	£ 18,000,000
Washroom Solutions	£ 3,500,000
Community Meals	£ 3,500,000
Plumbing Materials	£ 20,621,122
Organic Waste	£ 2,000,000
Library Books & Textbooks	£ 14,000,000
Care Homes for Adults with LD	£ 31,000,000
Presentation & Audio Visual	£ 6,000,000
Building Related Engineering Consultancy	£ 10,000,000

Scotland Excel**To: Joint Committee****On: 09 December 2016****Report
by
Director Scotland Excel****Operating Plan 2016-17****1. Purpose of the report**

In June 2015, Scotland Excel's Joint Committee approved the 2016-17 operating plan which supports the delivery of the organisation's three year strategy. This report presents the progress made during the first six months of the 2016-17 operating plan.

2. Progress report

Scotland Excel produces quarterly reports on progress made against the annual operating plan. These reports are submitted at the next scheduled Executive Sub-Committee meeting, and the Q2 (half year) and Q4 (year end) reports are also submitted to the Joint Committee.

A report on progress made against operating plan priorities during the first six months of the 2016-17 financial year can be found in Appendix 1. The report uses a 'traffic lights' system to indicate the status of each activity and includes a short summary of key actions taken during the reporting period.

At this stage in the year, the majority of activities are progressing in line with plans and are indicated by a green symbol. A small number of project-based activities are running behind schedule due to resource constraints and are indicated as amber.

At the June 2016 meeting, Joint Committee members requested a separate report on any operating plan activities which were highlighted as red within progress reports. As there are currently no activities within this category, no additional reports have been produced for this meeting.

The progress report also includes an update on the ten key performance indicators (KPIs) agreed at the previous meeting of the Joint Committee. This can be found on the final page of the report in Appendix 1, and the figures indicate an overall positive performance.

3. Recommendation

The members of the Joint Committee are invited to note the progress made against the operating plan for 2016-17.




Operating Plan





2016 – 2017



Half Year Progress Report

Goa1 1: Supporting the delivery of better and more effective public services

Strategic objectives	
1.1	Deliver a range of collaborative procurement and supplier development services which support customers at a strategic and operational level
1.2	Deliver a range of shared services which support customers in the development of their professional, organisational and commercial capability
1.3	Deliver a range of new shared services which support the effectiveness and efficiency of customer operations



Activity	Year 2 Priorities	RAG status	Progress summary
(a) Develop and implement a contract plan aligned to the strategic priorities of member authorities	<ul style="list-style-type: none"> • Develop a contract delivery plan for Joint Committee approval in December 2016 • Manage a flexible workforce model to resource contract delivery • Develop a plan for delivering the adult supported living and care at home strategy • Develop a proposal to secure ongoing funding to support older people's care home services • Develop proposals for partnering with other procurement organisations as appropriate • Hold biannual Commercial UIGs and interim steering group meetings • Communicate strategies for all key category areas 		<ul style="list-style-type: none"> • Work is continuing on a contract delivery plan for 2017-18 to be presented to the Joint Committee in December. • The workforce planning tool for procurement staff is being reviewed regularly, with resources reallocated across teams as required to ensure key objectives are met. • Proposals have been developed for adult supported living and care at home frameworks. Scotland Excel is exploring funding options to resource these opportunities. • Support for older people's care home services is progressing well, with market intelligence reports distributed to councils and a 'cost of care calculator' developed to aid fee negotiations. Consultation is underway with key stakeholders on a proposal for future funding of this work. • A partnership with Crown Commercial Services on the procurement of light and commercial vehicles has been agreed with councils. Work is underway to progress this in line with the contract renewal schedule. • The steering group met in August to discuss the Crown Commercial Services partnership and the opportunity to fund small value contracts through rebates. Commercial UIG meetings will take place in Q3. • All strategies have now been finalised and are being formatted for publication on the Scotland Excel website.




(b) Develop and implement a strategy and plan for the delivery of contract and supplier management	<ul style="list-style-type: none"> Implement a project to pilot the national CSM tool Develop a plan to roll out CSM across the portfolio Produce annual contract management reports for all contracts 		<ul style="list-style-type: none"> The contract and supplier management (CSM) pilot is progressing well. Feedback on the system from participants has been positive and its reporting capability appears to meet requirements. The results of the pilot and recommendations will be available at the end of October. A plan to roll out a CSM solution across the portfolio will be developed and implemented in Q4 based on the pilot results Annual contract management reports continue to be produced for all contracts, including a benchmark of savings against market indices and an updated risk matrix.
(c) Develop and implement a strategy and plan for improving supplier performance	<ul style="list-style-type: none"> Deliver an integrated programme of supplier development activity 		<ul style="list-style-type: none"> The results of the CSM pilot will inform the development of an integrated supplier development programme from Q4. In the interim, a template is available within the CSM tool to support supplier development activity.
(d) Manage the rollout of a new national procurement capability assessment to the local government sector	<ul style="list-style-type: none"> Complete the rollout of the current PCIP programme Analyse and report on PCIP results Schedule PCIPs for members not participating in 2016 Work with partners to agree the way forward for PCIPs 		<ul style="list-style-type: none"> Procurement & Commercial Improvement Programme (PCIP) assessments were completed with 13 councils by the end of Q2. The final 4 assessments in the 2016 schedule will be completed by 03 November. A report on the 2016 PCIP programme will be submitted to the Joint Committee in December. A second PCIP assessment cycle for councils which deferred their assessment is being planned for February to June 2017. Scotland Excel is continuing to work with cross-sector partners on future plans for PCIP. Proposals developed at a workshop in September are being considered by the project board.
(e) Develop and implement a programme to lead and support the development of procurement and commercial capability	<ul style="list-style-type: none"> Agree and resource development requirements with sector stakeholders Develop and deliver a development programme to Mar 2017 Deliver an Annual Conference to support development in Q4 		<ul style="list-style-type: none"> Following a sector steering group meeting in May, it has been agreed that each council will receive three days of development support. Requests for development support have been incorporated into a change programme which is now underway. One project has been completed and nine are in progress. A further 23 requests will be scheduled as resources become available. Planning for an annual conference in February 2017 will begin during Q3. An interim event for procurement leads will take place in Glasgow on 08 November.

<p>(f) Develop and implement a 'procurement academy' to support professional capability and encourage new entrants to public procurement</p>	<ul style="list-style-type: none"> • Develop and implement a blended learning strategy • Finalise recommendations for delivering the social care commissioning PDA • Develop and implement plans for recruiting 2 interns and a modern apprentice during 2016-17 		<ul style="list-style-type: none"> • A blended learning pilot, combining eLearning from professional bodies with regional workshops, was completed in September. The results of the pilot have been positive and the first full programme is expected to run from November 2016. A blended learning strategy will be presented to the Joint Committee in December. • Following stakeholder consultation, a new learning programme is being developed which supersedes the social care and commissioning professional development award (PDA). The Leading and Managing Strategic Commissioning programme is being piloted with Inverclyde Council, and will be more widely available from 2017. • Two graduate interns have been recruited to support procurement projects. Options for funding a modern apprentice will be considered in Q3.
<p>(g) Develop and implement a shared service offering for councils which meets their requirements in a changing public sector landscape</p>	<ul style="list-style-type: none"> • Develop a shared services strategy • Incorporate additional shared service income into annual funding proposals 		<ul style="list-style-type: none"> • The development a shared service strategy has been put on hold to enable focus on several shared service and/or funding opportunities which will be presented to the December Joint Committee. • Funding proposals for 2016-17 are being developed and will be presented at the December Joint Committee meeting.

Goal 2: Being sustainable in everything we do



Strategic objectives	
2.1	Work with stakeholders to develop procurement strategies which support the delivery of national and local policy priorities
2.2	Deliver positive and measurable social, economic and environmental impact to local communities
2.3	Lead and support customers in the development and implementation of best practice in sustainable procurement

Activity	Year 2 Priorities	RAG status	Progress summary
(a) Develop and implement strategies for responding to procurement and/or public sector legislation	<ul style="list-style-type: none"> Develop an action plan to ensure internal compliance with legislation Identify legislative areas to be incorporated within L & D plans for the sector Monitor risks/ opportunities arising from the Community Empowerment Act Develop a plan for engaging with IJBs/NSS Develop a plan for delivering waste category strategy recommendations 		<ul style="list-style-type: none"> An action plan has been developed and is underway. Contract Standing Orders have been updated to reflect new legislation, and the Standard Terms & Conditions of Supply are being reviewed. Guidance on the European Single Procurement Document (ESPD) has been provided to stakeholders. A Q2 review has indicated no current risks or opportunities arising for the sector from the Community Empowerment Act In Q2, Scotland Excel presented to the Integrated Joint Boards (IJBs) Chief Officers forum, issued surveys on older people's care to IJB Chief Officers and Finance Officers, and engaged with IJB Chief Officers through COSLA's Delivering Change Partners Group for adult care. A new framework for the treatment of organic waste is in development to assist councils with their legislative duty to collect household food waste, which came into effect in January 2016.
(b) Ensure Scotland Excel's collaborative frameworks support local and national government policy priorities	<ul style="list-style-type: none"> Continue to support fair working practices and other policy areas Continue to support policy aspects of social care frameworks Continue to represent the sector at the CRDG and support the roll out of recommendations 		<ul style="list-style-type: none"> Consideration of fair working practices and other policy areas continues to be embedded within all contract strategies. Tenders issued in Q2 for secure care, fostering and vehicle parts frameworks all included questions on payment of the Living Wage. Scotland Excel is continuing to monitor and respond to national social care policy developments to ensure that these are incorporated into our approach to new frameworks. Scotland Excel attended a Construction Review Delivery Group (CRDG) meeting in August. A local authority steering group has been established to input to the work of the CRDG, and will meet in October.

<p>(c) Ensure Scotland Excel's collaborative frameworks support positive local economic outcomes</p>	<ul style="list-style-type: none"> • Continue to encourage local business participation through procurement processes, partnerships and events • Embed community benefits in procurement processes • Develop and implement a new reporting approach for community benefits • Consider opportunities for supported businesses and/or third sector in contract strategies 		<ul style="list-style-type: none"> • Scotland Excel is continuing to support participation by local businesses in procurement opportunities. In Q2, staff took part in a Meet the Buyer event in Orkney, a third sector event in Glasgow, and a Supplier Development Programme training session in Falkirk. • Community benefits commitments made by the suppliers to the catering sundries and domestic furniture frameworks awarded in Q2 include jobs, apprenticeships, work experience, charity donations and sponsorship. • A new community benefits reporting template was issued to suppliers to capture benefits delivered from October 2015 to June 2016. The returns are now being analysed and a full report will be available in Q3. • The new domestic furniture framework includes 18 third sector organisations as suppliers, 17 of which are working through two consortia. The framework has also established opportunities for supported businesses in the supply chain.
<p>(d) Ensure Scotland Excel's collaborative frameworks support local government environmental duties and policies</p>	<ul style="list-style-type: none"> • Continue work with partners to develop policies and programmes in support of a National Brokerage model • Continue to embed environmental considerations through procurement processes 		<ul style="list-style-type: none"> • Scotland Excel continues to engage with the Scottish Materials Brokerage Service project. 19 councils have now signed up to the Household Waste Recycling Charter which supports the consistent collection of waste materials. • Environmental impact was considered in both contracts awarded during Q2. The catering sundries framework scored suppliers on the use of recycled materials in their products, and the new domestic furniture framework includes a lot for re-use furniture.
<p>(e) Champion the development and dissemination of best practice in sustainable procurement</p>	<ul style="list-style-type: none"> • Publish Scotland Excel's sustainable procurement strategy • Deliver stakeholder support for new legislative duties through L & D plans • Continue to represent the sector within the Scottish Government's Best Practice working group • Develop and implement a consistent approach to horizon scanning 		<ul style="list-style-type: none"> • Scotland Excel's sustainable procurement strategy has been completed and will be presented to the Joint Committee in December. • Scotland Excel is continuing to work with the Scottish Government and partners to explore options for delivering legislation training across all sectors. Legislative support is also being delivered to councils that have requested it through the capability development programme. • Scotland Excel continues to participate in the Scottish Government's Best Practice working group. During Q2, the group reviewed its work plan and continued to support the implementation of ESPD. • The first horizon scanning meeting was held in September and considered the potential impact of Brexit.

Goa1 3: Placing customers at the heart of our business



Strategic objectives	
3.1	Work with customers to develop and implement bespoke plans for maximising the value of our services
3.2	Develop robust communications strategies which support customer engagement and position Scotland Excel and its customers as leaders in public procurement / shared services
3.3	Represent the views and needs of customers in the wider stakeholder environment



Activity	Year 1 Priorities	RAG status	Progress summary
(a) Develop and implement a portfolio of account management services that meet the collective and individual needs of local authority customers	<ul style="list-style-type: none"> Implement phase 2 of account management improvements 		<ul style="list-style-type: none"> Planned improvements have now been implemented. The new reporting format introduced for quarterly Business Reviews with councils is receiving positive feedback. These reports now provide greater clarity on the value of membership and help to identify customer needs.
(b) Develop and implement a stakeholder engagement strategy that support the delivery of first class customer experience across all of our services	<ul style="list-style-type: none"> Publish a stakeholder engagement strategy Implement a survey and report on customer satisfaction Initiate a customer care forum to support ongoing improvements to customer service Develop a centralised contact data resource Develop a 'future digital' strategy including options for an online customer collaboration platform 		<ul style="list-style-type: none"> Limited progress has been made on the remaining strands of the stakeholder engagement project during Q2 due to competing priorities, and the strategy will now be completed in Q3. An in-depth customer satisfaction survey is scheduled for implementation in Q3, with a full report available by the end of Q4. A cross-functional customer care forum will be established in Q4 to monitor the delivery of stakeholder engagement strategy recommendations and respond to improvement opportunities identified through the customer survey. Work to create a centralised resource for managing data on c. 1,500 procurement and technical contacts has stalled due to competing priorities. Workloads are being reviewed to establish a plan for continuing this strand of the stakeholder engagement project. Development of a 'future digital' strategy, including recommendations for web development and online collaboration, will commence in Q4.


(c) Develop and implement a corporate communications strategy that enhances and protects Scotland Excel's corporate reputation	<ul style="list-style-type: none"> • Update the marketing and communications strategy and plan • Complete and launch the new Scotland Excel website • Continue to monitor and manage all communications risks arising from contracts/business activities 		<ul style="list-style-type: none"> • An updated marketing and communications strategy and plan is still to be completed, and will now be completed in Q3. • Feedback to Scotland Excel's new website has been very positive and Q2 user statistics were up across all key measures compared with the same period in 2015. Some further work is required to complete the processes which support ongoing maintenance of website content and membership. • Scotland Excel is continuing to mitigate communication risks through appropriate handling of media enquiries in line with policy.
(d) Develop and implement a model for associate members which delivers clear business and financial benefits to Scotland Excel and the membership base	<ul style="list-style-type: none"> • Review the associate member fee structure • Develop and implement an associate member strategy • Develop an associate membership offering for the social landlord sector 		<ul style="list-style-type: none"> • The associate member fee structure is being reviewed as part of strategy development to ensure that it reflects the value being delivered to high spending members and partners. • An associate member strategy is in development and will be presented to the Joint Committee in December. • A membership offering for the affordable housing sector is being developed as part of the associate membership strategy.
(e) Develop and implement a programme for engaging with the wider public sector to ensure Scotland Excel has the right partnerships in place to support the needs of its customers	<ul style="list-style-type: none"> • Host and/or attend forums to gather sector views and share information • Represent the sector within the national public procurement programme • Continue to review engagement plans for Scotland Excel's wider stakeholder landscape 		<ul style="list-style-type: none"> • Scotland Excel is continuing to hold and/or attend meetings for sector stakeholders. In Q2, this included local authority steering groups for contract development, procurement capability and eCommerce, and attendance at the Scottish Local Government Procurement Forum. • Scotland Excel is continuing to represent sector interests at national procurement/commissioning meetings. In Q2, this included government forums for collaborative procurement, eCommerce, construction, best practice and professional development. • Scotland Excel is continuing to engage with key stakeholders across a range of business areas. A schedule for reviewing and updating stakeholder engagement plans will be embedded as business-as-usual by the end of Q3.




Goa1 4: Becoming the partner of choice for delivering shared services

Strategic objectives	
4.1	Implement organisational development policies which support a highly skilled, motivated and engaged workforce
4.2	Implement best practice processes and technology which support the efficient and effective delivery of services to customers
4.3	Implement robust strategies, governance, risk management and funding models which demonstrate a measurable return on investment and secure Scotland Excel's future

Activity	Year 1 Priorities	RAG status	Progress summary
(a) Develop and implement a strategy to support staff recruitment, retention, development, performance and engagement	<ul style="list-style-type: none"> • Develop and implement an organisation wide rolling resource plan • Develop a recruitment management strategy • Review the careers microsite and develop proposals for improvement/replacement • Develop plans to enhance employee performance management, training and development • Develop proposals for a new staff intranet 		<ul style="list-style-type: none"> • Work to implement an organisation wide resource planning model is continuing and is expected to be in place by the end of Q3. • Recruitment policies have been updated to ensure a consistent approach across the organisation. An awareness event is being planned in early 2017 to support future recruitment. • The careers microsite has been refreshed with new branding and content has been updated. Additional staff profiles are being developed to promote the organisation as a positive place to work. • A project is being initiated to develop and implement an organisational development strategy. The first meeting will take place on 03 November. • Two 'off the shelf' intranet systems are being evaluated to support a new intranet launch by the end of Q3. Longer term options will continue to be considered as part of the infrastructure review.
(b) Develop and implement programmes to support the continuous improvement of business performance, systems and processes	<ul style="list-style-type: none"> • Agree and deliver 2016-17 transformation projects • Develop a proposal for a spend data management and reporting tool 		<ul style="list-style-type: none"> • The scope of the sustainable funding project has been revised and preparations are being made for a second phase of organisational development. The stakeholder management project has been delayed by lack of resource but should be closed by year end. • Proposals to support the selection of data and reporting tools have been received from three suppliers. These are currently on hold as an opportunity has arisen to explore a co-funded solution with Spikes Cavell which may prove more cost effective.

	<ul style="list-style-type: none"> • Develop a proposal to migrate the ICT infrastructure to a cloud environment • Establish a Policy Review Group to support ongoing procurement policy and process improvements • Continue to develop academic, business and professional partnerships to support innovation and best practice • Develop an action plan to respond to IIP assessment recommendations 		<ul style="list-style-type: none"> • A review of additional costs for requirements not included the ICT infrastructure proposal, such software licensing, has been undertaken. It is unlikely that full migration to a cloud-based infrastructure will be possible within budget and other options are being considered. • During Q2, the Policy Review Group focused on development of internal guidance materials for the introduction and on-going use of the ESPD. • Relationships have been developed with six Scottish Business Schools. Four workshops for the blended learning pilot were held at business school sites with support from academics. • Investors in People (IIP) report recommendations have been reviewed by the Senior Management Team. Some actions have been implemented to improve cross-team communication and further options will be considered as part of the organisational development project. A staff survey is being developed to track the impact of actions taken. 	
(c) Ensure that Scotland Excel delivers its plans through effective governance, risk management and policies	<ul style="list-style-type: none"> • Refresh CEOMG participation and remit • Continue to monitor and update the corporate risk management plan • Develop and implement a rolling plan for updating corporate policies • Produce quarterly performance management reports for governance meetings 		<ul style="list-style-type: none"> • A new Chief Executive Officers Management Group (CEOMG) has been established with CEOs from Aberdeen City, Argyll & Bute, Falkirk, Glasgow, Renfrewshire and West Dunbartonshire Councils. The first meeting will take place on 07 November. • Scotland Excel's risk management plan continues to be reviewed and updated on a monthly basis. A new risk has been added for Brexit. • A review and update of all HR and corporate policies will be complete by the end of Q3. A rolling plan for future reviews will be put in place. • A quarterly performance management reporting process has been established. 	
(d) Develop and implement a strategy for gathering, analysing and distributing business intelligence within Scotland Excel and across the sector	<ul style="list-style-type: none"> • Embed data management processes developed as part of the business intelligence project • Agree feasibility of offering external services in response to the findings of the business intelligence project 		<ul style="list-style-type: none"> • Feedback from data and procurement staff have enabled further improvements to be made to the MI tracker and checklist developed as part of the business intelligence project. • Agreement reached in Q1 that there is no opportunity to extend business intelligence services to the sector at this time. 	

(e) Develop and implement a clear, transparent and sustainable funding and delivery model for Scotland Excel	<ul style="list-style-type: none"> • Develop and agree 2017-18 funding proposals at the Dec Joint Committee • Develop proposals for a flexible associate/partnership resourcing model • Continue to explore options for funding models which support sustainability and growth over the longer term 		<ul style="list-style-type: none"> • Funding proposals for 2016-17 are being developed and will be presented at the December Joint Committee meeting. • A flexible associate/partnership model for resourcing business requirements is being considered by the Executive Team • Funding proposals for new and existing services are being developed for the Joint Committee, and include funding from rebates, associate member income and partner projects.
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Report Key		
	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 has been completed and/or is progressing in line with expected/agreed timelines and targets	

Key Performance Indicators

KPI	Link to outcomes	Q2 Status
No. & value of contracts delivered v plan	<ul style="list-style-type: none"> Our services support the effective and efficient delivery of public services 	<ul style="list-style-type: none"> 12 contracts delivered, renewed or extended from 26 targeted £721m portfolio value against £770m target by year end
Percentage & value of savings v target (excluding social care)	<ul style="list-style-type: none"> Our customers are satisfied with our services and achieve a measurable return on their investment 	<ul style="list-style-type: none"> Average savings of 5.5% against a rolling 5% target (2015-18) £4.08m estimated saving in the last recorded quarter (Apr-Jun 2016)
No. of PCIP assessments completed v schedule	<ul style="list-style-type: none"> Our expertise supports continuous improvement in procurement performance 	<ul style="list-style-type: none"> 13 assessments completed from schedule of 17
No. of Scottish suppliers & percentage SMEs	<ul style="list-style-type: none"> Our services help to deliver positive and sustainable outcomes for communities and service users 	<ul style="list-style-type: none"> 370 Scottish suppliers of which 76% are SMEs
No. of community benefits realised to date	<ul style="list-style-type: none"> Our services support the implementation of national and local policy priorities 	<ul style="list-style-type: none"> 158 jobs 158 apprenticeships 11 work placements 54,794 hours work experience 2,231 hours volunteering/mentoring £82.3k value of other initiatives
Customer satisfaction statistics & trends	<ul style="list-style-type: none"> Our customers are satisfied with our services and achieve a measurable return on their investment 	<ul style="list-style-type: none"> Available from Q4
Website usage statistics & trends	<ul style="list-style-type: none"> Our customers receive relevant communication and support 	<ul style="list-style-type: none"> 7,161 visitors in Q2 14,326 user sessions in Q2
Media coverage v target	<ul style="list-style-type: none"> Our reputation demonstrates the value of collaboration 	<ul style="list-style-type: none"> 32 media items placed by end of Q2 against an annual target of 25
Income from associate members v target	<ul style="list-style-type: none"> Our reputation demonstrates the value of collaboration 	<ul style="list-style-type: none"> £56.3k income against a £30k target
Staff turnover v headcount	<ul style="list-style-type: none"> Our people, policies, processes and technology optimise our value 	<ul style="list-style-type: none"> 4.3% staff turnover in Q2 58 permanent staff

Report issued: October 2016



Scotland Excel

To: Joint Committee

On: 9 December 2016

**Report
by
Director Scotland Excel**

Care and Housing Proposals

1. Introduction

This report details recent engagement with the Scottish Government to seek funding for two new areas of delivery;

- an extension of Scotland Excel's care portfolio to include Care at Home and Adult Supported Living
- a proposal to support the housing sector in terms of procurement capability and ongoing development activity

2. Background

Scotland Excel's care portfolio currently covers a number of areas supporting care in both children and adult services. Adult Supported Living and Care at Home are areas where there has been no national approach, despite spend being in the region of £850m per annum. A proposal has been presented to the Scottish Government to seek funding for a small team to explore these areas and develop best value at both a national and local level.

This is detailed in the report (which was prepared for the Scottish Government) in Appendix 1.

The second proposal identifies the role Scotland Excel could play in supporting the Scottish Government's aspirations within the Affordable Housing Supply Programme (AHSP). The proposal seeks funding for a team to analyse housing spend and support savings through the use of existing frameworks, undertake procurement assessments and support the affordable housing sector in improving procurement capability.

This is detailed in the report (which was prepared for the Scottish Government) in Appendix 2.

3. Conclusion

Joint Committee members are requested to note the content of the proposals submitted to the Scottish Government and approve the delivery of this new work, subject to funding being approved by the Scottish Government.

Proposal

Procurement of Social Care Services

Prepared by:

Julie Welsh, Director, Scotland Excel

Prepared for:

Ainslie McLaughlin, Director of Procurement and Commercial,
Scottish Government

30 September 2016

Purpose

This paper sets out the business case for interim financial investment to expand Scotland Excel's social care procurement shared service. Funding of £350k over the next two years would allow Scotland Excel to deliver an ambitious work programme that will ensure procurement plays its part in supporting the Scottish Government's flagship reform of health and social care.

Background

Social care reform is becoming increasingly urgent, particularly with the demographic challenges that the nation faces from its rapidly ageing population.

"The growing number of people with complex health and social care needs, particularly frail older people, together with continuing tight finances, means that current models of care are unsustainable".

Audit Scotland¹

Scotland Excel has a proven track record of working with councils to deliver collaborative social care procurement frameworks which increase fee transparency, reduce duplication, provide enhanced monitoring of care providers, and support the delivery of social care and workforce policy outcomes.

Strategic context

Securing the value and financial sustainability of health and care services is embedded within in the Scottish Government's *2020 Vision for Health and Social Care*². This proposal has been developed to respond to the current financial environment and rapidly changing legislative and policy landscape:

- The integration of health and social care is one of Scotland's most important programmes of reform since devolution of powers from Westminster. Robust market facilitation and procurement strategies establish the foundations for successful strategic commissioning plans which make the best use of resources.
- Statutory guidance to the Procurement Reform (Scotland) Act offers greater procurement flexibility while increasing the focus on the principles of equity, fairness and transparency. However, many procurement staff remain unfamiliar with the flexibility and obligations required by this new statutory guidance.

The need for investment

An opportunity exists to extend the benefits of collaborative procurement to two further key areas of social care expenditure. Further benefits can be secured through the development of tools which support social care placements and by enhancing the knowledge and efficiency of practitioners responsible for social care procurement.

¹ [Audit Scotland Changing Models of Health and Social Care published March 2016](#)

² [2020 Vision for Health and Social Care](#)

Scotland Excel has identified two areas of significant public sector expenditure that would benefit from a collaborative approach to developing and implementing procurement strategies:

- **Adult supported living** – An estimated c. £450 million per annum is spent on adult supported living. Preliminary research indicates that a relatively small number of providers dominate this market, with very limited visibility of how fees compare between individuals, providers and localities. A national framework could increase transparency on fees and outcomes delivered for service users.
- **Care at home** – An estimated c. £400 million per annum is spent on care at home services. A deeper insight into this market is required to explore the sustainability of current fee levels and the opportunity to standardise costs, support outcomes-based service delivery, and provide a centralised resource for monitoring the financial sustainability and workforce practices of providers.

While national frameworks increase efficiency by eliminating the need for local contracts, the process of contacting providers to find the right placement can be onerous. The efficiency and effectiveness of this process could be improved through funding the development of a **national vacancy tool** which supports real time information on placement vacancies across the independent and third sector.

The effectiveness of social care commissioning could also be enhanced through the consistent dissemination of procurement knowledge and best practice. Additional investment would allow Scotland Excel to respond to identified skill gaps by establishing a new **commissioning academy** to deliver learning programmes including:

- **Health and Social Care Integration** - Procurement can play a clear role in the overall success of strategic commissioning plans. Scotland Excel would research and establish a range of practical tools and templates for use by local partnerships.
- **Procurement of Care and Support Guidance** – Scotland Excel would develop a learning programme for contracts, commissioning and procurement staff to ensure knowledge of the new Scottish Government guidance is embedded across local authorities and related partners.
- **Self-directed Support** – Many procurement staff remain unaware of their potential role in relation to self-directed support. Scotland Excel would deliver a learning programme to help practitioners create a flexible and creative procurement environment which helps individuals to meet their personal outcomes.

To pursue all of the above opportunities, Scotland Excel would need to increase the size of its social care procurement team. As there is no scope for this within the organisation's current funding model, additional investment must be secured.

Benefits assessment

While further work is required to quantify benefits, based on our previous experience of similar projects, we believe that investing in the proposed programme has the potential to deliver the following benefits:

- An opportunity to make costs savings against the c. £850m expenditure on adult supported living and care at home services which can be used to reduce budgets or invest in better services and workforce improvements.
- Potential efficiency savings of c. £768k from the development of a single national framework in place of 32 local authority agreements³.
- A national vacancy tool will improve the efficiency of practitioners by significantly reducing time spent finding the right placement for individual service user needs.
- Creating transparency and consistency within the social care market through national procurement frameworks paves the way for commissioning strategies which deliver innovation and service improvements.
- Centralised monitoring of social care provider financial stability can support continuity of care for vulnerable service users through early intervention
- A collaborative approach can help to standardise terms and conditions for social care employees and support positive workforce practices such as payment of the Living Wage and avoidance of zero hours contracts.
- A national commissioning academy provides a trusted resource that enables practitioners to keep up-to-date with best practice, policy and legislation in a changing landscape.

Return on investment

Potential **efficiency saving of c. £768k** would provide an immediate return on an **investment of £350k** during the lifetime of the project. Following completion of the two national frameworks, even a modest **cost saving of 1% could return c. £8.5m per annum** to reinvest in service improvements or other areas of public expenditure.

Timescales

High level timescales for delivering the programme are:

Year 1	<ul style="list-style-type: none"> • Project initiation and resource recruitment • Develop procurement strategies for national adult supported living and care at home frameworks • Specify, source, configure and test a national vacancy tool for social care placements • Develop learning materials and initiate pilot courses offered within the commissioning academy
Year 2	<ul style="list-style-type: none"> • Develop and implement national frameworks for adult supported living and care home services • Launch and roll out a national vacancy tool for social care services to practitioners and providers • Complete commissioning academy pilot courses and roll out to practitioners across the public sector • Project close and funding secured for business-as usual activities

³ Based on the Scottish Government cost estimate of an average procurement exercise at £12k.

Risks

Key dependencies and risks associated with the programme are:

- Securing provider engagement for a national procurement approach.
- Building relationships with new stakeholders within Integrated Joint Boards.
- Recruiting suitable qualified staff for the project team
- Securing ongoing funding for contract management and further development of the commissioning academy to respond to changing policy or skills requirements.

Scotland Excel has significant experience of resourcing similar projects and engaging with stakeholders across the social care sector. We are confident that any risks arising can be mitigated in partnership with the Scottish Government.

Next steps

Within three months of securing investment, Scotland Excel will agree a full project plan with the Scottish Government including expenditure, timescales and deliverables. In parallel with this, Scotland Excel will undertake a recruitment exercise to ensure a suitably qualified team is in place to resource the programme. Quarterly reporting will be provided to monitor progress.

Proposal

Affordable Housing Procurement

Prepared by:

Julie Welsh, Director, Scotland Excel

Prepared for:

Ainslie McLaughlin, Director of Procurement and Commercial,
Scottish Government

30 September 2016

Purpose

This paper provides a proposal for the role Scotland Excel could play in delivering the Scottish Government's aspirations within the Affordable Housing Supply Programme (AHSP). It seeks funding of £412k for a two year pilot programme to develop capability, implement policy and identify financial savings.

Background

In 2011, the Scottish Government produced its report on *Procurement in the Affordable Housing Sector*. The report undertook an extensive analysis of the sector and made a number of observations and recommendations.

Potential savings estimated at between £26 million and £42 million per annum were identified for non-development expenditure. One of the key recommendations from this report was that "*there should be a central procurement service for the affordable housing sector*".

The report suggested Scotland Excel as a preferred option for this. As the Centre of Procurement Expertise for local government, Scotland Excel has a proven track record of working with large and complex organisation with a local remit, as well as a growing portfolio of national construction frameworks.

Strategic context

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

The Scottish Government, as part of the AHSP, has committed to delivering at least 50,000 affordable homes by March 2021, backed by over £3 billion of investment. The sector will therefore be required to undertake considerable procurement activity in relation to this programme.

The need for investment

The 2011 report, and more recent work undertaken by Scotland Excel on behalf of the Scottish Government, has demonstrated that the affordable housing sector requires support to implement extensive legislative changes and adopt the Scottish Model of Procurement.

While Scotland Excel has the skills and experience to deliver this support, our funding model is focused on the delivery of procurement services to the local government sector. Therefore, investment in a two year pilot project is required to deliver the following activities to help the affordable housing sector to realise savings from collaboration and improve their procurement capability:

- Complete an analysis of the sector's current and future procurement activity to estimate the potential for savings through the use of national frameworks and/or further collaborative procurement.
- Develop a programme to communicate the immediate savings opportunities available through existing public sector collaborative frameworks and services.
- Undertake procurement assessments to benchmark current levels of procurement capability and identify opportunities for improvement.
- Identify the wider economic, social and environmental benefits that can be achieved through sustainable procurement.
- Undertake any 'quick win' collaborative procurement exercises identified where no existing collaborative frameworks are in place.

Turner and Townsend's report states that savings "*will be difficult to achieve in the short term, and will need a concerted change management effort from key sector stakeholders*". Scotland Excel believes that this pilot project will support this change and enable significant savings and benefits to be realised within a few years. It will also explore the potential for more immediate savings through the use of existing national frameworks.

Benefits assessment

Due to the limited availability of spend information for this sector, it is difficult to quantify benefits at this stage. However, the proposal will seek to deliver tangible and measurable benefits including:

- An indication of the immediate savings potential that can be realised through the use of existing national collaborative frameworks, and identification of further savings potential through future collaboration.
- Formal assessment of procurement capability across the affordable housing sector using a Scottish Government recognised methodology.
- Advice and support to help the sector develop and implement procurement improvement plans which underpin savings and efficiency at a local level.
- Advice on using sustainable procurement practices to deliver wider community benefits such as jobs and apprenticeships, SME opportunities, and workforce matters such as payment of the Living Wage.
- Support to help the sector realise collaboration opportunities within their sector and across the wider public sector.
- Advice and support on policy and the opportunity to participate in relevant learning and development programmes offered by Scotland Excel.

Return on investment

In 2011, Turner and Townsend estimated that £530m of procurement expenditure could be influenced by improved improvement practices¹. Even a modest 1% saving through the use of existing national frameworks could deliver **c. £5.3m cost savings** in the second year of the project against an **investment of £412K**.

¹ Now likely to be higher due to increased turnover and additional Scottish Government investment

In the longer term, collaborative procurement has the potential to return significant efficiency savings to the sector. For example, if half of Scotland's housing associations collaborated on a national procurement exercise, it could create **efficiencies of c. £1m²** by avoiding duplication.

Timescales

High level timescales for delivering the programme are:

Year 1	<ul style="list-style-type: none">• Project initiation and resource recruitment• Complete an analysis of sector spend and savings potential• Deliver procurement capability assessments for 40 high spending housing associations
Year 2	<ul style="list-style-type: none">• Develop and implement a communications programme to support the use of collaborative contracts across the sector• Develop and implement an advisory service to support the sector with their procurement improvement plans• Project close and funding model in place for further roll out of benefits

Risks

An initial assessment of the project risks has indicated that sector engagement is the primary risk that will be faced. Although work undertaken to date has achieved a positive reception from the community, wider engagement and adoption may be problematic. Scotland Excel is confident that, with the support of Scottish Government, this issue can be mitigated.

Next steps

Within three months of securing investment, Scotland Excel will agree a full project plan with the Scottish Government including expenditure, timescales and deliverables. In parallel with this, Scotland Excel will undertake a recruitment exercise to ensure a suitably qualified team is in place to resource the programme. Quarterly reporting will be provided to monitor progress.

² Based on the Scottish Government cost estimate of an average procurement exercise at £12k.



Scotland Excel

To: Joint Committee

On: 9 December 2016

Report
by
Director Scotland Excel

Development of a small value procurement service

1. Introduction

This report provides an update proposal regarding the value that Scotland Excel can deliver to its members through the introduction of a *small value procurement service*. The proposal, if approved, would be implemented in fiscal 2017/18 and run for four years (the life of the proposed contract).

2. Background

At its Joint Committee on June 2016, members called for further investment in and wider recognition of the value of Scotland Excel. Whilst this is welcomed by the organisation, it is also vital to operate an efficient organisation that continually seeks ways to deliver further customer value.

Previously, as part of a review of funding operations in 2015, Scotland Excel considered the use of procurement rebates as a possible funding mechanism. In 2016-17 members achieved approximately £1.4m in procurement rebates. After discussion with stakeholders, it was felt that **existing** rebates currently received by members should be left untouched. Subsequent to this agreement, Scotland Excel has recently implemented a framework for groceries with a **new** rebate attached, and this proposal seeks to utilise this new rebate, not currently utilised by members, to fund a new service based around low value procurement opportunities.

The initial proposal sought to return cash to members to provide a degree of requisition mitigation. However, extensive consultation resulted in a request for a value proposition rather than a cash return.

As previously discussed, Scotland Excel has selected this contract for a number of reasons including timing, stability, predictability and availability of data. Appendix 1 shows the indicative source of rebates by council based on historical spend patterns

3. Operating Model

Subject to approval, it is anticipated that the delivery team will mobilise from April 2017, and be active for the period of the relevant framework agreement of 4 years.

The contracts to be included in the delivery plan will be subject to agreement with local authority procurement teams and service users, and participation levels will drive contract inclusion. Given that contract delivery and mobilisation is likely to follow within 3 – 4 months of the team formation, it is likely that the detailed delivery schedule will be developed in the period January to March 2017. The proposal has been the subject of significant consultation with member councils to date and this will continue through the further development activity.

Initial analysis based on various cumulative spend ranges would suggest that there are a number of contract areas that would be suitable for inclusion, a summary of which can be found in table 1.

Spend Range (£000k)	No. of contracts	Estimated value (£000k)
500 – 1000	x5	4,200
1000 - 1500	x3	3,400
1500 - 2000	x3	5,200

Table 1 : Contract range example

4. Benefits Assessment

Scotland Excel believe there are a number of benefits to members should this proposal be approved. The benefits are across three areas; cost avoidance, resources and contractual savings.

Cost Avoidance

The benefits of collaborative procurement are well rehearsed. Scottish Government estimate that each public procurement exercise costs on average £12k to complete. Using the example provided in table 1, this would represent cost avoidance as follows in year 1:-

Average no. of councils participating in the sample contracts areas: 26

Assuming that there is some collaborative activity currently in place, then assume that there are on average 5 procurement exercises taking place, per contract area (of which there are 11), per annum.

Cost avoidance: $5 \times 11 \times £12k = £660k$

Resources

Procurement teams across members, although currently under significant resource pressure, continue to deliver significant value. Recruitment of resources also continues to be a challenge. This proposal will help alleviate these challenges to a degree. Additionally it would be Scotland Excels intention to look to use this new area to develop staff and potentially afford an opportunity for a new modern apprenticeship and therefore encourage new talent into the procurement community.

Savings

Scotland Excel anticipates that based on a collaborative and more focused approach to these procurement exercises that financial savings should be sought. Savings delivered to date, excluding social care contracts, have averaged 5.5%. On this basis, again based on the examples in table 1, the forecast savings based on spend of £12.8m would be £704k, which is in line with the Scotland excel forecast return of c.£5 for every £1 invested.

5. Recommendations

Members are requested to note the contents of this report, and approve the introduction of the small value contracts team.

Appendix 1 : Rebate Values

STANDARD REBATE	
Council	Rebate Value
Aberdeen City Council	£6,638
Aberdeenshire Council	£11,968
Angus Council	
Argyll & Bute Council	£3,580
City of Edinburgh Council	£5,889
Clackmannanshire Council	£1,370
Comhairle nan Eilean Siar	£1,348
Dumfries & Galloway Council	£3,806
Dundee City Council	
East Ayrshire Council	£3,304
East Dunbartonshire Council	£3,383
East Lothian Council	£2,146
East Renfrewshire Council	£2,472
Falkirk Council	£5,239
Fife Council	
Glasgow City	
Highland Council	£8,800
Inverclyde Council	£2,966
Midlothian Council	£2,524
North Ayrshire Council	£4,709
North Lanarkshire Council	£12,687
Orkney Islands	
Perth & Kinross Council	£264
Renfrewshire Council	£5,795
Scottish Borders Council	£4,371
Shetland Islands	
South Ayrshire Council	£2,200
South Lanarkshire Council	£10,745
Stirling Council	
The Moray Council	£2,596
West Dunbartonshire Council	£3,468
West Lothian Council	£8,190
Tayside Contracts	£14,792
	£135,253



Scotland Excel

To: Joint Committee

On: 9 December 2016

**Report
by
Director Scotland Excel**

Proposal to develop a partnership model with Crown Commercial Services

1 Introduction

The purpose of this report is to provide Members with the opportunity to review the proposal that Scotland Excel enter into a Partnership Agreement with Crown Commercial Services for the provision of cars and light commercial vehicles.

2 Summary

The current Scotland Excel framework agreement for cars and light commercial vehicles expires in May 2017. As part of a strategic category review, the organisation has, for some time, considered various delivery models to meet the demands of councils. Given that the majority of vehicle types procured through this type of framework are in essence standard vehicle models available directly from the UK vehicles market, there is ample evidence to support that Scotland Excel and our stakeholders gain little strategic or economic value by conducting a further independent procurement exercise, rather than collaborating with another public sector body.

A review of viable alternatives has concluded that the current arrangement developed by Crown Commercial Services (CCS), an executive agency sponsored by H.M Government Cabinet Office, represents an opportunity for Scottish local authorities to benefit from the economies of scale offered by a national contract. Additional benefits include that the reduction in the resource requirement within Scotland Excel to develop a replacement contract will support the pursuit of additional contract activity for member councils.

Consultation has taken place via the User Intelligence Group for fleet, from which the proposal received unanimous support.

3 Conclusion

Members are requested to note the content of the attached proposal, and approve development of a partnership with Crown Commercial Services.

Proposal

Partnership with Crown Commercial Service for the procurement of cars and light commercial vehicles.

Prepared by:

Hugh Carr, Head of Strategic Procurement, Scotland Excel

Prepared for:

Julie Welsh, Director, Scotland Excel

26 October 2016

Purpose

This paper provides a proposal to work collaboratively with Crown Commercial Service as a partner in the adoption of their light vehicle procurement framework to replace the current Scotland Excel 0612 Cars & Light Commercial Vehicles framework for the purchase of cars and light commercial vehicles upon its expiry on 31 May 2017.

Background

Scotland Excel has had several generations of frameworks for light and commercial vehicles over the last number of years and the current framework with an annual forecasted value of £25m has been in place since 2013. It was advertised as a 3 year contract with an option to extend for a further year from June 2016. The option to extend for a year was approved by the Director of Scotland Excel and no further extension is available beyond 31 May 2017.

As the councils have an ongoing requirement to procure light vehicles beyond May 2017, there are 2 basic viable procurement options open to Scotland Excel:

1. Scotland Excel conduct a vehicles procurement exercise independently, or,
2. Scotland Excel work collaboratively with a public sector procurement partner of choice, i.e. Crown Commercial Services.

As the majority of vehicle types procured through this type of framework are in essence standard 'off the shelf' vehicle models available directly from the UK vehicles market, there is ample evidence to support that Scotland Excel and our stakeholders gain little advantage economically, strategically or in terms of increasing council efficiencies by conducting a further Scotland Excel procurement exercise of their own where an effective alternative public sector route to market already is in existence.

This proposal for a partnership approach with Crown Commercial Services was unanimously agreed in principal at a User Intelligence Group meeting held on the 12th September.

It is this partnership approach that is being proposed within this report.

Strategic context

Effective and efficient fleet procurement can enable Local Government to meet customer demands, reduce costs and address Public Sector Reform, by providing, better public services, better customer experiences and opportunities for collaboration to encourage a shared best practice.

Crown Commercial Service (CCS) is an executive agency, sponsored by H.M. Government Cabinet Office. It brings together policy, advice and direct buying; providing commercial services to the public sector and saving money for the taxpayer.

By working in partnership with Crown Commercial Service with Scotland Excel directly contract managing the framework, more effective and efficient fleet procurement can be leveraged for Scottish Councils.

Benefits assessment

The proposal to partner with Crown Commercial Service will seek to deliver tangible and measurable benefits including:

- Providing a collaborative opportunity to be a key player within the UK's single largest light vehicles procurement exercise.
- Adoption of such a large value framework buying vehicles directly from manufacturers will maximise savings and maximise market attractiveness.
- Leverage on a significantly larger single UK vehicle procurement demand.
- Potential immediate savings from accessing an existing national collaborative framework, and identification of further savings potential through any additional future collaboration.
- Reduce duplication, reduce public sector costs whilst maximising savings.
- Pooling of talent resources and sharing procurement and fleet expertise on best practice.
- Increased opportunity for shaping the UK fleet market and having greater supplier influence.
- Help facilitate Scotland Excel pursuing additional strategically important areas of council procurement, for example, additional construction contract activity.

This proposed collaborative procurement model with Crown Commercial Services has the potential to return significant efficiency savings to both Scotland Excel and the Scottish local authorities in a wider context. For example, if through the greater purchasing power of a large and demonstrably successful framework a modest saving on vehicles of even 1% is achieved, this would result in an annual monetary saving of £250,000. In addition, Crown Commercial Services currently generate additional income via a supplier levy system, for this contract this represents 0.5% of turnover. Discussions are ongoing regarding the allocation of any sum generated between Crown Commercial Services, Scotland Excel and member councils. Additional savings are likely to result from the reduction in administration effort, due to the avoidance of duplication and process costs.

Through the adoption of an alternative framework, best value for Scotland Excel's stakeholders can be maintained and potentially improved upon and scarce and finite manpower resources within Scotland Excel may be maximised in other more strategically important areas of procurement.

Timescales

High level timescales for delivering this collaborative project are:

- Completion of Memorandum of Understanding between Scotland Excel and Crown Commercial Services – November 2016
- Formally inform the incumbent Scotland Excel framework suppliers of the intention to not tender under our own name
- Formally inform wider supply base (Communicated via Public Contracts Scotland)
- Formalise full transition plan, website development requirements, management information (M.I.) and contract management responsibilities with Councils and Crown Commercial Service
- Complete full end user training on CCS vehicle website functionality, vehicle ordering processes and framework familiarisation
- Full transition to be completed by 31st May 2017

Risks

An initial assessment of the project risks has indicated that there may be some limited incumbent supplier disappointment with Scotland Excel not conducting their own procurement

exercise. The current Scotland Excel framework has a limited number of Scottish based vehicle dealerships directly contracted, whereas the CCS framework contracts directly with the vehicle manufacturers themselves whereby local vehicle dealerships are appointed on their behalf to simply PDI (Pre-delivery inspection) and deliver the vehicle to the end customer. This may remove a level of commercial attractiveness to the local supplier as their opportunity to determine their own commercial terms are diminished.

This issue can be mitigated by informing the marketplace at the earliest appropriate opportunity of the decision not to renew the Scotland Excel framework.

The other main risk is in effectively resolving any future contract management issues where issues may be disputed at either being at a local level (at dealership) or at the manufacturer level. It should be recognised that this is not purely reserved when partnering with another organisation to utilise another organisation's procurement framework and this issue can exist currently under Scotland Excel's own agreement. It can be mitigated by the ongoing close liaison between Scotland Excel and Crown Commercial Service's customer account team.

Next steps

Scotland Excel will agree a full project plan with the Fleet User Intelligence Group and Crown Commercial Services by holding a UIG early in 2017, including agreement on estimated future framework expenditure, end user training timescales/requirements and overall framework service level/contract management agreements.

Quarterly reporting will be provided to monitor progress.

Scotland Excel**To: Joint Committee****On: 9 December 2016****Report
by
Director Scotland Excel****Care Home Services for Older People****1. Introduction**

This report provides an update on work undertaken by Scotland Excel in respect to care home services for older people and sets out the rationale for seeking further funding from councils/ Health and Social Care Partnerships to continue with this critical activity.

2. Summary

In Scotland, care home provision is delivered by more than 300 providers across almost 900 care homes. Local authorities across Scotland spend approximately £450 million annually in contracted out care.

Local authorities/ Health and Social Care Partnerships (HSCPs), already undertake robust contract monitoring activity linked to statutory adult protection and care management duties for some of the most vulnerable people in our communities. However despite more than 50% of local authority expenditure being with 20 providers, many of which operate across Scotland and the rest of the United Kingdom, only limited market shaping at either a local or national level has been undertaken.

Given the cross local authority presence of these 20 providers and the prevalence of ever more complex business and financial structures, 25 local authorities provided project funding to Scotland Excel until March 2017 to facilitate a range of services to support local strategic commissioning of care home services for older people. Since then Scotland Excel has taken forward the work under four work streams:

- market intelligence;
- financial risk;
- cost of care; and
- procurement strategy.

As detailed in Appendix 1, there has been good progress across all work streams over the past 12 months. In summary:

- All participating local authorities have received a local market intelligence report tailored to their partnership area;
- Scotland Excel has worked with two sector wide groups to take forward work across financial risk and cost of care;
- Scotland Excel has undertaken market research and engaged with commissioners on their views on a range of procurement and contracting matters associated with the National Care Home Contract (NCHC); and
- Scotland Excel has maintained regular dialogue with local authority lead officers, COSLA, SLGP, health and social care Chief Officers, providers, statutory bodies and other key stakeholders.

3. Relationship to Reform of the NCHC

In parallel to Scotland Excel's programme of activity, COSLA is currently working with Scottish Government and other partners on the reform of adult social care. This activity reports to the Ministerial Strategic Group chaired by the Cabinet Secretary for Health and Sport. Scotland Excel is an integral part of this work through its participation on a range of governance groups including the Delivering Change in Adult Social Care Partners Group. The reform activity recognises that the current NCHC fee setting and procurement process requires review to acknowledge changing policy, including the establishment of health and social care partnerships and the requirement for joint strategic commissioning plans.

As part of this activity, Scotland Excel has led on the development of a cost of care calculator. The calculator will underpin fee negotiations by providing a tool which examines care home costs more forensically than before. It also allows for more effective scenario planning in response to policy decisions, for example the implementation of the Scottish Living Wage. The importance and relevance of this work has been recognised by all stakeholders including Chief Officers, COSLA, SLGP and care home providers.

HSCPs have been surveyed on the desired balance between national benchmarking of costs and the applicability of local variation, to take account of specific local market circumstances including occupancy, capital costs in terms of land and buildings and workforce issues such as staff recruitment difficulties. There is a clear desire for a continued national approach, with support also expressed for a limited and phased approach to potential local variation in areas such as occupancy and staffing levels. The calculator will be able to accommodate such local variation.

Whilst the calculator and associated work has significantly increased understanding of costs in the sector, there is a need for further benchmarking of costs over the medium term, as well as further exploration of options for local variation by HSCPs.

4. Procurement Strategy

The Scottish Government/ COSLA Task Force for the Future of Residential Care made several recommendations on future commissioning of services, including

“partnerships should explore new procurement methodologies to offer control over quality and capacity”. Since 2014 however there has been little exploration of new procurement methodologies with only a few local authorities tendering for additional services outwith the national rate.

In recognition of this recommendation, and to support current NCHC reform, Scotland Excel has been developing a procurement strategy. This strategy (currently in draft) explores potential procurement and non-procurement options for the future sourcing of care home services. The strategy has been informed by the market intelligence reporting produced by Scotland Excel, which includes research and information from agencies such as Audit Scotland. Subject to consultation and agreement, the strategy recommends a qualified providers list is developed for this sector. This approach would ensure that people using services will be able to choose from a list of qualified providers who meet the quality requirements of commissioners.

It is anticipated that following consultation with key stakeholders, the procurement strategy will deliver the following objectives:

- Meet the Task Force recommendation for a new procurement approach;
- Meet provider and commissioner aspirations to operate to a national contract, while offering the flexibility of local variation;
- Meet the Delivering Change in Adult Social Care Partners Group requirement for a new national negotiation and contracting arrangement;
- Ensure that national negotiations on price are supported by national contract intelligence on both performance and commercial considerations;
- Ensure that the price paid for services sustains the market to afford people choice of care homes but remains affordable for local government;
- Deliver community benefits; and
- Share the burden of monitoring such a significant market sector.

5. Future Funding

The review and reform of the NCHC and wider agenda on care home services for older people has been described as a once in a decade opportunity to improve the commissioning and procurement of care home provision. Although significant progress has been made in a relatively short period of time, much remains to be done. Accordingly, Scotland Excel is seeking a three year program of funding from local authorities/ HSCPs to build on work already completed and embark on an extensive work programme, including:

- further examining the cost of care and providing opportunities for future variation of rates at a local level;
- adapting the calculator, making it more relevant to rural and urban settings;
- implementing the preferred procurement approach and developing a qualified providers list;

- developing contract terms and conditions to support flexibility and innovation;
- continuing to provide market intelligence to local authorities on major providers in relation to financial health and market concentration;
- supporting local authorities/ HSCPs with contract monitoring of commercial elements and community benefits at a provider level to complement local monitoring of care homes and personal outcomes; and
- building on existing strong working relationships to coordinate a practice network on topics such as provider moratoria, price variations and workforce matters.

The annual funding sought per local authority/ HSCP over the next three years is detailed in Appendix 2. As demonstrated in Appendix 2, funding being sought is approximately 20% less than the start up funding provided over the past 12 months. In parallel to this paper, Scotland Excel is in contact with council Chief Executives and HSCP Chief Officers regarding this proposal and associated funding.

6. Recommendation

Members are requested to endorse the proposal outlined.

Care Home Services for Older People – Activity Report

Market Intelligence

Scotland Excel has completed the first issue of market intelligence reports to all participating local authorities. The reports include a standard performance dashboard, which sets out key data such as occupancy, provider concentration, service quality and expenditure.

Local authorities have recently been surveyed on the style, structure and content of the first set of reports. A significant majority of local authority leads confirmed that the reports will support local strategic commissioning and the development of market facilitation plans. Some local authorities however requested that future reports place a greater emphasis on financial risks. Scotland Excel is currently preparing some pilot sample reporting to respond to this specific feedback, with a proposal for improvements to be presented to the next local authority lead officers meeting.

In addition to local reporting, a national market intelligence report on older peoples' care homes has been produced, bringing together information gathered for individual local authority reports and contrasting this with Scottish level information from national data sources such as the Care Inspectorate, ISD Census of Care Homes and Spikes Cavell expenditure figures. This national report will support the wider adult social reform agenda, as well as better enable local authorities and health and social care partnerships to contrast their local position with Scotland as a whole.

As a first tranche of local and national reporting, a solid foundation of intelligence is now available for local authorities/ health and social care partnerships. The market intelligence reports however will need regular updating to remain relevant.

Financial Risk

In 2014, the Task Force for the Future of Residential Care¹ recommended that *“a compulsory risk register should be devised...to provide an early warning system for care providers experiencing challenges to the continuity of care – and an associated ladder of intervention for public authorities to co-produce solutions for exit or redesign of struggling services.”*

In response to the continued gap in this area, Scotland Excel has been exploring the potential for a voluntary information sharing scheme with providers. Two sessions have been held with Scottish Care and eight of the top 20 providers in Scotland (in terms of local authority expenditure) to take forward the recommendation from the Task Force for improved financial risk monitoring. The objective of this work stream is to develop a system to reduce the potential for and impact from provider failure. Establishing such a system however is a sensitive matter, with the market concerned about potential for any information to unintentionally undermine the sustainability of the overall sector or a specific provider.

¹ <http://www.gov.scot/resource/0044/00444594.pdf> 2014

The Task Force suggested the following risk indicators should be considered:

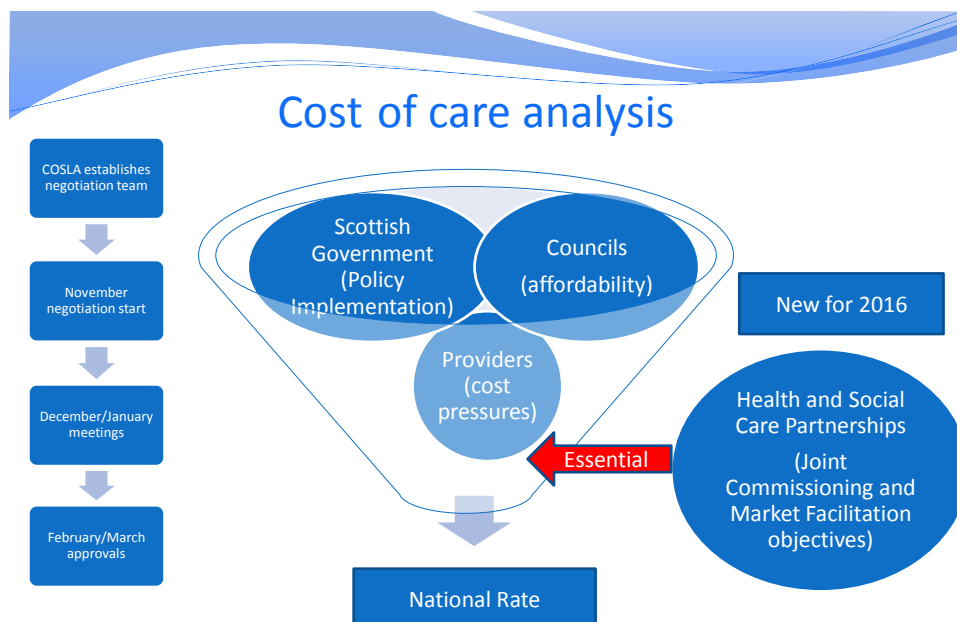
- Financial health (credit rating)
- Organisational structure
- Market concentration
- Quality (Care Inspectorate grades)
- Stability of care home management
- Use of agency staff
- Occupancy
- Profitability

Feedback from Scottish Care however is that they are keen to ensure that any system considers the impact that commissioner activity can have on financial risk.

In response to the meetings held to date, it has been agreed that two pilots be used to test the potential for an enhanced financial risk monitoring system. Meetings have been held with the Chief Officers of Aberdeen City and Angus health and social care partnerships to scope these pilots prior to wider consultation on an information sharing model with all participating partnerships. Building on Scotland Excel's leadership in this area, the Care Inspectorate is now exploring how they can contribute to more enhanced monitoring of providers. This work is likely to take some time to become embedded. In the meantime, Scotland Excel will continue to work with providers and deliver more information to local authorities.

Cost of Care

Scotland has benefitted from the setting of a national rate in terms of consistency of the cost of care to people accessing care homes wherever they live in Scotland. The undernoted negotiation mechanism however for delivering the national rate has not changed since 2008:



With the establishment of health and social care partnerships and the requirement for joint strategic commissioning plans, it is timely to review and strengthen how we approach the fee setting process.

Scotland Excel has made substantive progress in exploring the potential use of a cost of care calculator. A calculator underpins fee negotiations by providing a tool to more forensically examine care home costs, while at the same time allowing for more effective scenario planning in response to potential policy decisions, for example to implementation of the Scottish Living Wage.

A Cost of Care Sub Group chaired by Scotland Excel has guided the work to date and brings together stakeholders including the Scottish Government, Scottish Care, Care Inspectorate, Health Improvement Scotland and COSLA.

Scotland Excel has researched existing calculators and identified the following key elements, as well as sub elements and benchmark options:

- Staffing
- Buildings
- Other costs (e.g. supplies and services)
- Providers return, corporate overheads, management costs
- Occupancy
- Inflation

This work is being undertaken in partnership with providers.

During November 2016 – January 2017, Scotland Excel will provide COSLA and the fee negotiation team with detailed background papers and negotiation advice, as well as strong leadership in the assessment and selection of options for each cost element.

Health and Social Care Partnerships have already been surveyed on the desired balance between national benchmarking of costs and the applicability of local variation to take account of specific local market circumstances including occupancy, capital costs in terms of land and buildings and workforce issues such as staff recruitment difficulties. There is a clear desire for a continued national approach, with support also expressed for a limited and phased approach to potential local variation in areas such as occupancy and staffing levels.

While the calculator has gone some way to provide a tool to understand costs in the sector, there is a need for further benchmarking of costs over the medium term.

Procurement Strategy

In the procurement of care home services, local authorities have always taken their lead from legislation and guidance, principally to support peoples' choice of care home². While some local authorities have commissioned care home services for very specific purposes e.g. early supported discharge from hospital or respite services, in general the number and location of care homes in Scotland has been led by market decisions.

In line with initial scoping documents, Scotland Excel is finalising a draft procurement strategy that explores potential procurement and non- procurement options for the future sourcing of care home services. The strategy has been informed by the market intelligence reporting already produced by Scotland Excel as part of the overall service offering, as well as Scottish wide research and publications from agencies such as Audit Scotland, Information Services Division and Care Inspectorate.

Participating local authorities have been surveyed and a local authority leads forum confirmed the most significant commercial and quality considerations that local authorities would like incorporated into a future contracting model. Any agreed sourcing solution will need to take into account learnings from past procurement approaches for care home services across the United Kingdom.

There are a number of procurement and non-procurement options that could be employed. These are:

- open procedure;
- restricted procedure;
- competitive procedure with negotiation;
- competitive dialogue;
- innovation partnership;
- negotiated procedure prior to publication;
- framework agreements; and
- dynamic purchasing systems.

A consultation process for the draft procurement strategy will be agreed shortly with key stakeholders.

² Social Work (Scotland) Act 1968 (Choices of Accommodation) Direction 1993

NCHC Fee Negotiations 2017/ 2018

Scotland Excel is part of the COSLA negotiation team for the 2017/ 2018 fee negotiations and has provided the negotiation strategy, national market intelligence report and cost of care discussion paper. These papers together with the cost of care calculator tool provides a level of support not previously available.

It is anticipated that Scotland Excel will be required to provide a central role in fee negotiations. There will continue to be a requirement to undertake further benchmarking of actual costs and to provide further intelligence to any future negotiation team.

Appendix 2 – Care Home Services for Older People - Funding

Councils/ Health and Social Care Partnerships	Current Fee - 2016/2017	Annual Fee - 2017/2020
Aberdeen City	£9,910	£7,928
Aberdeenshire	£11,038	£8,830
Angus	£5,814	£4,651
Argyll & Bute	£4,783	£3,826
City of Edinburgh	£19,501	£15,601
Clackmannanshire	£3,434	£2,747
Comhairle nan Eilean Siar	£2,551	£2,041
Dumfries & Galloway	£7,065	£5,652
Dundee City	£6,991	£5,593
East Ayrshire	£6,034	£4,827
East Dunbartonshire	N/A	£4,337
East Lothian	£5,274	£4,219
East Renfrewshire	£4,906	£3,925
Falkirk	£7,310	£5,848
Fife	N/A	£12,030
Glasgow City	£23,499	£18,799
Highland	N/A	£8,085
Inverclyde	£4,489	£3,591
Midlothian	£4,661	£3,729
North Ayrshire	£6,574	£5,259
North Lanarkshire	N/A	£11,186
Orkney Islands	N/A	£1,864
Perth & Kinross	£6,966	£5,573
Renfrewshire	£7,948	£6,358
Scottish Borders	£5,715	£4,572
Shetland Islands	N/A	£1,903
South Ayrshire	£4,906	£3,925
South Lanarkshire	£13,246	£10,597
Stirling	£5,568	£4,454
The Moray	£5,004	£4,003
West Dunbartonshire	N/A	£3,866
West Lothian	£8,021	£6,417



Scotland Excel

To: Joint Committee

On: 9 December 2016

Report by The Treasurer and Director Scotland Excel

1. Summary

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 2017-18.

2. Recommendations

2.1 It is recommended that members:

- **agree** the Revenue Estimates of Scotland Excel for the financial year 2017-18 as shown in Appendix 1
- **agree** the utilisation of reserve funding as outlined in Appendix 1
- **agree** the requisitions from constituent authorities as detailed in appendix 2.

3. Background

3.1 The Annual Revenue Estimates process each year outlines the summary revenue budget position for the organisation, including where required the utilisation of retained reserves to fund a number of workstreams relating to the procurement improvement programme led by Scotland Excel across the local authority procurement network in Scotland. The strategy to retain and utilise reserves to support the delivery of services in this manner has proved to be an effective financial planning mechanism.

3.2 The revenue estimates outlined in the remainder of this report present the planned 2017-18 financial position for Scotland Excel, taking into account:

- the estimated costs of core operations;
- the costs and estimated income associated with providing a small value procurement service
- non-recurring costs to be met from reserves;
- the level of requisition from member authorities which is affordable.

- 3.3 It is recognised that over the medium term, local government in Scotland is likely to face a 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 savings where possible, and also to develop value propositions for member authorities to ensure that best value is achieved. Scotland Excel also continues to develop alternative services which generate income outwith core requisition income in order to try and diversify its funding base.
- 3.4 At present the local government grant settlement position for 2017/18 is not expected to be made available by the Scottish Government until January 2017. The Scottish Government has indicated that the settlement figures will be for a single year only. In this context and recognising the uncertainty over the level of financial contraction which local government is likely to face over the medium term, no indicative budget figures are provided for 2018/19. However, to provide some context for member authorities, each 1% movement in requisition for Scotland Excel amounts to circa £35,000, while a 1% pay award would cost circa £25,000.

4. Budget Assumptions

4.1 The budget is based on the following assumptions:

- A budget provision for inflation on employee costs has been included at an estimated 1% for 2017-18. It is recognised that national pay negotiations remain ongoing and should the agreed position be in excess of this budget provision an appropriate adjustment will require to be made to the 2017-18 position;
- In line with previous years practice no inflation adjustment has been made to all non-pay expenditure lines;
- adjustments have been made to specific budget lines to reflect operational experience in relation to:
 - employee costs – a budgeted staffing turnover assumption of 3% has been applied;
 - contractors – it is anticipated that the consultant funded within the core budget will complete the projects in 2016-17 and will therefore not be required in 2017-18;
 - administration costs – a net reduction in the cost of insurance premiums to reflect the inclusion of Scotland Excel staff within Renfrewshire Council's insurance arrangements;
 - Payments to other bodies – increased cost to maintain quality accreditation within 2017-18;
 - Member requisitions – have been held at 2016-17 levels.
 - Rebate income – relates to the new rebate income which will flow to Scotland Excel from the new groceries framework as outlined in the small value procurement report on this agenda. This proposal has previously been discussed at the Chief Executive Officers Group, CIPFA DoFs and the Executive sub-committee, with a general consensus emerging for use of the rebate as opposed to an additional requisition. This funding will be utilised as outlined in the report to fund a small value contracts team (shown separately under employee costs).

- Other income – has been increased to reflect additional anticipated associate member fee income.

4.2 Separate reports on this agenda outline proposals being discussed with the Scottish Government with regards the procurement of social care and affordable housing. Should these proposals be agreed, the additional funding from the Scottish Government would be utilised to fund the staff resource required to undertake the work involved. Neither the income nor the associated costs have been included in the appendix to this report at this stage.

4.3 In terms of the use of reserves to fund non-recurring obligations, account has been taken of the continued requirement to support the investment in the computer software and equipment programme to continue to drive efficiencies to the service delivery and gathering of management information. Also included is a sum related to specialist consultancy for contract development opportunities in 2017-18.

5. Financial Overview

5.1 Scotland Excel has made considerable efforts to meet the financial challenges facing both the organisation and its requisitioning authorities since the financial crisis of 2008 triggered the ongoing austerity measures put in place by the UK government.

5.2 The outlook in the medium term is characterised by uncertainty. At this point both major areas of risk for the Joint Committee in the medium term – the level of pay award and the level of requisition income (broadly linked to the movement in the level of grant available to local government) – are unknown. Single year settlements and further uncertainty arises from enhanced powers for Scotland under the Scotland Act 2016; and also significantly from the Brexit vote.

5.3 While the exact impact of these issues for the Scotland Excel cannot be forecast with certainty; there is a general consensus that prospects for economic growth have deteriorated, placing further ongoing pressure on public spending. Estimates of potential cuts to the 2017/18 local government settlement range across Scotland; however they are broadly in the 3-5% range. Scotland Excel will continue to be mindful of the financial pressures member authorities face and work with them to address these challenges.

5.4 As in previous years, the 2016-17 revenue estimates have been developed to ensure core operations are funded fully by requisition income. The remaining reserves balance will be used to protect against any unforeseen costs or financial risks which may arise in the future.

5.5 Members will note that detailed in Appendix 1 is a memorandum section relating to the National Care Home Contract (NCHC). This relates to activity Scotland Excel will undertake in relation to this contract, with this activity being funded by separate agreement with a significant number of councils, but not all 32. The funding relating to the NCHC is not covered by requisition income, but is fully funded by the income from those councils who have indicated such

agreement, and is outwith the scope of this report. The income and expenditure shown are for information purposes only.

6. 2017/18 Member Authority Requisitions

- 6.1 The Member Authority Requisitions for 2017-18 have not varied from those agreed in 2016/17, and are detailed in Appendix 2 of this report.
- 6.2 Any future events which may materially affect these finances will require to be the subject of a report to the Joint Committee.
- 6.3 The date of drawdown for the requisitions will be as outlined in the Terms and Conditions of Scotland Excel, Section 7 Budget and Payment. The funding drawdown will be annually during October in accordance with arrangements made by the Treasurer.

Appendix 1

	2016/17	2017/18
	Approved	Proposed
<u>Core Operational Expenditure</u>		
Employee Costs	2,915,200	2,944,400
Employee costs - small value procurement team	0	135,000
Property Costs	176,500	176,500
Supplies and Services	87,900	87,900
Administration Costs	315,600	296,800
Payments to other Bodies	19,000	38,600
Total Core Operating Expenditure	3,514,200	3,679,200
<u>Core Operational Income</u>		
Council Requisitions	3,484,200	3,484,200
Rebate Income (groceries framework)	0	135,000
Other Income	30,000	60,000
Total Core Operating Income	3,514,200	3,679,200
Core Operating Deficit/(Surplus)	0	0

<u>Funded from Reserves</u>		
Temporary Staffing Requirements	11,910	0
ICT Development Costs	122,600	51,000
Other Development Costs	65,000	15,000
Total Temporary Costs	199,510	66,000

<u>Reserve Funding</u>		
Total Reserves	465,411	265,901
Budgeted Drawdown	(199,510)	(66,000)
Budgeted Balance	265,901	199,901
Estimated Balance	265,901	199,901

Memorandum

<u>National Care Home Contract</u>		
Additional Costs	165,500	196,240
Additional Income	165,500	196,240
Net Expenditure	0	0

Appendix 2

Member Requisitions

Requisition by Authority	2016-17	2017-18
Aberdeen City	140,607	140,607
Aberdeenshire	156,621	156,621
Angus	82,591	82,591
Argyll and Bute	67,842	67,842
Clackmannanshire	48,605	48,605
Dumfries and Galloway	100,395	100,395
Dundee City	99,296	99,296
East Ayrshire	85,835	85,835
East Dunbartonshire	77,160	77,160
East Lothian	74,806	74,806
East Renfrewshire	69,647	69,647
City of Edinburgh	276,829	276,829
Eilean Siar	36,111	36,111
Falkirk	103,989	103,989
Fife	213,737	213,737
Glasgow City	333,882	333,882
Highland	143,652	143,652
Inverclyde	63,793	63,793
Midlothian	66,090	66,090
Moray	71,138	71,138
North Ayrshire	93,410	93,410
North Lanarkshire	198,471	198,471
Orkney Islands	33,061	33,061
Perth and Kinross	99,076	99,076
Renfrewshire	112,758	112,758
Scottish Borders	81,351	81,351
Shetland Islands	33,914	33,914
Stirling	69,522	69,522
South Ayrshire	80,817	80,817
South Lanarkshire	186,501	186,501
West Dunbartonshire	68,763	68,763
West Lothian	113,930	113,930
Total	3,484,200	3,484,200



Scotland Excel

To: Joint Committee

On: 9 December 2016

Report by Director Scotland Excel

Procurement and Commercial Improvement Programme (PCIP) Update

1. Introduction

This report provides an update on the results of the Procurement and Commercial Improvement Programme (PCIP) assessments undertaken by Scotland Excel across member organisations.

2. Background

Procurement capability assessments (PCA) were first introduced in 2009 and continued in their original form until 2014. By 2014 councils had made significant improvement, raising the sector average from 22% in 2009 to 62% in 2014.

In 2015 the new assessment methodology (PCIP) was introduced in three forms; full, medium and lite. Organisations with annual spend over £40m undertake full assessments. A significant change between the PCA and the PCIP is the scoring bands shown in Table 1 and which are **not** comparable between the two assessment methods. This is an important differentiator and therefore comparison between the last PCA score in 2014 and the PCIP score in 2016 cannot be made.

Table 1

Full Assessment Performance Bandings	
Current Performance Band	% Score
F1	>70%
F2	66<=69%
F3	61<=65%
F4	56<=60%
F5	51<=55%
F6	46<=50%
F7	41<=45%
F8	36<=40%
F9	31<=35%
F10	26<=30%
F11	20<=25%
F12/Non-Conformance	<19%
https://www.procurementjourney.scot/step-5-pcip-finalisation-bandings	

The PCIP is split over four sections each having an allocated number of points:

- Leadership and Governance (40 points)
- Development and Tender (24 points)
- Contract (20 points)
- Key purchasing processes (12 points)

3. Assessments and results

Sixteen councils opted to undertake assessments in 2016 with the remainder requesting deferment until 2017. The primary reason for deferment was given as resource challenges within the organisations.

The average score for the 16 organisations assessed was 65% [F3].

(Due to the differing assessment nature and incomplete sectoral picture it is not possible to directly compare previous PCA results with this average)

Scores ranged between 48% [F6] and 83% [F1].

The sectors average score for each of the four sections is:

- Leadership and Governance 29.4 points - 73% [F1]
- Development and Tender 14.2 points - 59% [F4]
- Contract 10.4 points - 52% [F5]
- Key purchasing processes 8.8 points - 73% [F1]

Six councils achieved F1; one F2; six F3; two F4 and one F6.

Image 1 illustrates the four PCIP sections for the 16 councils.

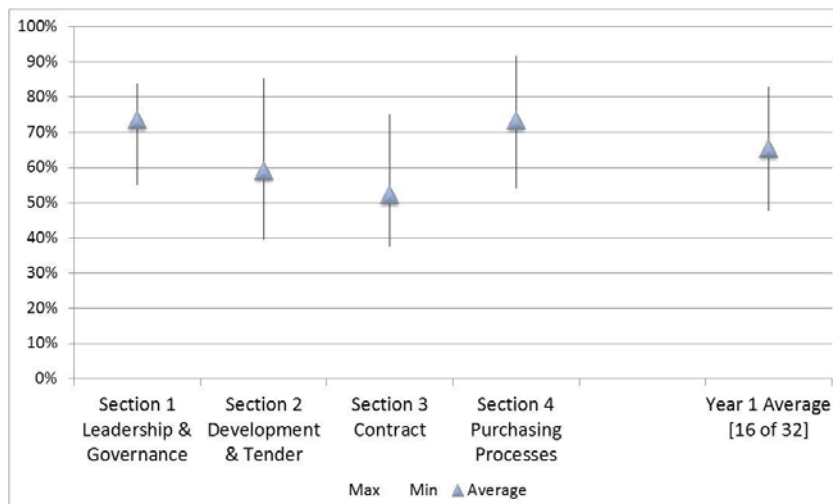


Image 1: Year 1 PCIP

Elements of good practice exist across all four sections, whilst the averages of sections 2 & 3 highlight areas for development. Scotland Excel's Leading Change and Learning & Development provision can support this development.

Areas of strength identified for the sector were:

- Leadership & Governance
- Purchasing Processes

Areas that require further development were:

- Development & Tender
 - Innovation
 - Implementation tracking
 - Exit strategies
 - Forecast benefits versus actual
- Contract
 - Evidence of application
 - Contract and Supplier Management

Feedback from councils on the support and implementation of the PCIP process has been extremely positive. Members felt that support provided was beneficial and the assessments were conducted in a highly professional manner.

4. Supporting procurement improvement

Results and recommendations from the 2016 PCIP process will be shared with the local government community. It is anticipated that key findings will be discussed at the Scotland Excel annual event in February 2017. It is at this venue that the community will gather to share best practice and further develop areas identified by the PCIP process as potential improvement areas.

5. Future Assessments

Scotland Excel will work with the remaining organisations that have not yet undertaken assessments to prepare and undertake the assessment in 2017. Discussions are currently underway across the public sector with regard to the future frequency and nature of the PCIP. It is anticipated that formal assessments will continue to be undertaken every two or three years. The use of self-assessment as an intermediate tool will also be investigated. Any recommendations made will be communicated to members once agreed.

6. Recommendation

Members are invited to note the progress in implementing the new assessment regime and the positive results displayed by local government.



Scotland Excel

To: Scotland Excel Joint Committee

On: 9 December 2016

Report by Director Scotland Excel

Scotland Excel Risk Register

1. Introduction

Scotland Excel has, since the inception of the organisation, had in place a regularly reviewed risk register for the organisation's operations. The risk register is maintained to assess risks and threats that could impact on the delivery of Scotland Excel's organisational objectives and to identify actions that are being taken to mitigate such risks.

2. Background

The risk register, attached as an appendix, has been reviewed and has identified the current risks to the organisation and the service delivery. The risk register has been considered by the Executive Team, the wider Senior Management Team and with staff through team meetings on a regular basis to ensure that all current risks are identified and that suitable actions are in place or under development to address the potential impact upon the organisation and its stakeholders.

When the risk register, in the revised format, was first reported to the Joint Committee members indicated a number of proposals that would improve the tracking of risks and actions to manage the potential impact on the organisation. These have now been incorporated into the report and show movements in risks, where actions have reduced likelihood or impact and the residual risk after these actions.

The regular review of risks has included the addition of the political changes created by "Brexit". While there remains uncertainty over what changes and impact this may have on the organisation the inclusion ensures that review and sharing of information with stakeholders takes place.

The risks will continue to be monitored and reviewed on a quarterly basis by the Senior Management Team and be reported on a 6 monthly basis to the Executive Sub-Committee and annually to the Joint Committee.

3. Recommendations

Members are invited to provide feedback on the risk register, the actions identified, any further improvements to the reporting and to note the report.



Risk Management Plan

November 2016

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1. Risk management arrangements within the organisation 3

2. Report on corporate risk management objectives 3

3. Summary report on previous year’s risk position 3

4. Current internal and external business context for the organisation 3

5. The risk register going forward from 1/10/2015..... 5

Appendix 1: Risk Register going forward from 1/10/2015..... 9

1. Risk management arrangements within Scotland Excel

- 1.1 During 2014-15, the organisation has implemented a range of standard procedures in keeping with the organisation's risk management strategy. This includes adoption of the risk management process and the standardised risk matrix for analysis and evaluation of risk.
- 1.2 The review of the Risk Register will be carried out by the Senior Management Team and the top 5 risks will be reported quarterly to the appropriate governance committee of Scotland Excel.
- 1.3 The Senior Management Team will review the register on a monthly basis. However managers will bring to the attention of the group a new risk or significant change in an existing risk this will be circulated within the Senior Management Team with immediate effect.

2. Report on corporate risk management objectives

- 2.1. To ensure that risks are identified and effectively managed Scotland Excel will put in place a range of measures and processes. These will include:
 - (1) The Senior Management team owns and regularly reviews the risk register reporting on it to the governance committee of elected members.
 - (2) By carrying out regular review of the register and the process of review ensure that the risk management policy and strategy remain fit for purpose, providing a consistent approach to risk management and increasing its effectiveness.
 - (3) Ensuring that staff are equipped and supported to identify and manage risk in their area.
 - (4) The organisation will ensure that it has effective arrangements in place for managing risks in partnerships.
 - (5) Ensuring that the management of risk contributes to achieving positive outcomes for the organisation including encouraging innovation and identifying new opportunities.

3. Summary report on previous year's risk position

- 3.1. As part of the review of service this is a new risk register that reflects the current and future risks identified for the organisation.

4. Current internal and external business context for the organisation

- 4.1. The Scotland Excel Senior Management Team (SMT) have participated in dedicated sessions, facilitated by Renfrewshire Council's Risk Manager to explore the organisation's current risk landscape and agree the key risks that should feature in the organisation's revised strategic risk register.
- 4.2. As a basis for refreshing the strategic risk register, the SMT considered the organisation's key business priorities and perceived significant challenges to achieving these:
 - Supporting the delivery of better and more effective public services
 - Being sustainable in everything we do.
 - Placing customers at the heart of our business.
 - Becoming the partner of choice for delivering shared services.

- 4.3. Focus was then given to the organisation's current external business environment: immediate matters of importance as well as those that may be on the horizon. In particular, the SMT considered the following:
- **POLITICAL CONTEXT**
 - The Christie Commission on the Future Delivery of Public Services
 - Changes in the political landscape, such as the breakup of CoSLA and the formation of the new Local Government Partnership
 - Health and social care integration – joint bodies as new legal entities who may procure through other means and not access Scotland Excel contracts
 - **ECONOMIC CONTEXT**
 - The increasing focus on public sector procurement as a driver of economic benefits and the relationship between procurement and the local economic agenda
 - Financial pressures and budget cuts in member councils
 - Financial (and other) factors impacting on resilience of suppliers – potential for provider failure/ business continuity risk
 - **SOCIAL CONTEXT**
 - The increasing focus on public sector procurement as a driver of social benefits
 - **TECHNICAL CONTEXT**
 - Complexities of certain new markets and matching in-house capacity/ capability
 - The third phase of the national Public Procurement Reform Programme – potential to be out of step with what's seen as good practice – detached from key requirements
 - Linked to the above, recommendations in the Review of Scottish Public Sector Procurement in Construction - the need to review, position the organisation to better serve customers (PCA good example)
 - Scotland's Digital Future/ delivery of Public Services strategy and the Local Government Information and Communication Technology (ICT) strategy – access in local communities. – Opportunity. – reputation that we say we can deliver ICT contract but can't deliver.
 - **LEGISLATIVE CONTEXT:**
 - The Procurement Reform (Scotland) Bill
 - Changes to EU and UK procurement legislation
 - Consultation on the Community Empowerment (Scotland) Bill – Scotland Excel Contracts may not be fully utilised. Sales and marketing need to respond and there is opportunity for small projects team to be involved.
 - Personalisation and self directed support legislation (individual choice) – risk in terms of the contract and additionally governance, in terms of how Scotland Excel supports member councils
 - Public Bodies (Joint Working) (Scotland) Act 2014
 - **ENVIRONMENTAL CONTEXT**
 - The increasing focus on public sector procurement as a driver of environmental benefits
- 4.4. Further to the above consideration of the current external business environment, the SMT also gave consideration to the current internal business environment: matters of importance identified in relation to internal priorities or challenges, or feedback/ performance:
- Performance against Transforming Scotland Excel priorities
 - Data integrity – systems and management information requirements to support future activities, future decisions and the transformation programme

- Financial integrity and stability – funding/ rebates
- Exploring new markets/ developing new contracts with related reputational impact in how these are handled by the organisation
- Feedback from the Scotland Excel customer surveys - managing customer expectations/ demonstrating value and outcomes achieved – to be the provider of choice
- Outputs from the Audit Scotland review of procurement in Local Government– poor forecasting in terms of timelines
- Opportunities for growing the current shared services model to include the delivery of additional contract areas and value add services
- Workforce planning needs – turnover and the availability of skilled and experienced resources
- Trends in relation to complaints, incidents/ near misses, claims and insurance information
- Internal business continuity arrangements in respect of loss of staff, power/ systems, facilities

4.5. On the basis of the extensive consideration of the above business context, the organisation has identified and agreed the key strategic risks to be recorded within its risk register going forward from 01/09/2015.

5. The risk register from October 2015

5.1. The risk register is shown in detail in Appendix 1. The risks are categorised under the themes noted below (referred to in more detail earlier in paragraph 4.2), reflecting the strategic aims of the organisation and one additional category to enable capture of significant risks that are inherent in business as usual for the organisation:

- Supporting the delivery of better and more effective public services
- Being sustainable in everything we do.
- Placing customers at the heart of our business.
- Becoming the partner of choice for delivering shared services.

Original Risk Position

IMPACT	Extreme (5)	5	10 R1	15 R4 R5 R14	20 R11 R12	25 R15
	Major (4)	4	8 R6 R7 R8	12 R10 R13 R16	16 R2	20
	Moderate (3)	3	6	9 R9	12 R3	15
	Minor (2)	2	4	6	8	10
	Insignificant (1)	1	2	3	4	5
		Remote (1)	Unlikely (2)	Possible (3)	Likely (4)	Almost Certain (5)

LIKELIHOOD

Low (1-3), Moderate (4-9), High (10-16), or Very High (17-25)

Residual Risk after Mitigation

IMPACT	Extreme (5)	5	10 R1	15 R4 R5 R12 R11 R14	20	25
	Major (4)	4	8 R8	12 R13	16 R2	20 R15
	Moderate (3)	3	6 R6 R7 R10	9 R9 R16	12 R3	15
	Minor (2)	2	4	6	8	10
	Insignificant (1)	1	2	3	4	5
		Remote (1)	Unlikely (2)	Possible (3)	Likely (4)	Almost Certain (5)

LIKELIHOOD


Low (1-3), Moderate (4-9), High (10-16), or Very High (17-25)


- 5.2. The organisation's top five risks (in terms of potential significance) are:
- (1) Recruitment and Retention of Staff
 - (2) Political change impacts upon the governance of the organisation
 - (3) Failure to exploit new markets / opportunities leads to a failure to provide savings.
 - (4) Business Continuity if a failure occurs, impacts upon stakeholders.
 - (5) The financial stability of the organisation going forward based on annual requisitions
- 5.3. The planned risk treatment activity going into this year, which is required to further control of reduce the risks is included within the register in Appendix 1.
- 5.4. Strategic risks will be reported on a 6 monthly basis to the Executive Sub Committee.
- 5.5. As a minimum, the Senior Management Team will review the entire strategic risk register on a quarterly basis.
- 5.6. Individual SMT members will as a matter of course throughout the year, bring to the SMT for collective consideration any local (contract specific or operational) risks that may require escalation to the strategic risk register.


Appendix 1:


Risk Register from 01/09/2015


Context	Risk Statement	Owned by	Current Risk Control Measures	Likelihood	Impact	Evaluation	Residual Risk	Movement
<p>REF: Risk 1</p> <p>Title</p> <p>Context:</p> <p>(1) There is less opportunity to show significant savings from second and third generation contracts</p> <p>(2) As demonstrated with COSLA councils can serve notice and leave the organisation</p> <p>(3) An example of this is some councils not participating in the NCHC.</p>	<p>Membership of Scotland Excel is optional for Councils. The risk is that Councils decide not to renew membership of Scotland Excel.</p> <p>Scotland Excel must be alert to this and the impact of any council leaving membership.</p>	JW	<ul style="list-style-type: none"> The Director has undertaken and will continue a programme of meetings with Directors of Finance in Councils to ensure awareness of Scotland Excel and the financial benefits to councils. Head of Service role created with responsibility for engaging with stakeholders to ensure that requirements are met and relationships are managed effectively. Engagement with CIPFA to ensure that there is awareness and understanding of Scotland Excel and the benefits of fully engaging are clearly communicated to executives in member councils. Competitor analysis is providing a clear understanding of our unique selling propositions Scotland Excel has developed a model to plan and support effective engagement between the Executive Team and senior stakeholders. 	3	5	15	10	↓
Action Ref	Linked Actions	Latest Notes		Assigned to	Due Date	Status		
		The control measures of the organisation have reduced the likelihood of this risk. (3 to 2)						

Context	Risk Statement	Owned by	Current Risk Control Measures	Likelihood	Impact	Evaluation	Residual Risk	Movement
REF: Risk 2 Title: Context: (1) Failure to horizon scan to identify new markets/commodity shifts (2) Failure to deliver on priorities identified by member councils at commercial UIGs (3) Failure to explore viability of new markets (4) Need to match in-house capability and capacity to respond to new markets Impact of TTIP – Transatlantic Partnership	Scotland Excel fails to exploit potential new markets and opportunities to expand the contract portfolio securing savings for stakeholders.	HC	<p>Horizon scanning to help to identify market development opportunities earlier and give the organisation longer to plan for capability/capacity</p> <ul style="list-style-type: none"> Commercial UIG/Steering Group provides platform for prioritising new market development opportunities, (e.g. discussion and agreement on how we strike a balance between their requirements and our capacity/capability) Workforce planning – anticipate requirements in over the long term and investigate how we can fund recruitment of new staff or up skill existing staff Secondments from expert partners, as per Zero Waste Scotland for the development of waste contracts. Contract governance arrangements mitigate some risk on capability, (i.e. opportunity to identify issues before a tender goes to market) Currently the contract pipeline is full and for requests that have come for specific work we have requested separate and additional funding. The example being the National Care Home Contract. Partnering with Crown Commercial Services has also added capacity and has been successful. Development of category strategies with 2-3 year plan to enable opportunity to consolidate contracts and create additional capacity. 	4	5	20	16	
Action Ref	Linked Actions	Latest Notes		Assigned to	Due Date	Status		
		The control measures of the organisation have reduced the impact of this risk. (5 to 4)						


Context	Risk Statement	Owned by	Current Risk Control Measures	Likelihood	Impact	Evaluation	Residual Risk	Movement
REF: Risk 3 Title:	Scotland Excel fails to develop to meet demands and diversification as the requirement for new shared services develops.	SB	<ul style="list-style-type: none"> Ensuring that there is ongoing robust market testing of all new shared service propositions Ensuring that there is a robust business model in place for all new services (cost to serve, funding / uptake forecasts) Ensuring that there is proper planning that sufficient and capable resources exist within the organisation. Scotland Excel will continue to engage effectively and appropriately to ensure that there is a full understanding of the policy drivers and impacts / opportunities for our stakeholders. Account management plan has account managers working with stakeholders to identify how we can bring additional benefits to them. Development of project plan that demonstrates resource input and benefits delivered from the contracts placed. 	4	4	16	12	
Context: (1) Failure to horizon scan to identify new markets, requirements or opportunities (2) Ensuring that priorities identified by member councils at commercial ULGs are delivered. (3) The need to explore viability of new markets (4) Matching in-house capability and capacity to respond to new markets								
Action Ref	Linked Actions	Latest Notes		Assigned to	Due Date	Status		
		The control measures of the organisation have reduced the impact of this risk. (4 to 3)						


Context	Risk Statement	Owned by	Current Risk Control Measures	Likelihood	Impact	Evaluation	Residual Risk	Movement
REF: Risk 4 Title:	Stakeholders expect that as a CoE Scotland Excel must be aware of and ready for political or other external changes and the impact of these. Failure to do so will compromise the relationship with our stakeholders.	JW	<ul style="list-style-type: none"> Strengthening partnerships in the wider stakeholder environment through meetings, conferences and collaborative working An effective and appropriately resourced public affairs strategy is in place. Scotland Excel ensures that the organisation is aware of and plan to respond to all changes in its external environment that may affect the organisation and / or the sector. Procurement teams identify commodity shifts and advise and act accordingly. SMT have scheduled a quarterly review of general issues impacting upon the environment we operate in and deal with specific issues such as EU Referendum, local and national elections. 	3	5	15	15	
Context: (1) Failure to horizon scanning to identify new markets/ commodity shifts (2) Failure to identify and explore viability of new markets (3) Matching in-house capability and capacity to respond to new markets (4) Government elections and policy changes								
Action Ref	Linked Actions	Latest Notes		Assigned to	Due Date	Status		
		There has been no movement in this risk						


Context	Risk Statement	Owned by	Current Risk Control Measures	Likelihood	Impact	Evaluation	Residual Risk	Movement
REF: Risk 5 Title:	The failure of a service provider could have significant implications for service provision within member council areas.	HC	<ul style="list-style-type: none"> Effective risk management is in place at development and management of contracts Robust processes for monitoring the financial stability of suppliers is carried out prior to award and throughout the life of a contract Specific measures to meet the management of Social Care contracts and these key areas of risk. Scotland Excel has a range of measures for monitoring supplier resilience in addition to the external financial monitoring tools used. To ensure robust financial evaluation and support for teams the option to secure external advice for review of financials for suppliers is being implemented. 	3	5	15	15	
Context: (1) Financial (and other) factors impacting on resilience of suppliers (2) Negative reputational results across the portfolio from potential breach of contract and / or supplier failure								
Action Ref	Linked Actions	Latest Notes	Assigned to	Due Date	Status			
		There has been no movement in this risk.						


Context	Risk Statement	Owned by	Current Risk Control Measures	Likelihood	Impact	Evaluation	Residual Risk	Movement
REF: Risk 6 Title:	Scotland Excel fails to engage effectively with stakeholders on collaborative activities and / or does not make information available to support the use of contracts or services.	HC	<ul style="list-style-type: none"> Promotional materials including guides for buyers and suppliers produced to help ensure informed purchasing decisions. Quarterly meetings with stakeholders to support training in the use of and development of content in eCatalogues. Feedback is given at quarterly stakeholder meetings on spend data including identification where possible of "off contract spend". Use of agreed standard form of framework for goods/services/social care and shared via the intranet to ensure consistency in the methodology. Appropriate stakeholders identified through the procurement journey and actions from this used to project manage the process. 	2	4	8	6	
Context: (1) Lack of awareness of or input to development of frameworks.								
Action Ref	Linked Actions	Latest Notes	Assigned to	Due Date	Status			
		The control measures of the organisation have reduced the impact of this risk. (4 to 3)						


Context	Risk Statement	Owned by	Current Risk Control Measures	Likelihood	Impact	Evaluation	Residual Risk	Movement
REF: Risk 7 Title: Context: (1) Ensure that where possible community benefits can be delivered as part of the contract portfolio. (2) Ethical sourcing of products and supplies in the whole supply chain.	Scotland Excel fails to be an industry leader in how it addresses key aspects of corporate social responsibility with an associated negative impact upon our stakeholders.	HC	<ul style="list-style-type: none"> Management and reporting of Community Benefits in place and being further developed with stakeholders input. Elected members receive updates as part of the governance process on the range of community benefits on frameworks. Scotland Excel has secure accreditation as a Living Wage Employer and this will be used to raise awareness with suppliers and stakeholders. Engagement with appropriate bodies such as the British Association of Supported Employment to encourage participation in frameworks. Ethical sourcing strategies are provided by suppliers as part of the tender process as a control measure. Marketing actively promote the community benefits in our contracts. Anti Slavery legislation has been included and is reviewed as part of our procurement strategy. The Sustainable procurement strategy is being implemented which will reflect areas of work already in use or in development. Community benefit requirements are issued to suppliers at tender stage and a register of the community benefits subsequently delivered will be used to assist in future tender scoring. 	2	4	8	6	➔
Action Ref	Linked Actions	Latest Notes		Assigned to	Due Date	Status		
		The control measures of the organisation have reduced the impact of this risk. (4 to 3)						


Context	Risk Statement	Owned by	Current Risk Control Measures	Likelihood	Impact	Evaluation	Residual Risk	Movement
REF: Risk 8 Title: Context: (1) Website is a first point of contact for many so must be accurate and up to date (2) More proactive use of media to promote good news stories (3) Elected member engagement and providing them with information on success / good news stories to promote the value of the organisation.	Failure to make Scotland Excel the procurement provider of choice for stakeholders through proper awareness has a financial impact for the organisation and for members in terms of best value	SB	<ul style="list-style-type: none"> Scotland Excel has engaged PR professionals to raise awareness of the organisation and the benefits from the contracts that are in place. Promotional materials including guides for buyers and suppliers produced. Regular updates to all stakeholders via the quarterly newsletter / magazine. An update of the website has taken place and new content will be added to ensure stakeholders are informed and engage with the organisation Adopting the use of social media as appropriate to engage effectively with stakeholders is currently being evaluated. Stakeholder engagement exercise and ranking of these stakeholders has resulted in a strategy effective engagement. Regular PR updates and opportunities are discussed and reviewed by the SMT as a regular agenda item. CEOMG has been reviewed and with input from SOLACE a number of new CEOs have joined. Wider elected member engagement is taking place, through COSLA and other political meetings. 	3	4	12	8	
Action Ref	Linked Actions	Latest Notes		Assigned to	Due Date	Status		
		The control measures of the organisation have reduced the likelihood of this risk. (3 to 2)						


Context	Risk Statement	Owned by	Current Risk Control Measures	Likelihood	Impact	Evaluation	Residual Risk	Movement
REF: Risk 9 Title: Context: (1) Website news and information kept completely up to date reflecting any issues (2) Arrangements for dealing with adverse publicity / crisis management (3) More proactive use of media to manage news stories (4) Elected members must be kept informed if issues arise.	Scotland Excel is faced with negative publicity or a media crisis which compromises the organisation's stakeholders	SB	<ul style="list-style-type: none"> Procurement teams advise communications colleagues of any issues which have the potential for negative media interest, and plans are put in place to deal with these proactively Scotland Excel make use of external specialists to supplement in-house resources as required Executive team have had media training to ensure effective handling of any issues that may arise. New PR support has been secured and this will be used to promote and manage media contacts in a proactive manner. 	3	4	12	9	
Action Ref	Linked Actions	Latest Notes		Assigned to	Due Date	Status		
		The control measures of the organisation have reduced the impact of this risk. (4 to 3)						


Context	Risk Statement	Owned by	Current Risk Control Measures	Likelihood	Impact	Evaluation	Residual Risk	Movement
REF: Risk 10 Title:	Scotland Excel has to meet the obligation to deliver on policy objectives for Joint Committee members. There is a risk to credibility and reputation if this is not met.	HC	<ul style="list-style-type: none"> Contract governance process ensures that appropriate steps are taken to drive ethical sourcing within framework agreements. Sound supplier management is in place and regular meetings to ensure contractual commitments are met. End users are clear on options when making purchasing decisions for example "fair-trade" options that are available in contracts. Procurement teams advise communications colleagues of any CSR or benefits which have the potential for a positive media interest, and plans are put in place to deal with these proactively 	2	5	8	8	
Context: (1) Implementation of stakeholder policy in contracts (2) Ethical sourcing of products and supplies in the whole supply chain.								
Action Ref	Linked Actions	Latest Notes		Assigned to	Due Date	Status		
		The control measures of the organisation have reduced the impact of this risk. (5 to 4)						


Context	Risk Statement	Owned by	Current Risk Control Measures	Likelihood	Impact	Evaluation	Residual Risk	Movement
REF: Risk 11 Title:	There are a range of factors in the organisation's business context that if not addressed effectively could impact on the longer term sustainability of Scotland Excel	JW	<p>Financial Sustainability</p> <p>Identifying new opportunities to provide additional chargeable services based on customer demand</p> <p>Developing and implementing transparent budget management procedures</p> <p>Growth</p> <p>Ongoing robust market testing of all new shared service propositions</p> <p>Ensure ongoing robust business model is in place for all new services (cost to serve, funding/uptake forecasts)</p> <p>The organisation has developed a number of projects to offer new services which will greatly increase the benefits to stakeholders.</p>	4	5	20	15	
Context: (1) Financial sustainability <ul style="list-style-type: none"> Need to attract resources Council budget cuts Potential for national organisations / local government withdrawing support 								
Action Ref	Linked Actions	Latest Notes		Assigned to	Due Date	Status		
		The control measures of the organisation have reduced the likelihood of this risk. (4 to 3)						

Context	Risk Statement	Owned by	Current Risk Control Measures	Likelihood	Impact	Evaluation	Residual Risk	Movement
REF: Risk 12 Title:	Scotland Excel encounters problems in recruiting and retaining staff of suitable skill, quality and experience to meet the agreed contract delivery schedule.	JW	<ul style="list-style-type: none"> Organisational development strategy is being created as part of the transformation programme Opportunity to formalise our new talent development activities into three year rolling strategy Refresh of employer branding and implementation of social media based recruitment advertising has been used to engage with a wider audience of potential staff. There is an ongoing review of the organisation's recruitment strategy to ensure that any changes in the market are addressed 	4	5	20	15	
Context: (1) Demand in the market for Procurement staff makes recruiting and retaining staff problematic. (2) Lack of flexibility in pay structures due to tie in with Renfrewshire Council makes retaining staff problematic. (3) Perception of procurement staff as lacking experience creates lack of confidence amongst our stakeholders.								
Action Ref	Linked Actions	Latest Notes		Assigned to	Due Date	Status		
		The control measures of the organisation have reduced the likelihood of this risk. (4 to 3)						

Context	Risk Statement	Owned by	Current Risk Control Measures	Likelihood	Impact	Evaluation	Residual Risk	Movement
REF: Risk 13 Title:	Legislative changes can impact on the organisation and its stakeholders creating challenges for the organisation to respond to and address.	HC	<ul style="list-style-type: none"> Active participation in various groups and boards influencing policy and direction of travel. Regular attendance for key staff at appropriate training and policy seminars. Working in partnership with key industry / service / professional groups to manage service development and delivery in line with legislative changes. Ongoing cross sector working to encourage sharing of best practice and reduction of duplication where possible. 	3	4	12	12	
Context: (1) Procurement Reform (Scotland) Bill (2) Changes to EU and UK procurement legislation (3) Consultation on the Community Empowerment (Scotland) Bill (4) Personalisation and self directed support legislation (individual choice) (5) Horizon scanning for future legislative changes								
Action Ref	Linked Actions	Latest Notes		Assigned to	Due Date	Status		
		There has been no movement in this risk.						

Context	Risk Statement	Owned by	Current Risk Control Measures	Likelihood	Impact	Evaluation	Residual Risk	Movement
REF: Risk 14 Title:	Scotland Excel does not adequately prepare for a range of scenarios to ensure business continuity then there is a risk of service disruption with associated impact to stakeholders	SB	<ul style="list-style-type: none"> There is regular Scenario planning carried out together with Horizon scanning with the Senior Management Team Full review of IT services carried out to ensure that options for working off site to facilitate maintenance of service delivery and business continuity 	4	5	20	15	
Context: (1) Loss of staff (many staff or key individuals) (2) Loss of facilities (3) Loss of systems (4) Loss of data								
Action Ref	Linked Actions	Latest Notes		Assigned to	Due Date	Status		
		The control measures of the organisation have reduced the likelihood of this risk. (4 to 3)						

Context	Risk Statement	Owned by	Current Risk Control Measures	Likelihood	Impact	Evaluation	Residual Risk	Movement
REF: Risk 15 Title:	Political change impacts upon the governance of Scotland Excel and may change the emphasis of its future delivery.		<ul style="list-style-type: none"> Briefing papers prepared by the Scottish Government and Improvement Service shared across the Senior Management team on the implications of Brexit Briefings given on the possible impact of Brexit to elected members. After the May Local Government elections there may be changes in Joint Committee members. To address this, an information pack has been prepared and supporting succession planning with current members is underway. Horizon scanning highlights potential changes in the political agenda that may impact upon future frameworks allowing time to address these. 	5	5	25	20	
Context: 1. Local government elections will impact on committee meetings potentially delaying contract award. 2. Changes in make-up of Joint Committee impact upon the future direction of the organisation. 3. Brexit is an unknown quantity and implications for procurement will create uncertainty								
Action Ref	Linked Actions	Latest Notes		Assigned to	Due Date	Status		
		The control measures of the organisation have reduced the impact of this risk. (5 to 4)						

Context	Risk Statement	Owned by	Current Risk Control Measures	Likelihood	Impact	Evaluation	Residual Risk	Movement
REF: Risk 16 Title:	Scotland Excel faces a risk to its stated position as the provider of choice for Local Government	JW	<ul style="list-style-type: none"> Competitor analysis is undertaken and is used to develop and communicate unique selling propositions (USPs) Opportunity to reprioritise services based on competitive landscape (e.g. avoid duplication and free up resources) An exercise to review and allocate appropriate resources to stakeholder engagement has been carried out. A variety of measures introduced to ensure that the message of achievements, savings and innovation are communicated effectively. Partnership work with SEEMIS demonstrates that Scotland Excel is the "partner of choice". 	3	4	12	9	
Context: Competition from other bodies entering the market where Excel has to remain the provider of choice								
Action Ref	Linked Actions	Latest Notes	Assigned to	Due Date	Status			
		The control measures of the organisation have reduced the impact of this risk. (4 to 3)						

Scotland Excel

To: Scotland Excel Joint Committee

On: 9 December 2016

Report by the Clerk

Meetings of Scotland Excel Joint Committee in 2017

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 2017.

2. Recommendation

- 2.1 That meetings of Scotland Excel Joint Committee be held at 10.45 am on 30 June and 8 December 2017 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 2017 can be dealt with at the two meetings.
- 3.4 The Executive Sub-committee, at its meeting held on 16 September 2016 decided that it would meet on 30 June 2017 and 8 December 2017.

