

## **Notice of Meeting and Agenda Scotland Excel Joint Committee**

<b>Date</b>	<b>Time</b>	<b>Venue</b>
Friday, 27 November 2015	10:45	City Chambers, Glasgow City Council, 80 George Square, Glasgow, G2 1DU

KENNETH GRAHAM  
Head of Corporate Governance

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

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

### **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.gov.uk/agendas](http://www.renfrewshire.gov.uk/agendas).

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## 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.

- |          |   |                |
|----------|---|----------------|
| <b>1</b> | <b>Minute of Joint Committee</b>  | <b>5 - 12</b>  |
|          | Submit minute of Joint Committee meeting on 12 June, 2015.  |                |
| <b>2</b> | <b>Minutes of Executive Sub-Committee</b>   | <b>13 - 26</b> |
|          | Minutes of the Executive Sub-Committee meetings held on 12 June, 2015, 28 August, 2015 and 2 October, 2015. |                |
| <b>3</b> | <b>Revenue Estimates 2016/17</b>  | <b>27 - 34</b> |
|          | Report by the Treasurer & Director.   |                |
| <b>4</b> | <b>Audited Annual Accounts 2014/15</b>  | <b>35 - 36</b> |
|          | Report by the Treasurer and Director.   |                |
| <b>5</b> | <b>Social Care Update</b>   | <b>37 - 40</b> |
|          | Report by the Director.   |                |
| <b>6</b> | <b>Living Wage Accreditation</b>  | <b>41 - 42</b> |
|          | Report by the Director.   |                |
| <b>7</b> | <b>Scotland Excel Risk Register</b>   | <b>43 - 62</b> |
|          | Report by the Director.   |                |
| <b>8</b> | <b>Contract Delivery Plan</b>   | <b>63 - 70</b> |
|          | Report by the Director.   |                |

**9 Spend Activity and Estimated Forecast Savings - Quarter 1 2015/16 71 - 76**

Report by the Director.

**10 Court Proceedings Update 77 - 78**

Report by Clerk.

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Report by Clerk.

**12 Date of Next Meeting**

Note that the next meeting of the Joint Committee will be held on 17 June, 2016 at 10.45 am in the City Chambers, Glasgow City Council.



**MINUTE OF MEETING OF THE SCOTLAND EXCEL JOINT COMMITTEE  
HELD IN THE CITY CHAMBERS, GLASGOW  
ON 12 JUNE, 2015**

**PRESENT**

Councillors C Shand and W Howatson (both Aberdeenshire Council); P Valentine (Angus Council); E Morton (Argyll and Bute Council); I Whyte (City of Edinburgh Council); N Macdonald (Comhairle Nan Eilean Siar Council); R Murray (Falkirk Council); M McElroy and N MacLeod (both Glasgow City Council); J Clocherty (Inverclyde Council); J Bryant (Midlothian Council); G McLean (North Ayrshire Council); J Kellas (Perth and Kinross Council); M Holmes (Renfrewshire Council); J Mitchell (Scottish Borders Council); A Westlake (Shetland Islands Council) and P McGlinchey (West Dunbartonshire Council).

Councillor Holmes, Convener, presided.

**APOLOGIES**

Councillors R Milne (Aberdeen City Council); A Rankin (City of Edinburgh Council); A Drummond (Clackmannanshire Council); G Dykes (Dumfries and Galloway Council); Bailie W Sawers (Dundee City Council); Councillors D Reid and J Roberts (both East Ayrshire Council); J McMillan (East Lothian Council); M Smith and D Alston (both Highland Council); J Stockan (Orkney Council); M Cook (Scottish Borders Council); R Reid (South Ayrshire Council); Provost E Logan and Councillor P Clearie (both South Lanarkshire Council); Councillors A Wright (The Moray Council); K Ryall (West Dunbartonshire Council) and A McMillan (West Lothian Council).

**IN ATTENDANCE**

J Welsh, Director; H Carr, Head of Strategic Procurement; J McLaggan, Business Services Manager; M Robertson, Marketing and Communications Manager and S Brannagan, Head of Customer & Business Services (all Scotland Excel); and M Conaghan, Legal and Democratic Services Manager; A MacArthur, Acting Head of Corporate Finance; A McMahon, Chief Auditor; E Coventry, Democratic Services Officer; E Currie, Committee Services Officer; and K Druce, Assistant Committee Services Officer (all Renfrewshire Council) and J Thompson, Senior Procurement Officer (Angus Council).

**DECLARATIONS OF INTEREST**

The Convener intimated that this was a standard item on the agenda and asked members to indicate if there were any declarations of interest in relation to the items of business to be considered at the meeting. No declarations of interest were expressed.

**1. MINUTE OF JOINT COMMITTEE**

There was submitted the Minute of the meeting of the Joint Committee held on 5 December, 2014.

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

## 2. MINUTES OF EXECUTIVE SUB COMMITTEE

There were submitted the Minutes of the meetings of the Executive Sub Committee held on 5 December, 2014 and 30 January, 6 March, 27 March and 15 May 2015. It was noted that Councillor Howatson, Aberdeenshire had been omitted from the list of those attending by video link and that the Minute of 27 March required to be corrected to reflect this.

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

## 3. MINUTE OF THE CHIEF OFFICERS MANAGEMENT GROUP

There were submitted the Minute of the meeting of the Chief Officers Management Group held on 23 March, 2015.

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

## 4. THREE YEAR STRATEGIC PLAN AND OPERATING PLAN

There was submitted a report by the Director of Scotland Excel relative to the new three year corporate strategy, which formed Appendix I, to underpin the next phase of growth for the organisation, and ensure its long term sustainability as a successful local government shared service. The report provided a summary of the proposed strategic direction for the organisation, and included an overview of the key operational activities that would be undertaken to deliver the strategy.

Stakeholder input had formed a key component in setting the new strategic direction for Scotland Excel. A significant stakeholder engagement programme had been initiated and led by the new director and provided the basis of the three year strategy proposed, which was designed to support customers in achieving their goals.

The new Scotland Excel vision sought to provide an ambitious future for the organisation that was underpinned by clarity in the core mission with strong values focussed on people and customers. The strategy was based around 12 objectives aligned to four business goals: supporting the delivery of better and more effective public services; being sustainable in everything they do; placing customers at the heart of the business and becoming the partner of choice for delivering shared services. The three year strategy had been redesigned, and departed from the previous traditional "business plan" style. This change was designed to be more applicable to the wider stakeholder base, provide a more contemporary view and improve clarity of the key messages contained within it.

A rolling annual operating plan, which formed Appendix II to the report, had been developed to record the high level activities and commitments that required to be delivered to achieve each of the four goals. This plan would be used to set detailed annual performance objectives and targets for the organisation and employees. The operating plan would be reviewed and updated each year to ensure that activities remained closely aligned with the goals of the three year strategy, and to respond to changes in the external environment.

**DECIDED:**

- (a) That the three year strategic plan be approved;
- (b) That the strategic and operating plan be issued to all Joint Committee members and communicated to wider stakeholder groups;
- (c) That clear annual performance metrics be provided and progress reported to governance bodies on a quarterly basis; and
- (d) That a completed operating plan, including KPIs, be submitted to the next Executive Sub-Committee.

**5. BUDGET ALLOCATION**

There was submitted a report by the Director of Scotland Excel relative to the transfer of budget allocations to reflect the funding of areas of work.

The report indicated that following a review of the budget allocations, it was considered appropriate to move budget allocations to accurately reflect how and where some areas of work were funded. It was therefore proposed that the budget allocation for consultants employed on a temporary basis to provide technical expertise to support areas of contract development, should be funded under the “other development costs” in Procurement Improvement Activity. In addition, staff who provided the learning, development and external consultancy roles should be funded from the budget allocation for core staffing costs.

These changes in budget allocation did not change the overall core and temporary costs as they reflected an increase in core staffing, a decrease in consultant budgets, an increase in development budget and a decrease in temporary staff budget, each of £100,000. The approved allocation of funds, together with the proposed budget reflecting the movement in funds was detailed in Appendix 1 to the report

**DECIDED:** That report be noted and the transfer of funds between budget allocations be approved.

**6. UPDATE ON REBATE DEVELOPMENT ACTIVITY**

There was submitted a report by the Director of Scotland Excel relative to the volume rebate clauses within Scotland Excel framework agreements which had been utilised to varying degrees to date.

In order to have a greater understanding of the impact of this, a project was initiated to review the effectiveness of the current rebates position, and to assess the opportunity to use this process as a method of funding some of the additional activity that Scotland Excel might undertake as part of the business development process.

The project identified a number of opportunities and it was proposed that Scotland Excel pursue these fully in order to increase the potential benefits of applying rebates through our contract portfolio. These included: reviewing the current rebate development process

to build in the required controls from early in the strategy development stage and maximise the potential benefits to contract users; ensuring that review of rebates was an integral part of contract governance within the organisation through the creation of additional requirements for both contract development and management; determining the best application of rebates and assess where source discounts were currently being applied and were likely to provide better benefits for Councils; and providing guidance to Councils to support them in maximising the cost savings opportunities offered by contracts on an ongoing basis.

**DECIDED:**

- (a) That the progress made to date be noted;
- (b) That options to retain, where appropriate, contract rebates to partly fund the work of the organisation be explored; and
- (c) That the plans to further develop the opportunity assessment for the volume rebate inclusion within a wider range of contracts be supported.

**7. CHIEF EXECUTIVE OFFICERS MANAGEMENT GROUP**

There was submitted a report by the Clerk relative to the membership of the Chief Officers Management Group. The report indicated that approval was sought for the reappointment of the existing membership of the Chief Executive Officers Management Group for a further period of 12 months.

**DECIDED:**

- (a) That the membership of the Chief Officers Management Group comprising the undernoted Council Chief Executives be approved:

Renfrewshire Council (ex-officio member)  
City of Edinburgh Council  
Highland Council  
North Lanarkshire Council  
Scottish Borders Council  
West Lothian Council

and;

- (b) That the membership of the Management Group be reviewed at the meeting of the Joint Committee to be held in June 2016.

**8. MEMBERSHIP OF THE EXECUTIVE SUB-COMMITTEE**

There was submitted a report by the Clerk relative to the membership of the Executive Sub Committee seeking approval for the appointment of members to the Executive Sub Committee for the period to June 2016.

The report indicated that the Procedural Standing Orders provided that the Executive Sub Committee shall comprise a maximum of 12 members including the Convener and Vice Convener of the Joint Committee. Where possible the membership of the Executive Committee should reflect the geographic diversity of the constituent authorities.

**DECIDED:**

- (a) That the membership of the Executive Sub Committee, comprising elected members from the undernoted Councils be approved; and

Renfrewshire Council (Convener)	Fife Council
Angus Council (Vice Convener)	Glasgow City Council
Aberdeenshire Council	Highland Council
City of Edinburgh Council	North Ayrshire Council
Comhairle nan Eilean Siar	Shetland Island Council
Dumfries and Galloway Council	South Lanarkshire Council

- (b) That the membership of the Executive Sub Committee be reviewed by the sub committee during the coming year and a recommendation for future membership be made to the meeting of the Joint Committee to be held in June 2016.

**9. UNAUDITED ANNUAL ACCOUNTS 2014/15**

There was submitted a report by the Treasurer relative to the draft Annual Accounts 2014/15 for Scotland Excel, a copy of which was appended to the report, and which had been forwarded to Audit Scotland for audit. It was noted that the accounts showed a deficit of £401,539 against a budgeted deficit of £453,383. The report indicated that once the audit had been completed, the accounts would be submitted to the Executive Sub-Committee for consideration.

**DECIDED:**

- (a) That the draft Annual Accounts 2014/15 be noted; and
- (b) That it be noted that once the audit of the 2014/15 accounts had been completed they would be submitted to the Executive Sub-Committee for consideration.

**10. LOCAL AUTHORITY ACCOUNTS (SCOTLAND) REGULATIONS 2014**

There was submitted a joint report by the Treasurer and Clerk relative to the Local Authority Accounts (Scotland) Regulations 2014 and seeking approval for changes to be made to the Scheme of Delegation and Financial Regulations of Scotland Excel which would enable Scotland Excel to comply with the requirements of the Regulations.

Under the Standing Orders the Joint Committee of Scotland Excel meets twice each year, normally in June and December. Under existing arrangements, the unaudited annual accounts of Scotland Excel are considered at the June meeting and the audited annual accounts are considered and approved at the December meeting.

The Local Authority Accounts (Scotland) Regulations 2014 were laid before the Scottish Parliament on 7 July 2014 and came into force on 10 October 2014. The Regulations apply to the statutory Annual Accounts commencing with the financial year 2014/15. Under the Regulations a local authority (under the regulations the definition of a local authority includes joint committees) or committee of that authority whose remit includes audit or governance functions must meet to consider the unaudited Annual Accounts no later than 31 August each year, and must aim to approve the audited Annual Accounts for signature no later than 30 September each year.

The existing arrangements would prevent Scotland Excel meeting the requirement to approve the audited accounts for signature no later than 30 September each year.

The report proposed that an adjustment be made to paragraph 4.3 of the Scotland Excel Scheme of Delegation to delegate the consideration and approval of the audited Annual Accounts to the Executive Sub-Committee.

Similarly, it was proposed that paragraph 3.19 of the Scotland Excel Financial Regulations be adjusted to expand the responsibilities of the Executive Sub-Committee to include the consideration of reports by the external auditors in relation to the audited Annual Accounts.

**DECIDED:** That the amendments to the Scheme of Delegation and Financial Regulations as detailed in the report be approved.

#### 11. **ANNUAL AUDIT PLAN 2014/15**

There was submitted a report by the Treasurer relative to the Annual Audit Plan 2014/15 for the Joint Committee which outlined Audit Scotland's planned activities in the 2014/15 financial year.

**DECIDED:** That the annual audit plan 2014/15 be noted.

#### 12. **INTERNAL AUDIT ANNUAL REPORT 2014/15**

There was submitted a report by the Chief Auditor (Renfrewshire Council) relative to the Internal Audit Annual Report for Scotland Excel. The report intimated that the Code of Practice for Internal Audit in Local Government in the UK recommended that the Chief Internal Auditor should prepare an Annual Report on the activities of Internal Audit to demonstrate performance and that the report should contain a statement of the soundness of the internal control system of the audited body.

The Annual Report for Scotland Excel outlined the role of Internal Audit and the performance of the Internal Audit Team, the main findings from internal audit work undertaken during 2014/15 and contained an audit assurance statement. The report included, as Appendices I and II, an agreed management action plan for Scotland Excel to progress recommendations made by Internal Audit.

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

### 13. 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.

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

### 14. UPDATE ON THE CONTRACT DELIVERY PLAN

There was submitted a report by the Director of Scotland Excel providing an update on the 2015/16 Contract Delivery Plan which comprised framework renewals, new developments, framework extensions and frameworks with ongoing contract management only.

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

### 15. SPEND ACTIVITY AND ESTIMATED FORECAST SAVINGS REPORT

There was submitted a report by the Director of Scotland Excel providing an overview of the spend activity and estimated savings achieved through the Scotland Excel collaborative contacts. The report included additional spend data provided by suppliers since the last meeting and covered four quarters from 1 January 2014 (Q4 2013/14) to 31 December 2014 (Q3 2014/15).

**DECIDED:** That the participation levels and associated benefits estimated be noted.

### 16. ASSESSING PROCUREMENT CAPABILITY – PROGRESS SO FAR AND PLANS FOR THE FUTURE

There was submitted a report by the Director of Scotland Excel providing an update on the progress that had been made over the last six years of assessment and outlining the changes to the national assessment approach to ensure it met future requirements.

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

### 17. DATE OF NEXT MEETING

That it be noted that the next meeting of the Joint Committee was scheduled to be held at 10.45 am on 27 November, 2015.



**MINUTE OF MEETING OF THE SCOTLAND EXCEL EXECUTIVE SUB-COMMITTEE  
HELD AT CITY CHAMBERS, GLASGOW ON 12 JUNE, 2015**

**PRESENT**

Councillors W Howatson (Aberdeenshire Council); P Valentine (Angus Council); I Whyte (City of Edinburgh Council); N Macdonald (Comhairle nan Eilean Siar); M McElroy (Glasgow City Council); G McLean (North Ayrshire Council); M Holmes (Renfrewshire Council); A Westlake (Shetland Islands Council) and Provost E Logan (South Lanarkshire Council).

Councillor Holmes, Convener, presided.

**APOLOGIES**

Councillors G Dykes (Dumfries and Galloway Council) and M Smith (Highland Council).

**IN ATTENDANCE**

J Welsh, Director of Scotland Excel, H Carr, Head of Strategic Procurement; J McLaggan, Business Services Manager; S Brannagan, Head of Customer & Business Services; M Robertson, Marketing and Communications Manager and N Burleigh, Procurement Specialist (all Scotland Excel); M Conaghan, Legal and Democratic Services Manager and E Coventry, Democratic Services Officer (both Renfrewshire Council) and J Thompson, Senior Procurement Officer (Angus Council).

**DECLARATIONS OF INTEREST**

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

No declarations of interest were expressed.

**1. MINUTE OF THE MEETING OF THE EXECUTIVE SUB-COMMITTEE**

There was submitted the Minute of the meeting of the Executive Sub-Committee held on 15 May, 2015.

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

**EXCLUSION OF PRESS AND PUBLIC**

The Joint Board resolved that the press and public be excluded from the meeting during consideration of item 2 as it was likely, in view of the nature of the business to be transacted, that if members of the press and public were present, there could be disclosure to them of exempt information as defined in paragraphs 6 and 8 of Part I of Schedule 7A of the Local Government (Scotland) Act 1973.

## 2. **CONTRACTS**

### **Supply and Delivery of Community Meals**

There was submitted a report by the Director of Scotland Excel, relative to a second generation framework agreement for the supply and delivery of prepared meals for the provision of community meals service for the period 1 September 2015 until 31 August 2018 with the option to extend for up to 12 months to 1 September 2019.

The key objective of the framework was to provide high quality, appetising meals covering cultural as well as dietary needs, and including special requirements like soft foods or diabetic meals which promoted health and wellbeing. As detailed in Appendix 1, 19 councils had confirmed their intention to participate in the framework. The remaining councils had confirmed that they would not participate due to either having no requirement for community meals service or having their own arrangements in place. However, all member councils were listed in the contract notice as potential participants in order that they may access the framework in the future if required where an offer was received for them.

Councils provided meals services through a number of different models and had different purchasing requirements in addition to varying approaches to customer payment contributions, therefore the tender document was developed to reflect these requirements using the following lots: Bulk delivery of frozen meals to a central distribution point; Delivery of frozen meals to customers at home and Delivery of hot meals directly to customers at home.

The forecast spend for participating local authorities was £3.5m per annum across all three lots.

**DECIDED:** That the business be awarded as follows:

#### **Lot 1 - Bulk Delivery to a Central Distribution Point**

Apetito Limited  
 ICare (GB) Limited  
 MacLean's Bakery (Benbecula) Ltd

#### **Lot 2 - Frozen Delivery Service to Customers at Home Council Nominated Premises**

##### **Evaluation A - North Lanarkshire**

Apetito Limited  
 ICare (GB) Limited  
 Oakhouse Foods Limited

##### **Evaluation B - Aberdeen City, City of Edinburgh, Dundee City**

Apetito Limited  
 ICare (GB) Limited  
 Oakhouse Foods Limited

**Evaluation C - East Ayrshire**

Apetito Limited  
ICare (GB) Limited  
Oakhouse Foods Limited

**Evaluation D - East Dunbartonshire, East Renfrewshire, Falkirk, Fife, Glasgow, Inverclyde, North Ayrshire, Renfrewshire, South Ayrshire, South Lanarkshire, West Dunbartonshire, West Lothian**

Apetito Limited  
ICare (GB) Limited  
Oakhouse Foods Limited

**Evaluation E - Clackmannanshire, East Lothian, Midlothian, Perth & Kinross, Stirling**

Apetito Limited  
Oakhouse Foods Limited

**Evaluation F - Aberdeenshire, Angus, Dumfries & Galloway, Scottish Borders**

Apetito Limited  
Oakhouse Foods Limited

**Evaluation G – Moray**

Apetito Limited

**Lot 3 - Daily Delivery of Hot Meals to Customers at Home Council Nominated Premises**

**Evaluation A - Aberdeen City, City of Edinburgh, Dundee City, Glasgow**

ICare (GB) Limited  
Apetito Limited

**Evaluation B - East Ayrshire, East Dunbartonshire, East Renfrewshire, Falkirk, Fife, Inverclyde, North Ayrshire, North Lanarkshire, Renfrewshire, South Lanarkshire, West Dunbartonshire, West Lothian**

Apetito Limited  
ICare (GB) Limited

**Evaluation C - South Ayrshire**

ICare (GB) Limited  
Apetito Limited

**Evaluation D - Angus, Clackmannanshire, East Lothian, Midlothian, Stirling**

Apetito Limited

**3. DATE OF NEXT MEETING**

The next meeting would be held on 28 August, 2015.



## Minute of Meeting Scotland Excel Executive Sub-Committee

Date	Time	Venue
Friday, 28 August 2015	10:45	Scotland Excel Meeting Room 1, Renfrewshire House, Cotton Street, Paisley

### PRESENT

Councillors G Dykes (Dumfries & Galloway Council); M McElroy (Glasgow City Council); M Holmes (Renfrewshire Council); Provost E Logan (South Lanarkshire Council) and Councillor A Westlake (Shetland Islands Council).

**BY VIDEO LINK** Councillors W Howatson (Aberdeenshire Council) and P Valentine (Angus Council).

### CHAIR

Councillor Holmes, Convener, presided.

### APOLOGIES

Councillors N Macdonald (Comhairle nan Eilean Siar); I Whyte (City of Edinburgh Council); B Fernie (Highland Council); and G McLean (North Ayrshire Council).

### IN ATTENDANCE

J Welsh, Director, H Carr, Head of Strategic Procurement, S Brannagan, Head of Customer & Business Services; J Bowles, Senior Procurement Specialist; A Richmond, Senior Procurement Specialist and A Kowalska, Assistant Procurement Specialist (all Scotland Excel); R Lewis, Head of Procurement (Dumfries & Galloway Council) and D Forbes, Finance Manager, Elaine Currie, Senior Committee Services Officer and K Druce, Assistant Committee Services Officer (all Renfrewshire Council).

### DECLARATIONS OF INTEREST

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

1 **MINUTE**

There was submitted the Minute of the meeting of the Executive Sub-Committee held on 12 June, 2015.

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

2 **REVENUE BUDGET MONITORING**

There was submitted a revenue budget monitoring report by the Treasurer and Director for the period 1 April to 24 July, 2015.

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

3 **AUDITED ANNUAL ACCOUNTS 2014/15**

Under reference to item 9 of the Minute of the meeting of the Joint Committee held on 12 June, 2015 there was submitted a report by the Treasurer and Director relative to the annual accounts for the Joint Committee for 2014/15. 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, 2015, in accordance with the accounting policies detailed in the accounts. A report on the 2014/15 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 2014/15 be approved for signature and the report by Audit Scotland be noted.

4 **EMPLOYEE ABSENCE MANAGEMENT**

There was submitted a report by the Director relative to the sickness absence statistics for Scotland Excel for the period May to July 2015. The Joint Committee had previously agreed that Scotland Excel should work to an absence rate of below 4%. This target aligned Scotland Excel with partner organisations, supported good practice in this area and demonstrated the ongoing commitment to absence management as a key efficiency target.

In line with audit recommendations, the report detailed the breakdown of the current month, the last six months and the last 12 months absence figures; an illustration of the last 12 months in days, percentages and full-time equivalent (FTE).

The report intimated that Scotland Excel would continue its positive practices, including working with Occupational Health and other support services to support attendance and support staff who had significant health issues.

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

## 5 **ASSOCIATE MEMBERSHIP**

Under reference to item 6 of the Minute of meeting of the Sub-Committee held on 15 May, 2015 there was submitted a report by the Director relative to the proposed changes to the fee structure for Associate Membership.

The report intimated that officers had engaged with current and potential new members to implement the changes. The number of members who had intimated their intention to resign had been low and there had been contact from a number of new organisations wishing to explore membership opportunities.

As part of the additional and ongoing work to gather spend data it had become clear that one area of the original proposal submitted to the sub-committee as part of the fee structure report had not offered the opportunity that was initially anticipated. The report proposed that more work be carried out to explore an acceptable and manageable fee for the group of larger, high spending Associate Members and that a revised proposal for the organisations affected would be submitted to a future meeting of the sub-committee. In the meantime the report proposed that the current fees be applied with the normal inflationary increase which would generate income in the region of £18,000. A revised proposal for the organisations affected would be submitted to a future meeting of the Executive Sub-Committee.

**DECIDED:**

(a) That the actions detailed in the report be approved; and

(b) That a report relative to a revised proposal for the organisations affected be submitted to a future meeting of the Executive Sub-Committee.

## 6 **NATIONAL CARE HOME CONTRACT**

There was submitted a report by the Director relative to the National Care Home Contract arrangements which had been in place since 2006. The arrangements were coordinated by CoSLA, who took the lead role in the annual negotiations with provider representative bodies on both fees and contract variations. All Scottish Councils, with the exception of Shetlands Islands, currently accessed the contract the purchase care home placements and the current rates were in place until March 2016.

The report provided an update on the proposal that Scotland Excel provided councils with procurement and contract management services for the National Care Home Contract, supplementing the existing council contract monitoring. Funding of circa £250k per annum would be required to provide procurement, data analysis, financial accounting and legal skills required to deliver the planned activities to all 32 councils. These resources reflected the significant scale of the older peoples' care home sector in Scotland, which comprised close to 900 care homes and 350 providers.

In July 2015 Scotland Excel and CoSLA issued a joint letter to 28 councils seeking support for the proposal that Scotland Excel would provide a range of predetermined procurement and contract management services to complement local contract monitoring activities.

Responses had been received from 30 councils, with 23 councils supporting the proposals (subject to some caveats that needed to be discussed further) and 8 not supporting the proposals.

A meeting was also held with the Scottish Local Government Partnership (SLGP) members to establish their views on the proposal as these councils represented a significant proportion of the overall care home placements currently made under the National Care Home Contract.

During a period of sustained financial constraint, Scotland Excel would not request any further contribution from supporting councils to meet the shortfall from those councils not supportive of the proposal, however, this necessitated a review of the full range of activities originally proposed.

Scotland Excel's planned procurement and contract management service would include an analysis of the available procurement options for the future contracting of care homes for older people. A report on the procurement options would be submitted to a future meeting of the Executive Sub-Committee when the analysis had been concluded.

**DECIDED:**

- (a) That the level of support from councils in respect of the proposal for Scotland Excel to provide supplementary contract management services be noted;
- (b) That Scotland Excel move forward to work with those councils supportive of the contract management proposal;
- (c) That the development of a procurement strategy by Scotland Excel be approved;
- (d) That it be noted that Scotland Excel was in continued dialogue with both CoSLA and SLGP regarding the future contracting for care home services for older people; and
- (e) That a report relative to the procurement options be submitted to a future meeting of the Executive Sub-Committee once the analysis had been concluded.

**7 UPDATE ON PERFORMANCE MEASUREMENT AGAINST THE SCOTLAND EXCEL OPERATING PLAN**

Under reference to item 4 of the Minute of meeting of the Joint Committee held on 12 June, 2015 there was submitted a report by the Director relative to Scotland Excel's operating plan and supporting key performance indicators (KPIs).

The report intimated that from the one year operating plan, a suite of 10 KPIs across the four goals had been derived which would be used to report overall performance against the plan. These KPIs would ensure clear and concise reporting on an ongoing basis and would be reported quarterly. The operating plan KPIs formed the appendix to the report.

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

8(a) **CONTRACT: BUILDINGS RELATED ENGINEERING CONSULTANCY**

There was submitted a report by the Director relative to the national collaborative framework for the provision of building related engineering consultancy services which encompassed mechanical, electrical, civil and structural engineering activities including inspection, feasibility and design for the period 1 October, 2015 to 30 September, 2017, with the option to extend up to a further two years until 30 September, 2019.

The report intimated that this framework would provide an efficient method of engaging external consultancy for services commonly used across councils which in turn would realise benefits for both councils and consultants in terms of cost savings and the adoption of best practice. The NEC3 Professional Services Contract 2013 and the NEC3 Professional Services Short Contract 2013 formed the terms and conditions on which councils would contract.

Twenty six councils and the Advance Procurement for Universities and Colleges (APUC) had confirmed their intention to participate in the framework from the start date and a further four councils had confirmed they may participate once their current contractual arrangements expired.

The framework had been advertised at £40m over the maximum period of four years. The value of work awarded under the framework would be dependent on the level of funding councils received and their ability to utilise internal resources. It was anticipated that spend would be lower in the initial two years of the framework and would increase in the later years.

**DECIDED:**

(i) That, based on the evaluation undertaken on the criteria set out in the report, the multi-supplier framework agreement be awarded to 29 consultants across the two lots as detailed in Appendix 3 to the report; and

(ii) That it be noted that the range of recommended consultants awarded to each council varied from eight to fourteen consultants per lot with councils being able to utilise between three and eight consultants for each category. This would provide best value to councils by ensuring that there was sufficient competitive capacity and full geographical and service coverage to meet operational requirements.

8(b) **CONTRACT: DEMOLITION SERVICES**

There was submitted a report by the Director relative to the national collaborative framework for the provision of demolition services for the period 1 October, 2015 to 30 September, 2017 with an option to extend for up to 24 months to 30 September 2019.

The Director intimated that she wished to withdraw this report.

**DECIDED:** That it be noted that this report had been withdrawn.

9      **UPDATE ON COMMUNITY MEAL POST TENDER NEGOTIATIONS**

Under reference to item 2 of the Minute of the meeting of this Sub-Committee held on 12 June, 2015 there was submitted a report by the Director relative to an update on the tender negotiation process in relation to the community meals contract and the outcomes achieved.

The report intimated that Scotland Excel had invited the three suppliers who were recommended for award on Lot 1 and the councils affected by the proposed increases to post tender negotiation meetings. Following this process, the overall estimated increased cost of the framework was now approximately 2.69% per annum across the participating councils, based on current spend forecast, as detailed in the appendix to the report. This was a reduction from the 3.67% on cost presented to the Executive Sub-Committee on 12 June, 2015.

**DECIDED:**

- (a) That the update report on post tender negotiations be noted; and
- (b) That the updated participation, spend and savings, which formed the appendix to the report, be noted.

10      **DATE OF NEXT MEETING**

**DECIDED:** That it be noted that the next meeting of the Executive Sub-Committee would be held on 2 October, 2015 at 10.45 am.

## Minute of Meeting Scotland Excel Executive Sub Committee

Date	Time	Venue
Friday 2 October, 2015	10.45am	Scotland Excel Meeting Room 1, Renfrewshire House, Cotton Street, Paisley

### PRESENT

Councillors M McElroy (Glasgow City Council); B Fernie (Highland Council); M Holmes (Renfrewshire Council); Provost E Logan (South Lanarkshire Council) and Councillor A Westlake (Shetland Islands Council).

### CHAIR

Councillor Holmes, Convener, presided.

### BY VIDEO LINK

Councillors P Valentine (Angus Council) and I Whyte (City of Edinburgh Council).

### APOLOGIES

Councillors W Howatson (Aberdeenshire Council); N Macdonald (Comhairle nan Eilean Siar); G Dykes (Dumfries & Galloway Council); A Craik (Fife Council); and G McLean (North Ayrshire Council).

### IN ATTENDANCE

J Welsh, Director, H Carr, Head of Strategic Procurement, S Brannagan, Head of Customer & Business Services; D Pettigrew, Procurement Coordinator; L Jones, PA to Director; S Irvine, Graduate Trainee; and Z Brown, Graduate Trainee (all Scotland Excel); and D Forbes, Finance Manager, E Currie, Senior Committee Services Officer and K Druce, Assistant Committee Services Officer (all Renfrewshire Council).

### DECLARATIONS OF INTEREST

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

## 1. MINUTE OF THE MEETING OF THE EXECUTIVE SUB-COMMITTEE

There was submitted the Minute of the meeting of the Executive Sub-Committee held on 28 August, 2015.

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

## 2. REVENUE BUDGET MONITORING

There was submitted a revenue budget monitoring report by the Treasurer and Director for the period 1 April to 21 August, 2015.

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

## 3 CONTRACT - DEMOLITION SERVICES

There was submitted a report by the Director of Scotland Excel relative to the national collaborative framework for the provision of demolition services for the period 1 October 2015 to 30 September 2017 with an option to extend for up to 24 months to 30 September 2019.

The report indicated that the framework was split into 3 lots and that the estimated combined spend for all was approximately £16m per annum across the Councils who had confirmed intentions to participate in this. This equated to approximately £64m over the term of the framework including the extension period. To date 30 councils had confirmed participation in the framework. Dundee City and Midlothian councils had their own contractual arrangements in place. All member councils, however, were listed in the EU contract notice as potential participants and could access the framework in future if required.

**DECIDED:**

(a) That, based on the evaluation undertaken on the criteria set out in the report, the multi-supplier framework agreement be awarded to 22 suppliers across the three lots as detailed in Appendix 3 to the report; and

(b) That it be noted that the range of recommended suppliers awarded to each council varied from two to ten suppliers per lot. This would provide best value to councils by ensuring that there was sufficient competitive capacity and full geographical and service coverage to meet operational requirements.

## 4. CONTRACT – SUPPLY AND DELIVERY OF PLUMBING AND HEATING MATERIALS

There was submitted a report by the Director of Scotland Excel relative to the national collaborative framework for the provision of plumbing material to replace the current framework which expired on 30 November 2015. The new framework would operate for the period 1 December 2015 to 30 November 2018 with an option to extend for up to 12 months to 30 November 2019.

The report indicated that the framework was split into 9 lots and that the estimated combined spend for all was approximately £19.4m per annum across the Councils who had confirmed intentions to participate in this. This equated to approximately £77.6m over the term of the framework including the extension period. To date 28 councils had confirmed participation in this framework. Dundee City and Midlothian councils had their own contractual arrangements in place. All member councils, however, were listed in the EU contract notice as potential participants and could access the framework in future if required.

**DECIDED:**

- (a) That, based on the evaluation undertaken on the criteria set out in the report, the multi-supplier framework agreement be awarded to 10 suppliers across the nine lots as detailed in Appendix 3 to the report; and
- (b) That it be noted that the range of recommended suppliers awarded to each council varied from five to eight suppliers per lot. This would provide best value to councils by ensuring that there was sufficient competitive capacity and full geographical and service coverage to meet operational requirements.

**5. DATE OF NEXT MEETING**

**DECIDED:** That it be noted that the next meeting of the Executive Sub-Committee, if required, would be held on Friday 27 November, 2015 at 10.00 am prior to the meeting of the Joint Committee.



## Scotland Excel

To: Scotland Excel Joint Committee

On: 27 November 2015

### Report by The Treasurer and Director

#### Revenue Estimates 2016-17

#### 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 2016-17.

#### 2. Recommendations

2.1 It is recommended that members:

- **agree** the Revenue Estimates of Scotland Excel for the financial year 2016-17 as shown in Appendix 1;
- **agree** the utilisation of reserve funding to support procurement reform projects due to terminate during 2016-17;
- **agree** the utilisation of reserve funding to support the ICT development programme;
- **agree** the requisitions from constituent authorities as detailed in appendix 2.

#### 3. Background

3.1 Scotland Excel was formally launched on 1 April 2008. The organisation continues to review its operations on an ongoing basis to ensure it remains sustainable, “fit for purpose” and is best structured to deliver its objectives.

3.2 The Annual Revenue Estimates process for each year up to 2015-16 has included agreement to draw from 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, has lasted significantly longer than was originally anticipated following the establishment of Scotland Excel and has assisted in maintaining core requisitions below the cost of service delivery to member councils.

- 3.3 A number of these workstreams have been temporary in nature and the associated funding requirement has consequently fallen away upon the conclusion of the workstream activity. Over time however, key elements in relation to Learning & Development activity and Procurement Reform & Change, incorporating Procurement Capability Assessment delivery, have developed and become part of the core service offering provided by Scotland Excel and moving forward there remains a requirement from member councils for their continued provision. In this context, it was recognised that in time the financial strategy adopted of funding such activities from available reserves, would inevitably come to a natural end and would at an appropriate juncture require to be incorporated into the core funding structure of Scotland Excel to support the sustained the delivery of these services moving forward.
- 3.4 As indicated in the 2015-16 Revenue Estimates report presented last year, Scotland Excel's reserves will be reduced to a level moving into 2016/17 where this adjustment to the underlying funding structure of core service provision will require to be implemented. The detail outlined in the main body of the report, presents a proposed budget for 2016/17 on this basis resulting in an associated uplift in requisition levels moving forward. It should however be noted that the underlying cost of the core service provision has been framed within a flat cash basis. This necessitates service efficiencies to be delivered by the Director in order to mitigate the impact of cost pressures arising from pay awards, changes in national insurance costs and other inflationary pressures.
- 3.5 The revenue estimates outlined in the remainder of this report present the planned 2016-17 financial position for Scotland Excel, taking into account:
- the estimated costs of core operations, incorporating the £0.300 million costs of ongoing procurement improvement activities previously funded from reserves;
  - the non-recurring costs related to procurement reform activities due to come to an end during 2016-17, to be met from reserves;
  - the non-recurring costs related to upgrade investment in ICT provision, to be met from available reserves.
- 3.6 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 it is recognised that this is likely to have a consequential impact on the level of requisition funding available to Scotland Excel over this period. At present the local government grant settlement position for 2016/17 is not expected to be made available by the Scottish Government until January 2016, with figures for 2017/18 and beyond potentially not emerging until the second half of 2016. 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 2017/18. It would be anticipated that at this point next

year a 2017/18 budget and medium term planning figures will be presented in the context of a firmer medium term financial outlook for member councils.

#### **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 1% for 2016-17 reflecting the nationally agreed pay uplift;
- A budget provision for additional employer's national insurance contributions has been included following the introduction of the new state pension arrangements from 2016-17
- 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 5% has been applied;
  - contractors – a planned reduction in the use of consultants as reported during 2015-16;
  - 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;
  - requisitions – requisition levels have been increased to reflect the net increase in operating expenditure in relation to the incorporation of the procurement improvement programme activities into the core operations.

4.2 Account has also been taken of the requirement to support investment in information technology to deliver more efficient supplier and contract performance data and enhancements to the current internet and intranet systems to provide enhanced mobility and allow future potential growth.

#### **5. Financial Overview**

5.1 As in previous years, the 2016-17 revenue estimates have been developed to ensure core operations are funded fully by requisition income. Details of the local government grant settlement for 2016-17 are expected to be issued in January 2016, however there is significant uncertainty over the level of any potential adjustments to the settlements for individual councils.

5.2 As referred to in previous revenue estimate reports, £4.5 million was provided to Scotland Excel in 2008 by way of Scottish Government grant support. This funding has been prudently managed to support the delivery of the procurement improvement programme led by Scotland Excel across the local authority procurement network in Scotland. The use of reserves in this manner to support councils to improve their procurement activity has lasted significantly longer than initially envisaged when Scotland Excel was

established and has been a key mechanism to mitigate the need for requisition increases to support these activities.

- 5.3 The balance of this funding continues to be used along with general reserves to fund procurement reform activity which benefits all member authorities. It is anticipated £0.421 million of combined reserves will be available at the end of the 2015-16 financial year. It is further anticipated that £0.200 million will be drawn down during 2016-17 to fund remaining reform programmes terminating during 2016-17, and ICT activities fundamental to maintaining a fit for purpose contract monitoring systems, leaving a balance of £0.222 million of unallocated reserves. In the context of the wider financial environment this is viewed as being a prudent level at which to maintain unallocated reserves in order to protect against any unforeseen costs or financial risks which may arise in the future.
- 5.4 As outlined in section 3 above, the underlying cost of Scotland Excel's core activities have been framed on a flat cash basis moving from 2015/16 to 2017/18. However in order to provide a sustainable funding structure to support service provision, the procurement improvement programme activities previously funded from reserves, at a cost of £300,000 have been incorporated into the core service provision. To support this transition, there is a requirement to apply a corresponding adjustment to member requisitions. The existing core requisition remains unadjusted moving into 2016/17 with a 9.4% adjustment applied to reflect this change.
- 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. **2016/17 Member Authority Requisitions**

- 6.1 The Member Authority Requisitions for 2016-17, based on the 9.4% increase outlined in section 5, 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

	2015/16		2016/17	
	Approved	Core Operations	Procurement Improvement	Proposed
<b><u>Operational Expenditure</u></b>				
Employee Costs	2,602,800	2,625,200	290,000	2,915,200
Property Costs	176,500	176,500	0	176,500
Supplies and Services	87,500	87,900	0	87,900
Administration Costs	314,400	305,600	10,000	315,600
Payments to other Bodies	33,000	19,000	0	19,000
<b>Total Core Operating Expenditure</b>	<b>3,214,200</b>	<b>3,214,200</b>	<b>300,000</b>	<b>3,514,200</b>
<b><u>Operational Income</u></b>				
Council Requisitions	3,184,200	3,184,200	300,000	3,484,200
Other Income	30,000	30,000	0	30,000
<b>Total Core Operating Income</b>	<b>3,214,200</b>	<b>3,214,200</b>	<b>300,000</b>	<b>3,514,200</b>
<b>Operating Deficit/(Surplus) (a)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b><u>Procurement Improvement</u></b>				
Temporary Staffing Requirements	155,500	0	11,910	11,910
ICT Development Costs	75,000	0	122,600	122,600
Other Development Costs	275,000	0	65,000	65,000
<b>Total Temporary Costs (b)</b>	<b>505,500</b>	<b>0</b>	<b>199,510</b>	<b>199,510</b>

<b><u>National Care Home Contract</u></b>				
Additional Costs	0	165,500	0	165,500
Additional Income	0	165,500	0	165,500
<b>Net Expenditure (c)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b><u>Reserve Funding</u></b>				
<b>Core Reserves</b>	<b>733,567</b>	<b>421,067</b>	<b>421,067</b>	<b>421,067</b>
Budgeted Drawdown (a)+(b)+(c)	(505,500)	0	(199,510)	(199,510)
Budgeted Balance	228,067	421,067	221,557	221,557
Year End Projected Underspend	193,000	0	0	0
<b>Estimated Balance</b>	<b>421,067</b>	<b>421,067</b>	<b>221,557</b>	<b>221,557</b>



## Appendix 2

### Member Requisitions

Requisition by Authority	2015-16	2016-17	Movement	
Aberdeen City	128,501	140,607	12,106	9.4%
Aberdeenshire	143,137	156,621	13,484	9.4%
Angus	75,480	82,591	7,111	9.4%
Argyll and Bute	62,001	67,842	5,841	9.4%
Clackmannanshire	44,420	48,605	4,185	9.4%
Dumfries and Galloway	91,751	100,395	8,644	9.4%
Dundee City	90,747	99,296	8,549	9.4%
East Ayrshire	78,444	85,835	7,391	9.4%
East Dunbartonshire	70,517	77,160	6,643	9.4%
East Lothian	68,365	74,806	6,441	9.4%
East Renfrewshire	63,651	69,647	5,996	9.4%
City of Edinburgh	252,995	276,829	23,834	9.4%
Eilean Siar	33,002	36,111	3,109	9.4%
Falkirk	95,036	103,989	8,953	9.4%
Fife	195,335	213,737	18,402	9.4%
Glasgow City	305,136	333,882	28,746	9.4%
Highland	131,284	143,652	12,368	9.4%
Inverclyde	58,300	63,793	5,493	9.4%
Midlothian	60,399	66,090	5,691	9.4%
Moray	65,013	71,138	6,125	9.4%
North Ayrshire	85,368	93,410	8,042	9.4%
North Lanarkshire	181,383	198,471	17,088	9.4%
Orkney Islands	30,214	33,061	2,847	9.4%
Perth and Kinross	90,546	99,076	8,530	9.4%
Renfrewshire	103,049	112,758	9,709	9.4%
Scottish Borders	74,347	81,351	7,004	9.4%
Shetland Islands	30,994	33,914	2,920	9.4%
Stirling	63,536	69,522	5,986	9.4%
South Ayrshire	73,859	80,817	6,958	9.4%
South Lanarkshire	170,443	186,501	16,058	9.4%
West Dunbartonshire	62,843	68,763	5,920	9.4%
West Lothian	104,121	113,930	9,809	9.4%
<b>Total</b>	<b>3,184,217</b>	<b>3,484,200</b>	<b>299,983</b>	<b>9.4%</b>



## **Scotland Excel**

**To:** Scotland Excel Joint Committee

**On:** 27 November 2015

**Report  
by  
Joint Report by the Treasurer and the Director**

**Audited Annual Accounts 2014-15**

**1. Summary**

- 1.1 At the meeting of the Scotland Excel Joint Committee on 12 June 2015 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 28 August 2015 it was reported that Audit Scotland had issued an audit certificate providing an unqualified opinion that the abstract of the accounts presented a true and fair view of the financial position of the Joint Committee as at 31 March 2015, in accordance with the accounting policies detailed in the accounts.
- 1.3 A report on the 2014-15 audit by Audit Scotland was also submitted for members information and indicated that there were no matters arising from the audit which required specific reporting to members.
- 1.4 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 2014-15 for signature. Copies of both the Audited Annual Accounts 2014-15 and Audit Scotland's report on the audit are available on the Scotland Excel website

**2 Recommendations**

- 2.1 Members are asked to note the report.



## Scotland Excel

**To:** Scotland Excel Joint Committee

**On:** 27 November 2015

**Report  
by  
Director Scotland Excel**

### Social Care Update

#### 1. Introduction

This paper provides the Joint Committee with an update on Scotland Excel's expanding role in the provision of social care procurement services.

Significant local authority resources are invested in the purchase of social care services from the private and voluntary sectors to meet the increasingly complex needs of the most vulnerable members of our communities. In response to this investment, over the past five years, Scotland Excel has established a portfolio of social care contracts on behalf of local authority members.

This work is currently conducted by a small team of five dedicated staff.

#### 2. Current Frameworks

Our social care contracts cover some of the most complex, high value and high risk services procured by local authorities. The current contract portfolio consists of seven contracts designed specifically for care in a Scottish context, encompassing the wide range of legislative and policy requirements prevalent across community care, children services and adult services:

<b>Contract</b>	<b>Advertised Annual Value</b>
Agency Workers	£20m
Care Homes for Adults with Learning Disabilities	£31m
Children's Residential	£75m
Community Meals	£3.5m
Foster Care	£24m
Secure Care	£20m
Telecare & Telehealth Technologies	£3.4m

Scotland Excel works closely with the Scottish Government and COSLA to ensure all contracting arrangements align with evolving social policy direction. Scotland Excel's collaborative approach to stakeholder engagement includes consultation with providers and people accessing services to ensure arrangements are aligned to needs. In order to ensure maximum efficiency from collaboration Scotland Excel also liaises closely with other public bodies such as the Care Inspectorate.

The work undertaken by Scotland Excel has ensured greater scrutiny has been brought to bear on commercial matters such as fee negotiation and budget analysis to maximise value for local authorities. The contracts support the sharing of best practice and national oversight of market and quality trends to assist local authorities with their commissioning of social care services.

Contract documents, purchaser and provider guides and administrative tools such as outcome focused placement matching processes and service registers developed by Scotland Excel are improving the effectiveness and efficiency of sector wide administrative processes and are supporting best practice across the local government sector.

### **3. Care Home Services for Older People**

The National Care Home Contract arrangements have been in place since 2006. The arrangements are coordinated through COSLA, which currently takes the lead role in the annual negotiations with provider representatives on fees.

Scotland Excel has agreed to provide a suite of new procurement and contract management services for the care home services for older people to supplement existing contract monitoring services. Funding contributions for each of the 25 participating local authorities have been agreed to provide the necessary procurement, data analysis, financial accounting and legal skills required to deliver the planned activities. The funding agreed reflects the significant scale of the older peoples' care home sector in Scotland.

This new role will enable national oversight in a number of key areas including greater financial monitoring of providers to prevent unexpected provider failures and support local authority contingency planning. It will also allow for increased local market knowledge to support local authority decision making and will provide a joined up approach to drive further improvements in the quality of care.

Work is already underway with local authority leads and sector and statutory bodies. Scotland Excel is also meeting with relevant groups that represent the views of older people to ensure the views of people accessing care home services are central to any development work taken forward. An extensive body of work is also being undertaken to explore all of the available procurement options for the future contracting of care home services for older people.

#### **4. Potential New Work and Required Resources**

A number of other areas of new work have been identified by local authorities as potential areas for further collaboration. These include two significant areas of local authority expenditure - adult supported living and care at home.

Initial research and market analysis into adult supported living suggests there is significant scope for collaborative opportunity. Annual spend in this areas is in the region of £400m, with approximately 65% of this spend incurred with 20 providers. A procurement exercise in this area could produce greater transparency and understanding on costs as well as provide clarity on terms and conditions and national oversight and monitoring of the financial stability and performance of key providers.

Annual spend on care at home services is approximately £450m. While this market is far less concentrated, there remains scope to improve our understanding of trends and variations across Scotland and, as a result, enhance local commissioning responses. National work is needed to dissect costs of service provision, identify service gaps and deliver a more cohesive approach to procurement of these services across Scotland.

#### **5. Conclusion**

There are no other collaborative procurement organisations offering social care contracts covering critical services such as those provided by Scotland Excel. This role is challenging and has taken significant investment from Scotland Excel and local authorities to develop the market knowledge, contract expertise and stakeholder relationships to enable Scotland Excel to lead the way in the development of successful national social care arrangements.

As noted above, there are a number of areas of potential further involvement for Scotland Excel in the provision of social care procurement services. Any additional activity will be driven by local authority demand.

The Joint Committee is asked to note:

- the progress made to date in developing and managing social care contracts; and
- Scotland Excel will continue to explore new social care procurement opportunities with local authorities.



## Scotland Excel

To: Scotland Excel Joint Committee

On: 27 November 2015

**Report  
by  
Director Scotland Excel**

**Living Wage Accreditation**

### 1. Introduction

In recent months there has been increasing discussion recently around the concept of the Living Wage. The concept of the Living Wage first grew out of a recognition that it is simply not possible for an individual to support themselves and their family to a socially acceptable level on the minimum wage. It often leads to an individual working very long unsociable hours across more than one job.

Scotland Excel has, through the tender process, encouraged employers to support paying the Living Wage to their staff employed in the delivery of goods and services across the whole contract portfolio. As the next stage in promoting this key area of corporate social responsibility the organisation is seeking committee approval to pursue accreditation as “Living Wage Employer”.

### 2. Background

The Living Wage is an hourly rate set independently and is calculated according to the basic cost of living in the UK. Currently the National Minimum Wage is £6.70 per hour with the Living Wage calculated to be £8.25 per hour.

Some of the benefits of paying the Living Wage have been identified as that those receiving it can afford a decent quality of life. For some, it means working fewer hours and having time to see their families, volunteer in their communities, or look after their health. Two-thirds of people interviewed in Living Wage workplaces reported improvements in their work, family life or finances.

The same independent research identified that employers found paying the Living Wage had resulted in;

- 25% fall in absenteeism.
- 80% of employers believe it has enhanced the quality of the work of their staff.
- 66% of employers reported a significant impact on recruitment and retention within their organisation.

In addition to the benefits identified for employees and employers the local economy benefits by giving people more money to spend on goods and services.

In Scotland Excel staff are employed under Terms and Conditions which includes a policy of paying a supplement to the nationally negotiated salary scales for staff on the lowest points on the pay scale to bring them up to the £8.25 per hour level.

As Scotland Excel is likely to meet the necessary criteria to be approved as an accredited Living Wage Employer and to help in promoting the benefits of paying the living wage it is proposed that formal recognition of this is secured for the organisation. The cost of the accreditation for Scotland Excel through The Living Wage Foundation would be £200 per year.

### **3. Recommendations**

Committee is requested to note the contents of this report and to give approval for Scotland Excel to pursue accreditation as a Living Wage Employer.

# **Scotland Excel**

**To:** Scotland Excel Joint Committee

**On:** 27 November 2015

**Report  
by  
Director Scotland Excel**

## **Scotland Excel Risk Register**

### **1. Introduction**

Since its set up in 2008 Scotland Excel has 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. Recognising that there have been numerous changes in the Local Authority landscape the Senior Management Team has, over recent weeks, been reviewing the register and has compiled a new risk register which is attached for information

### **2. Background**

The review of the risk register has identified the current risks which may impact upon the organisation and its stakeholders. The risk register has been considered by the Executive Team and at various workshops with the wider Senior Management Team. This group have reviewed the risks and actions are in place to address these in line with good risk management practice.

The risk register contains, as a summary, a matrix setting out all risks identified for the organisation and highlights the top 5 risks,

The risks will continue to be monitored and reviewed on a quarterly basis by the Senior Management Team and it is recommended that the Risk Register be reported on a 6 monthly basis to the Executive Sub-Committee.

### **3. Recommendations**

Members are invited to provide any feedback on the risk register, the actions identified and approve the future reporting of the Risk Register to the Executive Sub-Committee.





# **Risk Management Plan**

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2015



## **CONTENT**

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<b>4. Current internal and external business context for the organisation .....</b>	<b>3</b>
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<b>Appendix 1: Risk Register going forward from 1/10/2015 .....</b>	<b>8</b>



## **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

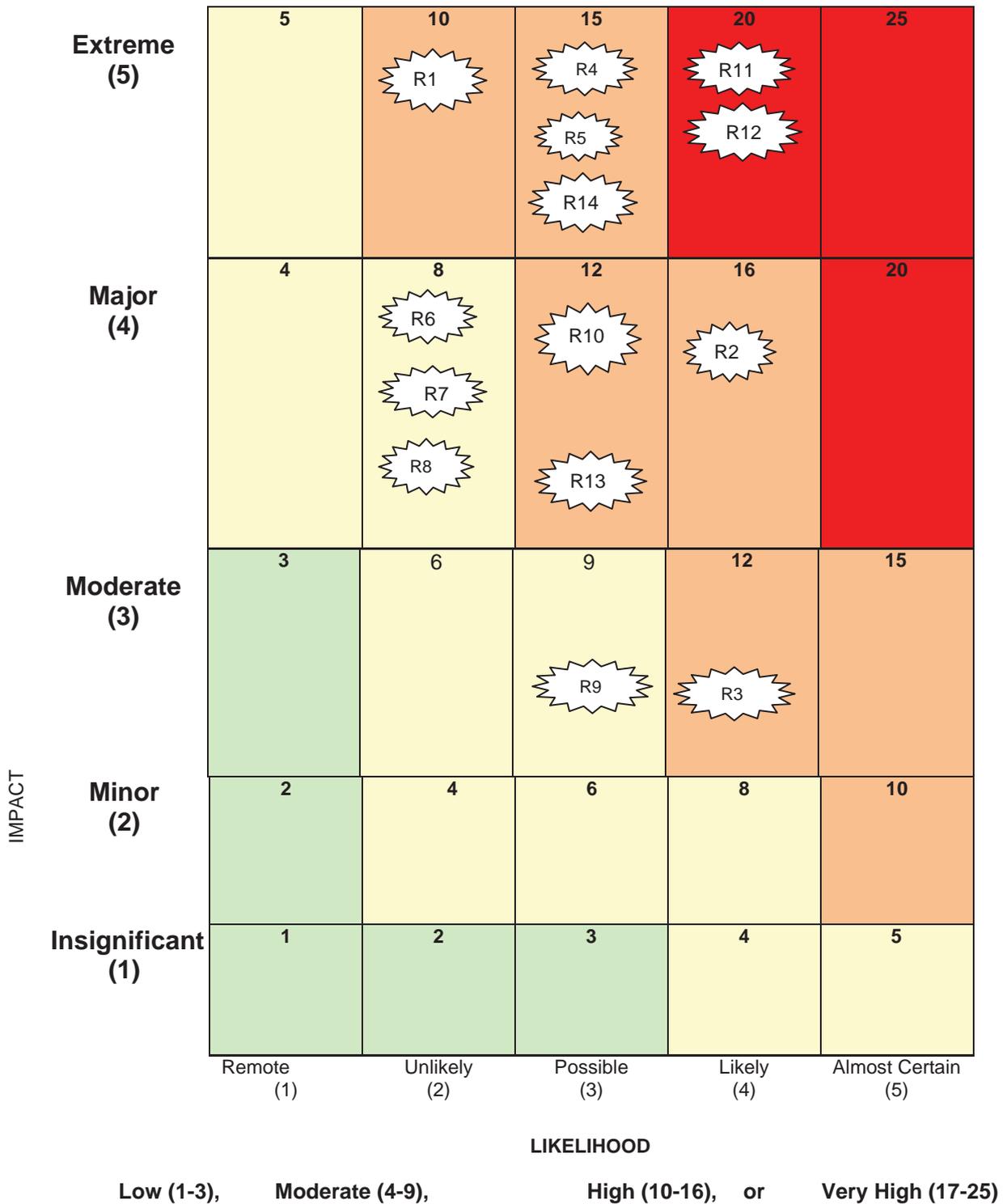
4.5. On the basis of the extensive consideration of the above business context, the organisation has identified and agreed the key strategic risks to be recorded within its risk register going forward from 01/09/2015.

## **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.

5.2. In summary, the evaluation of Scotland Excel's risks shows the risk profile as:



5.3. The organisation's top five risks (in terms of potential significance) are:

- (1) Long Term Sustainability of Organisation
- (2) Recruitment and Retention of Staff
- (3) Scotland Excel fails to exploit new markets for Stakeholders
- (4) Supplier or Service Provider Failure
- (5) Business Continuity

- 5.4. 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.
- 5.5. Strategic risks will be reported on a 6 monthly basis to the Executive Sub Committee.
- 5.6. As a minimum, the Senior Management Team will review the entire strategic risk register on a quarterly basis.
- 5.7. 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
REF: Risk 1 Title:	<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 may be some councils not participating in the NCHC resulting in higher fees for those who do participate or a reduced service offering</p>	<p>Membership of Scotland Excel is optional for Councils. The risk is that Councils decide not to renew membership of Scotland Excel. Scotland Excel must be alert to this and the impact of any council leaving membership.</p>	JW	<ul style="list-style-type: none"> <li>▪ 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.</li> <li>▪ Head of Service role created with responsibility for engaging with stakeholders to ensure that requirements are met and relationships are managed effectively.</li> <li>▪ 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.</li> <li>▪ Competitor analysis is providing a clear understanding of our unique selling propositions</li> </ul>	2	5	10
Action Ref							

Context		Risk Statement	Owned by	Current Risk Control Measures	Likelihood	Impact	Evaluation
REF: Risk 2 Title:	<p>Context:</p> <p>(1) Horizon scanning to identify new markets/ commodity shifts</p> <p>(2) Failure to deliver on priorities identified by member councils at commercial UIGs</p> <p>(3) Exploring viability of new markets</p> <p>(4) Matching in-house capability and capacity to respond to new markets</p> <p>(5) TTIP – Transatlantic</p>	<p>Scotland Excel fails to exploit potential new markets and opportunities to expand the contract portfolio securing savings for stakeholders.</p>	HC	<ul style="list-style-type: none"> <li>▪ Formalising horizon scanning could help to identify market development opportunities earlier and give us longer to plan for capacity/capacity</li> <li>▪ 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)</li> <li>▪ Need for workforce planning – anticipate requirements in over the long term and investigate how we can fund recruitment of new staff or up skill existing staff</li> <li>▪ Secondments from expert partners, as per Zero Waste Scotland for the development of waste contracts.</li> <li>▪ Contract governance arrangements mitigate some risk on capacity, (i.e. opportunity to identify issues before a tender goes to market)</li> </ul>	4	4	16
Action Ref							

Partnership		Latest Note	Assigned To	Due Date	Status
Action Ref	Linked Actions	Risk Statement	Likelihood	Impact	Evaluation
REF: Risk 3 Title:	Scotland Excel fails to develop to meet demands and diversification as the requirement for new shared services develops.	Owned by SB	4	3	12
Context:	<ul style="list-style-type: none"> <li>(1) Horizon scanning to identify new markets/ commodity shifts</li> <li>(2) Ensuring that priorities identified by member councils at commercial UIGs are delivered.</li> <li>(3) Exploring viability of new markets</li> <li>(4) Matching in-house capability and capacity to respond to new markets</li> </ul>	<ul style="list-style-type: none"> <li>▪ Ensure robust market testing of all new shared service propositions</li> <li>▪ Ensure robust business model is in place for all new services (cost to serve, funding/uptake forecasts)</li> <li>▪ Ensure sure proper planning that sufficient and capable resources exist within the organisation.</li> </ul>			
REF: Risk 4 Title:	Stakeholders expect that as a CoE Scotland Excel must be aware of and ready for political changes and the impact of these or other external changes. Failure to do so will compromise the relationship with our stakeholders.	Owned by JW	3	5	15
Context:	<ul style="list-style-type: none"> <li>(1) Horizon scanning to identify new markets/ commodity shifts</li> <li>(2) Exploring viability of new markets</li> <li>(3) Matching in-house capability and capacity to respond to new markets</li> <li>(4) TIP – Transatlantic Partnership</li> </ul>	<ul style="list-style-type: none"> <li>▪ Formalising horizon scanning</li> <li>▪ Strengthening partnerships in the wider stakeholder environment</li> <li>▪ Develop and implement a public affairs strategy</li> <li>▪ Scotland Excel must be aware of, and have plans to respond to, all changes in its external environment that may affect the organisation and/or the sector</li> </ul>			

Context	Risk Statement	Owned by	Current Risk Control Measures	Likelihood	Impact	Evaluation
REF: Risk 5 Title: Context: (1) Financial (and other) factors impacting on resilience of suppliers (2) Negative reputational results across the portfolio from potential breach of contract and supplier failure	The failure of a service provider could have significant implications for service provision within member council areas.	HC	<ul style="list-style-type: none"> <li>Effective risk management at a contract level</li> <li>Robust processes for monitoring the financial stability of suppliers</li> <li>NCHC proposal prepared to meet the management of this key area of risk.</li> <li>Scotland Excel has a range of measures for monitoring supplier resilience.</li> </ul>	3	5	15
<b>Action Ref</b>	<b>Linked Actions</b>	<b>Latest Note</b>		<b>Assigned To</b>	<b>Due Date</b>	<b>Status</b>

Context	Risk Statement	Owned by	Current Risk Control Measures	Likelihood	Impact	Evaluation
REF: Risk 6 Title: Context: (1) Ethical sourcing of products and supplies in the whole supply chain.	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"> <li>Promotional materials including guides for buyers and suppliers produced.</li> <li>Quarterly meetings with stakeholders to support training in the use of and development of content in eCatalogues.</li> </ul>	2	4	8
<b>Action Ref</b>	<b>Linked Actions</b>	<b>Latest Note</b>		<b>Assigned To</b>	<b>Due Date</b>	<b>Status</b>

Context	Risk Statement	Owned by	Current Risk Control Measures	Likelihood	Impact	Evaluation
REF: Risk 7 Title: Context: (1) Ensure that where possible community benefits can be delivered as part of the contract portfolio.	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.	SB	<ul style="list-style-type: none"> <li>Management and reporting of Community Benefits in place and being further developed with stakeholders.</li> </ul>	2	4	8
<b>Action Ref</b>	<b>Linked Actions</b>	<b>Latest Note</b>		<b>Assigned To</b>	<b>Due Date</b>	<b>Status</b>

Risk Register						
Context	Risk Statement	Owned by	Current Risk Control Measures	Likelihood	Impact	Evaluation
REF: Risk 8 Title: Context: (1) Website is a first point of contact for many so must be accurate and (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.	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"> <li>▪ Scotland Excel has engaged PR professionals to raise awareness of the organisation and the benefits from the contracts that are in place.</li> <li>▪ Promotional materials including guides for buyers and suppliers produced.</li> <li>▪ Regular updates to all stakeholders via the quarterly newsletter / magazine.</li> <li>▪ An update of the website has taken place and new content will be added to ensure stakeholders are informed and engage with the organisation</li> <li>▪ Adopt use of social media as appropriate to engage effectively</li> </ul>	2	4	8
Action Ref	Linked Actions	Latest Note		Assigned To	Due Date	Status

Risk Register						
Context	Risk Statement	Owned by	Current Risk Control Measures	Likelihood	Impact	Evaluation
REF: Risk 9 Title: Context: (1) Website news and information kept completely up to date (2) Arrangements for dealing with adverse publicity / crisis management (3) More proactive use of media to manage news stories (4) Elected member 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"> <li>▪ 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</li> <li>▪ Communications platforms developed and managed in-house are being enhanced, e.g. customer magazine, website refresh</li> <li>▪ Scotland Excel make use of external specialists to supplement in-house resources as required, (e.g. PR agency to build profile for the work of the organisation)</li> </ul>	3	3	9

Action Ref	Linked Actions	Latest Note	Assigned To	Due Date	Status

Context	Risk Statement	Owned by	Current Risk Control Measures	Likelihood	Impact	Evaluation
REF: Risk 10 Title: Context: (1) Implementation of stakeholder policy in contracts (2) Ethical sourcing of products and supplies in the whole supply chain.	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"> <li>▪ Sound supplier management is in place and regular meetings to ensure contractual commitments are met.</li> <li>▪ End users are clear on options when making purchasing decisions.</li> <li>▪ Publish guidance document on ethical resourcing to indicate to customers where these options exist on our contracts</li> <li>▪ 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</li> </ul>	3	4	12
Action Ref	Linked Actions	Latest Note	Assigned To	Due Date	Status	

Context	Risk Statement	Owned by	Current Risk Control Measures	Likelihood	Impact	Evaluation
REF: Risk 11 Title: Context: (1) Financial sustainability <ul style="list-style-type: none"> <li>▪ Need to attract resources</li> <li>▪ Council budget cuts</li> <li>▪ Potential for national organisations/ local government withdrawing support</li> </ul> (2) Competition from other bodies entering the market where Excel has to remain the provider of choice (3) Desired growth and consequent logistics/ location challenges for the	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 and the ability to remain the provider of choice in the public procurement sector.	JW	<ul style="list-style-type: none"> <li>▪ Financial Sustainability: <ul style="list-style-type: none"> <li>○ Identifying new opportunities to provide additional chargeable services based on customer demand</li> <li>○ Developing and implementing transparent budget management procedures</li> </ul> </li> <li>▪ Competition: <ul style="list-style-type: none"> <li>○ Competitor analysis is being undertaken and will be used to develop and communicate unique selling propositions (USPs)</li> <li>○ Opportunity to reprioritise services based on competitive landscape (e.g. avoid duplication and free up resources)</li> </ul> </li> <li>▪ Growth and logistics: <ul style="list-style-type: none"> <li>○ Ensure robust market testing of all new shared service propositions</li> <li>○ Ensure robust business model is in place for all new services (cost to serve, funding/uptake forecasts)</li> </ul> </li> </ul>	4	5	20

organisation								
Action Ref	Actions	Latest Note	Assigned To	Due Date	Status			

Context	Risk Statement	Owned by	Current Risk Control Measures	Likelihood	Impact	Evaluation
REF: Risk 12 Title: 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.	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"> <li>Organisational development strategy being created as part of transformation programme</li> <li>Opportunity to formalise our new talent development activities into three year rolling strategy</li> <li>Refresh of employer branding and implementation of social media based recruitment advertising</li> </ul>	4	5	20
Action Ref	Linked Actions	Latest Note	Assigned To	Due Date	Status	

Context	Risk Statement	Owned by	Current Risk Control Measures	Likelihood	Impact	Evaluation
REF: Risk 13 Title: 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	Legislative changes can impact on the organisation and its stakeholders and if Scotland Excel.	HC	<ul style="list-style-type: none"> <li>Where ever possible Scotland Excel is involved in discussions to shape legislation, participate in relevant consultation and seeks to influence future legislative changes</li> <li>Active participation in various groups and boards influencing policy and direction of travel.</li> <li>Regular attendance for key staff at appropriate training and policy seminars.</li> <li>Working in partnership with key industry / service / professional groups to manage service development and delivery in line with legislative changes.</li> </ul>	3	4	12
Action Ref	Linked Actions	Latest Note	Assigned To	Due Date	Status	


Context	Risk Statement	Owned by	Current Risk Control Measures	Likelihood	Impact	Evaluation
REF: Risk 14 Title: Context: (1) Loss of staff (many staff or key individuals) (2) Loss of facilities (3) Loss of systems (4) Loss of data	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"> <li>▪ Scenario planning</li> <li>▪ Business continuity planning</li> <li>▪ Plans to recruit, motivate and retain the best staff for the organisation</li> </ul>	3	5	15
<b>Action Ref</b>	<b>Linked Actions</b>	<b>Latest Note</b>	<b>Assigned To</b>	<b>Due Date</b>	<b>Status</b>	



## **Scotland Excel**

**To:** Scotland Excel Joint Committee

**On:** 27 November 2015

**Report  
by  
Director Scotland Excel**

### **Update On The Contract Delivery Plan**

#### **1. Introduction**

The purpose of this report is to update the Committee on the progress against the 2015/2016 contract delivery plan.

#### **2. Progress to Date on the 2015/16 Contract Delivery Plan**

Appendices 1 – 3 outline the progress on a contract by contract basis in terms of renewals, new developments, framework extensions and frameworks with ongoing contract management.

The 2015/16 contract delivery plan established 12 new opportunities to be developed and provided for 6 contracts to be renewed. Additionally a further 10 contracts were to be considered for extension. With the delivery of the new contracts, contract renewals and contract extensions the value of the portfolio is expected to grow to £717m by March 2016.

Construction continues to be a key development area for Scotland Excel. Whilst there has been some positive progress it also continues to be the case that delivery predictability has been challenging due to a combination of resource availability and extended stakeholder consultation. A recent recruitment campaign has resulted in a small number of approved vacancies being filled that will allow further progress and appropriate on-going engagement with Councils to ensure contracts delivered are aligned to Councils requirements and priorities.

Both contract development and contract management within the ICT portfolio has progressed well in the last quarter. Following extensive liaison with a wide range of stakeholders including the Local Government ICT Board and the Joint Improvement Service an Invitation to Tender (ITT) process for a Customer Services Platform is underway. Additionally active contract management of the on-line school payments framework is resulting in increasing participation.

We are continuing to liaise with councils corporate procurement functions to establish future contract development opportunities and these will be the subject of a report at the next Joint Committee.

#### **3. Conclusion**

The Committee is asked to note the progress made to date.



**Appendix 1 - List of contracts to be renewed**

Service	Estimated Annual Collaborative Contract Opportunity	Activity	Forecast Date	Delivered Date	Forecast Savings Range	Delivered Savings Forecast	Comments
Community Meals	3,500,000	Renew	Jun-15	Jun-15	2% - 4%	-2.7%	Presented and approved at Exec Sub Committee 12/06/15
Plumbing Materials	21,000,000	Renew	Oct-15	Oct-15	2% - 4%	4.7%	Presented and approved at Exec Sub Committee 02/10/15
Groceries & Provisions	24,000,000	Renew	Mar-16		2% - 4%		Evaluation to be completed after Tender close 10/11/15
Electrical Materials	11,500,000	Renew	Mar-16		2% - 4%		Strategy UJG took place 04/09/15 and Tender process underway.
Waste Disposal Equipment	1,500,000	Renew	Mar-16		2% - 4%		Technical panel & UJG approved strategy and Tender process is underway.
Fostering	24,000,000	Renew	Mar-17		n/a		The scope of the fostering framework is currently under review and will determine when the framework is re-tendered. The current framework includes an extension option which would enable the framework to continue until March 2017 however the outcome of the current review may mean the framework is renewed earlier in 2016.



## Appendix 2 – List of new contracts to be developed and delivered in 2015/16

Service	Estimated Annual Collaborative Contract Opportunity	Activity	Forecast Date	Delivered Date	Forecast Savings Range	Delivered Savings Forecast	Comments
Care Homes for Adults With Learning Disabilities	31,000,000	New contract	May-15	May-15	N/A	N/A	Presented and approved at Exec Sub Committee 15/05/15
Building Related Engineering Consultancy	10,000,000	New contract	Jul-15	Aug-15	2% - 4%	TBC	Presented and approved at Exec Sub Committee 28/08/15
Demolition	16,000,000	New contract	Jun-15	Oct-15	2% - 4%	TBC	Presented and approved at Exec Sub Committee 02/10/15
Street Lighting Installation and Maintenance	20,000,000	New contract	Apr-16		2% - 4%		Following re-allocation of staff and further to a full review of the project and documentation the Tender process is underway.
Customer Services Platform	3,000,000	New contract	May-16		2% - 4%		ITT process underway.
Energy Efficiency Contractors	40,000,000	New contract	Jun-16		2% - 4%		A comprehensive stakeholder mapping exercise has been undertaken following. Various discussion and feedback to this exercise indicate that this remains a priority for Councils and the potential value could be significantly greater than original forecasts.
Architectural Services	12,000,000	New contract	Jul-16		2% - 4%		Council stakeholders have requested this project be brought forward to support the City Deal initiatives. To allow for this re-prioritisation Surveying and Construction Management has been re-scheduled.
Playground Equipment & Artificial Surfaces	17,000,000	New contract	Jul-16		2% - 4%		Following a review of the scope and detailed market analysis Playground Equipment and Artificial Surfaces will be tendered as a single project.
Surveying and Construction Management	8,000,000	New contract	Mar-17		2% - 4%		In line with Council requirements Surveying and Construction Management is scheduled to commence following delivery of Architectural Services.



**Appendix 3 – Contracts with extension options and contract management activity ongoing in 2015/16**

**Contracts with extension options in 2015/16**

Contract Description	Est Annual Value
Bitumen Products	£ 16,500,000
Catering Sundries	£ 3,000,000
Domestic Furniture and Furnishings	£ 32,000,000
Education & Office Furniture	£ 5,000,000
Engineering Consultancy	£ 15,000,000
Library Books & Textbooks	£ 14,000,000
Organic Waste	£ 2,000,000
Personal Protective Equipment	£ 7,500,000
Trade Materials	£ 7,666,571
Vehicle Parts	£ 10,000,000

Note: Shading indicates extension completed

**Contracts with no renewal or extension activity but with ongoing contract management in 2015/16**

Contract Description	Est Annual Value
Agency Workers Social Care	£ 20,000,000
Asbestos	£ 8,000,000
Building and Timber Materials	£ 15,200,000
Children's Residential Care	£ 75,000,000
Educational Materials	£ 17,400,000
Frozen Foods	£ 13,000,000
Grounds Maintenance Equipment	£ 12,500,000
Heavy Plant	£ 12,500,000
Heavy Vehicles	£ 33,750,000
Household WEEE	£ -
Janitorial Products	£ 9,000,000
Light Vehicles	£ 25,000,000
Meats - Fresh, Prepared and Cooked (incl. Fresh Fish)	£ 7,000,000
Milk	£ 9,000,000
Online School Payments	£ 2,500,000
Presentation and Audio Visual Equipment	£ 6,000,000
Recyclable & Residual Waste	£ 25,000,000
Recycle/Refuse Containers	£ 8,000,000
Road Maintenance Materials	£ 2,500,000
Roadstone	£ 35,000,000
Salt for Winter Maintenance	£ 15,375,000
Secure Care	£ 20,000,000
Security Services & Equipment	£ 18,000,000
Signage Materials	£ 2,000,000
Street Lighting Materials	£ 35,000,000
Telecare & Telehealth Technologies	£ 3,400,000
Tyres	£ 6,000,000
Vehicle & Plant Hire	£ 20,000,000
Washroom Solutions	£ 3,500,000



## Scotland Excel

**To:** Scotland Excel Joint Committee

**On:** 27 November 2015

### Report by Director Scotland Excel

#### Spend Activity and Estimated Forecast Savings Report – Q1 2015/16

### 1. Introduction

The purpose of this report is to provide the Committee with an update to spend activity and estimated savings achieved through the Scotland Excel collaborative contracts during Q1 2015/16. This report includes additional spend data provided by suppliers since the last meeting. The report covers four quarters from 1 July 2014 (Q2 2014/15) to 30 June 2015 (Q1 2015/16).

### 2. Update

This report covers 45 contracts in quarter 2, 46 contracts in quarter 3, 47 contracts in quarter 4 and 48 contracts in the latest reporting period. Appendix 1 sets out the reported spend and estimated savings for each council. Appendix 2 shows the same spend and estimated savings totals but is split by contract and sorted in descending order of total actual spend. The total number of contracts available is 56 as the report includes legacy contracts and renewed contracts i.e. asbestos, building and timber materials, hygiene products, meats - fresh, prepared and cooked, presentation and audio visual equipment, security, signage, street lighting materials, Telecare equipment and washroom solutions.

The details included in the appendices form the basis of the business review reports that the Scotland Excel regional teams prepare and discuss with nominated procurement representatives in each council.

A supplier return rate of 92% has currently been achieved for Q1 which has been issued to Council procurement teams for review.

### 3. Summary of Reporting (3 Years)

The table below shows spend and savings figures recorded over the last three years and the number of contracts included in our reporting database:

Period	Quarter	No. Contracts	Spend (£000's)	Est. Savings (£000's)
2012/2013	Q2	52	£61,998.0	£4,288.6
2012/2013	Q3	53	£69,031.8	£4,462.3
2012/2013	Q4	56	£84,385.5	£6,072.0
2013/2014	Q1	59	£71,241.5	£5,155.3
2013/2014	Q2	58	£74,224.9	£4,385.4
2013/2014	Q3	60	£75,835.5	£4,340.4
2013/2014	Q4	53	£83,561.1	£4,992.6
2014/2015	Q1	51	£72,547.0	£4,437.3

2014/2015	Q2	45	£75,375.2	£4,638.6
2014/2015	Q3	46	£80,609.5	£3,584.4
2014/2015	Q4	47	£106,438.5	£4,319.7
2015/2016	Q1	48	£95,708.8	£3,766.0
<b>TOTAL</b>			<b>£950,957.3</b>	<b>£54,442.6</b>

#### 4. Summary

The Scotland Excel Joint Committee is invited to note the participation levels and associated benefits estimates.

Appendix 1 (Expenditure Summary per Council)



Contract Spend and Estimated Savings Report

1. Expenditure/Estimated Savings Summary - Year To Date as at: Q1 (Apr 2015 - Jun 2015)

Organisation	Contracts Available	Contracts Used	Participation	Quarter 2		Quarter 3		Quarter 4		Quarter 1		Total			
				Actual Spend (£)	Estimated Saving (£)	Actual Spend (£)	Estimated Saving (£)	Actual Spend (£)	Estimated Saving (£)	Actual Spend (£)	Estimated Saving (£)	Actual Spend (£)	Estimated Saving (£)	Forecast Spend (£)	Actual v Forecast %
Aberdeen City Council	56	47	84%	3,747,380	196,760	3,999,765	210,730	5,325,609	224,456	4,654,826	240,637	17,727,579	872,583	17,737,992	99.9%
Aberdeenshire Council	56	48	86%	5,084,265	661,664	4,788,444	118,535	6,642,804	209,988	6,665,977	228,347	23,131,490	1,218,534	31,105,729	74.4%
Angus Council	56	39	70%	1,126,564	169,651	1,129,949	60,110	1,392,297	85,655	1,270,325	55,728	4,919,136	371,144	7,274,533	67.4%
Argyll & Bute Council	56	43	77%	1,414,677	79,248	1,821,672	86,829	1,975,580	53,983	1,535,382	74,778	6,747,312	294,838	11,882,999	56.8%
City of Edinburgh Council	56	47	84%	4,579,041	344,031	7,004,574	322,073	6,635,929	305,546	7,751,905	236,310	25,971,449	1,207,960	33,165,471	78.3%
Clackmannanshire Council	56	43	77%	842,361	55,943	767,106	49,037	801,797	58,942	856,340	50,420	3,267,604	214,343	5,409,888	60.4%
Comhairle nan Eilean Siar	52	32	62%	251,774	17,590	363,155	12,319	577,107	22,790	706,030	20,939	1,898,066	73,638	2,509,738	75.6%
Dumfries & Galloway Council	56	43	77%	1,294,754	100,008	1,915,194	79,165	2,274,916	123,302	1,731,625	77,347	7,216,489	379,822	14,142,249	51.0%
Dumfries City Council	56	41	73%	2,197,268	28,381	1,625,869	37,559	2,075,482	59,661	1,798,270	19,236	7,694,888	144,837	10,830,605	71.0%
East Ayrshire Council	56	32	57%	1,266,231	39,772	1,320,978	33,512	1,807,886	58,103	1,662,515	41,017	6,057,610	172,404	8,152,913	74.3%
East Dunbartonshire	56	42	75%	1,340,697	66,428	1,926,982	60,809	1,669,627	68,341	1,704,846	84,572	6,642,152	280,150	14,092,520	47.1%
East Lothian Council	56	47	84%	1,237,454	82,761	1,607,376	79,227	3,039,163	156,055	2,058,845	148,694	7,942,837	466,737	11,779,054	67.4%
East Renfrewshire Council	56	42	75%	1,123,677	54,481	1,993,801	53,797	1,815,839	68,775	1,399,054	54,672	10,092,237	326,085	16,960,071	59.5%
Falkirk Council	56	47	84%	1,770,071	73,154	2,466,098	88,522	3,091,953	102,887	2,764,115	61,523	10,092,237	326,085	16,960,071	59.5%
Fife Council	56	37	66%	3,355,212	111,513	4,119,606	117,396	5,337,273	171,897	5,408,555	64,063	18,220,646	464,870	26,699,089	68.2%
Glasgow City Council	55	31	56%	3,571,258	303,464	2,725,972	215,920	4,081,776	242,870	3,465,611	87,581	13,844,617	849,835	28,801,178	48.1%
Highland Council	55	41	75%	2,965,632	162,963	2,929,096	104,742	2,916,247	83,157	2,926,033	96,170	11,737,008	447,032	23,526,430	49.9%
Inverclyde Council	56	46	82%	751,306	29,287	1,369,905	28,273	1,389,981	38,595	1,126,188	30,884	4,637,381	127,038	8,128,504	57.1%
Midlothian Council	56	44	79%	1,994,473	97,804	1,923,086	55,305	1,649,062	68,222	1,714,278	61,689	7,280,500	283,020	11,172,065	65.2%
North Ayrshire Council	56	44	79%	2,371,149	145,553	2,240,928	100,849	3,455,160	111,969	1,811,690	101,954	10,878,927	460,326	15,961,994	68.2%
North Lanarkshire Council	56	39	70%	5,073,260	333,583	5,237,377	305,290	8,344,909	320,279	3,424,848	230,619	22,080,993	1,189,772	20,793,671	106.2%
Orkney Islands Council	50	25	50%	349,473	51,414	198,264	8,863	683,455	40,093	926,193	64,750	2,157,385	165,120	2,059,601	104.7%
Perth & Kinross Council	56	45	80%	1,450,149	139,573	1,835,490	98,939	2,308,861	110,888	1,579,738	125,387	7,174,237	474,788	11,247,180	63.8%
Renfrewshire Council	56	49	88%	2,742,180	129,268	3,381,893	136,127	3,750,805	169,313	4,681,761	182,801	14,556,640	617,509	15,286,031	95.2%
Scottish Borders Council	56	46	82%	1,690,755	95,158	1,589,040	86,504	2,410,377	61,496	2,341,265	95,189	8,031,438	338,346	7,617,575	105.4%
Shetland Islands Council	51	28	55%	263,842	20,219	424,123	14,457	508,886	11,137	448,021	23,896	1,644,872	69,708	2,665,334	61.7%
South Ayrshire Council	56	43	77%	1,563,851	115,157	1,714,656	112,971	2,175,901	164,833	2,094,224	113,828	7,546,632	506,789	10,872,167	69.4%
South Lanarkshire Council	56	43	77%	7,325,577	250,399	5,484,043	198,626	7,156,992	279,143	6,299,375	352,424	26,265,988	1,080,593	26,351,557	99.7%
Stirling Council	56	33	59%	623,562	35,798	805,201	43,486	1,594,175	75,867	1,354,732	45,106	4,377,670	200,257	7,577,329	57.8%
The Moray Council	56	40	71%	998,990	70,435	1,314,599	77,512	1,421,623	71,855	2,008,888	75,146	5,744,100	294,948	10,898,876	52.7%
West Dunbartonshire	56	47	84%	2,543,150	100,277	2,292,386	80,456	4,116,706	139,303	3,765,963	117,844	12,716,206	437,880	12,147,458	104.7%
West Lothian Council	56	50	89%	3,191,632	295,490	4,039,189	327,030	8,032,120	389,231	7,585,029	310,433	22,847,970	1,322,183	19,188,138	119.1%
Associate Members	48	31	65%	2,070,673	46,722	2,045,869	30,491	2,295,087	44,058	2,407,076	11,424	8,818,705	132,695	8,155,403	108.1%
Tayside Contracts	52	27	52%	3,253,284	134,691	2,207,824	148,950	3,687,156	127,056	2,841,237	180,578	11,989,501	591,276	16,582,160	72.3%
<b>Totals:</b>				<b>75,375,224</b>	<b>4,638,639</b>	<b>80,609,508</b>	<b>3,584,411</b>	<b>106,438,542</b>	<b>4,319,745</b>	<b>95,708,760</b>	<b>3,765,987</b>	<b>358,132,034</b>	<b>16,308,781</b>	<b>478,050,176</b>	<b>74.9%</b>

Notes:

1. Contracts Available - The number of contracts available to members during the full reporting period (inclusive of those contracts that may have expired within the reporting timeframe).
2. Contracts Used - The number of contracts which spend has been recorded against during the reporting period (inclusive of those contracts that may have expired within the reporting timeframe).
3. Actual Spend - Total actual spend (net of saving) on contracts during the reporting period compiled using spend data returns provided by contracted suppliers.
4. Saving - Calculated using the estimated forecast saving percentage figure attributed to each contract as per Executive Sub-Committee reports (or variation thereof subsequently agreed with the customer).
5. Forecast Spend - Estimated total spend anticipated in the reporting period.



Appendix 2 (Expenditure Summary per Contract)

Contract Spend and Estimated Savings Report

2. Breakdown of Spend by Contract -Year To Date as at: Q1 (Apr 2015 - Jun 2015)

Ref	Contract	Start Date	Quarter 2		Quarter 3		Quarter 4		Quarter 1		Total				
			Actual Spend (£)	Estimated Saving (£)	Actual Spend (£)	Forecast Spend (£)	Actual v Forecast %								
0213	Heavy Vehicles	13/01/2014	5,714,313	0	5,732,349	0	8,053,392	0	7,288,525	0	26,788,579	33,051,500	81.1%		
0612	Light Vehicles	16/07/2013	3,226,774	65,853	4,708,857	96,099	7,825,247	159,699	4,322,521	88,215	20,083,399	409,865	20,484,940	98.0%	
1411	Groceries & Provisions	01/05/2012	3,873,818	257,324	4,409,479	296,423	6,088,167	392,752	5,003,154	327,565	19,374,618	1,274,065	14,556,184	133.1%	
1112	Secure Care	01/07/2013	4,254,656	-81,260	4,450,008	-88,584	4,839,676	-91,870	4,979,788	-96,312	18,524,168	-358,023	18,197,457	101.8%	
0311	Children's Residential Care	14/08/2014	0	0	4,633,806	-130,561	5,372,239	-130,208	7,509,425	-226,021	17,515,469	-486,793	68,977,900	25.4%	
1212	Frozen Foods	01/07/2013	2,714,235	105,230	4,313,154	169,047	5,008,378	196,233	4,311,018	170,197	16,346,785	640,707	13,008,407	125.7%	
0712	Educational Materials	01/04/2013	3,290,642	189,387	2,718,351	156,365	5,454,269	316,838	4,181,640	241,472	15,644,902	904,062	16,437,485	95.2%	
0513	Library Books & Textbooks	01/11/2013	2,688,253	53,045	2,611,587	51,993	4,847,070	97,267	2,626,799	51,354	12,773,709	253,659	14,002,459	91.2%	
1011	Domestic Furniture and Furnishings (SWF)	19/05/2013	3,643,462	439,719	3,365,458	406,604	2,668,213	319,958	2,848,643	342,319	12,525,777	1,508,580	19,260,528	65.0%	
0713	Vehicle & Plant Hire	05/12/2013	3,144,336	44,252	2,422,693	33,890	3,410,835	46,916	3,294,667	45,593	12,272,532	170,651	14,680,288	83.6%	
2610	Fostering	28/03/2013	2,389,631	0	2,371,682	0	2,998,860	0	3,751,886	0	11,512,059	0	11,512,059	0	
0313	Recycle/Refuse Containers	01/11/2013	3,331,311	731,969	1,931,517	217,823	3,004,506	439,202	2,658,601	282,921	10,925,984	1,671,915	6,571,208	166.3%	
1511	Electrical Materials	01/04/2012	2,369,877	199,203	2,784,588	198,639	2,899,144	213,588	2,211,706	163,570	10,295,315	775,000	7,817,531	131.7%	
1613	Street Lighting Materials	01/07/2014	0	0	1,457,759	49,806	3,304,758	109,971	5,368,857	168,520	10,126,374	328,296	10,475,122	96.7%	
2013	Salt	01/07/2014	1,509,170	-75,109	2,706,571	-74,253	4,874,682	-211,425	817,140	-62,668	9,907,562	-423,455	15,828,596	62.6%	
0112	Bitumen Products	01/03/2013	3,105,953	297,023	1,289,168	120,185	1,415,943	152,354	4,032,520	377,537	9,842,984	947,099	11,682,527	84.3%	
1711	Plumbing Materials	01/04/2012	2,129,102	248,033	2,194,251	242,063	2,418,538	276,286	1,867,073	202,472	8,608,964	968,853	8,798,660	97.8%	
0212	Vehicle Parts	01/01/2013	1,925,921	101,364	1,353,253	71,224	2,190,314	115,280	1,992,347	104,860	7,461,835	392,728	9,110,624	81.9%	
0312	Education & Office Furniture	01/03/2013	1,483,835	137,843	1,970,478	183,050	2,933,371	272,499	1,036,662	96,302	7,424,347	689,693	3,512,685	211.4%	
1313	Milk	01/03/2014	1,131,603	-119,945	1,755,895	-197,029	2,259,990	-256,189	1,932,708	-222,467	7,080,193	-795,630	7,095,705	99.8%	
0412	Personal Protective Equipment	01/04/2013	1,575,698	164,073	1,861,575	168,887	1,761,451	163,699	1,662,407	163,941	6,861,131	660,601	4,970,870	138.0%	
0810	Hygiene Products	01/05/2011	2,170,346	167,877	2,512,335	195,252	1,781,438	129,659	2,408,280	9,646	6,464,118	492,768	5,514,142	117.2%	
4010	Building and Timber Materials	01/04/2011	2,052,514	20,164	1,867,802	48,637	2,408,280	9,646	2,216,621	0	6,328,597	78,447	5,626,723	112.5%	
1213	Agency Workers - Social Care	01/08/2014	193,708	0	1,838,426	0	1,938,137	0	2,216,621	0	6,186,892	0	17,797,000	34.8%	
0113	Tyres for Vehicles & Plant	01/11/2013	1,682,434	162,340	1,368,407	132,039	1,352,010	130,457	1,434,656	138,432	5,877,506	563,268	5,476,742	106.6%	
1210	Security	03/05/2011	1,863,063	228,303	1,605,119	196,997	1,408,229	172,455	4,876,411	597,755	4,876,411	597,755	5,060,550	96.4%	
0214	Meats - Fresh, Prepared & Cooked (inc. Fresh Fish)	01/11/2014	1,060,063	80,439	1,407,839	106,534	1,818,668	137,258	1,276,896	90,688	4,503,403	334,480	4,171,821	107.9%	
0413	Trade Materials (Ironmongery, trade tools, paint)	03/03/2014	1,271,877	101,192	1,008,438	76,365	1,094,339	83,814	1,145,814	73,920	4,308,654	314,538	5,617,534	76.7%	
1012	Organic Waste	01/04/2013	1,379,256	110,558	768,008	53,456	666,948	38,186	1,542,644	101,532	4,249,478	294,366	7,101,092	59.8%	
1011b	Domestic Furniture and Furnishings (TA)	01/04/2011	772,467	117,884	806,596	122,403	899,045	52,897	1,205,909	68,227	4,117,942	287,620	5,323,244	77.4%	
9510	Presentation & Audio Visual Equipment	01/04/2013	1,379,256	110,558	806,596	122,403	2,103,970	305,519	3,683,033	545,806	3,683,033	545,806	3,555,257	103.6%	
1110	Street Lighting Materials	01/07/2011	3,326,711	-24,984	219,798	-2,603	1,104,146	59,125	688,657	37,974	3,546,509	-27,587	3,886,276	91.3%	
1811	Catering Sundries	01/10/2012	542,590	28,477	1,079,360	58,454	1,130,645	93,877	666,126	53,573	3,414,754	184,030	2,489,702	137.2%	
0111	Engineering Consultancy	18/03/2013	710,731	56,346	902,661	76,988	1,130,645	93,877	666,126	53,573	3,410,162	280,784	7,310,413	46.6%	
1410	Asbestos	01/04/2011	1,137,956	77,809	805,608	55,084	1,111,699	76,014	2,277,495	264,467	3,055,263	208,907	3,587,669	85.2%	
1414	Janitorial Products	01/03/2015	590,226	45,723	592,921	44,167	639,305	88,476	535,912	39,941	2,291,800	352,942	3,963,326	73.6%	
1010	Prepared Meals	15/09/2012	0	0	578,394	54,030	1,047,338	35,268	1,276,075	0	1,647,800	55,227	1,653,306	99.7%	
1314	Building And Timber Materials	01/04/2015	2,459	0	13,895	0	192,768	0	1,485,196	0	1,485,196	0	21,041,422	7.1%	
0814	Security (Services)	12/01/2012	825,191	84,088	823,817	79,401	415,569	173,408	402,287	166,351	1,282,060	529,383	735,741	174.3%	
0614	Telecare and Telehealth Technologies	01/01/2015	0	0	464,404	189,624	310,604	95,804	471,887	98,367	1,093,033	166,641	15,439,225	6.7%	
1413	Recyclable & Residual Waste	07/07/2014	0	0	171,399	24,607	341,888	34,748	246,733	21,641	899,581	96,225	1,940,592	51.2%	
0114	Washroom Solutions	01/10/2014	1,171,225	171,896	197,814	12,037	319,425	16,314	321,868	17,893	939,107	46,244	944,582	88.8%	
0910	Meats - Fresh, Prepared & Cooked (incl. Fresh Fish)	01/10/2014	79,143	7,863	171,399	24,607	310,604	95,804	471,887	98,367	1,093,033	166,641	15,439,225	6.7%	
0613	Roadstone	01/07/2014	212,590	21,925	192,370	17,911	341,888	34,748	246,733	21,641	899,581	96,225	1,940,592	51.2%	
1713	Road Maintenance Materials	01/07/2014	0	0	197,814	12,037	319,425	16,314	321,868	17,893	939,107	46,244	944,582	88.8%	
0314	Signage	01/12/2014	0	0	0	0	0	0	0	0	0	0	0	0	0

Contract Spend and Estimated Savings Report

2. Breakdown of Spend by Contract -Year To Date as at: Q1 (Apr 2015 - Jun 2015)



Ref	Contract	Start Date	Quarter 2		Quarter 3		Quarter 4		Quarter 1		Total						
			Actual Spend (£)	Estimated Saving (£)	Actual Spend (£)	Estimated Saving (£)	Actual Spend (£)	Estimated Saving (£)	Actual Spend (£)	Estimated Saving (£)	Actual Spend (£)	Estimated Saving (£)	Forecast Spend (£)	Actual v Forecast %			
1311	Waste Disposal Equipment	01/03/2012															
1114	Asbestos	01/04/2015	88,556	4,900	171,151	9,579	194,100	9,980	355,062	19,871	808,869	44,330	1,312,406	61.6%			
1214	Presentation & Audio Visual Equipment	01/04/2015							734,234	131,916	734,234	131,916	1,044,850	70.3%			
0710	Washroom Solutions	01/10/2010	449,550	303,658					611,716	46,043	611,716	46,043	977,686	62.6%			
0610	Signage	07/01/2011	259,978	114,176							449,550	303,658	271,545	165.6%			
1014	Ground Maintenance	02/03/2015			166,668	59,870					426,646	174,046	572,577	74.5%			
0914	Heavy Plant	02/03/2015					0	0	316,669	30,937	316,669	30,937	2,418,076	13.1%			
2113	Online School Payments	27/11/2014					0	0	90,350	2,603	90,350	2,603	4,911,867	1.8%			
0812	Household WEEE and Batteries	01/04/2013	0	0	0	0	0	0	11,669	5,001	11,669	5,001	796,391	1.5%			
0511	Care Homes for Adults (LD)	29/06/2015									0	0	0	0			
0814b	Security (Equipment)	01/04/2015									0	0	7,355,250	0.0%			
1413b	Recyclable & Residual Waste (Income)	07/07/2014	0	0	-51,579	0	-46,646	0	-81,577	0	-179,802	0	15,000	-1198.7%			
<b>Totals:</b>			<b>75,375,224</b>	<b>4,638,639</b>	<b>80,609,508</b>	<b>3,584,411</b>	<b>106,438,542</b>	<b>4,319,745</b>	<b>95,708,760</b>	<b>3,765,987</b>	<b>358,132,034</b>	<b>16,308,781</b>	<b>478,050,176</b>	<b>74.9%</b>			

## Scotland Excel

To: Scotland Excel Joint Committee

On: 27 November 2015

### Report by the Clerk

#### Court Proceedings Update

#### 1. Summary

- 1.1 The purpose of this report is to update the Joint Committee on the position in respect of the court action raised by Street Lighting Supplies & Co Ltd against Scotland Excel and Renfrewshire Council.

#### 2. Recommendation

- 2.1 That the Joint Committee notes the content of the Report.

#### 3. Background

- 3.1 Street Lighting Supplies & Co Ltd initially raised court proceedings in Paisley Sheriff Court against Scotland Excel and Renfrewshire Council attempting to prevent a contract award being made. Scotland Excel successfully argued that the case should not be heard within the Sheriff Court and should be transferred to the Court of Session.
- 3.2. At the Court of Session the Pursuer continued to argue that no contract award should be made. Scotland Excel successfully resisted that argument and the Court declined to make an interim order in that regard. The Pursuer then sought to amend their claim to one for damages only. The sum claimed was £345,000. Scotland Excel continued to resist the claim and a proof before answer was fixed to take place on 5<sup>th</sup>-10<sup>th</sup> November 2015.
- 3.3. Just prior to the hearing, the Pursuer agreed to abandon their action. They also agreed to make a significant payment in respect of Scotland Excel's legal expenses.
- 3.4. This case was raised prior to the commencement of Scotland Excels' insurance cover in respect of such court actions. Any similar actions raised against Scotland Excel would now be dealt with under the terms of that insurance cover.



## Scotland Excel

To: Scotland Excel Joint Committee

On: 27 November 2015

Report  
by  
the Clerk

### Meetings of Scotland Excel Joint Committee in 2016

#### 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 2016.

#### 2. Recommendation

- 2.1 That meetings of Scotland Excel Joint Committee be held at 10.45 am on 17 June and 9 December, 2016 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 2016 can be dealt with at the two meetings.

