



Minute of Meeting Scotland Excel Joint Committee

Date	Time	Venue
Friday, 5 December 2014	10:45	City Chambers, Glasgow

PRESENT

Councillors C Shand (Aberdeenshire Council); P Valentine and J Houston (both Angus Council); I Whyte (City of Edinburgh Council); R Murray (Falkirk Council); M McElroy and N MacLeod (both Glasgow City Council); J Bryant (Midlothian Council); M Holmes (Renfrewshire Council); J Mitchell (Scottish Borders Council); P Saxton (South Ayrshire Council); Provost E Logan and Councillor J Wardhaugh (both South Lanarkshire Council) and Councillors A Wright (The Moray Council) and K Ryall (West Dunbartonshire Council).

Councillor Holmes, Convener, presided.

APOLOGIES

Councillors R Milne and W Young (both Aberdeen City Council); F Hood (Aberdeenshire Council); E Morton (Argyll and Bute Council); A Rankin (City of Edinburgh Council); A Drummond (Clackmannanshire Council); N Macdonald (Comhairle Nan Eilean Siar Council); G Dykes (Dumfries and Galloway Council); A Brown (East Ayrshire Council); G Wallace (East Renfrewshire Council); I Chisholm (Fife Council); M Smith and D Alston (both Highland Council); J Clocherty and M Brennan (both Inverclyde Council); G McLean and J Hunter (both North Ayrshire Council); F McKay (North Lanarkshire Council); J Kellas (Perth and Kinross Council); A Westlake (Shetland Islands Council); R Reid (South Ayrshire Council) N Benny and C Campbell (both Stirling Council) and A McMillan (West Lothian Council).

IN ATTENDANCE

J Welsh, Director; H Carr, Head of Strategic Procurement; I McCulloch, Head of Professional Services; J McLaggan, Business Services Manager; and J Yeomans, Regional Procurement Analyst (all Scotland Excel); and M Conaghan, Legal and Democratic Services Manager; A McMahon, Chief Auditor; D Forbes, Finance Manager; I Docherty, Auditor; E Coventry, Democratic Services Officer; K Druce, Assistant Committee Services Officer and E Gray, Intern (all Renfrewshire 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. ORDER OF BUSINESS

In terms of Standing Order 12, the Convener intimated that he proposed to alter the order of business to facilitate the conduct of the meeting by considering Items 10, 11, 12 and 19 after Item 6.

2. MINUTE OF JOINT COMMITTEE

There was submitted the Minute of the meeting of the Joint Committee held on 20th June, 2014. It was noted that the initial for one Councillor had been omitted and that 'The Moray Council' had been spelt incorrectly and that the Minute required to be amended to reflect the correct spelling.

The Clerk intimated that an incorrect version of the minute had been appended and that the correct version would be circulated.

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

3. MINUTES OF EXECUTIVE SUB COMMITTEE

There were submitted the Minutes of the meeting of the Executive Sub Committee held on 30th May, 20th June and 22nd August, 2014.

DECIDED: That the Minutes be approved.

4. MINUTES OF THE CHIEF OFFICERS MANAGEMENT GROUP

There were submitted the Minutes of the meeting of the Chief Officers Management Group held on 9th May and 8th August 2014.

DECIDED: That the Minutes be noted.

5. AUDITED ANNUAL ACCOUNTS

There was submitted a report by the Treasurer relative to the annual accounts for 2013/14 for Scotland Excel. A copy of the audited accounts was appended to the report. It was noted that Audit Scotland had issued an Audit Certificate providing an unqualified opinion that the abstract of accounts presented a true and fair view of the financial position of the Joint Committee as at 31st March, 2014, in accordance with the accounting policies detailed in the accounts.

A copy of the Annual report on the 2013/14 audit, prepared by Audit Scotland was appended to the report and it was noted that there were no matters arising from the audit which required to be reported to members.

DECIDED:

- (a) That the audited accounts for Scotland Excel for the financial year 2013/14 be approved; and
- (b) That the report by Audit Scotland be noted.

6. BUSINESS PLAN UPDATES

There was submitted a report by the Director of Scotland Excel relative to progress for each of Scotland Excel's strategic objective for the period 2012/15. A presentation was then made by the Director on the Business Plan for the period 2015/18.

The Business Plan was built around five strategic aims - best value, procurement capability, stakeholder engagement, corporate social responsibility and organisational development – with objectives and targets set for each aim. The report and presentation provided the Joint Committee with an update on progress against business plan objectives as of the end of Year 2 (2013-14), and to set out some of the key activities and projects that were underway for the final year (2014-15).

To allow the Director to engage with all stakeholder groups and to listen and understand their requirements, the current Business Plan, which was due to expire on 31st March, 2015, would be extended to 30th September, 2015 with refreshed targets which would include business and structure review and change. The five key areas of the business plan would be updated to reflect new targets and initiatives required to enable continued progress. The Director would develop and present a new three year Business Plan for submission to the Joint Committee in June 2015 for the new business model and organisational structure.

To improve efficiency and avoid duplication the report also proposed a new quarterly schedule for reporting progress, with a year end report being produced in April, which would improve internal efficiency while continuing to provide regular business updates to support effective governance. Any key updates since the reports were produced would be given verbally by the Director.

DECIDED:

- (a) That the progress made on the business plan be noted; and
- (b) That the proposal for aligning the progress reporting schedule with business quarters be approved.

SEDERUNT

Councillor R Murray entered the meeting during consideration of the following item.

7. TRANSFORMING SCOTLAND EXCEL – BUSINESS, BUDGET AND WORKFORCE PLAN REPORT

There was submitted a report by the Director of Scotland Excel relative to Transforming Scotland Excel - Business, Budget and Workforce Plan. Scotland Excel had had six years of positive growth and development and now needed a clear strategy to support its customers in a changing local authority landscape. The appointment of the new Director was identified as an appropriate time for Scotland Excel to update and present a new business model for the future.

To facilitate the business review a proposal for a six-month extension to the current Business Plan and a one year Revenue Budget Estimate 2015/16 was approved at the Executive Sub Committee on 3rd October, 2014. The Executive Sub-Committee also approved the continuation and implementation of workforce planning measures to allow for flexibility within the organisational structure. The Director would now develop and present a new three year Business Plan for submission to the Joint Committee in June 2015 for the new business model and organisational structure.

The report intimated that Scotland Excel had made great progress and highlighted some of the key achievements that had defined Scotland Excel's success as a Centre of Expertise. The report indicated that workforce planning was an ongoing aspect of business development and as such, revision to the organisational plan was required to achieve the flexibility required to reshape and manage the current and future workforce over the next year.

A number of workforce planning actions were already underway including: vacancy management; a review of temporary employees; and an assessment of interest in Voluntary Redundancy/Voluntary Early Retirement (VR/VER). To enable Scotland Excel to take the organisation and its stakeholders to the next level of excellence through the Transformational Change Project and to enable Scotland Excel VR/VER where appropriate, it was proposed that funding of up to £200k be utilised from the forecast underspend in this financial year 2014/15 and that any successful VR/VER applications be agreed through a phased approach over 2015.

DECIDED:

- (a) That the enablement of VR/VER, where appropriate, and utilisation of funding of up to £200k from the forecast underspend in this current financial year be approved;
- (b) That the delegation of authority for approvals of VR/VER to the Director and Treasurer of Scotland Excel be agreed; and
- (c) That the request in the Revenue Estimates 2015/16 report to use reserves in 2015/16 to fund the Change Project be noted.

8. REVENUE ESTIMATES 2015/16

There was submitted a report by the Treasurer and Director relative to the revenue estimates for Scotland Excel including the requisition of the constituent authorities for the financial year 2015/16. The report intimated that 2015/16 represented the eighth year of operation of Scotland Excel following its formal launch on 1st April, 2008. It was noted that the organisation had evolved over this period and had continually reviewed its operations to ensure that it remained 'fit for purpose' and was best structured to deliver its objectives.

The budget estimates outlined in the report presented the planned 2015/16 financial position for Scotland Excel taking into account:

- The estimated costs of core operations;
- The costs of funding ongoing temporary business and organisational development activities which were funded from reserves; and
- The level of requisition from member authorities which was affordable.

Appendix 1 to the report detailed the core activities which were fully funded from requisition income and the procurement improvement activity which was funded from reserve funding.

Appendix 2 to the report detailed the member authority requisitions for 2015-16 which had been adjusted to reflect changes in the size and populations with authority areas.

DECIDED:

- (d) That the revenue estimates for Scotland Excel for the financial year 2015/16 be approved;
- (e) That the related requisitions from constituent authorities which had been subject to review under the agreed Terms and Conditions as detailed in Appendix 2 be agreed;
- (c) That the utilisation of reserve funding to support reform initiatives necessary to continue the development of Scotland Excel and to support the Local Government Procurement Improvement Programme be approved; and
- (d) That the change to the Scotland Excel Terms and Conditions to allow the payment of Member Authorities' Requisitions to be made annually at the beginning of October each year be agreed.

9. PROGRAMME OF MEETINGS FOR 2015

There was submitted a report by the Clerk relative to meeting dates for the Joint Committee; Executive Sub Committee and Chief Officers Management Group for 2015.

DECIDED:

- (a) That the programme of meetings be noted; and
- (b) That the Joint Committee meet on 12th June and 27th November, 2015 with the venues for the meetings to be arranged by the Clerk.

10. ANNUAL AUDIT PLAN 2013/14

There was submitted a report by the Treasurer relative to the Annual Audit Plan 2013/14 for Scotland Excel. The Plan outlined Audit Scotland's planned activities in their audit of the 2013/14 financial year.

DECIDED: That the Annual Audit Plan 2013/14 be noted.

11. INTERNAL AUDIT ANNUAL REPORT 2013/14

There was submitted a report by the Chief Auditor relative to Internal Audit activity's, purpose, authority, and responsibility, as well as performance relative to its plan, which was required by the Public Sector Internal Audit Standards. The report, attached as Appendix 1, provided an annual audit opinion on the overall adequacy and effectiveness of Scotland Excel's internal control environment and also contained a statement of the soundness of the internal control system of Scotland Excel.

DECIDED: That the Annual Report Audit Scotland be noted.

12. FINANCIAL REGULATIONS

There was submitted a report by the Treasurer relative to the revision of the financial regulations undertaken in order to bring the regulations into line with the financial regulations of Renfrewshire Council.

A number of minor changes were made and included:

- Changed designations to reflect the correct officer designations for the Treasurer and Clerk;
- A change made to paragraph 3.22 to reflect the tolerable variance for approved contracts; and
- A minor change to reflect other financial services covered by a Service Level Agreement with Renfrewshire Council.

Details were included in the Annexes relating to the Financial Codes and the Renfrewshire Council adopted codes, where matters were not otherwise covered within the Authority's Financial Regulations and Financial Codes, in order to provide a complete written framework governing the Authority's financial affairs. The updated Financial Regulations were appended to the report as Appendix 1. The updated Financial Codes would be issued to the Director following approval of the revised regulations.

DECIDED: That the revised Financial Regulations be approved.

13. HOSPITALITY

There was submitted a report by the Director of Scotland Excel relative to the use of the provisions in the Scotland Excel Scheme of Delegations for hospitality and special leave in financial year 2013/14 and detailing hospitality received and special leave undertaken.

DECIDED:- That the report be noted.

14. SPEND ACTIVITY AND ESTIMATED FORECAST SAVINGS REPORT

There were submitted reports by the Director of Scotland Excel providing an overview of the spend activity and forecast savings achieved through the Scotland Excel collaborative contracts. The reports targeted spend data provided by suppliers over four quarters from 1st July, 2013 (Quarter 2 2013/14) to 30th June, 2014 (Q1 2014/15). The report provided details of the reported spend and estimated savings for each Council and the estimated saving by contract.

DECIDED:

- (a) That update on spend activity and estimated forecast savings be noted; and
- (b) That the participation levels and associated benefits forecast be noted.

15. UPDATE ON CONTRACT DELIVERY PLAN

There were submitted reports by the Director of Scotland Excel which provided an update on the contract delivery schedule and contract delivery plan, summarised the progress made to date and delivery against priorities previously defined and focussed on developing and delivering new contract opportunities.

DECIDED:

- (a) That the plans in place to ensure delivery of the current business plan be supported; and
- (b) That the progress made to date be noted.

16. UPDATE ON COMMUNITY BENEFITS

There were submitted a reports by the Director of Scotland Excel providing updates on Scotland Excel's approach to Community Benefits, outlining the progress that had been made in this regard together with an overview of the types of benefits being delivered from the Scotland Excel portfolio.

DECIDED:

- (a) That the measures proposed to monitor and develop community benefits be supported; and
- (b) That the progress made to date be noted.

17. ASSESSING PROCUREMENT CAPABILITY – PROGRESS SO FAR AND THE FUTURE

There were submitted reports by the Director of Scotland Excel providing updates on procurement performance which used a nationally developed maturity model designed to assess public sector procurement performance in Scotland in a common format. Part of Scotland Excel's remit was to work with councils to help them improve procurement performance. Each year Scotland Excel together with individual councils carried out an assessment of how procurement services were structured and organised across the organisations.

The assessment process, known as the Procurement Capability Assessment (PCA), combined with the willingness of councils to participate collectively in it, provided an opportunity for local government and the wider public sector to identify and share good practice. The results of the assessments provided a helpful source of rich information to help individual, sectoral and national organisations develop plans to improve procurement performance. The role that Scotland Excel and the PCA process had played in supporting improved procurement performance was recognised in the recent Accounts Commission report on 'Procurement in Councils' (April 2014).

The purpose of these reports was to provide members with updates on the progress that had been made over the last five years of assessment and to outline the work that was ongoing nationally to develop the assessment approach to ensure it meets future requirements. The recent Accounts Commission report on 'Procurement in Councils' (April 2014) recommended that "Councils and Scotland Excel should review and formalise arrangements to fund procurement reform activity beyond 2016"

DECIDED:

- (a) That the update on the good progress made over the past years in improving procurement performance within the local government sector and the steps taken to enhance the assessment regime for the period from 2015 be noted; and
- (b) That it be noted that the recommendation made in the Accounts Commission report would be addressed in the three year business plan covering the period 2015-2018.

18. SCOTLAND EXCEL PROCUREMENT LEGISLATION – UPDATE ON THE PROCUREMENT REFORM BILL

There was submitted a report by the Clerk relative to the Procurement Reform Bill which provided members with an update on legislative and policy developments since last year which included the completion of the passage of the Procurement Reform (Scotland) Bill through the Scottish Parliament on 13th May, 2014 and the approval by the European Parliament of the new EU Public Sector Directive (“the EU Procurement Directive”) which came into force on 17th April, 2014 and which must be implemented into UK law within 24 months of that date.

DECIDED:

- (a) That the main terms of the Procurement Reform (Scotland) Act 2014 as passed by the Scottish Parliament be noted; and
- (b) That the anticipated timescale for the implementation of the new EU Directive and the provisions of the 2014 Act be noted.

19. 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 12th June, 2015.