

Notice of Meeting and Agenda Scotland Excel Executive Sub-committee

Date	Time	Venue
Friday, 19 November 2021	09:30	Remotely by MS teams,

KENNETH GRAHAM
Clerk

Membership

Provost Bill Howatson (Aberdeenshire Council); Councillor Angus Macmillan Douglas (Angus Council); Councillor Andrew Johnston (City of Edinburgh Council); Provost Norman A Macdonald (Comhairle Nan Eilean Siar); Councillor Stephen Thompson (Dumfries & Galloway Council); Councillor Altany Craik (Fife Council); Councillor Ruairi Kelly (Glasgow City Council); Councillor Jimmy Gray (Highland Council); Councillor Joe Cullinane (North Ayrshire Council); Councillor Paul Di Mascio (North Lanarkshire Council); Councillor John Shaw (Renfrewshire Council); Councillor Amanda Hawick (Shetland Islands Council) and Councillor Josh Wilson (South Lanarkshire Council)

Councillor John Shaw (Convener): Councillor Paul Di Mascio (Vice Convener)

Further Information

If you require further information in relation to this meeting please call 0141 618 7111.

Items of business

Apologies

Apologies from members.

Declarations of Interest

Members are asked to declare an interest in any item(s) on the agenda and to provide a brief explanation of the nature of the interest.

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|----------|---|----------------|
| 1 | Minute | 3 - 6 |
| | Minute of meeting of the Executive Sub-committee held on 22 October 2021. | |
| 2 | Chief Executive's Update Report to Chief Executive Officers Management Group (CEOMG) - November 2021 | 7 - 20 |
| | Report by Chief Executive of Scotland Excel. | |
| 3 | Revenue Estimates 2022/23 | 21 - 30 |
| | Joint report by Treasurer and Chief Executive of Scotland Excel. | |
| 4 | Contract for Approval: Supply and Distribution of Milk | 31 - 52 |
| | Report by Chief Executive of Scotland Excel. | |
| 5 | Update on the Contract Delivery Plan | 53 - 68 |
| | Report by Chief Executive of Scotland Excel. | |
| 6 | Meetings of Scotland Excel Executive Sub-committee in 2022 | 69 - 70 |
| | Report by Clerk. | |
| 7 | Date of Next Meeting | |
| | Note that the next meeting of the Executive Sub-committee will be held at 9.30 am on 10 December 2021. | |



Minute of Meeting Scotland Excel Executive Sub-committee

Date	Time	Venue
Friday, 22 October 2021	09:30	Remotely by MS teams,

Present

Councillor Charles Buchan (substitute for Provost Howatson) (Aberdeenshire Council); Provost Norman A Macdonald (Comhairle Nan Eilean Siar); Councillor Altany Craik (Fife Council); Councillor Ruairi Kelly (Glasgow City Council); Councillor Paul Di Mascio (North Lanarkshire Council); Councillor John Shaw (Renfrewshire Council); Councillor Amanda Hawick (Shetland Islands Council); and Councillor Josh Wilson (South Lanarkshire Council).

Chair

Councillor Shaw, Convener, presided.

In Attendance

J Welsh, Chief Executive; H Carr, Head of Strategic Procurement; L Campbell, Corporate Services Manager; S Christie, Commercial Manager; I Calder, Customer Account Manager; J Reid, Corporate Services Assistant; L McIntyre, Senior Communications Specialist and K Forrest, Office Manager (all Scotland Excel); and M Conaghan, Legal & Democratic Services Manager; C McCourt, Finance Business Partner; L Meikle, Senior Accountancy Assistant; E Currie, Senior Committee Services Officer and K O'Neill, Assistant Democratic Services Officer (all Renfrewshire Council).

Apologies

Provost Bill Howatson (Aberdeenshire Council); Councillor Andrew Johnston (City of Edinburgh Council); Councillor Stephen Thompson (Dumfries & Galloway Council); and Councillor Joe Cullinane (North Ayrshire Council).

Declarations of Interest

Councillor Craik declared an interest in item 3(b) of the agenda – Request for Associate Membership: University of St Andrews – as he was a member of the University Court and indicated that it was his intention to leave the meeting during consideration of this item and not to take part in any discussion or voting thereon.

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 item 3(b) of the agenda after item 3(c) of the agenda.

1 Minute

There was submitted the Minute of the meeting of the Executive Sub-committee held on 17 September 2021.

DECIDED: That the Minute be approved.

2 Revenue Budget Monitoring to 17 September 2021

There was submitted a joint revenue budget monitoring report by the Treasurer and the Chief Executive of Scotland Excel for the period 1 April to 17 September 2021.

The report intimated that at the end of period 6, Scotland Excel was projecting a break-even position by year-end in its core activities and a planned £173,000 drawdown from project reserves by year-end within projects. It was noted that both budgets would continue to be monitored closely over the remainder of the financial year. Further detail was provided in section 3 of the report.

Appendices 1 and 2 to the report provided an analysis of the actual spend to date along with projected net expenditure for 2021/22 and included a summary of movement in both the revenue reserve and projects reserves.

DECIDED: That the report be noted.

3(a) Request for Associate Membership: Live Active Leisure Limited

There was submitted a report by the Chief Executive of Scotland Excel advising that Live Active Leisure Limited had submitted an application to become an associate member of Scotland Excel.

The report provided details of the organisation and the legislative position in relation to the application.

DECIDED: That the application by Live Active Leisure Limited to become an associate member of Scotland Excel, with no annual membership fee, be approved subject to completion and signing of the agreement documentation.

3(b) Request for Associate Membership: Zero Waste Scotland Limited

There was submitted a report by the Chief Executive of Scotland Excel advising that Zero Waste Scotland Limited had submitted an application to become an associate member of Scotland Excel.

The report provided details of the organisation and the legislative position in relation to the application.

DECIDED: That the application by Zero Waste Scotland Limited to become an associate member of Scotland Excel, with no annual membership fee, be approved subject to completion and signing of the agreement documentation.

Declaration of Interest

Councillor Craik, having declared a financial interest in the following item of business, left the meeting and took no part in the discussion.

3(c) Request for Associate Membership: University of St Andrews

There was submitted a report by the Chief Executive of Scotland Excel advising that the University of St Andrews had submitted an application to become an associate member of Scotland Excel.

The report provided details of the organisation and the legislative position in relation to the application.

DECIDED: That the application by the University of St Andrews to become an associate member of Scotland Excel, with no annual membership fee, be approved subject to completion and signing of the agreement documentation.

4 Date of Next Meeting

DECIDED: That it be noted that the next meeting of the Executive Sub-committee would be held at 9.30 am on 19 November 2021.

At this point in the meeting, the Convener welcomed Councillor Josh Wilson (South Lanarkshire Council) to his first Scotland Excel meeting.

Scotland Excel

To: Executive Sub-Committee

On: 19 November 2021

**Report by:
Chief Executive of Scotland Excel**

Chief Executive's Update Report to Chief Executive Officers Management Group (CEOMG) – November 2021

1. Summary

The purpose of this report is to share the Chief Executive's Update Report which was issued to Council Chief Executives at the CEOMG on 10 November 2021.

2. Background

The Scotland Excel CEOMG meets quarterly. As part of the regular governance process the Chief Executive provides an update on the work of Scotland Excel. Following discussions with the Scotland Excel Convener, it was agreed that this report – and any future reports – will be shared with members of the Scotland Excel Executive Subcommittee following the CEOMG meeting. The report shown at Appendix 1 provided an update to the CEOMG for the period between August 2021 and November 2021.

3. Recommendations

Members are asked to note the report.

Scotland Excel

To: Chief Executive Officers Management Group

On: 10 November 2021

Chief Executive's Update Report

1. Introduction

The purpose of this report is to provide the group with an update on key developments within Scotland Excel since the last meeting of the Chief Executive Officers Management Group on 18 August 2021.

2. Summary

Since the group last met there have been a number of developments:

3. Framework Portfolio

3.1 Corporate Services(Including Digital)

Supply Teacher Booking System (Seemis)

Councils have been contacted to provide information regarding call offs. Glasgow City Council, the significant user of the SEEMiS retired module has contracted with Teacher Booker for a period of 4 years. North Ayrshire Council has entered into a call off with a Cloud Cover, a local SME. Inverclyde Council has entered into a contract with Teacher Booker. Two other councils are in the final stages of evaluation.

Technology Enabled Care Framework

Issues with the supply chain have affected local authority services. Suppliers have been contacted to determine a realistic lead time for key products as it is now taking 12 -16 weeks to fulfil most orders. The supply chain disruption is due to shipping costs and a severe shortage of microchips. Indications from suppliers are that this problem will continue into late 2022, and this will continue to be monitored on an ongoing basis

Other ICT development activity

Scotland Excel will be assisting South Lanarkshire with a call off from its framework in the next quarter.

Three work packages will be delivered in this quarter for SEEMiS to support the Early Learning Years project.

Scotland Excel attended an project initiation meeting with CCS regarding a national project for Big Data and analytics. This project is likely to grow in speed in the next year

Scotland Excel is supporting the Improvement Service with its data subset and data standards project. An initiation meeting has been held and Scotland Excel is facilitating access to the STAMP project

Corporate Developments

There have been a number of developments within the Corporate portfolio. Contracts in development include PPE, frozen foods, milk, educational materials, musical Instruments and pest control.

The strategy for PPE ,which is in development, is almost ready to release to council colleagues. The focus on this framework has changed to include specific Pandemic specific items and a view to supporting more Scottish manufacturing, where appropriate. It is also the intention to include a supported business lot as per Article 20 within the Public Procurement Regulations.

3.2 Care Services

3.2.1 Adult and Older Peoples Care

National Care Home Contract (NCHC)

Initial talks in respect of the annual fee negotiation process for the NCHC have been delayed due to resource availability. This is as result of ongoing discussions in relation to Scottish Government proposals for an annual adult social care workforce increase, winter planning proposals as well as the consultation on the proposed National Care Service. Several external representatives previously involved in this work have moved onto new roles and identifying replacements has been difficult given current pressures.

Further clarity is required in relation to ongoing policy discussions, particularly in relation to the workforce, and the expected scope and impact on the NCHC before discussions on the impact on rates can take place.

The NCHC redesign has received interest from the Care Inspectorate, Health Improvement Scotland, independent advocacy and carers groups. Coupled with local government, sector representatives, unions and the Scottish Government this should provide a full range of views and experience to help address current and future need for the sector and more importantly for those who benefit from support in the sector. The first meeting of this group is scheduled to take place in November.

Care & Support

A re-opening exercise is underway to enable more providers to sign up to the national flexible framework for care & support. New services are expected to be available on the framework from April 2022 ensuring steady growth and additional capacity, by adding to the 119 providers and 460 services currently available.

The care & support framework will be amended as necessary to reflect any change in national policy, particularly in respect of ongoing workforce discussions.

Social Care Agency Workers

Work is underway to review the current social care agency workers framework and agree a strategy for the next generation framework. Stakeholder events are expected to take place with purchasers and providers in December and will include a review the framework terms and service specification as well as consider the overall strategy. Purchasers will be notified of meeting dates shortly.

3.2.2 Children's Services

Children's Residential

Scotland Excel has been engaging with councils through User Intelligence Group (UIG) meetings to discuss current themes and trends within the children's residential sector, including developments as a result of the implementation of The Promise. Two meetings were held in September with attendance from 15 councils, with a further six councils arranging individual meetings or providing feedback in writing.

The team has also surveyed providers of services to seek views and input. A range of themes have been included within the survey, including occupancy, staffing, service changes and future engagement. It is anticipated that this survey will help inform the foundations and basis for redevelopment work and future engagement planning.

The team also continue to liaise with colleagues in COSLA, Scottish Government, Care Inspectorate and The Promise to consider the impact of the Promise and related policy on national contracts and Scotland Excel's work.

Scotland Excel is planning to produce a briefing note in the coming month to summarise the engagement and information gathered to date, key themes and information along with proposed next steps.

Secure Care Transport

Secure Care Transport has been an ongoing and complex area for local authorities for a number of years. COSLA, Scottish Government and the Children & Young Persons Centre for Justice (CYCJ) set up a sub-group of the Secure Care Group to review the current landscape and discuss possible solutions to this long-standing issue.

Scotland Excel engaged in the initial meeting of this sub-group to provide procurement and commissioning knowledge. The group had attendance from a wide variety of organisations, generating discussion on a number of different topics. There were several actions from the meeting, the most relevant for Scotland Excel being a meeting to discuss the potential for development of a standard specification that may be used for services of this type, along with other actions assigned to Scottish Government, COSLA, CYCJ and other attendees. Scotland Excel will continue to engage with this work and provide support.

3.3 Construction Transport and Environment

3.3.1 New Build

This framework provides an effective procurement route for the construction of new built residential properties. Activity under this framework has continued to grow as members have renewed their activity on new build housing projects.

Given the well documented supply constraints the construction industry is currently Experiencing, Scotland Excel has been engaging regularly with framework contractors to review the pipeline. Call offs from the framework can be used as a mechanism for reduced cost uncertainty and improve risk management in a challenging marketplace.

The framework is structured to support the building of sustainable homes as we move towards a net zero society. Homes are currently being built to Passivhaus, Net Zero and Gold standards. The framework is also being used to deliver other environmentally sustainable measures such as solar panels and heat pumps.

To date, the framework has 14 confirmed projects which together are delivering over 550 homes and also a care facility. The value of awarded projects has risen to £109m, from £95m reported in the previous update.

In addition, there are 33 further projects due to be tendered which will in turn deliver around 1800 homes valued at approximately £293m.

The team is also working with member organisations to identify the next tranche of projects with discussions centring on around 700 more units, which are anticipated for award in 2022/2023.

3.3.2 Energy Efficiency

The work to establish our second-generation framework for Energy Efficiency Contractors is currently underway with a multidisciplinary team engaged in evaluating the bids received. This framework was developed with significant collaboration across the public sector and the supply chain.

Set to commence early in 2022, this framework will be a fundamental enabler for our members to attain net-zero by 2045 and has social and environmental objectives at its core; to tackle fuel poverty, reduce carbon emissions and support a green recovery.

The framework is structured to provide an efficient route to market and accommodates a wide range of energy efficiency measures, having expanded the scope of services compared to the first generation. This will enable full house retro-fit of existing housing stock and for the first time includes a professional services lot in support of a one-stop shop.

3.3.3 Electric Vehicle Charging Infrastructure

The tender for this framework is one of the most recently released to the market. This is a first generation framework, responding to the growing demand for public bodies to increase charging points as part of their estate.

The framework will be operational in the first quarter of 2022 and will include the supply, installation and maintenance of electric vehicle charging equipment. The framework can be used for developing the infrastructure for depots, fleets, workplaces as well as on-street and off-street units.

3.3.4 Other

In addition to the frameworks featured above the Construction, Transport and Environment team are actively working on six further frameworks which will be awarded in coming months. These are:

Tyres for Vehicles and Plant (tender issued mid-October),
Heavy and Municipal Vehicles (tender issued late October)
and Vehicle and Plant Hire which will be issued in early 2022

Recycling and Reuse Containers - currently being evaluated
Outdoor Play and Sport and Building Construction Consultancy, tenders for which will both be issued before the end of 2021.

The team are also working on the management of contracts affected by the disruption to markets. One of the planned measures to enhance the resilience of the construction portfolio is to reshape the frameworks for the sourcing of construction materials. Development work for this will begin in early 2022.

3.4 Contract Delivery Plan Update

There are 74 current frameworks in the Scotland Excel contract portfolio, with twenty-nine of these frameworks to be renewed before 31 December 2022, as well as a number of new service areas being considered for collaborative contract development.

A total of 15 of the frameworks on the current portfolio have extension options that are likely to be exercised in 2021/2022 with six of these extensions already approved.

The overall efficiencies across the whole portfolio year to date is 3.1% compared to the 2.5 % forecast range. This efficiency figure will continue to be monitored throughout 2021/2022.

The following contracts have been approved at Executive Sub Committee since August 2021:

Dynamic Purchasing System (DPS) for Digital Telecare Goods

Scotland Excel provides a third-generation framework, Technology Enabled Care (31/17), that provides stakeholders a route to market for most products needed to support care at home. This framework is highly valued by stakeholders, and there is a strong support for this to be renewed in 2022. The Dynamic Purchasing System ("DPS") is intended as a complimentary agreement for Digital only Technologies to be procured and will align itself to a turbulent market more easily than a framework. The turbulence in the market is largely due to the impending analogue telephone network switch off, which is due to be completed by 2025. Over the last 10 years the Technology Enabled Care framework has provided analogue equipment to all 32 councils, with a total spend to date of c. £36 million. The majority of this has been on personal alarm units that will become redundant when the analogue telephone system is discontinued. It is the intention to utilise the features of a DPS to allow new entrants to engage more easily with contracting bodies, but also ensure price stability for key products sourced through a renewed technology enabled care framework. The DPS will also provide an insight into the changing market, supporting the development of the framework within a landscape of policy change and market uncertainty.

Supply and Provision of Online School Payments, Cashless Catering and Kitchen Management & Nutritional Systems

This renewal is a second-generation framework for the Supply and Provision of Online School Payments, Cashless Catering and Kitchen Management & Nutritional Systems. This framework will provide local authorities and other participating bodies with a mechanism to procure a complete solution for Online School Payments, Cashless Catering, Kitchen Management and Nutritional Analysis Systems permitting the award of Call-offs under the framework by way of a mini-competition. A total of 5 suppliers have been awarded a place on the framework. These 5 recommended suppliers offer best value and represent a mix of small, medium, and large organisations. Four suppliers are classed as SME's, and one is a Scottish supplier.

3.5 Supply Chain Disruption

Economic growth is accelerating as countries ease coronavirus restrictions. Increase in demand is coinciding with a global shortage of many key raw materials including construction materials, packaging, shipping containers and food, amongst others.

Energy and fuel are also experiencing rapid inflation. In the last 12 months the price of crude oil has increased 50% while the average cost of packaging is up 70%. The UK is partially insulated from this commodity pressure by the year on year strengthening of Sterling, but this protects mainly imported goods. As a result, overall UK inflation increased from 2.1% to 2.5% in June, and the consensus among economists and the Bank of England is that prices will continue to rise further as the year progresses.

Shortages of materials have been cited as a key driver of the slowing economic recovery according to the latest Purchasing Manager's Index (PMI), which fell to 55.0 in August down from 59.6 in July from a record high of 62.9 in May (with 50 representing neither contraction nor expansion).

Currently markets are experiencing the second-fastest rate of inflation seen in the last 25 years. To date the most impacted product groupings are OSB (oriented strand board), MDF, fencing, tile battens, roof tiles, concrete blocks, cement, slabs, plasterboard and copper. Therefore, of all the goods-based frameworks, building and timber materials is experiencing the greatest degree of disruption. Working groups have been set up with local authority members and discussion ongoing with key suppliers to try to mitigate the risks to capital projects.

4. The Academy

The Academy is supporting the people development and organisational development of our local authorities and 30 public / third-sector organisations, with 1,014 registered learners accessing content on our Moodle platform and 202 learners engaged in accredited programmes across 16 cohorts - comprising six in procurement, four in leadership & management, three in project management, one in business analysis & innovation, decision making & innovation and two combined procurement and leadership & management development programme cohorts.

A further 8 accredited programmes are planned to launch in fiscal year 2021/22 - comprising three in leadership & management, three in project management and two in business analysis & innovation, decision making and innovation.

The Academy has awarded 242 qualifications and 11 Chartered Managers to date, whilst engaging a total of 1,619 learners in development activities across the whole portfolio. 381 learners have participated in accredited programmes, 769 learners in one-hour online Stay Connected workshops and 469 learners in one-day development workshops.

The Academy team is working on a new schedule for 17 Stay Connected workshops and the launch of the four-hour online Evolve workshop, with phase 1 comprising 13 workshops. The Scotland Excel marketing team will launch a campaign communicating the Evolve workshops.

The Academy is also -

- Developing a programme to counter Serious Organised Crime in procurement for the Scottish Government.
- Developing and delivering a delegated procurement programme for Dumfries and Galloway council.
- Creating eLearning content for Stirling Council.
- Developing and delivering a combined procurement development and leadership & management development programme for NHS Lothian, Tayside, Fife, Grampian and Highland health boards.

In response to the Proxima report, the Academy is pursuing the opportunity to become the National Skills Academy with the Scottish Government Property and Procurement Directorate (SPPD).

5. Projects Update

5.1 East Lothian

The Scotland Excel two-year Improvement Programme with East Lothian Council has now concluded with savings of £1.3m delivered (the original forecast savings target was in the region of £1.4m).

One of the key project elements was the review, development, and implementation of a strategic procurement service across the Council. The structure of the procurement team was reviewed along with the skills of the team and training such as negotiation and contract and supplier management were subsequently delivered. A proposal for a new procurement team structure was accepted and this put in place more senior level procurement officer roles to build capacity for procurement interventions.

Other elements included Category A, B and C contract optimisation (including collaborative working) to maximise contract efficiency savings through streamlining the contract portfolio and standardising products available. Significant benefits were identified and delivered, including major projects in collaboration with other councils in the areas of Care and Education.

Scotland Excel will continue to engage with East Lothian Council in their longer-term transformation programme.

5.2 Dumfries and Galloway Council

The programme of work within Dumfries and Galloway Council aims to improve control and visibility of procurement spend by restricting delegations to services for a period to give time for a full improvement programme to be delivered. Training sessions on developing procurement skills within the wider organisation have been held with a number of the Council's Senior Management Team members and further sessions are being planned with Elected Members, Service Managers, Heads of Service and Directors. Thereafter training sessions will be held with staff who have Delegated Procurement Authority.

A dedicated Community Wealth Building project is in progress as part of the programme and focus is currently on the Council's use of the Scottish Government Grow Local tool and review and analysis of Quick Quotes. Initial analysis for these two areas is complete and with the Council for review. Discussions have taken place to gather information on key internal and external stakeholders to engage with further and date options for an elected member workshop are being considered

5.3 South Lanarkshire Council

Scotland Excel has commenced a two-year programme with South Lanarkshire Council which supports the organisation's strategic procurement aims as part of the Council's wider transformation programme. Savings and efficiencies are core to the programme and will be of particular focus during the first six months. Recruitment is in progress for a Programme Manager and Commercial Lead and further recruitment will be reviewed as the programme develops.

5.4 Stirling Council

Scotland Excel has been providing Stirling Council with a Head of Procurement since December 2020. Since the last update the development plan is progressing well with a number of achievements recently including a recruitment drive to fill long standing vacancies successfully completed, a new revised set of Contract Standing Orders, a new Procurement Strategy covering the next four years, refreshed Service Delivery Plan with revised measurable KPI's and the Community Wealth Building project which is progressing towards completion.

Focus has been placed on community wealth building with Stirling Council now working with Scotland Excel on a dedicated project in this area. The project is progressing well, and the approach has recently been endorsed by elected members during a dedicated session to set out the work to date and the future plan . A draft Community Wealth Building Charter was created and submitted for approval and this will form part of the Council's wider Economic Development Strategy.

In the coming months the development plan will move towards developing the Procurement Team where the Scottish Government Competency self-assessment framework will be undertaken by all team members enabling the creation of a team training plan, and also individual targeted personal development plans

5.5 Tayside

In June 2021 Scotland Excel concluded a two year programme of work with three councils in Tayside. The councils involved in the programme were Angus, Dundee City and Perth and Kinross. The three councils are looking at the most effective and innovative ways of taking fleet management, facilities management and roads maintenance into the future. These tests of change will reshape the specifications for future procurement work, taking account of economic recovery, net zero and shortening supply chains to support greater local resilience. Scotland Excel is continuing to engage, share information and support delivery.

5.6 East Renfrewshire

Year 3 of the East Renfrewshire Programme continues to deliver strategic benefits in what is a challenging operating environment for many council services. We are currently undertaking intensive work with Housing and Property and Technical Services to ensure a joined-up approach which will lead to improvements and efficiencies. 200 Council staff have attended our "Procurement Bitesize" training courses to date and a new council wide bespoke Online Contracts Register system is due to go live which will improve data reporting capabilities and make key contract information accessible to staff across the Council.

5.7 Flexible Procurement Services

There continues to be a growth in demand for Flexible Procurement services (previously referred to as Hosted Procurement Services) where Scotland Excel undertakes; a full procurement exercise on behalf of the customer; offers short term procurement resource under an agency model; provides procurement advice and guidance.

Scotland Excel is providing these services to a number of organisations including councils, Arm's Length Organisations (ALEOs) and other public bodies. Due to the success and growing customer demand for these services, recruitment is underway for senior procurement specialists within the team to support the recently appointed Category Manager (team leader) in delivering the pipeline of projects.

5.8 City Property Glasgow (Investments) LLP

City Property Glasgow (Investments) LLP continues to engage with Scotland Excel as their 'Procurement Partner' with a number of tenders being prepared covering the waste streams from the Blochairn Food Market in the City. The publishing of a tender for a General Waste recycling partner has been delayed with focus being on the Terms & Conditions of the contract with the intention that the tender will be published by the end of the year.

A mini-competition from the Estate Management Services Crown Commercial Services framework has been published. The tender, which closes 29th October, is to appoint an agent for the sale of land in the Charing Cross area of Glasgow, formerly the site of Nye Bevan House which is currently owned by City Property Glasgow (Investments) LLP.

5.9 Scottish Local Government Pension Scheme

Work during September and October is focused on undertaking a review of existing evidence which has previously been commissioned/produced/used as a reference point, on the subject of the Scottish LGPS Scheme Review, on behalf of the Scheme Advisory Board.

A small, short-life focus group is undertaking this review, with membership from a small number of the Pension Funds and employers. In addition, we have commissioned two external specialists to work with the group: an investment specialist with a breadth of LGPS experience and a senior academic, from the University of Amsterdam, with an extensive track record in pension research on an international level.

This exercise will not only establish an agreed evidence baseline, it will also enable a more informed gap analysis to be produced of the work that still needs to be undertaken to complete the business cases, on each of the options under consideration, as well as identifying the resources and expertise required. This, in turn will enable a work and resource plan to be developed, as well as an outline budget, for the Scheme Advisory Board to consider.

5.10 Climate Change

There is a strong focus on Scotland, as the world's most prominent environmental figures come together to discuss and plan how to tackle the climate emergency. Scotland Excel continue to Support Scotland's Green Recovery, by focusing on all the sustainable elements within our contract portfolio to support the Scottish Government's target to cut greenhouse gas emissions to net-zero by 2045.

Scotland Excel has a significant influence on how sustainable the local government supply chain is and continues to work with key strategic partners to ensure that all frameworks placed continue to deliver sustainable benefits.

Scotland Excel is also in the process of developing the first national framework that will help councils source the supply, installation and maintenance of electric vehicle charging points and a new generation of the energy efficiency contractors framework is under evaluation which aims to help councils and social landlords source the goods and services they need to tackle fuel poverty, reduce emissions and create warmer homes

Scotland Excel is involved in several events surrounding COP26, including running a webinar on October 28, 2021 featuring Ivan McKee MSP, Minister for Business, Trade, Tourism and Enterprise and other industry leaders to discuss how 'through innovation and collaboration, the public, third and private sectors can accelerate action to tackle the climate emergency'.

In addition to this, Scotland Excel has had three articles published in "The Herald", each article with a focus on climate change and the impact our frameworks play within the local Government arena.

6. Early Learning & Childcare (ELC) provision of 1140 hours – setting the sustainable rate

Scotland Excel continues to support a number of councils to engage with their local early learning and childcare (ELC) providers as part of the national policy to expand childcare provision. Work is progressing with East Lothian Council to help them determine a sustainable hourly rate.

6.1 Improvement Service – Employability Services

Scotland Excel is providing support to the Improvement Service and Scottish Government for the development of a procurement process for employability services. A refreshed approach to employability provision, with greater focus on the needs of the individual, has been structured under 'No One Left Behind'. This continues to drive greater collaboration to deliver the aspirations of the programme, with a shared commitment from both Scottish and Local Governments. To reinforce this, funding will transfer to local Government from April 2022, as will ownership for the appropriate governance arrangements through Local Employability Partnerships (LEPs). Initial discussions with the project team concluded that the implementation of a robust strategic sourcing model will be a key enabler in the delivery of a solution that will support this new model. To date, two meetings have been held with the User Intelligence Group and work will continue over the following months to advance this project.

6.2 Community Wealth Building

Scotland Excel continues to work with Scottish Government and Local Authority partners, focussing on the 'Progressive Procurement' Community Wealth Building pillar. Data-led analysis has formed the foundation of the programme, contextualising Local Authority areas and the wider Scottish Public Sector landscapes to highlight and inform understanding of the opportunities to increase local procurement within a council's area.

Current activity includes the development of a Community Wealth Building Procurement Charter, local supplier communications, linking with external organisations to improve support for suppliers, and promotion of the Scottish Sustainable Procurement Tools. As we work through activities with each council, we are building a suite of templates to support the replicability of the different project elements.

7. Associate Membership including new Members

There have been nine new associate members since the last CEOMG:

Berwickshire Housing Association
West Granton Housing Co-Operative
Caledonian Maritime Assets
SEPA (Scottish Environmental Protection Agency)
Heriot Watt University
University of Stirling
University of St Andrews
Zero Waste Scotland
Live Active Leisure

The total number of associate members of Scotland Excel currently stands at 120 for this reporting period. This number can change depending on new members or any resignations. However, the number of members has been steadily growing over the last three years with nearly all the members satisfied that Scotland Excel provides value for money.

This financial year, Scotland Excel has engaged more with the charity sector to promote associate membership and continues to promote the new build framework and growing construction portfolio to the housing sector.

Scotland Excel

To: Executive Sub-Committee

On: 19 November 2021

**Report by:
The Treasurer and Chief Executive**

Revenue Estimates 2022/23

1. Summary

- 1.1 The following report has been prepared by the Treasurer, in consultation with the Chief Executive, to present the Revenue Estimates of Scotland Excel including the requisition of the constituent authorities for the financial year 2022/23 along with indicative planning figures for 2023/24 and 2024/25.

2. Recommendations

- 2.1 It is recommended that members:

- note the Revenue Estimates of Scotland Excel for the financial year 2022/23 as shown in Table 1 of Appendix 1.
- note the requisitions from constituent authorities detailed in Appendix 2; and
- note the indicative estimates for 2023/24 and 2024/25.

3. Background

- 3.1 The annual Revenue Estimates process outlines the summary revenue budget position for the organisation. The budget estimates provided in the attached Appendix 1 outline the projected position and proposed requisitions for 2022/23 and outline an indicative projected position for 2023/24 and 2024/25. The assumptions used in developing these projections are outlined in sections 4 and 5 below.
- 3.2 The financial environment within which Scotland Excel and its member authorities currently operate continues to be characterised by uncertainty due to the ongoing impact of the COVID-19 pandemic and the emerging impact of Brexit. These factors have influenced the revenue budget estimates for 2022/23, 2023/24 and 2024/25 contained within this report. Indeed, figures presented for 2023/24 and 2024/25 should be treated as indicative only and will be subject to constant review as economic conditions develop post pandemic and post Brexit.

- 3.3 It is anticipated that, due to the impact of these factors, local government in Scotland is likely to face further challenges in relation to available resource over the coming years. In this context, Scotland Excel will continue to seek operational efficiencies, to manage its financial position flexibly in order to maintain its aim of minimising the level of requisition required, and also to develop value propositions for member authorities to ensure that best value is achieved.

4. Budget Assumptions

- 4.1 The expenditure budget is based on the following assumptions:
- 4.2 An estimated budget provision of 3% in relation to a pay award for 2022/23 has been included in the budget forecast. An estimated 3% increase has also been added to the Employee Costs element of the indicative figures shown for 2023/24 and 2024/25. These are estimates only, used to provide indicative figures for 2023/24 and 2024/25 and should be viewed taking the current economic and operational uncertainty into consideration. It should be noted that the 2021/22 pay award has not yet been agreed and this will influence the total pay bill in the period covered by this report.
- 4.3 In line with previous years practice, no standard inflationary adjustment has been made to non-salary expenditure lines. Any individual adjustments made are detailed in paragraph 4.4 below.
- 4.4 Adjustments to existing budgets have been made to specific expenditure lines to reflect operational demand in relation to:
- **Employee Costs** – in addition to the 3% pay inflation noted above, employee costs also include recognition of the one-year Social Care National Insurance levy of 1.25% and employee increment payments. As in previous years, there is a staffing turnover assumption of 5%.
 - **Property Costs** – no inflationary element applied.
 - **Transport Costs** – no inflationary element applied.
 - **Transfer Payments** – as the Apprenticeship Levy directly relates to Employee costs, £2k has been added to this budget line.
 - **Supplies and Services** – budget has been increased by £20k reflecting increased costs in relation to legal support for the growing Scotland Excel framework portfolio.
 - **Support Costs** - budgetary provision for Insurances has been increased by £6k in line with the forecast outturn for 2021/22.

4.5 Income estimates include the following assumptions and adjustments to existing budgets:

- **Council Requisitions** – At the Joint Committee in December 2020, members noted an indicative 3% increase in requisition for 2022/23 and this has now been applied (see also section 7 below).
- **Associate Income** – The budget has been amended to reflect pre-COVID estimates and in light of a projected over-recovery against budget during 2021/22.
- **Income from Projects** – Includes anticipated income from several Projects, including New Build Housing, Consultancy Services and Learning and Development (Academy). Further detail on the estimated income generated by each of these elements is presented in section 5 below.
- **Rebates** – Income from Rebates during 2022/23 has been amended in line with current forecasts in relation to the increasing number of Scotland Excel frameworks with rebates attached. Further detail in relation projected Rebate income for 2022/23, 2023/24 and 2024/25 is also presented in section 5 below.

4.6 In total, estimated non-requisition income for 2022/23 totals £1,049k representing 26% of operating costs for the year. Indicative figures for estimated non-requisition income 2023/24 and 2024/25 are 27% and 27% respectively.

4.7 The current projected outturn position for 2021/22 is a break-even position for Core activities. Income and expenditure will continue to be monitored closely throughout the financial year and reported regularly to the Executive Sub-Committee.

5. Income from Projects

5.1 **New Build Housing** – Income provision from the New Build project (£45k) is in line with projections noted by the Joint Committee in December 2020, and takes into consideration the continuing volatile environment within the construction industry.

5.2 **Consultancy Services** – Income provision from Consultancy projects has been projected at £211k for 2022/23 reflecting the confirmed consultancy project portfolio at time of writing and the growing market utilisation of the Flexible Procurement options being offered by Scotland Excel.

5.3 The Consultancy project pipeline continues to bounce back after being adversely affected by the COVID-19 pandemic. The Scotland Excel Flexible Procurement

options being offered to partners continue to grow in popularity, particularly in light of the challenging recruitment environment currently being experienced across the sector.

- 5.4 **Learning and Development (Academy)** – Income provision from the Scotland Excel Academy for 2022/23 has been projected at £30k to reflect the continuing journey back to pre-pandemic activity levels. Transition from a high quality face-to-face, longer-term learning experience to an online environment continues to present challenges for the Academy; however, it is forecast to achieve its target contribution of £20k for 2021/22.
- 5.5 Overall, income from New Build Housing (£45k), Consultancy (£211k) and the Scotland Excel Academy (£30k) will contribute £286k to core operating costs recorded under Income from Projects.
- 5.6 **Rebates** – Income provision from Rebates for 2022/23 has been projected at £543k. This projection reflects the increasing number of Scotland Excel frameworks anticipating a rebate on activity during 2022/23.
- 5.7 Income from Rebates for Scotland Excel depends entirely on expenditure levels made through its frameworks. During the COVID-19 and Brexit periods, expenditure levels across Scotland Excel frameworks have varied significantly from pre-pandemic/Brexit levels. Expenditure through some frameworks has reduced significantly (Construction, Building Supplies), while others have experienced an increase in expenditure (Janitorial Supplies).
- 5.8 Estimated framework spend for 2022/23, 2023/24 and 2024/25 is derived from a range of management information including historical spend, COVID-19 impact and market intelligence. This information is then used to estimate total framework spend, from which a Rebate figure is calculated.
- 5.9 Scotland Excel will monitor expenditure levels across all its frameworks to ensure Rebate levels continue to be achievable and will report any significant variation to budget to the Executive Sub-Committee.

6. Financial Overview

- 6.1 As outlined above, the financial outlook in the short and medium-term continues to be characterised by economic and operational uncertainty. At this point, areas of financial risk for the Joint Committee include the uncertain impact of both the COVID-19 pandemic and Brexit on Scottish Government funding allocations and on inflation.

- 6.2 Members will be aware that a new funding model was approved at the June 2018 Joint Committee, which sees Core operations funded from both requisitions and income generated from a range of other sources. This move to a more commercial funding model has increased the overall level of financial risk to the organisation, which requires to be appropriately mitigated through a prudent level of reserves.
- 6.3 It is estimated that Core uncommitted reserves will amount to £249k at the end of the 2021/22 financial year, which represents 5.6% of anticipated operating income in that year. This balance will be held to protect against any unforeseen costs that may arise as a result of the current levels of economic uncertainty. The minimum level of uncommitted reserves balance recommended by the Treasurer is 5%.
- 6.3 The information provided in Appendix 1 outlines the forecast year-end financial position for 2021/22 and estimates for 2022/23, 2023/24 and 2024/25. The funding streams, set out within the Funding Model Review approved by members at the June 2018 Joint Committee, have been incorporated into these estimates, making allowance where appropriate for the current economic uncertainty. These include the use of Associate income and income that is expected to be earned and generated by Projects during 2021/22. A 3% requisition increase has therefore been recommended for financial year 2022/23 in line with the figure noted by the Joint Committee in December 2020.
- 6.4 Indicative figures have also been included within the paper for financial years 2023/24 and 2024/25. In relation to requisition levels, the figures presented to the Joint Committee in December 2020 have been reviewed in light of experience during the current year and the ongoing uncertainty around the continuing impact of the pandemic and Brexit. Indicative figures for 2023/24 and 2024/25 now propose a 3% increase in both years to address anticipated inflationary cost increases and to mitigate against further inherent operational risk.
- 6.5 Members will note that a memorandum section is detailed in Appendix 1 (Table 2) relating to the projects that Scotland Excel operates. The funding relating to these projects is not covered by requisition income and the income and expenditure shown are for information purposes only. Project expenditure and income will vary each financial year and are generally short-term in nature, therefore only the 2022/23 figures, as known at this time, are provided. As outlined above, projects are forecast to contribute income towards Core activities during the forthcoming financial year.

7. 2022/23 Member Authority Requisitions

- 7.1 An increase of 3% has been recommended for 2022/23 for member authority requisitions, as detailed in Appendix 2 of this report. As per the Minute of Agreement, member requisitions are calculated by aggregating a fixed annual membership fee, which is 20% of requisition total, with the remainder based on each member council's population as a proportion of total member population. For 2022/23, population numbers have been sourced from the 2019 mid-year population estimates published by the National Records of Scotland. It should be noted that the requisitions outlined do not include amounts payable by councils in relation to the National Care Home Contract.
- 7.2 In addition to member authority requisitions for 2022/23, Appendix 2 also details the estimated savings and estimated cost avoidance accrued by member authorities during 2020/21. Joint Committee representatives and all local authorities will receive their annual value reports during November 2021 detailing savings, cost avoidance, rebates and other member benefits.
- 7.3 Any future events that may materially affect these finances will be the subject of a report to the Joint Committee.
- 7.4 The requisition funding drawdown will be invoiced annually during October, in accordance with arrangements made by the Treasurer.

Appendix 1
Scotland Excel Revenue Estimates

	2021/22 Approved Budget £000	2021/22 Forecast outturn £000	2022/23 Proposed Budget £000	2023/24 Indicative Budget £000	2024/25 Indicative Budget £000
Core Activity					
Employee Costs - direct	3,652	3,661	4,039	4,153	4,278
Employee Costs - indirect			57	107	107
Property Costs	217	216	217	217	217
Transport Costs	20	8	20	20	20
Supplies and Services	291	282	311	312	313
Transfer Payments	14	14	16	17	18
Support Costs	266	272	272	272	272
Total Core Operating Costs	4,460	4,453	4,932	5,098	5,225
Council Requisitions	(3,770)	(3,770)	(3,883)	(3,980)	(4,060)
Associate Income	(180)	(190)	(220)	(230)	(240)
Income from Projects	(297)	(280)	(286)	(286)	(286)
Rebates	(213)	(213)	(543)	(602)	(639)
Total Core Operating Income	(4,460)	(4,453)	(4,932)	(5,098)	(5,225)
Core Operating Deficit/(Surplus)	0	0	0	0	0
Uncommitted (Core) Reserves					
Opening balance at 1 April	235	249	249	249	249
Use of Reserves	0	0	0	0	0
Closing balance at 31 March	235	249	249	249	249
% of Operating Income	5.3%	5.6%	5.0%	4.9%	4.8%
Project Activity					
Employee Costs	1,163	1,653	1,416		
Transport Costs	7	3	4		
Supplies and Services	52	51	10		
Transfer Payments	2	4	5		
Third Party Payments	155	266	501		
Total Project Costs	1,379	1,977	1,936		
Income from Projects	(1,227)	(2,084)	(2,111)		
Project Deficit/(Surplus)	152	(107)	(175)		
Transfer to Core	252	280	286		
Transfer from Project Reserves	404	173	111		
Project Reserves					
Opening balance at 1 April	454	772	599		
Use of Reserves	(404)	(173)	(111)		
Closing balance at 31 March	50	599	488		
% of Operating Income	4.1%	28.7%	23.1%		

Appendix 2

Member Requisitions 2022/23 & Savings Achieved 2020/21

Requisition by Authority	2021/22	2022/23	Savings Achieved 20/21	Cost Avoidance 20/21	Savings + Cost Avoidance
Aberdeen City	£149,800	£154,289	£355,459	£127,800	£483,259
Aberdeenshire	£167,763	£172,791	£404,828	£127,800	£532,628
Angus	£87,710	£90,340	£153,457	£127,800	£281,257
Argyll and Bute	£70,967	£73,094	£219,367	£127,800	£347,167
City of Edinburgh	£313,348	£322,741	£705,432	£127,800	£833,232
Clackmannanshire	£52,013	£53,574	£170,714	£127,800	£298,514
Dumfries and Galloway	£105,741	£108,910	£219,675	£127,800	£347,475
Dundee City	£105,993	£109,171	£237,255	£127,800	£365,055
East Ayrshire	£90,918	£93,643	£251,977	£127,800	£379,777
East Dunbartonshire	£83,537	£86,041	£198,700	£127,800	£326,500
East Lothian	£82,681	£85,160	£139,686	£127,800	£267,486
East Renfrewshire	£76,300	£78,587	£351,133	£127,800	£478,933
Falkirk	£112,382	£115,750	£874,189	£127,800	£1,001,989
Fife	£229,780	£236,667	£525,108	£127,800	£652,908
Glasgow City	£373,073	£384,257	£649,125	£127,800	£776,925
Highland	£153,752	£158,361	£122,438	£127,800	£250,238
Inverclyde	£66,512	£68,506	£161,214	£127,800	£289,014
Midlothian	£74,603	£76,841	£85,951	£127,800	£213,751
Moray	£76,460	£78,752	£62,256	£127,800	£190,056
Na h-Eileanan Siar	£38,313	£39,462	£67,326	£127,800	£195,126
North Ayrshire	£97,946	£100,881	£253,955	£127,800	£381,755
North Lanarkshire	£212,013	£218,370	£535,290	£127,800	£663,090
Orkney Islands	£35,857	£36,932	£18,054	£127,800	£145,854
Perth and Kinross	£107,447	£110,667	£422,231	£127,800	£550,031
Renfrewshire	£122,433	£126,104	£420,981	£127,800	£548,781
Scottish Borders	£87,330	£89,947	£92,563	£127,800	£220,363
Shetland Islands	£36,216	£37,301	-£759.00	£127,800	£127,041
South Ayrshire	£85,729	£88,298	£165,209	£127,800	£293,009
South Lanarkshire	£200,511	£206,520	£360,779	£127,800	£488,579
Stirling	£75,571	£77,836	£117,007	£127,800	£244,807
West Dunbartonshire	£72,657	£74,834	£428,226	£127,800	£556,026
West Lothian	£124,643	£128,379	£310,160	£127,800	£437,960
	£3,770,000	£3,883,008	£9,078,986	£4,089,600	£13,168,586

***Cost Avoidance calculation** - the number of new and renewed Scotland Excel frameworks that went live in the financial year is multiplied by the average number of councils participating in those frameworks then multiplied by £12,000. This sectoral figure is then allocated evenly across the 32 local authorities."

Scotland Excel

To: Executive Sub-Committee

On: 19 November 2021

**Report by:
Chief Executive of Scotland Excel**

Tender: Supply and Distribution of Milk

Schedule: 0521

Period: 1 March 2022 until 28 February 2026

1. Introduction and Background

The current framework for Milk will expire on 28 February 2022. This proposed renewal framework is intended to operate from 1 March 2022 until 28 February 2026.

This framework will provide councils with a mechanism to procure a range of dairy products including whole milk, semi skimmed milk, skimmed milk, flavoured milk, organic milk and fresh cream. It will support the duties established by the schools (Health, Promotion and Nutrition) (Scotland) Act 2007 and following standards set out by the Nutritional requirement for Food and Drink in School (Scotland) regulations 2020 alongside the Scottish Milk & Healthy Snack Scheme. It is anticipated that these products will be predominately used within schools, care homes, nurseries and corporate buildings.

This report summarises the outcome of the procurement process for this national framework arrangement, and presents recommendations for award.

2. Scope, Participation and Spend

As part of the strategy development and through consultation with the User Intelligence Groups (UIG), it was decided to include an additional lot for organic products. (Figure 1) This will also meet the needs of those councils pursuing the Food for Life Catering Mark which is awarded on three different levels: bronze, silver and gold.

Figure 1: Lotting Structure

Lot No.	Description	Estimated % Spend through lot
1	Fresh Milk	80%
2	Organic Milk	20%

Each lot is further sub-divided into Geographical sub-lots by reference to geographical area as described below:

SUB LOT NUMBER	GEOGRAPHICAL SUB LOT
1	Aberdeen City Council
2	Aberdeenshire Council
3	Angus Council
4	Argyll & Bute Council - Area A, Cowal
5	Argyll & Bute Council - Area B, Oban & Lorne
6	Argyll & Bute Council - Area C, Mid Argyll & Kintyre Peninsula
7	Argyll & Bute Council - Area D, Helensburgh & Lomond
8	Argyll & Bute Council - Area E, Tiree & Coll
9	Argyll & Bute Council - Area F, Islay & Jura
10	Argyll & Bute Council - Area G, Mull
11	Argyll & Bute Council - Area H, Colonsay
12	Argyll & Bute Council - Area I, Bute
13	Argyll & Bute Council - Area J, Dunoon
14	City of Edinburgh Council
15	Clackmannanshire Council
16	Comhairle nan Eilean Siar
17	Dumfries & Galloway Council
18	Dundee City Council
19	East Ayrshire Council
20	East Dunbartonshire
21	East Lothian Council
22	East Renfrewshire Council
23	Falkirk Council
24	Fife Council
25	Glasgow City Council
26	Highland Council
27	Inverclyde Council
28	Midlothian Council
29	Moray Council
30	North Ayrshire Council - Area A, Mainland & Cumbrae
31	North Ayrshire Council - Area B, Isle of Arran
32	North Lanarkshire Council
33	Orkney Islands Council
34	Perth & Kinross Council
35	Renfrewshire Council
36	Scottish Borders Council
37	Shetland Islands Council

38	South Ayrshire Council
39	South Lanarkshire Council
40	Stirling Council
41	Tayside Contracts
42	West Dunbartonshire
43	West Lothian Council

Tenderers were able to bid for one lot or both lots, and could bid for one, some, or all geographical sub-lots within each lot. Each lot, and each offer was evaluated on its own merit as discrete and independent tenders. Recommendations for award are made to the extent of the geographical sub-lots within each lot.

The framework was advertised to permit access by all 32 councils as well as all Associate Members. As detailed in Appendix 1, 31 councils and Tayside Contracts have confirmed their intention to participate in this framework.

Historical spend data suggests a forecast framework spend of c£6.4 million per annum, and this framework was advertised with a value of up to £8million per annum. This is to account for increased participation from councils not participating as well as any other associate members who do not currently participate. It will also take into consideration:

- The Scottish Government's pledge to increase the annual provision of free early learning and childcare provision to 1140 hours by 2022
- The Scottish Governments Nursery Milk and Snack Scheme by August 2021
- An additional lot for organic milk
- The roll out of universal free school meals for Primary 4 to 7 by August 2022

3. Procurement Process

A Prior Information Notice (PIN) was published on 15th April 2021. This resulted in expressions of interest from 16 companies which led to 5 supplier meetings being held, supporting key elements of the development strategy. These included - ability to service, market trends, community benefits, sustainability, product range/specification

The User Intelligence Group (UIG), consisting of procurement and technical representatives from participating councils, endorsed the procurement strategy on 12th May 2021. A working group of technical representatives from the councils reviewed the specifications and the technical criteria to be adopted during the tender process.

Scotland Excel has taken cognisance of the current situation relative to the Coronavirus (Covid-19) pandemic. Balancing the current situation with the need to provide a route to market for Councils to obtain fresh and organic milk, Scotland Excel has determined to proceed with the tender exercise to establish

the framework for the supply and distribution of milk. Scotland Excel will carefully monitor the situation throughout the period of the tender exercise and will continue to take cognisance of all relevant circumstances in coming to any decision to recommend the award of Framework placings to successful Tenderers.

The procurement exercise followed an open tender procedure to encourage maximum competition and participation. All bidders were evaluated against the advertised selection criteria using the Single Procurement Document (SPD), and the stated award criteria of:

- Technical 20%
- Commercial 80%

Within the technical section, bidders were required to evidence their knowledge and experience by responding to a series of technical areas which are detailed in figure 2.

Figure 2: Technical Scoring

Description	Lot 1 and 2 Weighting
Fair Work Practices	3
Product Traceability	4
Community Benefits Confirmation	2
Shelf Life & Storage Solutions	3
Recycling: Cradle to Cradle & Working with Local Authorities	3
Servicing the Contract and Supply Chain	5
Total score	20

The commercial section of the tender was worth 80 points.

4. Report on Offers Received

Offers were received from 4 tenderers, a summary of which is provided in Appendix 2 (List of Tenderers).

Based on the criteria and scoring methodology set out in the tender documents, a full evaluation of the offers received was carried out. Appendix 3 outlines the scoring achieved by each bidder.

5. Recommendations

Based on the evaluation undertaken, and in line with the advertised criteria and weightings summarised above, it is recommended that a multi-supplier framework arrangement is awarded to 4 suppliers across the two lots and geographical areas as outlined in Appendix 3.

The 4 recommended suppliers provide the choice, scope and range of dairy products required by councils as well as representing best value and providing geographical coverage. These 4 suppliers also represent a mix of small, and medium organisations, with all 4 of the recommended suppliers classified as SMEs.

The Executive Sub Committee is accordingly requested to approve the recommendation to award this framework to the suppliers detailed within Appendix 3 (Scoring and Recommendations)

6. Benefits

Savings

Scotland Excel conducted a benchmarking exercise based on available historic spend information, the outcome of which is detailed in Appendix 1.

The projected average on cost across all councils is 2.05%. , which equates to an estimated total on cost of approximately £130,734 per annum based on current forecast spend levels. Given the market movement forecast of 1.7% over the period of the current framework, the impact through transition to the new framework is more tangible estimate at an on cost of 0.35%, or c.£22,316.

This figure is based on current pricing of the most used supplier for current core list products, against the best offer received.

However, it should be noted that future buying patterns in councils may change in light of changes to catering services and menu options that schools may adopt.

Price Stability

Price Stability was not scored for this tender due to market uncertainty at the time of tendering. However, a price stability clause was included, and of the

recommended suppliers, 1 has offered 12 months fixed pricing and 3 have offered 6 months fixed pricing.

Subsequent pricing will then be held for 6 monthly periods with any price variance request within these windows being considered in accordance with the defined Scotland Excel process. All requests will be evaluated against market indices which monitor farm gate pricing, fuel and packaging costs

Sustainable Procurement Benefits

Within the technical section of the tender, Scotland Excel included a number of sustainability related method statements, including :

- Use of Plastic
- Recycling and Added Value

One supplier has committed to reducing its carbon footprint by 40% by 2025. Methods used to achieve this include - providing fully recyclable paper cartons with paper straws, using Forestry Assured FSC (certified paper from sustainable forestry) paper school milk cartons with paper straws, and adding paper sheaths by the end of 2022. It is estimated that this will result in a reduction of 48 tonnes of plastic waste.

Scotland Excel will continue to monitor any further changes in legislation that may affect the framework during its lifetime and will work with successful suppliers and councils to implement these.

Community Benefits

Suppliers were asked to commit to the delivery of community benefit initiatives, against pre-agreed spend thresholds outlined within the community benefits method statement. These aim to be reflective of the National Indicators outlined within the Scottish Government's National Performance framework, and their underlying vision and goals. Councils will accrue 'community benefit points' based on their level of spend with a supplier. These 'points' correlate to a negotiable benefit that the council can elect to receive at any given point throughout the lifetime of the framework. Of the recommended suppliers, 3 have committed to delivering these benefits.

Within the published tender documents, suppliers were given a list of indicative community benefits that could be agreed with councils. Examples of these are:

- Fundraising event for external charities / initiatives within the council
- Work placements to school students from councils
- Support local food banks and community pantry initiatives
- Support holiday hunger programmes
- Sponsorship of sports team or community event within the council to the value of £500
- Recruit a modern (or other approved) apprentice from within the council
- Recruit one person from within the council area

Scotland Excel will monitor delivery of these commitments during the lifetime of the framework and this will also be reported through ongoing contract management returns. Results reported on community benefits will be disseminated to councils on a 6 monthly period basis.

Fair work Practice including Real Living Wage

Scotland Excel recognises the importance of fair work practices in the delivery of effective public services. Within the technical section of the tender, one of the method statements assessed bidders on areas such as how they will commit to fair work practices. These include payment of the Real Living Wage, a fair pay policy, improving wider diversity of staff and avoiding exploitative employment practices, such as no inappropriate use of zero hours contracts.

Appendix 4 shows a breakdown of responses received from Tenderers on their approach to fair work practices and their position on the payment of the Real Living Wage.

Scotland Excel will monitor status with all awarded suppliers during the lifetime of the framework and engage with the Living Wage Foundation on this particular market.

7. Contract Mobilisation and Management

As part of the mobilisation process, all suppliers will be invited to a contract mobilisation meeting to outline the operation of the framework. This will include roles and responsibilities, management information requirements and community benefits reporting. Suppliers and participating councils will be issued with a mobilisation pack containing all required details which will enable them to utilise the framework.

In accordance with Scotland Excel's established contract and supplier management programme, this framework has been classified as a category D framework. As such, Scotland Excel will conduct annual review meetings with suppliers and the option for annual user group reviews, as appropriate, whilst monitoring management information and community benefits associated with this framework. A summary of contract and supplier management classifications can be found in Appendix 5.

Supplier performance will be monitored by the contract supplier management process where surveys will be issued to councils for feedback on elements of the framework such as quality and service. This feedback will form the basis of contract management meetings with suppliers, who will be able to review the feedback and if required initiate an improvement programme.

Meetings and engagement undertaken with suppliers will adhere to all applicable health and safety guidelines.

8. Summary

This is the fourth generation framework for the Supply and Distribution of Milk and aims to maximise collaboration, consolidate demand and deliver best value.

The Executive Sub Committee is requested to approve the recommendation detailed in Section 5 (Recommendations) of the report, to award this framework to the suppliers detailed within Appendix 3 (Scoring and Recommendations).

Appendix 1 – Participation, Spend and Savings Summary

Supply and Distribution of Milk

Member Name	Participation in Contract	Participation Entry Date	Estimated Annual Spend (£)	Source of Spend Data	Indexation (%)	% Estimated Forecast Savings	Estimated Annual Savings (£)	Basis of Savings Calculation
Aberdeen City Council	Yes	01 March 2022	£214,582	Validated by Council	1.7%	-6.07%	-£13,029	Benchmark Current Contract
Aberdeenshire Council	Yes	01 March 2022	£214,435	Validated by Council	1.7%	-5.53%	-£11,857	Benchmark Current Contract
Angus Council	Yes	01 March 2022	£17,680	Validated by Council	1.7%	-11.06%	-£1,955	Benchmark Current Contract
Argyll & Bute Council	Yes	01 March 2022	£129,810	Validated by Council	1.7%	-6.72%	-£8,723	Benchmark Current Contract
City of Edinburgh Council	Yes	01 March 2022	£702,533	Validated by Council	1.7%	-10.30%	-£72,370	Benchmark Current Contract
Clackmannanshire Council	Yes	01 March 2022	£92,523	Scotland Excel Management Information	1.7%	4.64%	£4,296	Benchmark Current Contract
Comhairle nan Eilean Siar	Yes	01 March 2022	£0	Scotland Excel Management Information	1.7%	No Offer		
Dumfries & Galloway Council	Yes	01 March 2022	£167,055	Validated by Council	1.7%	-4.00%	-£6,687	Benchmark Current Contract
Dundee City Council	Yes	01 March 2022	£31,767	Validated by Council	1.7%	-14.32%	-£4,548	Benchmark Current Contract
East Ayrshire Council	Yes	01 March 2022	£61,651	Validated by Council	1.7%	10.87%	£6,703	Benchmark Current Contract
East Dunbartonshire Council	Yes	01 March 2022	£78,969	Validated by Council	1.7%	-1.59%	-£1,259	Benchmark Current Contract
East Lothian Council	Yes	01 March 2022	£224,711	Validated by Council	1.7%	15.14%	£34,019	Benchmark Current Contract
East Renfrewshire Council	Yes	01 March 2022	£113,359	Validated by Council	1.7%	-2.58%	-£2,926	Benchmark Current Contract
Falkirk Council	Yes	01 March 2022	£147,303	Validated by Council	1.7%	0.14%	£204	Benchmark Current Contract
Fife Council	Yes	01 March 2022	£677,020	Validated by Council	1.7%	2.32%	£15,739	Benchmark Current Contract
Glasgow City Council	Yes	01 March 2022	£705,661	Validated by Council	1.7%	0.00%	£0	Benchmark Current Contract
Highland Council	Yes	01 March 2022	£0	Validated by Council	1.7%	0.00%	£0	Benchmark Current Contract
Inverclyde Council	Yes	01 March 2022	£86,786	Validated by Council	1.7%	0.00%	£0	Benchmark Current Contract
Midlothian Council	Yes	01 March 2022	£241,842	Validated by Council	1.7%	0.00%	£0	Benchmark Current Contract
Moray Council	Yes	01 March 2022	£42,486	Validated by Council	1.7%	0.00%	£0	Benchmark Current Contract
North Ayrshire Council	Yes	01 March 2022	£170,323	Validated by Council	1.7%	6.98%	£11,890	Benchmark Current Contract
North Lanarkshire Council	Yes	01 March 2022	£369,824	Validated by Council	1.7%	2.23%	£8,244	Benchmark Current Contract
Orkney Islands Council	No	01 March 2022	£0	Validated by Council	1.7%	No Offer		
Perth & Kinross Council	Yes	01 March 2022	£13,703	Validated by Council	1.7%	-15.24%	-£2,088	Benchmark Current Contract
Renfrewshire Council	Yes	01 March 2022	£228,931	Scotland Excel Management Information	1.7%	3.39%	£7,752	Benchmark Current Contract
Scottish Borders Council	Yes	01 March 2022	£50,261	Validated by Council	1.7%	0.00%	£0	Benchmark Current Contract
Shetland Islands Council	Yes	01 March 2022	£51,564	Validated by Council	1.7%	No Offer		
South Ayrshire Council	Yes	01 March 2022	£110,759	Validated by Council	1.7%	2.96%	£3,276	Benchmark Current Contract
South Lanarkshire Council	Yes	01 March 2022	£441,434	Validated by Council	1.7%	-17.08%	-£75,380	Benchmark Current Contract
Stirling Council	Yes	01 March 2022	£80,105	Validated by Council	1.7%	2.81%	£2,250	Benchmark Current Contract
West Dunbartonshire Council	Yes	01 March 2022	£179,124	Scotland Excel Management Information	1.7%	9.88%	£17,702	Benchmark Current Contract
West Lothian Council	Yes	01 March 2022	£511,137	Validated by Council	1.7%	-1.43%	-£7,288	Benchmark Current Contract
Tayside Contracts	Yes	01 March 2022	£218,902	Validated by Council	1.7%	-15.85%	-£34,700	Benchmark Current Contract
Totals			£6,376,241			-2.05%	-£130,734	
Associate Members							£0	
Totals			£6,376,241			-2.05%	-£130,734	

Appendix 2 - List of Tenderers with SME Status

Name of Tenderers	SME Status	Location	Lots and Geographical Areas Tendered	Lots and Geographical Areas to be Awarded
D J Campbell & Son	Small	Argyll	Lot 1 & 2 - Geographical Areas - Area A, Cowal, Area B, Oban & Lorne, Area C, Mid Argyll & Kintyre Peninsula, Area E, Tiree & Coll, Area F, Islay & Jura, Area G, Mull, Area H, Colonsay, and Area J, Dunoon	<u>Lot 1 & 2- Geographical Areas:</u> All Geographical Areas tendered
Grahams the Family Dairy Limited (SC312966)	Medium	Stirlingshire	Lots 1 & 2 Geographical Areas – Aberdeen City, Aberdeenshire, Angus, City of Edinburgh, Clackmannanshire, Dundee, Falkirk, Fife, Glasgow, Perth & Kinross, Stirling, Tayside Contracts, and The Moray	<u>Lot 1 & 2- Geographical Areas:</u> All Geographical Areas tendered
Muller UK and Ireland Group LLP T/A Muller Milk & Ingredients (OC384928)	Medium	Shropshire	Lots 1 & 2 Geographical Areas – Aberdeen City, Aberdeenshire, Argyll & Bute Area D Helensburgh & Lomond, City of Edinburgh, Clackmannanshire, Dumfries & Galloway, East Ayrshire, East Dumbartonshire, East Lothian, East Renfrewshire, Falkirk, Fife, Glasgow,	<u>Lot 1 & 2- Geographical Areas:</u> All Geographical Areas tendered

			Inverclyde, Midlothian, North Ayrshire Area A Mainland & Cumbrae, North Lanarkshire, Renfrewshire, Scottish Borders, South Ayrshire, South Lanarkshire, Stirling, West Dunbartonshire and West Lothian	
Swansons Fruit Company LTD (SC249181)	Small	Inverness	Lots 1 & 2 Geographical Area – Highland	<u>Lot 1 & 2- Geographical Areas:</u> All Geographical Areas tendered

Appendix 3 - Scoring and Recommendations

Recommendations Lot 1 – Fresh Milk

Council	Supplier	Overall	Awarded To Lot
Aberdeen City Council	Muller UK and Ireland Group LLP T/A Müller Milk & Ingredients	99.00	YES
	Grahams The family Dairy Limited	65.68	YES

Council	Supplier	Overall	Awarded To Lot
Angus Council	Grahams The family Dairy Limited	94.38	YES

Council	Supplier	Overall	Awarded To Lot
City of Edinburgh Council	Muller UK and Ireland Group LLP T/A Müller Milk & Ingredients	99.00	YES
	Grahams The family Dairy Limited	52.77	YES

Council	Supplier	Overall	Awarded To Lot
Comhairle Nan Eilean Siar	NO OFFER	N/A	N/A

Council	Supplier	Overall	Awarded To Lot
Dundee City Council	Grahams The family Dairy Limited	94.38	YES

Council	Supplier	Overall	Awarded To Lot
Aberdeenshire Council	Muller UK and Ireland Group LLP T/A Müller Milk & Ingredients	99.00	YES
	Grahams The family Dairy Limited	67.02	YES

Council	Supplier	Overall	Awarded To Lot
Argyll & Bute Council	Muller UK and Ireland Group LLP T/A Müller Milk & Ingredients	99.00	YES
	D J Campbell & Son	50.88	YES

Council	Supplier	Overall	Awarded To Lot
Clackmannanshire Council	Muller UK and Ireland Group LLP T/A Müller Milk & Ingredients	99.00	YES
	Grahams The family Dairy Limited	55.95	YES

Council	Supplier	Overall	Awarded To Lot
Dumfries & Galloway Council	Muller UK and Ireland Group LLP T/A Müller Milk & Ingredients	99.00	YES

Council	Supplier	Overall	Awarded To Lot
East Ayrshire Council	Muller UK and Ireland Group LLP T/A Müller Milk & Ingredients	99.00	YES

Council	Supplier	Overall	Awarded To Lot
East Dunbartonshire Council	Muller UK and Ireland Group LLP T/A Müller Milk & Ingredients	99.00	YES

Council	Supplier	Overall	Awarded To Lot
East Renfrewshire Council	Muller UK and Ireland Group LLP T/A Müller Milk & Ingredients	99.00	YES

Council	Supplier	Overall	Awarded To Lot
Fife Council	Muller UK and Ireland Group LLP T/A Müller Milk & Ingredients	99.00	YES
	Grahams The family Dairy Limited	55.28	YES

Council	Supplier	Overall	Awarded To Lot
Highland Council	Swansons Fruit Company Ltd	90.38	YES

Council	Supplier	Overall	Awarded To Lot
Midlothian Council	Muller UK and Ireland Group LLP T/A Müller Milk & Ingredients	99.00	YES

Council	Supplier	Overall	Awarded To Lot
North Ayrshire Council	Muller UK and Ireland Group LLP T/A Müller Milk & Ingredients	99.00	YES

Council	Supplier	Overall	Awarded To Lot
East Lothian Council	Muller UK and Ireland Group LLP T/A Müller Milk & Ingredients	99.00	YES

Council	Supplier	Overall	Awarded To Lot
Falkirk Council	Muller UK and Ireland Group LLP T/A Müller Milk & Ingredients	99.00	YES
	Grahams The family Dairy Limited	44.26	YES

Council	Supplier	Overall	Awarded To Lot
Glasgow City Council	Muller UK and Ireland Group LLP T/A Müller Milk & Ingredients	99.00	YES
	Grahams The family Dairy Limited	58.33	YES

Council	Supplier	Overall	Awarded To Lot
Inverclyde Council	Muller UK and Ireland Group LLP T/A Müller Milk & Ingredients	99.00	YES

Council	Supplier	Overall	Awarded To Lot
Moray Council	Grahams The family Dairy Limited	94.38	YES

Council	Supplier	Overall	Awarded To Lot
North Lanarkshire Council	Muller UK and Ireland Group LLP T/A Müller Milk & Ingredients	99.00	YES

Council	Supplier	Overall	Awarded To Lot
Orkney Islands Council	NO OFFER	N/A	N/A

Council	Supplier	Overall	Awarded To Lot
Renfrewshire Council	Muller UK and Ireland Group LLP T/A Müller Milk & Ingredients	99.00	YES

Council	Supplier	Overall	Awarded To Lot
Shetland Islands Council	NO OFFER	N/A	N/A

Council	Supplier	Overall	Awarded To Lot
South Lanarkshire Council	Muller UK and Ireland Group LLP T/A Müller Milk & Ingredients	99.00	YES

Council	Supplier	Overall	Awarded To Lot
Tayside Contracts	Grahams The family Dairy Limited	94.38	YES

Council	Supplier	Overall	Awarded To Lot
West Lothian Council	Muller UK and Ireland Group LLP T/A Müller Milk & Ingredients	99.00	YES

Council	Supplier	Overall	Awarded To Lot
Perth & Kinross Council	Grahams The family Dairy Limited	94.38	YES

Council	Supplier	Overall	Awarded To Lot
Scottish Borders Council	Muller UK and Ireland Group LLP T/A Müller Milk & Ingredients	99.00	YES

Council	Supplier	Overall	Awarded To Lot
South Ayrshire Council	Muller UK and Ireland Group LLP T/A Müller Milk & Ingredients	99.00	YES

Council	Supplier	Overall	Awarded To Lot
Stirling Council	Muller UK and Ireland Group LLP T/A Müller Milk & Ingredients	99.00	YES
	Grahams The family Dairy Limited	54.67	YES

Council	Supplier	Overall	Awarded To Lot
West Dunbartonshire Council	Muller UK and Ireland Group LLP T/A Müller Milk & Ingredients	99.00	YES

Recommendations Lot 2 – Organic Milk

Council	Supplier	Overall	Awarded To Lot
Aberdeen City Council	Muller UK and Ireland Group LLP T/A Müller Milk & Ingredients	99.00	YES
	Graham's The family Dairy Limited	83.85	YES

Council	Supplier	Overall	Awarded To Lot
Angus Council	Grahams The family Dairy Limited	94.38	YES

Council	Supplier	Overall	Awarded To Lot
City of Edinburgh Council	Muller UK and Ireland Group LLP T/A Müller Milk & Ingredients	99.00	YES
	Grahams The family Dairy Limited	83.47	YES

Council	Supplier	Overall	Awarded To Lot
Comhairle Nan Eilean Siar	NO OFFER	N/A	N/A

Council	Supplier	Overall	Awarded To Lot
Dundee City Council	Grahams The family Dairy Limited	94.38	YES

Council	Supplier	Overall	Awarded To Lot
Aberdeenshire Council	Muller UK and Ireland Group LLP T/A Müller Milk & Ingredients	99.00	YES
	Grahams The family Dairy Limited	80.69	YES

Council	Supplier	Overall	Awarded To Lot
Argyll & Bute Council	Muller UK and Ireland Group LLP T/A Müller Milk & Ingredients	99.00	YES
	D J Campbell & Son	73.89	YES

Council	Supplier	Overall	Awarded To Lot
Clackmannanshire Council	Grahams The family Dairy Limited	94.38	YES
	Muller UK and Ireland Group LLP T/A Müller Milk & Ingredients	75.10	YES

Council	Supplier	Overall	Awarded To Lot
Dumfries & Galloway Council	Muller UK and Ireland Group LLP T/A Müller Milk & Ingredients	99.00	YES

Council	Supplier	Overall	Awarded To Lot
East Ayrshire Council	Muller UK and Ireland Group LLP T/A Müller Milk & Ingredients	99.00	YES

Council	Supplier	Overall	Awarded To Lot
East Dunbartonshire Council	Muller UK and Ireland Group LLP T/A Müller Milk & Ingredients	99.00	YES

Council	Supplier	Overall	Awarded To Lot
East Renfrewshire Council	Muller UK and Ireland Group LLP T/A Müller Milk & Ingredients	99.00	YES

Council	Supplier	Overall	Awarded To Lot
Fife Council	Muller UK and Ireland Group LLP T/A Müller Milk & Ingredients	99.00	YES
	Grahams The family Dairy Limited	81.68	YES

Council	Supplier	Overall	Awarded To Lot
Highland Council	Swansons Fruit Company Ltd	90.38	YES

Council	Supplier	Overall	Awarded To Lot
Midlothian Council	Muller UK and Ireland Group LLP T/A Müller Milk & Ingredients	99.00	YES

Council	Supplier	Overall	Awarded To Lot
North Ayrshire Council	Muller UK and Ireland Group LLP T/A Müller Milk & Ingredients	99.00	YES

Council	Supplier	Overall	Awarded To Lot
East Lothian Council	Muller UK and Ireland Group LLP T/A Müller Milk & Ingredients	99.00	YES

Council	Supplier	Overall	Awarded To Lot
Falkirk Council	Muller UK and Ireland Group LLP T/A Müller Milk & Ingredients	99.00	YES
	Grahams The family Dairy Limited	60.00	YES

Council	Supplier	Overall	Awarded To Lot
Glasgow City Council	Muller UK and Ireland Group LLP T/A Müller Milk & Ingredients	99.00	YES
	Grahams The family Dairy Limited	88.13	YES

Council	Supplier	Overall	Awarded To Lot
Inverclyde Council	Muller UK and Ireland Group LLP T/A Müller Milk & Ingredients	99.00	YES

Council	Supplier	Overall	Awarded To Lot
Moray Council	Grahams The family Dairy Limited	94.38	YES

Council	Supplier	Overall	Awarded To Lot
North Lanarkshire Council	Muller UK and Ireland Group LLP T/A Müller Milk & Ingredients	99.00	YES

Council	Supplier	Overall	Awarded To Lot
Orkney Islands Council	NO OFFER	N/A	N/A

Council	Supplier	Overall	Awarded To Lot
Renfrewshire Council	Muller UK and Ireland Group LLP T/A Müller Milk & Ingredients	99.00	YES

Council	Supplier	Overall	Awarded To Lot
Shetland Islands Council	NO OFFER	N/A	N/A

Council	Supplier	Overall	Awarded To Lot
South Lanarkshire Council	Muller UK and Ireland Group LLP T/A Müller Milk & Ingredients	99.00	YES

Council	Supplier	Overall	Awarded To Lot
Tayside Contracts	Grahams The family Dairy Limited	94.38	YES

Council	Supplier	Overall	Awarded To Lot
West Lothian Council	Muller UK and Ireland Group LLP T/A Müller Milk & Ingredients	99.00	YES

Council	Supplier	Overall	Awarded To Lot
Perth & Kinross Council	Grahams The family Dairy Limited	94.38	YES

Council	Supplier	Overall	Awarded To Lot
Scottish Borders Council	Muller UK and Ireland Group LLP T/A Müller Milk & Ingredients	99.00	YES

Council	Supplier	Overall	Awarded To Lot
South Ayrshire Council	Muller UK and Ireland Group LLP T/A Müller Milk & Ingredients	99.00	YES

Council	Supplier	Overall	Awarded To Lot
Stirling Council	Muller UK and Ireland Group LLP T/A Müller Milk & Ingredients	96.14	YES
	Grahams The family Dairy Limited	94.38	YES

Council	Supplier	Overall	Awarded To Lot
West Dunbartonshire Council	Muller UK and Ireland Group LLP T/A Müller Milk & Ingredients	99.00	YES

Appendix 4- List of Recommended Suppliers with Living Wage Status

Tenderer	Accredited	Currently Progresing through Real Living Wage accreditation process	Pay Real Living Wage to all employees, and committed to gaining accreditation over the intital 2 years of framework	Pay Real Living Wage to all employees but not accredited	Neither accredited nor paying Real Living Wage, but do commit to pay the Real Living Wage to all employees over the initial 2 years of the framework	Neither accredited nor paying Real Living Wage
DJ Campbell & Son				Yes		
Grahams the Family Dairy Limited						Yes
Muller UK and Ireland Group LLP T/A Muller Milk & Ingredients						Yes
Swansons Fruit Company LTD					Yes	

Appendix 5 – Segmentation classifications

0521 Supply and Distribution of Milk is classified as class D.

There are five segmentation classifications and these classifications are rated from Class A to Class E. Each classification has contract and supplier management activities associated with it based on pre-determined weighted criteria.

Class A

Due to the unique and bespoke nature of the frameworks that fall within this class, a contract management plan to be developed and agreed with CSG.

Class B

Quarterly supplier contact, six monthly surveys, annual UIG, frequent support to councils, suppliers and external stakeholders requiring high level of procurement expertise, extensive contract monitoring.

Class C

Six monthly supplier contact, six monthly to annual surveys, annual UIG, regular support to councils, suppliers and external stakeholders requiring procurement expertise, high contract monitoring.

Class D

Annual supplier contact, annual surveys, optional annual UIG, ad-hoc support to councils, suppliers and external stakeholders potentially requiring procurement expertise, regular contract monitoring.

Class E

Annual supplier contact (if required), optional annual surveys, no requirement for annual UIG, straightforward ad-hoc support to councils, suppliers and potentially requiring procurement assistance, basic contract monitoring.

Scotland Excel

To: Executive Sub-Committee

On: 19 November 2021

**Report by:
Chief Executive of Scotland Excel**

Update on the Contract Delivery Plan

1. Introduction

This report provides a progress update on the 2021/ 2022 contract delivery plan.

2. Progress to Date

The 2021/2022 contract delivery plan comprises of contract additions, renewals and extensions, as well as those monitored under a structured contract and supplier management (CSM) programme. The classification of each is outlined as follows:

Appendix 1: New and planned renewals

Appendix 2: Flexible contracts

Appendix 3: Contracts with extension options

Appendix 4: Contracts with no renewal or extension options, but under CSM

There are 74 current frameworks in the Scotland Excel contract portfolio, with 4 further new frameworks to be added and 26 of these frameworks to be renewed before 31 December 2022 (Appendix 1).

A further 16 of the frameworks on the current portfolio have extension options that are likely to be exercised in 2021/ 2022 as outlined in Appendix 3.

The estimated forecast value of the Scotland Excel framework portfolio by 31 March 2022 will be approximately £2Billion.

Overall, efficiencies delivered to date in 2021/ 2022 are 3.1%, which is slightly above the forecast range.

A summary of spend and forecast savings per council between July 2020 and June 2021 can be found in appendix 5, with an average forecast efficiency of c.1.72%.

In addition to the activity detailed in Appendices 1 - 4, Scotland Excel is exploring the benefits of further collaborative procurement across high spend, critical service areas in the construction, corporate, ICT and social care teams.

The Care and Support Flexible Framework went live on 1 April 2020, and currently has 119 providers offering over 460 Services.

There has been a steady increase in uptake since the framework commenced, with 13 councils having confirmed utilisation of the framework. Indicative baseline data submitted by 10 councils projects that by the end of the financial year (31 March 2022) support packages for around 4,700 service users will be in place. This equates to the delivery of approximately 94,000 hours of care at home, or housing support, and spend of approximately £116k. The framework was re-opened in October 2021, enabling new providers to apply to join the framework from April 2022.

The Flexible Framework Agreement for the provision of Social Care Agency Workers is due to expire on 31st July 2022. This framework currently covers the provision of agency staff in social care roles, social work and other professional roles and ancillary support roles. The third-generation framework is anticipated to go live on the 1st August 2022. Consultation to help inform the strategy development work is due to begin shortly with sessions for suppliers and purchasers scheduled for December 2021.

Negotiations in relation to the National Care Home Contract (NCHC) rates for 2022/23 are scheduled to begin in early November. However, an interim increase in the rate is required to take effect from 1st December to reflect Scottish Government's workforce increase as part of winter planning measures. Implementation of Scottish Government's adult annual social care increase will also need to be considered along with detailed discussion on cost pressures faced by the sector.

Scotland Excel has been consulting with key stakeholders in relation to future plans for the national framework for Children's Residential Care & Education. This work seeks to understand the potential impact on the sector of policy change coming from the work of The Promise and to determine how best to reflect this in the national arrangement.

The activity under the New Build Residential Construction Framework has continued to grow as members have renewed their activity on new build housing projects. To date, the framework has 14 awarded projects which together are delivering over 550 homes, as well as a care facility. Twelve projects are live on site and are already delivering substantial local benefits, with over £32 million being awarded to local contractors and subcontractors. It is anticipated that in total 22 projects with a combined value of c.£230m will be awarded through the framework by the end of 2021/22.

Supply Chain disruption is having a significant impact on construction materials. Scotland Excel are deploying a range of measures to manage the impact on our members. Part of that longer term strategy includes consolidating the number of frameworks associated with these product groupings. By doing this it will simplify the contract management arrangements for both the supply base and the operational teams using the framework. The currently separate frameworks for Building and Timber Materials, Plumbing and Heating Materials, Electrical Materials, Trades Materials and Power Tools will be combined into a multi-lotted framework, which will result in fewer tender responses for the supply market and a simplified call off procedure for end users. As part of this rationalisation Gas Boiler Maintenance services will also be aligned with maintenance services across a wider scope. There is scope to modify contracts during their term where there is no material change (Regulation 72), and this will be used to harmonise the end dates of the affected frameworks.

Scotland Excel has developed a new process for undertaking opportunity assessments for Operational Supplies and Services (OSS) contracts to understand how these frameworks have operated; this includes, for example, their participation and spend profile. These opportunity assessments will be used to inform discussions with councils as to whether it is viable to renew each of these frameworks or, for example, if their scope

should be changed significantly. This will ensure that the contracts within the OSS team continue to meet council requirements.

A new Category Manager has been appointed to oversee the management of the ICT and Digital category and to lead the development of sourcing strategies to deliver value for money and improved services for our members. The category manager will work with strategic partners such as the Digital Office for product/service development, research, innovation and working collaboratively to improve digital access across Scotland.

3. Conclusion

Members are invited to note the progress made to date.

Appendix 1 – List of New or Renewal Contracts until December 2022

Service	Estimated Annual Collaborative Contract Opportunity	Activity	Original Forecast Date	Previous Forecast Date	Delivered Date	Latest Forecast Date if Different	Forecast Savings Range	Delivered Savings Forecast	Comments
Electric Vehicle Charging Points	20,000,000	New Contract	Aug-20	Dec-21		Feb-21	5.5%		NEC 4 Terms documents going through final legal checks prior to publishing. Recommendations to go to February Executive Sub-Committee. Project required extensive external stakeholder engagement with SFT, Transport Scotland and others.
Lift Maintenance (OSS)	1,250,000	New Contract	Mar-20	Mar-21		Cancelled	5.5%		After consulting with members it is not a viable option to take forward as a tender exercise. Can be discussed further at commercial UIGs should this be a requirement in the future.
Building Construction Consultancy	18,750,000	New Contract	May-21	Mar-22		Apr-22	2% - 4%		Initially merged with Engineering Consultancy but delayed due to separate service offering. Strategy Consultation commenced. Forecast start date May 2022.
Waste Composition Analysis	750,000	New Contract	Jun-21		May-21		5.50%	0%	Approved by Executive Sub Committee May 2021. Contract effective 09/06/2021
Digital Telecare	4,000,000	New Contract	Apr-21			Aug-21	5.5%		Approved by Executive Sub Committee August 2021
Musical Instruments	1,750,000	New Contract	Oct-21	Nov-21		Dec-21	5.5%		Tender closed 03/11/2021. currently being evaluated.
Property Repair, Maintenance and Refurbishment	100,000,000	New Contract	Dec-22				2%-4%		Opportunity Assessment
Online School Payments	3,000,000	Renew	Apr-20	Apr-21		Sep-21	2% - 4%		Approved by Executive Sub Committee September 2021
Vehicle Parts	12,000,000	Renew	Jan-21	Apr-21	Apr-21		2% - 4%	1.4%	Approved by Executive Sub Committee April 2021.
Education and Office Furniture	5,000,000	Renew	Mar-21	May-21	Jun-21	Aug-21	2% - 4%	1.27%	Approved by Executive Sub Committee June 2021.
Outdoor Play and Sports Facilities	15,000,000	Renew	Mar-21	Mar-22		May-22	2% - 4%		A reg 72 extension has been taken out on this will now go to May Committee with a July 2022 start date
Fostering and Continuing Care	34,000,000	Renew	Mar-21		Jun-21	Jul-21	N/A	N/A	Approved by Executive Sub Committee June 2021.
Organic Waste	12,000,000	Renew	Apr-21		Jun-21	July'21	2%-4%	0%	Approved by Executive Sub Committee June 2021.
Energy Efficiency Contractors	200,000,000	Renew	May-21	Nov-21		Feb-22	2% - 4%		Currently being evaluated, tender closed 18/10/21.
Frozen Foods	25,000,000	Renew	Jul-21	Dec-22		Jan-22	2% - 4%		Tender closed 26th October, currently being evaluated.
Education Materials	17,500,000	Renew	Aug-21	May-21	Jun-21		2% - 4%	0.50%	Approved by Executive Sub Committee June 2021.
Personal Protective Equipment	10,000,000	Renew	Mar-21	Oct-21		Mar-22	2% - 4%		Strategy approved, tender in development

Service	Estimated Annual Collaborative Contract Opportunity	Activity	Original Forecast Date	Previous Forecast Date	Delivered Date	Latest Forecast Date if Different	Forecast Savings Range	Delivered Savings Forecast	Comments
Laundry Equipment	1,100,000	Renew	Nov-21			Not being renewed	2% - 4%		Opportunity Assessment was undertaken and showed limited spend and participation to date. Framework will not be renewed.
Bottled Gas	2,000,000	Renew	Nov-21			Not being renewed	2% - 4%		Opportunity Assessment was undertaken and showed limited spend and participation to date. Framework will not be renewed.
Pest Control Services	1,500,000	Renew	Nov-21	Nov-21		Jan-22	2% - 4%		Tender published 10/11/2021, due to close 8/12/2021
Steeplejack Services	1,750,000	Renew	Dec-21	Oct-21		Mar-22	2% - 4%		Strategy approved. Delays due to legal support.
Heavy Vehicles	25,000,000	Renew	Jan-22				2% - 4%		Tender published 11th October. Recommendations to go to January Executive Sub-Committee, go live early February
Tyres for Vehicles and Plant	6,500,000	Renew	Nov-21	Jan-22		Jan-22	2% - 4%		Tender published 29th September. Recommendations to go to January Executive Sub-Committee, go live early February.
Vehicle and Plant Hire	15,000,000	Renew	Nov-21	Feb-22		Jan-22	2% - 4%		Tender documents going through final legal checks prior to publishing. Recommendations to go to January Executive Sub-Committee, go live early February
Recycle and Refuse Containers	8,000,000	Renew	Nov-21	Dec-21		Dec-21	2% - 4%		Tender closed 7th October 2021. Recommendations to go to December Executive Sub-Committee, go live early January.
Water Coolers	1,500,000	Renew	Jan-22	Jan-22		Feb-22	2% - 4%		PIN notice issued, strategy under development]
Repair of Catering Machines	2,000,000	Renew	Jan-22	Jan-22		Feb-22	2% - 4%		PIN notice issued, strategy under development]
Swimming Pool Chemicals	1,250,000	Renew	Jan-22			Not being renewed	2% - 4%		Opportunity Assessment was undertaken and showed limited spend and participation to date. Framework will not be renewed.
Library Books & Textbooks	14,000,000	Renew	Feb-22	Feb-22		Mar-22	2% - 4%		Strategy in development
Digital Publications and Services	1,000,000	Renew	Feb-22	Feb-22		Mar-22	2% - 4%		Strategy in development
Trade Materials	10,000,000	Renew	Feb-22				2% - 4%		Regulation 72 extension progressing through governance, new end date will align with merged Construction Materials framework.
Milk	9,000,000	Renew	Mar-22			Nov-21	2% - 4%		Recommendations to be presented at Nov Executive Sub Committee, Framework goes live 1st March 2022
Children's Residential	105,400,000	Renew	Mar-22				n/a		Options for the future of the framework are being considered in line with changes in national policy direction.
Fire Safety Products	2,500,000	Renew	Apr-22				2%-4%		Opportunity Assessment to be undertaken to confirm requirements/spend
Roadstone	5,000,000	Renew	Jul-22				2%-4%		Pending
Salt for winter maintenance	16,250,000	Renew	Jul-22				2%-4%		Pending
Street Lighting Materials	35,000,000	Renew	Aug-22				2%-4%		Pending

Service	Estimated Annual Collaborative Contract Opportunity	Activity	Original Forecast Date	Previous Forecast Date	Delivered Date	Latest Forecast Date if Different	Forecast Savings Range	Delivered Savings Forecast	Comments
Road Maintenance Materials	2,500,000	Renew	Sep-22				2%-4%		Pending
First Aid Materials	2,000,000	Renew	Sep-22				2%-4%		Opportunity Assessment to be undertaken to confirm requirements/spend
Washroom Solutions	14,000,000	Renew	Sep-22				2%-4%		Pending
Fresh Meats, Cooked Meats and Fresh Fish	40,000,000	Renew	Sep-22				2%-4%		Pending
Commercial Catering Equipment	4,000,000	Renew	Oct-22				2%-4%		Opportunity Assessment to be undertaken to confirm requirements/spend
Construction Materials	70,000,000	Renew	Apr-23				2%-4%		Opportunity Assessment

Appendix 2 – Flexible Contracts until December 2022

Service	Estimated Annual Collaborative Contract Opportunity	Activity	Anticipated Re-Opening Date	Comments
Care and Support	£140,000,000	Flexible Framework Agreement	In Progress	The framework is currently open for new providers to apply to join. It is anticipated that successful new providers will be able to offer services under the framework from April 2022
Care Homes For Adults With Learning Disabilities Including Autism	£26,500,000	Flexible Framework Agreement	TBC	The survey findings have indicated that there was sufficient interest to initiate discussions at a future User Intelligence Group (UIG) to further develop the framework and reopening pending market consultation.
Social Care Agency Workers	£20,000,000	Flexible Framework Agreement	TBC	Determined by the requirements of Purchasing Authorities. To be retendered, date to be confirmed with suppliers joining for 1st August 2022.
Bikeability Scotland Training Providers	£300,000	Dynamic Purchasing System (DPS)	N/A	New entrants may be approved at any point during the lifetime of the DPS
Recyclable and Residual Waste	£40,000,000	Dynamic Purchasing System (DPS)	N/A	New entrants may be approved at any point during the lifetime of the DPS
Digital Telecare	£4,000,000	Dynamic Purchasing System (DPS)	N/A	New entrants may be approved at any point during the lifetime of the DPS

Appendix 3 – Contracts with extension options and contract management activity ongoing until December 2022

Contract Description	Est Annual Value
Asbestos	£12,000,000
Boiler Maintenance	£10,000,000
Grounds Maintenance Equipment	£6,000,000
Groceries and Provisions	£30,000,000
Fresh Bread Rolls and Bakery Products	£1,500,000
Fresh Fruit and Vegetables	£1,500,000
Hot Beverages (OSS)	£1,000,000
Energy Advice (OSS)	£1,000,000
Vending Machines (OSS)	£1,250,000
Cleaning Equipment (OSS)	£2,250,000
Alcoholic Beverages (OSS)	£1,250,000
Sheriff Officers (OSS)	£1,100,000
Technology Enabled Care	£6,300,000
Demolition Services	£18,000,000
New Build Residential Construction	£375,000,000
Secure Care	£17,500,000

Contracts which are shaded have been approved for extension

Appendix 4 - Contracts with no renewal or extension activity and contract management activity ongoing until December 2022

Contract Description	Est Annual Value	Contract Description	Est Annual Value
Audio Visual	£7,500,000	Plumbing and Heating Materials	£22,500,000
Bitumen Products	£12,000,000	Road Signage Materials	£1,250,000
Building and Timber	£15,000,000	Security Services and Cash Collection	£12,500,000
Catering Sundries	£6,000,000	Social Care Case Management Solutions	£7,000,000
Community Meals	£4,000,000	Vehicle Purchase RM6060	£10,000,000
Electrical Materials	£20,000,000	Waste Disposal Equipment	£1,250,000
Janitorial Products	£12,000,000	Supply Teacher Booking System	£300,000
Light and Heavy Plant	£10,000,000	Domestic Furniture and Furnishings	£26,000,000
Waste Composition Analysis	£750,000	Engineering and Technical Consultancy	£17,125,000
Vehicle Parts	£12,000,000	Organic Waste	£12,000,000
Fostering and Continuing Care	£34,000,000		

Appendix 5 – Expenditure summary per Council: Jul’20 – Jun’21

Member Organisation	Sum of Actual Spend	Sum of Forecast Spend	Variance	% of Total Actual Spend	Sum of Estimated Saving	% Saving
The City of Edinburgh Council	£45,136,129	£34,112,422	132.3%	6.92%	£789,908	1.75%
Glasgow City Council	£43,049,498	£52,015,882	82.8%	6.60%	£762,550	1.77%
Fife Council	£42,107,637	£113,111,492	37.2%	6.45%	£640,188	1.52%
South Lanarkshire Council	£38,970,107	£68,073,112	57.2%	5.97%	£434,159	1.11%
Aberdeenshire Council	£34,476,560	£39,228,746	87.9%	5.28%	£446,727	1.30%
Associate Members	£31,713,146	£58,198,074	54.5%	4.86%	£490,616	1.55%
West Lothian Council	£28,661,467	£28,511,140	100.5%	4.39%	£364,352	1.27%
Falkirk Council	£28,658,578	£44,972,329	63.7%	4.39%	£1,019,393	3.56%
Aberdeen City Council	£27,598,423	£36,362,466	75.9%	4.23%	£518,640	1.88%
West Dunbartonshire Council	£25,243,709	£26,312,727	95.9%	3.87%	£528,370	2.09%
The Highland Council	£25,046,129	£29,130,509	86.0%	3.84%	£166,660	0.67%
North Lanarkshire Council	£21,684,782	£58,322,714	37.2%	3.32%	£538,609	2.48%
North Ayrshire Council	£21,343,674	£51,515,266	41.4%	3.27%	£314,976	1.48%
Dundee City Council	£19,589,464	£15,131,022	129.5%	3.00%	£264,611	1.35%
Renfrewshire Council	£17,871,465	£39,460,389	45.3%	2.74%	£434,747	2.43%
East Lothian Council	£15,658,525	£13,454,253	116.4%	2.40%	£201,674	1.29%
Argyll and Bute Council	£13,984,480	£10,052,226	139.1%	2.36%	£253,452	1.81%
Dumfries and Galloway Council	£15,230,035	£13,164,003	115.7%	2.33%	£276,068	1.81%
East Ayrshire Council	£15,171,016	£16,345,970	92.8%	2.33%	£287,716	1.90%
Scottish Borders Council	£13,188,554	£13,436,482	98.2%	2.02%	£112,708	0.85%
Perth and Kinross Council	£12,515,946	£11,037,217	113.4%	1.92%	£414,798	3.31%
Tayside Contracts	£12,473,006	£12,345,377	101.0%	1.91%	£225,887	1.81%
Stirling Council	£12,325,900	£8,995,147	137.0%	1.89%	£131,213	1.06%
South Ayrshire Council	£12,168,532	£20,189,524	60.3%	1.87%	£141,222	1.16%
The Moray Council	£11,178,761	£23,548,339	47.5%	1.71%	£104,566	0.94%
East Dunbartonshire Council	£10,809,022	£10,605,548	101.9%	1.66%	£205,755	1.90%
Inverclyde Council	£10,802,337	£8,021,292	134.7%	1.66%	£212,144	1.96%
Clackmannanshire Council	£10,117,463	£12,975,917	78.0%	1.55%	£194,372	1.92%
East Renfrewshire Council	£9,555,038	£12,094,012	79.0%	1.46%	£409,562	4.29%
Angus Council	£8,863,087	£17,191,476	51.6%	1.36%	£156,693	1.77%
Midlothian Council	£7,981,931	£12,180,758	65.5%	1.22%	£119,439	1.50%
Orkney Islands Council	£2,952,504	£2,370,786	124.5%	0.45%	£13,822	0.47%
Shetland Islands Council	£2,765,548	£3,159,783	87.5%	0.42%	£5,241	0.19%
Comhairle nan Eilean Siar	£2,160,109	£5,131,223	42.1%	0.33%	£36,934	1.71%
Total	£651,052,560	£920,757,622	N/A	100.00%	£11,217,773	1.72%

Scotland Excel

To: Executive Sub-Committee

On: 19 November 2021

**Report by:
The Clerk**

Meetings of Scotland Excel Executive Sub-Committee in 2022

1. Summary

- 1.1 The purpose of this report is to seek approval for the proposed dates for meetings of the Scotland Excel Executive Sub-committee in 2022.
- 1.2 In terms of Scotland Excel's Procedural Standing Orders:-
 - 42(a). The Executive Sub-committee shall meet not less than four times in every calendar year. The time, dates and venues for all subsequent meetings will be approved by the Executive Sub-committee.
- 1.3 One of the main functions of the Executive Sub-committee is to consider reports on the award of contracts being let on behalf of Scotland Excel, therefore, the dates for the Executive Sub-committee meetings require to be fixed by referral to the planned award dates for these contracts. It is expected that all contract awards planned for 2022 can be accommodated within the timetable of meetings detailed in this report.
- 1.4 Currently, all Scotland Excel meetings are being held remotely using the Microsoft Teams platform and it is not known how long this will continue. In light of this it is proposed that the Sub-committee continue to meet remotely. This will continue to be reviewed to take into account public health advice and guidance.

2. Recommendations

- 2.1 That, if required, meetings of Scotland Excel Executive Sub-committee be held on 28 January, 18 February, 18 March, 22 April, 19 August, 16 September, 21 October and 18 November 2022 and that where these meetings were being held remotely, they commence at 9.30 am and where they were being held within a venue, they commence at 10.45am;
- 2.2 That, if required, meetings of Scotland Excel Executive Sub-committee be held on 17 June and 9 December 2022, prior to meetings of the Joint Committee and that where these meetings were being held remotely, they commence at 9.30 am and where they were being held within a venue they commence at 9.45 am; and
- 2.3 That it be agreed that the Sub-committee continue to meet remotely and that this continue to be reviewed to take into account public health advice and guidance.

