

Notice of Meeting and Agenda Scotland Excel Joint Committee

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

KENNETH GRAHAM
Clerk

Membership

Councillor John Reynolds and Councillor David Cameron (both Aberdeen City Council); Provost Bill Howatson and Councillor Alastair Bews (Aberdeenshire Council); Councillor Angus Macmillan Douglas (Angus Council); Councillor Rory Colville (Argyll and Bute Council); Councillor Alasdair Rankin and Councillor Graham Hutchison (both City of Edinburgh Council); Councillor Donald Balsillie (Clackmannanshire Council); Provost Norman Macdonald (Comhairle Nan Eilean Siar); Councillor Stephen Thompson (Dumfries and Galloway Council); Bailie Willie Sawers (Dundee City Council); Councillor Gordon Jenkins (East Ayrshire Council); Councillor John Jamieson (East Dunbartonshire Council); Councillor John McMillan (East Lothian Council); Councillor Tony Buchanan (East Renfrewshire Council); Councillor Gary Bouse (Falkirk Council); Councillor Altany Craik and Councillor Ross Vettraino (Fife Council); Councillor Ruairie Kelly and Councillor Martin McElroy (both Glasgow City Council); Councillor Alister Mackinnon and Councillor Matthew Reiss (Highland Council); Councillor Jim Clocherty (Inverclyde Council); Councillor Derek Milligan (Midlothian Council); Councillor Aaron McLean (Moray Council); Councillor Joe Cullinane (North Ayrshire Council); Councillor Paul Di Mascio and Councillor Allan Graham (North Lanarkshire Council); vacant position (Orkney Islands); Councillor Sheila McCole (Perth and Kinross Council); Councillor John Shaw (Renfrewshire Council); Councillor Simon Mountford (Scottish Borders Council); Councillor Amanda Hawick (Shetland Islands Council); Councillor Peter Henderson (South Ayrshire Council); Councillor Collette Stevenson and vacant position (South Lanarkshire Council); Councillor Alison Laurie (Stirling Council); Councillor Ian Dickson (West Dunbartonshire Council); and Councillor John McGinty (West Lothian Council).

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

Further Information

If you require information in relation to this meeting please contact
elaine.currie@renfrewshire.gov.uk

Items of business

Apologies

Apologies from members.

Declarations of Interest

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

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Minute of Meeting Scotland Excel Joint Committee

Date	Time	Venue
Friday, 19 June 2020	10:45	Remotely by MS Teams ,

Present

Councillor John Reynolds and Councillor David Cameron (both Aberdeen City Council); Provost Bill Howatson (Aberdeenshire Council); Councillor Rory Colville (Argyll and Bute Council); Councillor Alasdair Rankin (City of Edinburgh Council); Councillor Donald Balsillie (Clackmannanshire Council); Provost Norman Macdonald (Comhairle Nan Eilean Siar); Councillor Stephen Thompson (Dumfries and Galloway Council); Bailie Willie Sawers (Dundee City Council); Councillor Gordon Jenkins (East Ayrshire Council); Councillor Tony Buchanan (East Renfrewshire Council); Councillor Gary Bouse (Falkirk Council); Councillor Altany Craik and Councillor Ross Vettraino (Fife Council); Bailie Norman MacLeod (Glasgow City Council); Councillor Alister Mackinnon (Highland Council); Councillor Jim Clocherty (Inverclyde Council); Councillor Aaron McLean (Moray Council); Councillor Paul Di Mascio (North Lanarkshire Council); Councillor Sheila McCole (Perth and Kinross Council); Councillor John Shaw (Renfrewshire Council); Councillor Robin Tatler (substitute for Councillor Simon Mountford) (Scottish Borders Council); Councillor Peter Henderson (South Ayrshire Council); Councillor Collette Stevenson (South Lanarkshire Council); and Councillor John McGinty (West Lothian Council).

Chair

Councillor Shaw, Convener, presided.

In Attendance

J Welsh, Director, S Brannagan, Head of Customer & Business Services, H Carr, Head of Strategic Procurement and L Campbell, Corporate Services Manager (all Scotland Excel); M Conaghan, Legal & Democratic Services Manager, K Campbell, Assistant Chief Auditor, C McCourt, Finance Business Partner and E Currie, Senior Committee Services Officer (all Renfrewshire Council); and M Ferris, Senior Manager (Audit Scotland).

Apologies

Councillor Alastair Bews (Aberdeenshire Council); Councillor Angus Macmillan Douglas (Angus Council); Councillor Graham Hutchison (both City of Edinburgh Council); Councillor John Jamieson (East Dunbartonshire Council); Councillor John McMillan (East Lothian Council); Councillor Martin McElroy (Glasgow City Council); Councillor Matthew Reiss (Highland Council); Councillor Derek Milligan (Midlothian Council); Councillor Allan Graham (North Lanarkshire Council); Councillor Simon Mountford (Scottish Borders Council); Councillor Amanda Hawick (Shetland Islands Council); and Councillor Ian Dickson (West Dunbartonshire Council).

Declarations of Interest

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

1 Minute of Joint Committee

There was submitted the Minute of the meeting of the Joint Committee held on 6 December 2019.

It was noted that in the Apologies section of the Minute, Councillor Ross Vettraino should be shown as an elected member from Fife Council.

DECIDED: That, subject to the above amendment, the Minute be approved.

2 Minutes of Executive Sub-committee

There were submitted the Minutes of the meetings of the Executive Sub-committee held on 6 December 2019, 31 January, 28 February, 27 March and 29 May 2020.

DECIDED: That the Minutes be noted.

3 Membership of Executive Sub-committee

There was submitted a report by the Clerk relative to the membership of the Executive Sub-committee and seeking approval for the appointment of members to the Executive Sub-committee for the period to June 2021.

The report indicated that the Procedural Standing Orders provided that the Executive Sub-committee should comprise a maximum of 13 members including the Convener and Vice Convener of the Joint Committee. Where possible the membership of the Executive Sub-committee should reflect the geographic diversity of the constituent authorities.

Members discussed the process for appointment of members to the Executive Sub-committee; the attendance and participation of members; and possible amendments to the Procedural Standing Orders governing the appointment of members to the Executive Sub-committee.

It was proposed that a report detailing the attendance of members, at meetings of the Executive Sub-committee since appointment in June 2017, be submitted to the next meeting of the Joint Committee to be held on 11 December 2020.

DECIDED:

- (a) That it be agreed that the Executive Sub-committee continue to comprise of elected members from Renfrewshire Council (Convener), North Lanarkshire Council (Vice Convener), Aberdeenshire Council, Angus Council, City of Edinburgh Council, Comhairle nan Eilean Siar, Dumfries and Galloway Council, Fife Council, Glasgow City Council, Highland Council, North Ayrshire Council, Shetland Islands Council and South Lanarkshire Council;
- (b) That membership of the Executive Sub-committee be next reviewed at the meeting of the Joint Committee to be held in June 2021; and
- (c) That a report detailing the attendance of members, at meetings of the Executive Sub-committee since appointment in June 2017, be submitted to the next meeting of the Joint Committee to be held on 11 December 2020.

4 Scotland Excel Unaudited Annual Accounts 2019/20

There was submitted a report by the Treasurer relative to the unaudited annual accounts for the Joint Committee for 2019/20, a copy of which were attached to the report.

The report intimated that the accounts for the year ended 31 March 2020 would be submitted to Audit Scotland for audit in advance of the statutory deadline of 30 June 2020. The accounts indicated that Scotland Excel's core activities resulted in a draw on reserves of £6,139 in 2019/20 compared to a budgeted draw on reserves of £14,000 and projects returned income of £126,368 over expenditure. This produced a combined underspend for the year of £120,229 which had been added to usable reserves, which were committed as outlined in note 5 to the accounts.

The management commentary within the accounts provided an overview of Scotland Excel's performance during 2019/20 along with risk information and its outlook for the future.

The Local Authority Accounts (Scotland) Regulations 2014 required that Scotland Excel prepare and publish a set of accounts, including an annual governance statement, by 30 June each year. The unaudited accounts were then required to be formally considered by the Joint Committee no later than 31 August and the annual governance statement should be formally approved at this time.

In accordance with the Local Authority Accounts (Scotland) Regulations 2014, the unaudited annual accounts would be signed only by the Treasurer as proper officer. The accounts would then be subject to external audit by the Joint Committee's appointed auditor, Audit Scotland, by 30 September. The 2019/20 audited annual accounts were scheduled to be presented to the Executive Sub-committee on 18 September 2020 for approval and signing by the Convener, the Chief Executive of Scotland Excel and the Treasurer, in accordance with the regulations.

DECIDED:

- (a) That the unaudited annual accounts for 2019/20 be noted; and
- (b) That the annual governance statement be approved.

5 Internal Audit Report Summary - Contract Strategy Arrangements

There was submitted a report by the Chief Auditor, Renfrewshire Council, relative to Internal Audit's report summary on the arrangements in place to award contracts.

The report intimated that in line with the Public Sector Internal Audit Standards, Internal Audit must communicate the results of each engagement to the Joint Committee. Internal Audit had undertaken a review of the arrangements in place to award contracts and the report provided a summary of the work undertaken, the audit findings and the action being taken by management to address the recommendations made.

The appendix to the report provided a summary of the overall assurance rating for the engagement and the number of recommendations in each category and the committee summary for the engagement.

DECIDED: That the Internal Audit Report Summary for the Internal Audit review of Contract Strategy Arrangements be noted.

6 Internal Audit Annual Report 2019/20

There was submitted a report by the Chief Auditor, Renfrewshire Council, relative to the Internal Audit Annual Report on Scotland Excel 2019/20.

The report intimated that the Public Sector Internal Audit Standards required that the Chief Auditor prepare an annual report on the internal audit activity's purpose, authority and responsibility as well as performance relative to its plan. The report must also provide an audit opinion on the overall adequacy and effectiveness of the internal control environment of the audited body.

The annual report for Scotland Excel formed the appendix to the report and outlined the role of internal audit, the performance of the internal audit team; the main findings from the internal audit work undertaken in 2019/20 and contained an audit assurance statement.

DECIDED: That the Internal Audit Annual Report 2019/20 be approved.

7 Review of Scotland Excel Governance

There was submitted a report by the Chief Executive of Scotland Excel seeking approval from the Joint Committee to delegate authority to the Executive Sub-committee to approve the Internal Audit Annual Report and any other scheduled annual Internal Audit report and for the Scheme of Delegation to be amended accordingly.

The Chief Executive intimated that this request for approval should be amended to delete reference to 'scheduled annual' where it appeared in the report.

The report intimated that in terms of Scotland Excel's Procedural Standing Orders, the Joint Committee could delegate authority on certain matters to the Executive Sub-committee. The Internal Audit Annual Report was usually considered each year at the June meeting of the Joint Committee together with an Internal Audit Report Summary on one area of Scotland Excel's work. The timing of preparation of these reports and content of them would be better aligned to the Executive Sub-committee as this usually met every month outwith recess periods and regularly considered matters such as the

risk register. This would remove the current inconsistency between approval of external and internal audit reports.

DECIDED:

(a) That approval of the Internal Audit Annual Report and any other Internal Audit report be delegated to the Executive Sub-committee; and

(b) That the Scheme of Delegation be amended by the insertion of a new paragraph 4.3 (i) in the following terms – “(i) to consider and approve the Internal Audit Annual Report and any other Internal Audit report.”

8 Financial Impact of COVID-19 Pandemic on Scotland Excel

There was submitted a report by the Chief Executive of Scotland Excel relative to the specific financial challenges facing Scotland Excel in this financial year and the actions taken and planned to mitigate these challenges.

The report intimated that in December 2019, the Joint Committee approved the core operating budget for 2020/21 which contained revenue estimates for the year based on previous and planned expenditure along with income estimates which included targets for the five new income streams contained within the approved Scotland Excel Funding Model. Section 4 of the report identified areas of core expenditure which would present financial challenges during 2020/21 and section 5 of the report identified new income streams and the challenges associated with each. Planned mitigating actions aimed at minimising the overall impact on Scotland Excel's financial position were also detailed in the report.

The table in the report provided a summary of the anticipated financial impact of the COVID-19 pandemic on Scotland Excel and the projected outturn after mitigating actions. The anticipated financial impact of the COVID-19 pandemic on Scotland Excel, subject to mitigation, was currently a deficit of £53,000.

Scotland Excel would continue to monitor all expenditure lines and income streams and would be targeting a break-even position at year end. Regular budget monitoring reports would be presented to the Executive Sub-committee ensuring members were kept fully aware of the financial position on an on-going basis.

DECIDED: That the financial challenges faced by Scotland Excel and the associated actions being taken to mitigate these challenges be noted.

9 Annual Procurement Report

There was submitted a report by the Chief Executive of Scotland Excel relative to Scotland Excel's annual procurement report, a copy of which was appended to the report.

The report intimated that where a public organisation was required to prepare a procurement strategy or review an existing one, it must also publish an annual procurement report. The Procurement Reform (Scotland) Act 2014 set out what, as a minimum, each annual procurement report must contain.

Annual procurement reports were expected to be published no later than five months following the end of the financial year and should be relevant and proportionate; provide

transparency of purchasing activities; and address all matters contained in the organisations' procurement strategy.

Scottish Ministers would produce an annual report on procurement activity in Scotland informed by the individual annual procurement reports published by contracting authorities in Scotland.

DECIDED: That the content of the annual procurement report, as appended to the report, be noted and published on Scotland Excel's website.

10 Operating Plan Update 2019/20

There was submitted a report by the Chief Executive of Scotland Excel relative to the progress made against operating plan activities during 2019/20.

The report intimated that in June 2018 the Joint Committee approved a new five-year corporate strategy which was supported by annual operating plans. Quarterly reports were produced to track Scotland Excel's performance against operating plan commitments and these reports summarised the progress made against the key priorities identified each year using a 'traffic light' symbol which provided a quick guide to the status of each action. This guide had been revised and now included symbols to indicate projects or activities which had not yet started and projects or activities which had been completed.

The appendix to the report provided the year-end update report on progress undertaken and updates on key performance indicators (KPIs) included within the plan.

It was noted that 49 of the 64 activities in the operating plan were progressing in line with plans and were indicated as green within the report.; three activities were progressing more slowly than anticipated, mainly due to external factors and these were indicated as amber within the report; four activities were significantly behind schedule and these were indicated as red within the report; six activities had been completed by the end of the financial year and were indicated as black within the report; and two activities would commence during 2020/21 and these were indicated as white within the report.

The report highlighted that progress reports would be produced at the end of each quarter and submitted to the Executive Sub-committee at their next scheduled meeting. Half-yearly and annual reports would also be submitted to future meetings of the Joint Committee. In response to feedback from members of the Executive Sub-committee, it was noted that Scotland Excel were currently working on a new approach to reporting progress against its corporate strategy and operating plan commitments and proposals would be submitted to the Joint Committee in due course.

It was noted that not all councils had provided ICT contract data to Scotland Excel and as such this data set remained incomplete. The Chief Executive advised that partial information had been received from most councils whilst almost half of the councils had provided all of the information requested.

It was proposed that the information received from individual councils be forwarded to the respective elected members of that council to help facilitate the provision of the information to Scotland Excel. This was agreed.

The Chief Executive advised that an update report would be submitted to the next meeting of the Joint Committee to be held on 11 December 2020, and that individual council information would be shared after this.

DECIDED:

(a) That Scotland Excel's progress in delivering the commitments contained in the Operating Plan 2019/20 be noted;

(b) That the information received from individual councils be forwarded to the respective elected members of that council to help facilitate the provision of the information to Scotland Excel.

(c) That an update report be submitted to the next meeting of the Joint Committee to be held on 11 December 2020, and that individual council information would be shared after this.

11 Special Leave and Hospitality

There was submitted a report by the Chief Executive of Scotland Excel relative to staff absence rates, special leave given to staff and hospitality granted by the organisation in 2019/20.

DECIDED: That the report be noted.

12 COVID-19 Update

There was submitted a report by the Chief Executive of Scotland Excel providing an update of the impact of COVID-19 on the operational activity within Scotland Excel including where emerging opportunities had been pursued to provide additional support within and out with the sector.

The report intimated that in March 2020, the UK government issued detailed guidance in relation to measures that should be taken to restrict the spread of the COVID-19 virus, including the restriction of unnecessary travel and meetings and advice for specified groups of citizens who were seen as being at greater risk from infection.

The Executive Sub-committee at a meeting held on 27 March 2020 granted delegated authority to the Director, in consultation with the Chair and/or Vice Chair of the Executive Sub-committee to cancel, if necessary, the planned meeting of the Executive Sub-committee on 29 May 2020 and any subsequent meeting; further delegated authority to make all decisions required relating to the functions of the Executive Sub-committee in advance of the next meeting of the Executive Sub-committee; and agreed to temporary associate membership at no fee to any public body or third sector organisation that the Director felt would benefit efforts to tackle the current crisis.

Scotland Excel was currently operating a full service via remote working for all employees in line with government guidance with the specific focus of working with suppliers to ensure that goods and services required to support essential frontline services continued to be available to councils. Regular updates were being provided to councils in relation to supplier stock levels for essential items and advice on alternative sources of supply where possible.

The report provided updates in relation to the work of the account management team; the support provided in relation to the provision of PPE; and contract category updates for Corporate and Education, Environmental Services, Construction Services, Social Care, the Academy; and project activity.

DECIDED: That the report and measures taken to continue operations during the COVID-19 pandemic be noted.

13 Date of Next Meeting

DECIDED: That it be noted that the next meeting of the Joint Committee would be held at 10.45 am on 11 December 2020.



Minute of Meeting Scotland Excel Executive Sub-committee

Date	Time	Venue
Friday, 19 June 2020	09:45	Remotely by MS Teams ,

Present

Provost Bill Howatson (Aberdeenshire Council); Provost Norman A Macdonald (Comhairle Nan Eilean Siar); Councillor Stephen Thompson (Dumfries and Galloway Council); Councillor Altany Craik (Fife Council); Bailie Norman MacLeod (Glasgow City Council); Councillor Alister Mackinnon (Highland Council); Councillor Paul Di Mascio (North Lanarkshire Council); and Councillor John Shaw (Renfrewshire Council).

Chair

Councillor Shaw, Convener, presided.

In Attendance

J Welsh, Chief Executive, H Carr, Head of Strategic Procurement, S Brannagan, Head of Customer and Business Services, L Campbell, Corporate Services Manager, S Kilgour, Senior Procurement Specialist and L Richard, Strategic Procurement Manager (all Scotland Excel); and M Conaghan, Legal and Democratic Services Manager and E Currie, Senior Committee Services Officer (both Renfrewshire Council).

Apologies

Councillor Angus Macmillan Douglas (Angus Council); Councillor Graham Hutchison (City of Edinburgh Council); and Councillor Amanda Hawick (Shetland Islands Council).

Declarations of Interest

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

1 Minute

There was submitted the Minute of the meeting of the Executive Sub-committee held on 29 May 2020.

DECIDED: That the Minute be approved.

Sederunt

Provost Howatson entered the meeting during consideration of the following item of business.

2(a) Contract for Approval: Demolition and Deconstruction Works

There was submitted a report by the Chief Executive of Scotland Excel relative to the award of a renewal framework agreement for demolition and deconstruction works which would operate from 1 August 2020 to 31 July 2022, with an option to extend for up to two further years until 31 July 2024.

It was noted that an amended Appendix 3 to the report together with a summary of the changes made had been issued to members prior to the meeting.

The framework provided councils and other participating members with a mechanism to procure demolition and deconstruction works ranging from simple shoring to complex multi-storey demolitions and enable them to provide vital emergency services.

To ensure delivery which met members' needs, Scotland Excel had targeted three key areas in developing this strategy: increased market participation; simplified call-off procedures and improved support of the Scottish Government's declared climate emergency. Police Scotland had identified demolition as an area of potential risk regarding serious and organised crime and as such the declaration of non-involvement in human trafficking and exploitative labour had been included in the tender.

The report summarised the outcome of the procurement process for this national framework agreement.

The framework had been divided into three lots as detailed in figure 1 of the report and the maximum estimated value of services that might be awarded under the framework was £72 million. Appendix 1 to the report detailed the participation, spend and savings summary of those 30 councils participating in the framework together with those associate members who had confirmed their intention to participate. It was noted that the two remaining councils had their own frameworks in place.

Tender responses had been received from 33 tenderers and Appendix 2 to the report provided a summary of the offers received.

Based on the criteria and scoring methodology set out in the tender document, a full evaluation of compliant offers had been carried out and the amended Appendix 3 to the report detailed the scoring achieved by each bidder.

Based on the evaluation undertaken, and in line with the criteria and weightings set out in the report, it was recommended that a multi-supplier framework arrangement be awarded to 25 suppliers as outlined in the amended Appendix 3 to the report.

Appendix 4 to the report detailed the Real Living Wage status of bidders.

It was noted that any reference to Thompsons of Prudoe Limited in the report and appendices should make reference to Thompsons of Prudhoe Limited and that any reference to Coleman Group (CNC Group Holdings Ltd) should make reference to CNC Group Holdings Limited t/a The Coleman Group.

DECIDED:

(a) That the award of the framework agreement for demolition and deconstruction works, as detailed in the amended Appendix 3 to the report, be approved; and

(b) That it be noted that any reference to Thompsons of Prudoe Limited in the report and appendices should make reference to Thompsons of Prudhoe Limited and that any reference to Coleman Group (CNC Group Holdings Ltd) should make reference to CNC Group Holdings Limited t/a The Coleman Group.

2(b) Contract for Approval: Supply and Delivery of Catering Sundries

There was submitted a report by the Chief Executive of Scotland Excel relative to the award of a renewal framework agreement for the supply and delivery of catering sundries which would operate from 1 August 2020 to 31 July 2022, with an option to extend for up to an additional two 12 month periods until 31 July 2024.

The framework provided councils and associate members with a mechanism to procure a range of catering sundries including disposable/recycling cups, plates and cutlery and other cookware and crockery for use within catering environments including schools, cafes and restaurants, corporate and civic locations, leisure centres, community centres and social work premises.

The renewal incorporated a number of enhancements to the current framework including the option for recyclable and compostable products. The report summarised the outcome of the procurement process for this national framework agreement.

The framework had been divided into two lots as detailed in figure 1 of the report and had been advertised with a value of up to £4 million per annum. Appendix 1 to the report detailed the participation, spend and savings summary of the 32 councils participating in the framework together with Tayside Contracts.

Tender responses had been received from 10 tenderers and Appendix 2 to the report provided a summary of the offers received.

Based on the criteria and scoring methodology set out in the tender document, a full evaluation of compliant offers had been carried out and the amended Appendix 3 to the report detailed the scoring achieved by each bidder.

Based on the evaluation undertaken, and in line with the criteria and weightings set out in the report, it was recommended that a multi-supplier framework arrangement be awarded to nine suppliers as outlined in Appendix 3 to the report.

Appendix 4 to the report detailed the Real Living Wage status of bidders and Appendix 5 to the report detailed a summary of contract and supplier management classifications.

DECIDED: That the award of the framework agreement for the supply and delivery of catering sundries, as detailed in Appendix 3 to the report, be approved.

3 Request for Associate Membership: Bon Accord Care Limited

There was submitted a report by the Chief Executive of Scotland Excel advising that Bon Accord Care 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 Bon Accord Care 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.

4 Date of Next Meeting

DECIDED: That it be noted that the next meeting of the Executive Sub-committee would be held at 10.45 am on 28 August 2020.

Minute of Meeting Scotland Excel Executive Sub-committee

Date	Time	Venue
Friday, 18 September 2020	10:45	Remotely by MS Teams ,

Present

Provost Bill Howatson (Aberdeenshire Council); Provost Norman A Macdonald (Comhairle Nan Eilean Siar); Councillor Stephen Thompson (Dumfries and Galloway Council); Councillor Altany Craik (Fife Council); Councillor Ruairie Kelly (Glasgow City Council); Councillor Joe Cullinane (North Ayrshire Council); Councillor John Shaw (Renfrewshire Council) and Councillor Collette Stevenson (South Lanarkshire Council).

Chair

Councillor Shaw, Convener, presided.

In Attendance

J Welsh, Chief Executive, H Carr, Head of Strategic Procurement, S Brannagan, Head of Customer and Business Services, L Campbell, Corporate Services Manager, S Kilgour, Senior Procurement Specialist, L Richard, Strategic Procurement Manager and S Nicolson, Customer Account Manager (all Scotland Excel); M Conaghan, Legal and Democratic Services Manager, C McCourt, Finance Business Partner and E Currie, Senior Committee Services Officer (both Renfrewshire Council) and M Ferris, Senior Manager (Audit Scotland).

Apologies

Councillor Angus Macmillan Douglas (Angus Council); Councillor Graham Hutchison (City of Edinburgh Council); Councillor Paul Di Mascio (North Lanarkshire Council); and Councillor Amanda Hawick (Shetland Islands Council).

Declarations of Interest

Councillor Stevenson declared a financial interest in relation to item 5 of the agenda and indicated that she would remain in the meeting and take no part in the discussion or voting thereon.

Prior to the start of the meeting the Convener welcomed Councillor Ruairie Kelly and Councillor Joe Cullinane to their first Scotland Excel Executive Sub-committee meeting. The Convener also thanked Bailie Norman MacLeod for his contribution to the work of and support given to Scotland Excel as a member of both the Executive Sub-committee and Joint Committee.

1 Minute

There was submitted the Minute of the meeting of the Executive Sub-committee held on 19 June 2020.

DECIDED: That the Minute be approved.

2 Revenue Budget Monitoring

There was submitted a report by the Treasurer and the Chief Executive of Scotland Excel for the period 1 April to 21 August 2020.

The report intimated that Scotland Excel was projecting a £76,000 overspend by year-end in its core activities and a £114,000 overspend by year-end within projects, both of which would result in a drawdown from reserves. Further detail was provided in section 3 of the report.

Appendix 1 to the report provided an analysis of the actual spend to date along with projected net expenditure for 2020/21 and included a summary of movement in the revenue reserve. Appendix 2 to the report provided an analysis of the actual spend to date along with projected next expenditure for 2020/21 and included a summary of movement in the project reserves.

DECIDED: That the report be noted.

3 Audit Scotland Accounts Submission

There was submitted a report by the Chief Executive of Scotland Excel relative to the revised timetable for submission of the Scotland Excel annual report and accounts.

The report intimated that the annual accounts and reports schedule would have seen Audit Scotland present its audit opinions at this meeting. COVID-19 had had an impact on this schedule and a new proposed timetable had been agreed with Audit Scotland. It was now anticipated that a report would be submitted to the meeting of this sub-committee scheduled to be held on 27 November 2020. A copy of the proposed revised timetable was appended to the report.

DECIDED: That the proposed revised timetable by Audit Scotland be noted.

4 Update on the Contract Portfolio Review (during Covid)

There was submitted a report by the Chief Executive of Scotland Excel providing an update on the actions taken by Scotland Excel to ensure contractual continuity during the current COVID-19 outbreak.

In response to the current coronavirus (COVID-19) outbreak, the Scottish Government had issued specific procurement guidance by way of a number of Scottish Procurement Policy Notes (SPPNs) and these were detailed in the report.

Scotland Excel had taken steps to review the contract portfolio taking into account strategic and reprioritisation needs. As a result of this review and the impact on normal business practices, Scotland Excel had deferred some projects and extended, or was in the process of extending, the current frameworks for Fostering; Vehicle Parts; Domestic Furniture; Education Furniture; and Personal Protective Equipment.

Scotland Excel proposed to extend an additional three frameworks, being Outdoor Play Equipment; Energy Efficiency; and Organic Waste, for a maximum of six months.

The report intimated that these actions sought to ensure continuity of supply and reduce supplier burdens under those frameworks. This was essential to ensure Scotland Excel members continued to have access to the goods and services they needed to operate effectively.

DECIDED:

(a) That the actions taken to date, subject to further consultation with relevant bodies and legal colleagues to ensure the modifications proposed were applied appropriately and in accordance with Scotland Excel's governance and applicable Regulations, be noted; and

(b) That the recommendations for contract extensions, detailed in section 4 of the report, be approved.

Declaration of Interest

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

5 Update on the Contract Delivery Plan

There was submitted a report by the Chief Executive of Scotland Excel providing a progress update on the 2020/21 contract delivery plan.

The report intimated that the contract delivery plan comprised framework renewals, new developments, framework extensions and frameworks with ongoing contract management only and appendices 1 to 4 to the report provided further details.

The report highlighted that there were 73 current frameworks in the Scotland Excel portfolio. Appendix 1 to the report detailed those frameworks to be renewed before 31 March 2021; Appendix 2 to the report detailed the new frameworks that would be added to the portfolio before 31 March 2021; Appendix 3 to the report detailed flexible contracts in 2020/21; and Appendix 4 to the report detailed those frameworks that had

extension options likely to be exercised in 2020/21, with seven of these already approved.

The estimated forecast value of the Scotland Excel framework portfolio by 31 March 2021 would be approximately £2 billion.

It was noted that overall, efficiencies delivered to date in 2020/21 were 1.3%, which was slightly below the forecast range but that this figure only took into account the two frameworks delivered in 2020/21, one of which was demolition services. This was reported as 0% due to the challenges of benchmarking against the bespoke nature of the projects likely to be undertaken.

In addition to the activity detailed in appendices 1 to 4, Scotland Excel was exploring the benefits of further collaborative procurement across high spend, critical service areas in the construction, corporate and social care teams and further detail was provided in the report.

A summary of spend and forecast savings per council for 2019 was detailed in Appendix 5 to the report, with an average forecast efficiency of circa 2.5%. The running average efficiency since 2018 remained in line with the forecast at circa 3.1%.

DECIDED: That the progress made to date be noted.

6 Operating Plan - 2020 and Beyond

There was submitted a report by the Chief Executive of Scotland Excel relative to the proposed interim Operating Plan covering the period 1 April to 31 December 2020 and providing an update on the progress of future operating planning.

The report intimated that Scotland Excel's five-year corporate strategy had been approved at the meeting of the Joint Committee held in June 2018. To support the strategy, annual operating plans were developed to set priorities and develop detailed action plans which were cascaded as annual performance objectives for employees. Reports were produced quarterly and submitted to meetings of this sub-committee with half-yearly and annual reports being submitted to meetings of the Joint Committee.

This process had been impacted by the global pandemic and subsequent resourcing issues. An interim document had been produced which would record the commitments Scotland Excel would deliver between April and December 2020, a copy of which was appended to the report. An additional plan covering January 2021 to March 2022 was being prepared.

It was noted that members had previously indicated a desire to change the quarterly reporting methodology. Scotland Excel intended to explore this further at a dedicated event prior to the Joint Committee meeting in June 2020 but as this event had been cancelled, no input from members had been obtained.

DECIDED:

(a) That the interim Operating Plan covering the period 1 April to 31 December 2020 be approved;

(b) That the strategy and progress on future operating planning be noted; and

(c) That members consider subsequent reporting methods and advise the Chief Executive accordingly.

7(a) Request for Associate Membership: Crown Office and Procurator Fiscal Service

There was submitted a report by the Chief Executive of Scotland Excel advising that the Crown Office and Procurator Fiscal Service 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 Crown Office and Procurator Fiscal Service to become an associate member of Scotland Excel, with no annual membership fee, be approved subject to completion and signing of the agreement documentation.

7(b) Request for Associate Membership: National Library of Scotland

There was submitted a report by the Chief Executive of Scotland Excel advising that the National Library of Scotland 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 National Library of Scotland to become an associate member of Scotland Excel, with no annual membership fee, be approved subject to completion and signing of the agreement documentation.

7(c) Request for Associate Membership: Queens Cross Housing Association Limited

There was submitted a report by the Chief Executive of Scotland Excel advising that Queens Cross Housing Association 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 the Crown Office and Procurator Fiscal Service to become an associate member of Scotland Excel, at an annual membership fee of £6,503, be approved subject to completion and signing of the agreement documentation.

8 Date of Next Meeting

DECIDED: That it be noted that the next meeting of the Executive Sub-committee would be held at 10.45 am on 23 October 2020.

Minute of Meeting Scotland Excel Executive Sub-committee

Date	Time	Venue
Friday, 27 November 2020	10:45	Remotely by MS Teams ,

Present

Provost Bill Howatson (Aberdeenshire Council); Provost Norman A Macdonald (Comhairle Nan Eilean Siar); Councillor Stephen Thompson (Dumfries and Galloway Council); Councillor Altany Craik (Fife Council); Councillor Ruairie Kelly (Glasgow City Council); Councillor Paul Di Mascio (North Lanarkshire Council); Councillor John Shaw (Renfrewshire Council) and Councillor Collette Stevenson (South Lanarkshire Council).

Chair

Councillor Shaw, Convener, presided.

In Attendance

J Welsh, Chief Executive, H Carr, Head of Strategic Procurement, S Brannagan, Head of Customer and Business Services, L Campbell, Corporate Services Manager and L Robertson, Project and Accounts Manager (all Scotland Excel); M Conaghan, Legal and Democratic Services Manager, C McCourt, Finance Business Partner and E Currie, Senior Committee Services Officer (all Renfrewshire Council) and M Ferris, Senior Manager and S Afzal, Senior Auditor (both Audit Scotland).

Apologies

Councillor Joe Cullinane (North Ayrshire Council) and Councillor Amanda Hawick (Shetland Islands Council).

Declarations of Interest

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

1 Minute

There was submitted the Minute of the meeting of the Executive Sub-committee held on 18 September 2020.

It was noted that in the Present section of the Minute, Councillor Joe Cullinane should be shown as an elected member for North Ayrshire Council.

DECIDED: That, subject to the above amendment, the Minute be approved.

2 Revenue Budget Monitoring

There was submitted a revenue budget monitoring report by the Treasurer and the Chief Executive of Scotland Excel for the period 1 April to 16 October 2020.

The report intimated that Scotland Excel was projecting a £36,000 overspend by year-end in its core activities and a £189,000 overspend by year-end within projects, both of which would result in a drawdown from reserves. Further detail was provided in section 3 of the report.

Appendix 1 to the report provided an analysis of the actual spend to date along with projected net expenditure for 2020/21 and included a summary of movement in the revenue reserve. Appendix 2 to the report provided an analysis of the actual spend to date along with projected net expenditure for 2020/21 and included a summary of movement in the project reserves.

In relation to the new build residential framework, the report advised that it was unlikely that the level of construction by councils and housing associations through the framework would meet the revised expectations made during the earlier stage of the pandemic. It was anticipated that these new build projects would still take place, but over a longer period, which remained a phasing issue and rebates would therefore arise in later periods.

There was an impact on the current year's project income and the Executive Team were engaged in a number of steps to mitigate the issue. Members would continue to receive updates on progress for the remainder of the financial year.

DECIDED: That the report be noted.

3 Revenue Estimates 2021/22

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

The report provided information on the assumptions that the budget had been based on; income from projects; a financial overview for Scotland Excel; the Scotland Excel funding model; and member authority requisitions for 2021/22.

Appendix 1 to the report detailed the revenue estimates of Scotland Excel for 2020/21 to 2023/24 and Appendix 2 to the report detailed requisitions from constituent authorities in 2020/21 and 2021/22 and the savings achieved in 2019/20.

DECIDED:

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

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

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

4 Annual Audit Report on the Annual Accounts 2019/20

Under reference to item 4 of the Minute of the meeting of the Joint Committee held on 19 June 2020, there was submitted a report by the Treasurer relative to the audited annual accounts 2019/20.

The report intimated that The Local Authority Accounts (Scotland) Regulations 2014 required the audited accounts to be approved for signature no later than 30 September each year. This year, owing to the COVID-19 pandemic, this date had been extended to 30 November 2020.

Section 10 of the Regulations required the relevant committee to consider any report made by the appointed auditor before deciding whether to sign the audited accounts.

Audit Scotland's annual audit report formed Appendix 1 to the report and included their opinion that the annual accounts were free from material misstatement and presented a true and fair view of Scotland Excel's financial position at 31 March 2020 as well as details of one adjustment made to the accounts during the course of the audit.

A copy of the audited annual accounts 2019/20 was attached as Appendix 2 to the report.

Following approval, the audited accounts would be submitted to the Convener, Treasurer and Chief Executive of Scotland Excel for secure digital signature.

DECIDED:

(a) That the findings of the 2019/20 audit as contained in the external auditor's annual audit report, which formed Appendix 1 to the report, be noted; and

(b) That the Scotland Excel 2019/20 audited annual accounts, which formed Appendix 2 to the report, be approved for signature.

5(a) Request for Associate Membership of Scotland Excel by Cernach Housing Association Limited

There was submitted a report by the Chief Executive of Scotland Excel advising that Cernach Housing Association 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 Cernach Housing Association Limited to become an associate member of Scotland Excel, with an annual membership fee of £1,245, be approved subject to completion and signing of the agreement documentation.

5(b) Request for Associate Membership of Scotland Excel by Drumchapel Housing Co-operative Limited

There was submitted a report by the Chief Executive of Scotland Excel advising that Drumchapel Housing Co-operative 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 Drumchapel Housing Co-operative Limited to become an associate member of Scotland Excel, with an annual membership fee of £718, be approved subject to completion and signing of the agreement documentation.

5(c) Request for Associate Membership of Scotland Excel by Construction Scotland Innovation Centre (Operating under Edinburgh Napier University).

There was submitted a report by the Chief Executive of Scotland Excel advising that Construction Scotland Innovation Centre, operating under Edinburgh Napier University, 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 Edinburgh Napier University, acting as the administrative institution for Construction Scotland Innovation Centre, to become an associate member of Scotland Excel, with no annual membership fee, be approved subject to completion and signing of the agreement documentation.

5(d) Request for Associate Membership of Scotland Excel by Kendoon Housing Association Limited

There was submitted a report by the Chief Executive of Scotland Excel advising that Kendoon Housing Association 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 Kendoon Housing Association Limited to become an associate member of Scotland Excel, with an annual membership fee of £500, be approved subject to completion and signing of the agreement documentation.

5(e) Request for Associate Membership of Scotland Excel by Kingsridge Cleddans Housing Association Limited

There was submitted a report by the Chief Executive of Scotland Excel advising that Kingsridge Cleddans Housing Association 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 Kingsridge Cleddans Housing Association Limited to become an associate member of Scotland Excel, with an annual membership fee of £500, be approved subject to completion and signing of the agreement documentation.

5(f) Request for Associate Membership of Scotland Excel by Pineview Housing Association Limited

There was submitted a report by the Chief Executive of Scotland Excel advising that Pineview Housing Association 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 Pineview Housing Association Limited to become an associate member of Scotland Excel, with an annual membership fee of £800, be approved subject to completion and signing of the agreement documentation.

5(g) Request for Associate Membership of Scotland Excel by University of Aberdeen

There was submitted a report by the Chief Executive of Scotland Excel advising that the University of Aberdeen 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 Aberdeen to become an associate member of Scotland Excel, with no annual membership fee, be approved subject to completion and signing of the agreement documentation.

Sederunt

Councillor Kelly and Councillor Di Mascio left the meeting during consideration of the following item of business.

6 Draft Operating Plan Performance Report for 1 April 2020 to 31 December 2020

Under reference to item 6 of the Minute of the meeting of this Sub-committee held on 18 September 2020, there was submitted a report by the Chief Executive of Scotland Excel presenting the organisation's performance against the interim Operating Plan for 1 April to 31 December 2020, a copy of which was appended to the report.

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

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

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

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

7 Draft Proposed Operating Plan 1 January 2021 to 31 March 2022

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

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

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

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

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

DECIDED: That the progress in the draft operating plan be noted and that members provide feedback on the overall approach and key performance indicators prior to submission to the Joint Committee in December 2020.

8 Strategic Risk Register Update

There was submitted a report by the Chief Executive of Scotland Excel providing an update on the strategic risk register, a copy of which was appended to the report.

The report intimated that the strategic risk register assessed threats and risks that could impact on the delivery of Scotland Excel's organisational objectives and identified controls and actions being taken to mitigate these risks. The register had been created in June 2018 and adjusted in June 2019 to better reflect that used by partner organisations.

There were 10 risks identified, ranging in assessed risk score from six to 20, and a summary of the key statistics in relation to each was detailed in the register. The impact of the COVID-19 pandemic was the over-riding influence on all strategic risk at present coupled with the continuing Brexit uncertainty. These factors were reflected in the upwards trend in relation to risk scores showing against a number of the existing strategic risks and in the introduction in April 2020 of a new risk in respect of SXL-010-20/21 'national emergency including pandemic'.

DECIDED: That members provide any feedback on the strategic risk register and the actions taken to manage risks.

9 Meetings of Scotland Excel Executive Sub-committee in 2021

There was submitted a report by the Clerk relative to proposed dates for meetings of the Executive Sub-committee in 2021.

DECIDED:

(a) That, if required, meetings of the Executive Sub-committee be held on 29 January, 19 February, 19 March, 23 April, 21 May, 18 June, 20 August, 17 September, 22 October, 19 November and 10 December 2021 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;

(b) That, if required, meetings of the Executive Sub-committee be held on 18 June and 10 December 2021, 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

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

10 Date of Next Meeting

DECIDED: That it be noted that the next meeting of the Executive Sub-committee would be held at 9.45 am on 11 December 2020.

Scotland Excel

To: Joint Committee

On: 11 December 2020

**Report by:
The Treasurer and Chief Executive of Scotland Excel**

Revenue Estimates 2021/22

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 2021/22 along with indicative planning figures for 2022/23 and 2023/24.

2. Recommendations

- 2.1 It is recommended that members:

- **approve** the Revenue Estimates of Scotland Excel for the financial year 2021/22 as shown in Table 1 of Appendix 1;
- **approve** the requisitions from constituent authorities detailed in Appendix 2; and
- **note** the indicative estimates for 2022/23 and 2023/24.

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 2021/22 and outline an indicative projected position for 2022/23 and 2023/24. The assumptions used in developing these projections are outlined in sections 4 and 5 below.
- 3.2 Members will note that for this and future financial or budgetary reports, income is reported in line with the Funding Model Review paper presented to and approved by the Joint Committee in June 2018. The Funding Model Review paper, which aimed to reduce the reliance on requisition income, advised that future funding for Scotland Excel core operating services would be funded by Council requisitions, Associate fees, rebates and income from Projects, namely

New Build Housing, Consultancy Services and Learning and Development (the Academy).

- 3.3 Reporting income under these headings should provide members with improved clarity on financial progress against each income stream.
- 3.4 The financial environment within which Scotland Excel and its member authorities currently operate continues to be characterised by uncertainty due to the ongoing COVID-19 pandemic and the increasing possibility of a No-Deal Brexit. These factors have significantly influenced the revenue budget estimates for 2021/22, 2022/23 and 2023/24 contained within this report. Indeed, figures presented for 2022/23 and 2023/24 should be treated as highly indicative and will be subject to constant review as economic conditions develop post-COVID and post-Brexit.
- 3.5 It is anticipated that, due to the impact of these factors, local government in Scotland is likely to face further contraction in available resources 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 2021/22 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 2022/23 and 2023/24. These are estimates only, used to provide indicative figures for 2022/23 and 2023/24 and should be viewed taking the current economic and operational uncertainty into consideration.
- 4.3 In line with previous years' practice, no standard inflationary adjustment has been made to non-salary expenditure lines. Any 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, there is a staffing turnover assumption of 6% and employee increment payments have also been recognised. Scotland Excel will utilise a range of mechanisms including staffing structure review, maintaining vacancies, offering VR and

VER to staff and delaying recruitment where possible to achieve the expenditure estimate.

- **Property Costs** – no inflationary element applied
- **Transport Costs** – budget has been reduced by £10k in light of anticipated working practices post-pandemic
- **Transfer Payments** – no inflationary element applied
- **Supplies and Services** – budget has been reduced by £30k in light of anticipated working practices post-pandemic and provision of £25k has been added in respect of additional legal services required to support Adult Social Care frameworks.
- **Support Costs** - budgetary provision for Insurances has been increased by £42k in line with the forecast outturn for 2020/21

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

- **Council Requisitions** – At the Joint Committee in December 2019, members noted an indicative 3% increase in requisition for 2021/22 (see also section 8 below) and this has now been applied.
- **Associate Income** – The budget has been amended to reflect the anticipated impact of the COVID-19 pandemic on income generated via Associate Memberships, reflecting forecast income generated during 2020/21 and the ongoing economic uncertainty within the social housing and third sectors.
- **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 provision relating to anticipated rebates accruing during 2021/22 has been reviewed in anticipation of the potential impact of the COVID-19 pandemic and Brexit. Estimates provided for future financial years are indicative only and will be subject to review in light of changing economic circumstance and local authority spending.

4.6 The current projected outturn position for 2020/21 is an overspend on Core activities of £36k against the approved budget. This projected overspend reflects lower than anticipated turnover of staff during 2020/21 due to the COVID-19 pandemic. Income and expenditure will continue to be monitored closely throughout the financial year and reported regularly to the Executive Sub Committee. Action will be taken to mitigate the projected overspend as far as is possible, through prudent management of the workforce, close monitoring of

sundry budgets and exploring further income opportunities through short-term projects.

5. Income from Projects

5.1 New Build Housing – Due to continuing uncertainty as a result of the COVID-19 pandemic and delays to Council and Housing Association house building plans, income projections from the New Build project have been revised to achieve £25k during 2021/22 and £45k in each of 2022/23 and 2023/24.

5.2 Consultancy Services – Income provision from Consultancy projects during 2021/22 has been increased to £252k, owing to a number of long-running projects coming to an end. Due to the COVID-19 pandemic, the Consultancy Project pipeline has been seriously impacted for future years with currently only four projects continuing into 2022/23. Consequently, income provision for Consultancy Services has been reduced to £140k in years 2022/23 and 2023/24.

However, despite the impact on the project pipeline as a result of COVID-19, good progress is being made in re-establishing a future pipeline of projects. Scotland Excel has recently been contracted by Stirling Council to provide a Head of Procurement for two years. Discussions are underway with regard to the provision of embedded resources within other councils. Scotland Excel has presented new chargeable services at a number of fora, including SOLACE and CIPFA Directors of Finance. A number of project and service discussions have taken place with Chief Executives and more are in the diary. A growing number of councils and associate members are approaching Scotland Excel regarding the provision of tendering services. It is anticipated that a small number of transformation programmes will also be initiated in 2021/22.

These figures will be monitored closely and may be adjusted again in the future.

5.3 Learning and Development (Academy) – The COVID-19 pandemic has had a significant impact on the Scotland Excel Academy, resulting in the need to switch from a high quality face-to-face longer-term learning experience to an online environment, resulting in an anticipated zero contribution to income during 2020/21. As a new Business Plan for the Academy is implemented in anticipation of a new post-pandemic learning environment, an income budget of £20k is proposed for 2021/22, rising in subsequent years to pre-pandemic forecasts.

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 are 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. It is estimated that uncommitted reserves will amount to £199k at the end of the 2020/21 financial year, which represents 4.6% 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 2020/21 and estimates for 2021/22, 2022/23 and 2023/24. 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 2021/22 in line with the figure noted by the Joint Committee in December 2019.
- 6.4 Indicative figures have also been included within the paper for financial years 2022/23 and 2023/24. In relation to requisition levels, the figures presented to the Joint Committee in December 2019 that indicated a zero percent requisition increase for 2022/23 have been reviewed in light of the experience of the current year, the inherent risk in the project pipeline and the economic and operational uncertainty of the external environment within which Scotland Excel and local authorities are currently operating, as outlined above. This is now revised to propose a 3% increase in both 2022/23 and 2023/24, to address anticipated inflationary cost increases and to mitigate against 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 2021/22 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 Scotland Excel Funding Model

- 7.1 Work continues on the review of the financial sustainability of Scotland Excel since the Joint Committee in June 2018 and on developing the funding solutions set out at that point. While the organisation has made good progress in developing each of the potential offerings set out in the report, the impact of the COVID-19 pandemic has had a major impact on each element. Within the financial estimates for Scotland Excel for financial year 2021/22, 15.5% of required income to deliver core services will be generated through income streams, identified within the Income Stream Update Report, other than council requisitions.

8 2020/21 Member Authority Requisitions

- 8.1 An increase of 3% has been recommended for 2021/22 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 2021/22, 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.
- 8.2 In addition to member authority requisitions for 2021/22, Appendix 2 also details the estimated savings accrued by member authorities during 2019/20. These figures will be sent out to Joint Committee representatives and all local authorities during November 2020.
- 8.3 Any future events that may materially affect these finances will be the subject of a report to the Joint Committee.
- 8.4 The requisition funding drawdown will be invoiced annually during October 2021, in accordance with arrangements made by the Treasurer.

Appendix 1

Scotland Excel Revenue Estimates

	2020/21 Revised Budget £000	2020/21 Forecast outturn £000	2021/22 Proposed Budget £000	2022/23 Indicative Budget £000	2023/24 Indicative Budget £000
Core Activity					
Employee Costs	3,591	3,472	3,652	3,855	3,996
Property Costs	217	217	217	217	217
Transport Costs	30	15	20	20	20
Supplies and Services	296	301	291	291	291
Transfer Payments	14	14	14	14	14
Support Costs	224	266	266	266	274
Total Core Operating Costs	4,372	4,285	4,460	4,663	4,812
Council Requisitions	(3,661)	(3,661)	(3,770)	(3,883)	(4,000)
Temporary Use of Project Reserves	(120)	(120)	0	0	0
Associate Income	(210)	(170)	(180)	(200)	(200)
Income from Projects	(315)	(232)	(297)	(215)	(215)
Rebates	(66)	(66)	(213)	(365)	(397)
Total Core Operating Income	(4,372)	(4,249)	(4,460)	(4,663)	(4,812)
Core Operating Deficit/(Surplus)	0	36	0	0	0
Uncommitted (Core) Reserves					
Opening balance at 1 April	235	235	199	199	199
Use of Reserves	0	(36)	0	0	0
Closing balance at 31 March	235	199	199	199	199
% of Operating Income	5.4%	4.7%	4.5%	4.3%	4.1%
Project Activity					
Employee Costs	1,302	1,279	1,163		
Property Costs	0	0	0		
Transport Costs	23	3	7		
Supplies and Services	57	11	52		
Transfer Payments	5	4	2		
Support Costs	294	114	155		
Total Project Costs	1,681	1,411	1,379		
Income from Projects	(1,996)	(1,396)	(1,227)		
Project Deficit/(Surplus)	(315)	15	152		
Transfer to Core	315	174	252		
Transfer from Project Reserves	0	189	404		
Project Reserves					
Opening balance at 1 April	763	763	454		
Use of Reserves	0	(309)	(404)		
Closing balance at 31 March	763	454	50		
% of Operating Income	38.2%	32.5%	4.1%		

Appendix 2

Member Requisitions & Savings Achieved 2019/20

Requisition by Authority	2020/21	2021/22	Movement	Savings Achieved 19/20
Aberdeen City	£146,388	£149,800	£3,412	£676,865
Aberdeenshire	£164,202	£167,763	£3,561	£911,247
Angus	£85,648	£87,710	£2,062	£197,768
Argyll and Bute	£69,740	£70,967	£1,227	£319,011
City of Edinburgh	£299,918	£313,348	£13,430	£787,470
Clackmannanshire	£50,652	£52,013	£1,361	£189,415
Dumfries and Galloway	£103,419	£105,741	£2,322	£305,743
Dundee City	£103,154	£105,993	£2,839	£300,865
East Ayrshire	£88,703	£90,918	£2,215	£427,303
East Dunbartonshire	£81,249	£83,537	£2,288	£249,778
East Lothian	£79,473	£82,681	£3,208	£480,814
East Renfrewshire	£74,031	£76,300	£2,269	£589,577
Falkirk	£109,319	£112,382	£3,063	£963,356
Fife	£223,372	£229,780	£6,408	£836,304
Glasgow City	£358,116	£373,073	£14,957	£1,033,067
Highland	£149,832	£153,752	£3,920	£412,971
Inverclyde	£65,394	£66,512	£1,118	£281,161
Midlothian	£71,510	£74,603	£3,093	£681,951
Moray	£74,582	£76,460	£1,878	£269,277
Na h-Eileanan Siar	£37,426	£38,313	£887	£125,402
North Ayrshire	£96,180	£97,946	£1,766	£320,316
North Lanarkshire	£206,394	£212,013	£5,619	£497,645
Orkney Islands	£34,754	£35,857	£1,103	£33,905
Perth and Kinross	£104,444	£107,447	£3,003	£311,315
Renfrewshire	£118,334	£122,433	£4,099	£587,753
Scottish Borders	£84,968	£87,330	£2,362	£196,655
Shetland Islands	£35,337	£36,216	£879	£49,167
South Ayrshire	£83,705	£85,729	£2,024	£299,084
South Lanarkshire	£194,632	£200,511	£5,879	£536,005
Stirling	£73,621	£75,571	£1,950	£112,093
West Dunbartonshire	£71,251	£72,657	£1,406	£601,210
West Lothian	£120,752	£124,643	£3,891	£455,120
	£3,660,500	£3,770,000	£109,500	£14,039,613



Scotland Excel

To: Joint Committee

On: 11 December 2020

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

Income Stream Update

1. Purpose

- 1.1 This paper provides members with an update on the progress made on generating additional funding through a series of income generating projects.

2. Background

- 2.1 The Revenue Estimates 2018-19 report presented at the Scotland Excel Joint Committee on 8th December 2017 and the Funding Model Review at the 29th June 2018 Joint Committee highlighted the challenging future financial landscape for local government, and the impact on Scotland Excel. At that point, prior to the world-wide pandemic, it was recognised that over the medium term, local government in Scotland is likely to face further contraction in available resources. In this context, Scotland Excel sought operational savings to manage its financial position flexibly to maintain the aim of minimising the level of requisition required, and also to develop value propositions for member authorities to ensure that best value is achieved.

A number of funding opportunities were also identified by Scotland Excel and approved by the Joint Committee. These were:

1. Consultancy Services
2. Learning and development
3. Associate Membership
4. New Build Housing
5. Rebates

Recognising the future impact of Covid 19, Scotland Excel has been working to minimize the financial impact on Scotland Excel whilst also supporting members. As a result, additional services have been added to the portfolio and promoted across the sector.

3. Planned Income Stream Updates

3.1 Consultancy Services

Scotland Excel has delivered consultancy services for several years, but these have become much more significant over the past two years. We have delivered a range of successful projects and currently have a wide range of projects underway across councils, associates, arms-length organisations and other public bodies.

The June 2018 Joint Committee approved a surplus target of £70k for Consultancy Services in 2019/20. Based on the success of this offering, the target was subsequently raised to over £200k. Projects have been delivered across a number of councils and associate members.

Covid 19 had a minimal impact on projects but did have an impact on the project pipeline with Scotland Excel and potential members focussing on the pandemic.

3.2 Learning & Development

The Academy is Scotland Excel's award-winning learning and development service. It provides several blended learning programmes in partnership with industry leaders such as Chartered Institute of Procurement & Supply (CIPS), Chartered Management Institute (CMI) and Association of Project Management (APM). The Academy currently has 170 active learners engaged in accredited programmes and nearly 500 have participated in non-accredited one day development workshops.

Covid 19 had a significant initial impact with the Academy resulting in the need to switch from a high-quality face to face longer term learning experience to an online environment. Most existing programmes have continued but there has been a significant impact on new programmes. Planned income targets for The Academy were reduced in June and continue to be a challenge for the remainder of the current financial year.

Members can support Scotland Excel by considering Scotland Excel when addressing their staff organisational development needs.

3.3 Associate Membership

Over the past two years, fee based associate member growth has mainly come from housing associations through visibility and participating in the Scottish Government Affordable Housing project known as the Procurement Commercial Improvement Programme (PCIP). The new associate member

strategy continued to target the housing sector and a had a new focus on the third sector. A number of new non fee-paying associates have been added from council related organisations or the wider public sector.

As a result of Covid 19, Scotland Excel launched an emergency associate membership mechanism that provided immediate access to emergency related items. This resulted in over thirty new temporary memberships who pay no fee but do have restricted access. Work is underway to convert these to fee paying members.

Covid 19 has had a significant effect on membership growth.

3.4 New Build Housing

Following an extensive development period and a restricted procurement exercise, 19 contractors were awarded to this framework which commenced on 26th August 2019. The new framework comprises five lots for different project sizes and includes provisions which encourage sustainable and energy efficient housing, advertising of sub-contracting opportunities, delivery of community benefits and use of supported businesses and social enterprises. The New Build Residential Construction framework was targeted to deliver its first contribution of £93k in financial year 2020/21. This target was subsequently further reduced at the June 2020 Joint Committee.

Covid 19 has had a significant impact on the New Build income stream and it is now likely that it will have a negative impact on the current financial year. Scotland Excel is working to ensure this has no impact on core operating expenses. It is however anticipated that the initial annual estimates derived previously are still anticipated to be delivered but over a later time period.

Members can support Scotland Excel by encouraging utilisation of the framework within their own organisations where appropriate and encouraging others to do so too.

3.5 Rebates

The use of volume rebates within appropriate contracts was approved at the June 2018 Joint Committee. As part of the internal contract governance process, the applicability of the inclusion of rebates is now standard practice.

It is unlikely that Covid 19 will have an impact on the current years budget but will have an impact in subsequent years.

4. **Future Income Stream Updates**

- 4.1 Scotland Excel has been working to identify additional services or funding streams to support financial sustainability. Guidance and support from key stakeholders including the CEOMG has resulted in a number of presentations

and a letter to all chief executives highlighting existing and new Scotland Excel Services. These new services included:

- Framework Efficiency review
- Care Contracts review
- Further Competition service
- Contract Audit
- Early Years services
- Community Wealth Building support

A number of meetings have now taken place and existing free services provided and new fee paying services proposed.

5. Recommendations

5.1 Members of the Joint Committee are invited to note the contents of this report and continue to support Scotland Excel in its endeavours to achieve financial sustainability by:

- Encouraging their organisations to make use of the New Build Housing framework.
- Encouraging use of existing services such as The Academy and consultancy services.
- Promoting Associate membership.
- Promoting the new services on offer from Scotland Excel.



Scotland Excel

To: Joint Committee

On: 11 December 2020

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

Annual Value Reports

1. Purpose

- 1.1 To inform the Joint Committee Scotland Excel's new **Annual Value Report**.
- 1.2 This is a new report designed to provide a detailed view on the value derived from membership of Scotland Excel, tailored to each individual local authority.
- 1.3 The Report provides a range of value measures and discussion points and is being distributed to local authority Chief Executives, Finance Directors, Elected Members (including leaders) and Corporate Procurement Managers.

2. Background

- 2.1 Scotland Excel's range of services are designed to help councils meet the twin challenges of reducing budgets at a time of growing demand. It is widely accepted that collaborative procurement increases efficiency, delivers value for money and ensures money is saved to support front line services. And, through a more collaborative approach Scotland Excel can work with councils to realise a host of social, economic and environmental benefits from their procurement.
- 2.2 The report includes a high-level update on specific financial indicators resulting from the use of Scotland Excel frameworks and services, demonstrating the value Scotland Excel provides to a council.

3. Measuring Value

- 3.1 The new report includes a number of indicators including financial benefits through savings, rebates and cost avoidance measures.

- 3.2 All measures within the document have sought to take a transparent and, where available, national view of measuring benefits. An example of this is the adoption of the Scottish Government approach to cost avoidance. This is a value measure that provides a calculated view of an organisation having to undertake an activity in the absence of a Scotland Excel framework.
- 3.3 The Report also recognises that whilst financial savings are important, social value is equally so. This report includes updates on areas such as community benefits, local spend, living wage, and support for local economies. Our Scotland Excel Academy also provides a range of people development services to member councils recognising that upskilling staff brings further benefits for councils.
- 3.4 The Annual Value reports have been distributed to Joint Committee members prior to the December Joint Committee meeting. Scotland Excel will also offer individual presentations on the reports to council stakeholders including elected members.

4. Input

- 4.1 Much of the information contained within the report is included in quarterly business reviews with procurement managers. It should however be noted that no input has been sought at this stage from this group on the report.
- 4.2 Scotland Excel prioritised and distributed the first draft reports to the Chief Executive Officers Management Group (CEOMG) in November 2020.
- 4.3 The report was well received, and a number of changes were applied based on feedback given.
- 4.4 Scotland Excel would be keen to obtain wider stakeholder input to improve subsequent annual value reports and will seek to do this over the coming months.

5 Recommendations

- 5.1 The Joint Committee is requested to note the contents of this report.

Scotland Excel

To: Joint Committee

On: 11 December 2020

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

Brexit Update Report

1. Introduction

- 1.1 The purpose of this report is to provide the Joint Committee with an update from Scotland Excel in relation to the UK departure from the European Union.

2. Summary

- 2.1 The UK is no longer a member of the European Union (EU). The deadline is fast approaching to agree the rules for the new UK-EU relationship. The changes will affect many areas of life - including trade and immigration - and will start on 1 January 2021. The UK Government has already negotiated a withdrawal agreement; however, its purpose was to set out a process to allow the UK to leave the EU as smoothly as possible - not the terms of the future relationship. The initial agreement covered the following areas: -

- Agreeing a transition period and how it would work
- How to prevent the need for checks along the Irish border
- The UK's financial settlement with the EU

3. Impact for Scotland

- 3.1 Brexit will bring about a period of significant constitutional change and this will have a major bearing on the governance arrangements in Scotland. Not only does this relate to powers being exercised in the UK which are currently managed by the EU, it also has implications for how those returned powers are then managed across the UK, including by the devolved Governments. In addition to the above, the extent of economic recovery in the coming months remains highly uncertain, as new restrictions are introduced, and coronavirus cases fluctuate across Europe and beyond.
- 3.2 The Scottish economy has seen a record fall in output during the first half of 2020 during the national lockdown, however, the ongoing need to manage the spread of coronavirus alongside Brexit implementation suggests there may be uncertainty for economic and social activity alongside the changing scale

and nature of fiscal support, and the pace at which businesses and households (domestically and internationally) can return to pre-pandemic levels of economic activity.

4. Brexit with World Trading Organisation (WTO) Terms

- 4.1 If agreement cannot be reached on a free trade agreement before the end of the Brexit transition period, the UK-EU trading relationship will be governed largely by World Trade Organisation (WTO) rules. The WTO is an international organisation designed primarily to facilitate trading arrangements amongst its 164 members by removing barriers to trade. In relation to goods, the WTO has tended to focus on tariffs (i.e. duties imposed on imported goods). The WTO also tries to reduce and/or remove other less visible trade barriers including quotas, domestic subsidies, non-domestic taxes and "technical barriers to trade" (e.g. national regulatory requirements), which can distort market access. All of these are known collectively as "non-tariff barriers"
- 4.2 In relation to goods, if the UK-EU trading relationship reverts to WTO rules, then UK exports and imports will face tariffs. Although the EU's tariffs on many goods are relatively low, sectors such as food and automotive will be subject to substantial increases. This may well prompt EU customers to switch to other suppliers within the EU Single Market, thus avoiding tariffs altogether but creating shortages and disruption of supply.

5. Disruption to Supply Chains

- 5.1 The coronavirus pandemic has demonstrated to both the UK and devolved Governments the importance of a free-flowing supply chain, and with transition potentially occurring at the same time as the second coronavirus spike, supply chains are at risk.
- 5.2 The automotive, agriculture and chemical sectors are likely to be hit the hardest with both import and export tariffs having an overall impact on pricing. It will become imperative to have responsive options immediately available and councils should also draw upon their learnings from managing the pandemic around the need for agility, contingency planning, inventory management and alternate sources of supply.
- 5.3 The key risks for consideration will include customs and tariffs, systems and data, the legal impact in relation to existing contracts, supply chain hub locations, lead times and any grants or subsidiaries previously obtained from the EU
- 5.4 Scotland Excel have worked closely with the supply base across the framework portfolio to assess the risks associated with Brexit. Suppliers have been surveyed in relation to key areas of risk which include stockpiling, warehousing, availability and continuity of supply, workforce planning, and tariffs.

Reports will be issued to councils during December to update fully across the contract portfolio. Scotland Excel has produced commodity updates and released to Corporate Procurement Manager's across councils and a Scotland Excel Chief Executive report will be sent to all council Chief Executives in early December.

6. In conclusion

- 6.1 In summary, by balancing a response to COVID-19 with a strong focus on the UK's changing position in the global trading environment, councils will be able to future-proof their supply chain strategies. The pandemic has catalysed the need for councils to refocus on their contingency planning strategies, compliance and supply chains. With the landscape becoming increasingly complex and changeable, Scotland Excel will continue to support councils at every opportunity and seek further to appeal to local supply chains during procurement activity. In addition to this, Scotland Excel will increase the knowledge, capacity and access to networks they need to take advantage of, in order to support councils during this uncertain period.

7. Recommendations

Members of the Joint Committee are invited to note the content of this report.

Scotland Excel

To: Joint Committee

On: 11 December 2020

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

Operating Plan Performance Report for 1st April 2020 – 31st Dec 2020






1. Purpose of the report

In June 2018, Scotland Excel's Joint Committee approved a new five-year corporate strategy which is supported by annual operating plans. This report presents the organisation's performance against the Interim Operating Plan (1st April 2020 – 31st December 2020) approved by the September 2020 Executive Sub Committee.

2. Reporting methodology

Progress reports are produced quarterly to track Scotland Excel's performance against operating plan commitments. Reports are produced at the end of each quarter and submitted to Executive Sub-Committee meetings. Half yearly and annual reports are also submitted to Joint Committee meetings.

The reports summarise the progress made against operating plan commitments and uses a 'traffic light' symbol to provide a guide to the status of each activity. This guide was revised in 2018-19 to include symbols to indicate projects or activities which have not yet started, and projects or activities which have been completed:

	Project or activity not yet started
	Project or activity is currently stalled or significantly behind schedule
	Project or activity is progressing at a slower pace than anticipated and/or results have been weaker than expected
	Project or activity is progressing in line with expected/agreed timelines and results
	Project or activity completed

The report also tracks performance against key performance indicators (KPIs) linked to strategic outcomes.

3. Performance

The majority of commitments in the operating plan are progressing in line with plans and are indicated as green within the report.

Four activities are progressing more slowly than anticipated, predominantly due to the impact of Covid-19, and these are indicated as amber within the report.

1.2 Sector Wide Change Projects – This work was impacted by resourcing within the team responsible for delivery, which was exacerbated by the recruitment freeze implemented as a result of Covid-19. This commitment has been revisited and discussed with community representatives.

1.4 SCQF Credit Rating Body – This activity was put on hold in November 2020 due to resourcing issues. The effort to achieve the status of Credit Rating Body was underestimated at the outset. The accreditation also has a strictly limited number of “attempts” to achieve credit rating status and it was felt that pausing was a preferred option. Plans are being discussed and developed on progressing this work.

4.3 Procurement Support to Housing Associations – Support has continued for this sector although the continued delay of the Scottish Government funded programme and Covid-19 has impacted overall progress.

4.3 Develop Scotland Excels Associate Member programme - Associate member support has continued throughout the pandemic, although fee paying growth has been limited and impacted our income target. The emergency membership has clearly had an impact and work is underway to look to convert these temporary memberships.

4. Recommendation

The members of the Joint Committee are invited to note Scotland Excel's performance in the delivery of the interim Operating Plan.











Interim Operating Plan







1st April 2020 – 31st December 2020





Progress Report





Goal 1: Shaping the delivery of innovative public services

Strategic Objective	Commitment	RAG status	Progress summary
1.1 Deliver a programme of collaborative procurement to support early intervention and the delivery of public services	<ul style="list-style-type: none"> Continue to engage directly with local authority services on the collaborative procurement opportunities pipeline 		<ul style="list-style-type: none"> Scotland Excel continues to support local authorities by hosting Commercial User Intelligence Groups where opportunities are investigated based upon local authority feedback. An opportunity assessment is taking place looking at the feasibility of a Property repair, maintenance and refurbishment framework. Agreement has been reached for Scotland Excel to conduct tender activity in partnership with Zero Waste Scotland aimed at creating a framework providing consistent and quality waste composition analysis and reporting accessible to all 32 Scottish Councils.
	<ul style="list-style-type: none"> Drive the next generation development of the National Care Home Contract (NCHC) 		<ul style="list-style-type: none"> A programme of work is in place for 2020/2021 including a refresh of the current NCHC contract, terms and conditions and/or agreed variations, further development of market intelligence reporting and the production of supporting documents such as a Purchasers Guide.
	<ul style="list-style-type: none"> Open the Adult Care and Support flexible framework to allow new providers to join, ensuring a diverse range of services and providers are available to meet the varying needs of people across the country, and promote choice for people who need support 		<ul style="list-style-type: none"> The Care and Support Flexible Framework commenced on 1 April 2020 and includes 78 providers offering over 300 services. The framework reopened in October 2020 to new providers. Local framework mobilisation is a key activity moving forwards.
	<ul style="list-style-type: none"> Continue to develop and deliver contract and supplier management (CSM) programme which monitor and enhance the performance of Scotland Excel contracts 		<ul style="list-style-type: none"> A revised contract segmentation model has been implemented which includes the risk, value and appropriate complexities of contract management to drive an appropriate mechanism of resource required for managing the contracts and ongoing supplier engagement.





	<ul style="list-style-type: none"> Continue to identify opportunities to lead and/or participate in national cross-sector procurement opportunities and initiatives with partners in health, further and higher education, and central government 		<ul style="list-style-type: none"> Several cross-sector activities have taken place with colleagues across various sectors in line with management of the Covid-19 pandemic. This includes meetings with Scottish Government, Health, Education sectors and COSLA to manage the best processes for supply during the pandemic. Scotland Excel has been engaging with the Scottish Government on the development and strategy for their newly established construction procurement team. We have provided feedback that the clear expectation from the local government sector is that most benefit is derived from SPPD focusing on where they are best placed to meet needs across the Scottish public sector.
	<ul style="list-style-type: none"> Continue to inform and support national procurement policy in consultation with the local government procurement community 		<ul style="list-style-type: none"> Scotland Excel are workstream leaders within the Scottish Government Procurement Climate change forum on behalf of Local Government and will chair a workstream in relation to working with suppliers.
1.2 Deliver programmes which lead and develop professional, organisational and commercial capability	<ul style="list-style-type: none"> Consult members on the refresh of a targeted programme of sector-wide change projects 		<ul style="list-style-type: none"> Four sector-wide change programmes are in progress covering contract and supplier management, demand management, developing councils, and local suppliers. Limited progress has been made due to resourcing issues. Further areas are being discussed with the Procurement Improvement Programme (PIP) steering group including online Best Practice sessions.
	<ul style="list-style-type: none"> Continue to deliver the chargeable consultancy projects and transformation programmes for Fife Council, East Renfrewshire Council and the Tayside and other Councils, and respond to any further requests for these types of services 		<ul style="list-style-type: none"> The Fife transformation programme completed in September, as planned, having achieved all aims and objectives required. The year two progress report has been submitted, and lessons learned report drafted. The consultancy programmes and projects for East Renfrewshire Council, East Lothian Council and the Tayside Councils are all progressing in line with plans.





			<ul style="list-style-type: none"> • A procurement programme for Dumfries & Galloway Council for a number of work packages/procurement exercises is underway.
	<ul style="list-style-type: none"> • Continue to develop and deliver accredited work-based learning programmes through the Scotland Excel Academy 		<ul style="list-style-type: none"> • The Academy is delivering 8 active cohorts engaging 170 learners and has 7 new programmes scheduled.
	<ul style="list-style-type: none"> • Develop and deliver a programme of non-accredited development workshops through the Scotland Excel Academy 		<ul style="list-style-type: none"> • Responding to the challenges of the Covid-19 pandemic, The Academy created Stay Connected one hour online non-accredited workshops and has now engaged 630 learners.
	<ul style="list-style-type: none"> • Continue to develop Scotland Excel Academy online resources to support learning programmes and create a community that supports the sharing of best practice 		<ul style="list-style-type: none"> • The Stay Connected online workshops are a component of this and we will launch "Stay Connected with Best Practice" in December 2020. • Best practice information is available to members through a repository in The Academy. • Online videos are being created as an additional component of learning provision.
	<ul style="list-style-type: none"> • Respond to the pandemic by transitioning development programmes to online delivery and created a portfolio of Stay Connected online workshops 		<ul style="list-style-type: none"> • All accredited and non-accredited programmes are now delivered online using software enabling audio, video and screen sharing. • 630 learners have now engaged in 31 Stay Connected online workshops.
1.3 Harness the potential of digital technology and data insight to support the delivery of public services	<ul style="list-style-type: none"> • Continue to provide ICT procurement services for the Digital Office for Scottish Local Government, engaging proactively with stakeholders to accelerate a collaborative approach to the adoption of digital technologies 		<ul style="list-style-type: none"> • In conjunction with the Digital Office, the sectoral technical asset management tool has been upgraded and is currently being used to agree a collaborative contract delivery schedule. • The strategy for the digital telecare contract has been approved and is anticipated to be live by March 2021.
	<ul style="list-style-type: none"> • Continue to develop data analytic tools and resources to support the expansion of the contract portfolio and provide management information to the sector 		<ul style="list-style-type: none"> • A number of new online Power-BI reports have been developed within the members area and will continue to be developed to support the framework portfolio.






	<ul style="list-style-type: none"> Continue negotiations with providers on rates of return to enable implementation of the NCHC Cost Model © which supports the delivery of affordable and sustainable social care services 		<ul style="list-style-type: none"> The cost model negotiations for 20/21 agreed an offer to set care home rates, from 1 April 2020. The Cost of Care Model will continue to be the baseline anchor to conclude the contract negotiations for 2021/22.
	<ul style="list-style-type: none"> Implement a mechanism to offer useful signposting and to give vital information about our on-going Covid-19 response work to our members, suppliers and wider stakeholders. 		<ul style="list-style-type: none"> The Scotland Excel Covid-19 response newsroom was launched in April to give Covid-specific information. Scotland Excel set up a dedicated area of the website "Supporting Scotland's Recovery" providing regular news and updates on Covid-19 information and support activities.
1.4 Use our insight and experience to shape policy and meet the challenges of future public service delivery	<ul style="list-style-type: none"> Continue to work with the Scottish Government, COSLA and other partners to support the development and/or delivery of national policy in social care 		<ul style="list-style-type: none"> Scotland Excel is a member of the National Covid-19 Contingency Planning Group for care services, working with key partners to share information and guidance across the public sector and continue to work with COSLA in relation to recovery planning. Scotland Excel also participates on short life working groups such as; people with complex care needs who are delayed in hospital which will inform the wider review of Adult Social Care.
	<ul style="list-style-type: none"> Continue to work with the Scottish Government and other partners to support the development and/or delivery of education policies such as early learning provision, pupil attainment funding, and procurement for school meals 		<ul style="list-style-type: none"> Scotland Excel has completed the final report for the Scottish Government Early Learning and Childcare grant funding, providing an overview of the support given to local authorities, the outputs of the grant funding and the uptake by local authorities of the documentation/templates. Work has been undertaken to understand councils' current and future plans surrounding school meal provision. This takes into account changes to the nutritional requirements that are due to come into force in Spring 2021. Scotland Excel will continue to engage with Scottish Government, COSLA and local authorities to support school meal provision.

	<ul style="list-style-type: none"> Continue to work with the Scottish Government, Association of Local Authority Chief Housing Officers (ALACHO) and other partners to support the development and/or delivery of national policy in affordable housing 		<ul style="list-style-type: none"> Continued to support government policy through ongoing procurement support and engagement with Housing Association Associate members and the wider affordable housing sector.
	<ul style="list-style-type: none"> Continue to work with the Scottish Government, Zero Waste Scotland and other partners to support the development and/or delivery of national environmental policy 		<ul style="list-style-type: none"> Scotland Excel is providing ongoing support to the Scottish Government, Zero Waste Scotland and other partners in relation to national environmental policy. Early discussions have taken place with both the Scottish Government's Zero Waste Unit, Zero Waste Scotland and various groups of councils, in relation to a "centrally delivered intervention" in response to the forthcoming ban on biodegradable municipal waste to landfill. Scotland Excel has recently been in discussion with Zero Waste Scotland, the Waste Managers Network and the Scottish Governments Directorate for Trade and International Investment concerning how market conditions could be created in order to attract and increase large scale waste management infrastructure within Scotland.
	<ul style="list-style-type: none"> Develop and deliver a calendar of marketing and communications activities which promotes our knowledge and experience in support of our policy and public affairs goals 		<ul style="list-style-type: none"> Our calendar has included key activities from our contract delivery plan and mobilisation of our New Build framework and our Care and Support framework. It has also included our Covid-19 response activities.
	<ul style="list-style-type: none"> Continue the work towards becoming a Scottish Credit & Qualifications Framework (SCQF) Credit Rating Body to support the expansion of the Scotland Excel Academy and position it as a future provider of Graduate Apprenticeships 		<ul style="list-style-type: none"> As of November 2020, the Credit Rating Body application has been put on hold. A new plan will be created to progress this at a future date. Our aspiration remains to become a credit rating body.






Goal 2: Being sustainable in everything we do







Strategic Objective	Commitment	RAG status	Progress summary
2.1 Deliver positive and measurable social value through our contracts and services	<ul style="list-style-type: none"> Continue to monitor the proportion of Scotland Excel suppliers paying their staff the Real Living Wage and identify any opportunities to increase this 		<ul style="list-style-type: none"> Information is captured in all tenders and monitored through contract management. 85% of Scotland Excel's suppliers have confirmed payment of the Real Living Wage. Figures have been provided to the Scottish Government for inclusion in the Minister's annual report on procurement.
	<ul style="list-style-type: none"> Continue to embed community benefit models which enable councils to achieve direct benefits for their areas 		<ul style="list-style-type: none"> Data has been gathered on community benefits for the period to the end of September 2019, and the figures were reported to the Joint Committee in December 2019. Work is underway to gather community benefits data from suppliers for the 12 months to the end of September 2020.
	<ul style="list-style-type: none"> Continue to support opportunities for disabled/disadvantaged workers through community benefits and/or the participation of supported businesses and the third sector within our supply chain 		<ul style="list-style-type: none"> Scotland Excel continues to look at opportunities to embed supported businesses within the portfolio. Scotland Excel is working with BASE on the renewal tender for the Education and Office Furniture framework, to understand how we can engage with supported businesses around this opportunity. Scotland Excel is a member of the Supported Business Advisory Group (SBAG), where best practice is shared and policy developed.
2.2 Deliver positive and measurable local economic impact through SME and third sector participation in our contracts	<ul style="list-style-type: none"> Continue to work with the Supplier Development Programme (SDP) to raise awareness of public procurement opportunities and encourage participation among Scottish SMEs 		<ul style="list-style-type: none"> In June 2020, Scotland Excel participated in an SDP webinar for "Finding and Understanding Framework Opportunities" delivering a presentation on the types of frameworks available at Scotland Excel, how we work with SMEs in Scotland, where to find opportunities and what is expected. Scotland Excel also presented at SDP's webinar focussed on frameworks and dynamic purchasing systems. This formed part of their Twitter Takeover


			<p>Day in lieu of the SDP National Meet the Buyer Event.</p> <ul style="list-style-type: none"> • In September SXL had an exhibition stand at SDPs Virtual Meet the Buyer North event and also presented as part of an SDP Finding and Understanding Frameworks training webinar during this event. • Supported the Fife Meet the Buyer event in November 2020.
	<ul style="list-style-type: none"> • Continue to increase direct and supply chain opportunities for Scottish SMEs and contractors within Scotland Excel contracts, particularly within the construction portfolio 		<ul style="list-style-type: none"> • Opportunities to encourage Scottish SMEs participation continue to be considered during strategy development for all contracts. • Around three quarters of Scotland Excel suppliers are SMEs. • Subcontracting opportunities arising from the New Build framework have been advertised through Public Contract Scotland, as a result of a mandate from the framework.
2.3 Deliver positive and measurable environmental benefits through our contracts	<ul style="list-style-type: none"> • Continue to encourage suppliers to Scotland Excel contracts to consider opportunities to increase recycling of their products and packaging and/or reduce their carbon footprint 		<ul style="list-style-type: none"> • All Scotland Excel tender documents incorporate environmental considerations including, where appropriate, the weighting and scoring of emissions and the consideration of recycled products. • On our Catering Sundries framework, the KPIs requested from suppliers now include how many recycled or compostable products were purchased. This will be reported within future contract management reports.
	<ul style="list-style-type: none"> • Continue to consider 'whole life' costing within tender evaluations 		<ul style="list-style-type: none"> • All Scotland Excel tender documents include appropriate cost evaluation to ensure that overall value is assessed. Where appropriate cost evaluation includes initial cost and operating cost elements.
	<ul style="list-style-type: none"> • Develop plans for assessing and mitigating the environmental impact of Scotland Excel's activities 		<ul style="list-style-type: none"> • Scotland Excel is participating in the Scottish Government Climate Forum working groups.

			<ul style="list-style-type: none"> Scotland Excel has embedded remote working and this has assisted in reducing SXL's environmental impact.
2.4 Lead and develop sustainable procurement knowledge and practice	<ul style="list-style-type: none"> Produce an annual report on 2019-20 procurement activity in line with the requirements of the Procurement Reform (Scotland) Act 2014 		<ul style="list-style-type: none"> An Annual Procurement Report for 2019/20 has been published in line with the requirements of the Procurement Reform (Scotland) Act 2014.
	<ul style="list-style-type: none"> Monitor the progress and publication of annual procurement reports within the local government sector, providing support and guidance to councils as required 		<ul style="list-style-type: none"> Scotland Excel is continuing to liaise with the Scottish Government and councils to support the publication of Annual Procurement Reports.
	<ul style="list-style-type: none"> Continue to work with national partners on the development of sustainable procurement guidance and tools 		<ul style="list-style-type: none"> Scotland Excel is continuing to engage with national partners to ensure the effective delivery of best practice. There is a continuing focus on the implementation of the revised/improved Sustainable Procurement Tools.
	<ul style="list-style-type: none"> Continue to develop opportunities to increase the local government sector's sustainable procurement knowledge and capability through the Scotland Excel Academy 		<ul style="list-style-type: none"> Working with the Scottish Government, Scotland Excel are implementing the national development framework to identify development needs. Stay Connected online workshops also support this development need.
	<ul style="list-style-type: none"> Develop plans to promote sustainable procurement to senior stakeholders including elected members and senior officers to support a 'whole organisation' approach 		<ul style="list-style-type: none"> Sustainable procurement is built into all framework strategies, and also included in contract authorisation reports. Sustainability matters continue to be a focus for elected members and submitted reports evidence Scotland Excel's approach on a framework by framework basis Scotland Excel's Sustainable Procurement Strategy has been updated to strengthen our overall consideration of sustainability.






Goal 3: Placing people at the heart of our business





Strategic Objective	Commitment	RAG status	Progress summary
3.1 Ensure our customers continue to receive maximum value from our services	<ul style="list-style-type: none"> Continue to develop Scotland Excel's project and account management services to ensure they deliver value to local authority procurement teams and support a positive customer experience for members 		<ul style="list-style-type: none"> Scotland Excel's Project and Account Managers continue to provide a wide range of support to council procurement teams including quarterly business reviews, change projects, and workshops.
	<ul style="list-style-type: none"> Continue to explore further opportunities to use digital technologies to engage with and/or provide online 'self-service' to customers, incorporating the findings into Scotland Excel's ICT strategy and roadmap 		<ul style="list-style-type: none"> A number of new online Power-BI reports have been developed within the members area. A review of ICT strategy with regard to further provision of data to customers will be undertaken in Q3.
	<ul style="list-style-type: none"> Explore the feasibility of providing additional services, incorporating the findings into future operational plans 		<ul style="list-style-type: none"> Scotland Excel is currently evaluating new growth opportunities through regular horizon scanning meetings and will undertake a competitive review of the markets for existing and potential new services during 2021-22.
	<ul style="list-style-type: none"> Implement engagement plans and activities based on the outputs of Scotland Excel's stakeholder engagement project. 		<ul style="list-style-type: none"> A schedule of meetings with Local Authority Chief Executives and Elected Members is underway to explore opportunities for additional service provision.
3.2 Engage stakeholders in the delivery of effective local solutions	<ul style="list-style-type: none"> Continue to incorporate community engagement, where appropriate, into the development of procurement strategies 		<ul style="list-style-type: none"> Scotland Excel continues to engage with councils in support of Community Wealth Building and the outputs of this will be replicated where appropriate in contract strategies. In conjunction with COSLA, workshops have been held to support councils pursue opportunities to embed participatory budgeting in their contracting activity.




	<ul style="list-style-type: none"> Continue to engage directly with service users, where appropriate, to ensure their needs are considered within service design 		<ul style="list-style-type: none"> Adults and young people have been engaged in the development of contracts within the care category. Initial engagement has been made with 'The Promise' team at the Scottish Government to ensure that contract development plans align with the overhaul of the care system for young people.
	<ul style="list-style-type: none"> Continue to work with educational partners and/or suppliers to promote the benefits of procurement to pupils 		<ul style="list-style-type: none"> Scotland Excel supports educational charity, Founders4Schools by attending career fairs and holding mock interviews for pupils although this has been impacted by the pandemic.
3.3 Represent the collective views of stakeholders at a national level	<ul style="list-style-type: none"> Continue the ongoing review of Scotland Excel's representation activities to ensure that these are targeted where they can have the greatest impact 		<ul style="list-style-type: none"> Cost modelling and analysis from adult social care contracts were used to support the level of additional funding allocated to the sector during the pandemic.
	<ul style="list-style-type: none"> Continue to build on relationships with the Convention of Scottish Local Authorities (COSLA) and/or elected members to represent customers and communities in appropriate policy and political matters 		<ul style="list-style-type: none"> Regular engagement with COSLA has been maintained throughout the period, and this will continue through the rate setting negotiation period for the National Care Home Contract.
3.4 Implement policies which develop, empower, value and engage our workforce	<ul style="list-style-type: none"> Refresh Scotland Excel's organisational development strategy to incorporate feedback from Investors in People, involving staff in the development of plans, policies and initiatives where appropriate 		<ul style="list-style-type: none"> The organisation continues to work on its organisational development strategy. A refresh of the Investors in People accreditation is underway with staff surveys complete and actions to be agreed.
	<ul style="list-style-type: none"> Develop and implement leadership and management initiatives to inspire and develop staff, increase Scotland Excel's capability, and support succession planning 		<ul style="list-style-type: none"> We have launched a leadership & management strategy to develop our future and aspiring leaders and managers. The Scotland Excel staff team are engaged in Stay Connected online workshops. Progressive new ways of working are being developed through a Scotland Excel Innovation Working Group.

	<ul style="list-style-type: none"> • Review agile working strategy and policies, incorporating pandemic experiences, to create a productive working environment that benefits staff, Scotland Excel, and customers. 		<ul style="list-style-type: none"> • Scotland Excel now supports a fully agile workforce where employees can work remotely with full access to email and files held centrally. Scotland Excel staff have been working effectively from home since March 2020 as a result of Covid-19.
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Goal 4: Delivering sustainable and scalable growth

Strategic Objective	Commitment	RAG status	Progress summary
4.1 Implement a new governance model which supports scalable business growth	<ul style="list-style-type: none"> Continue to implement appropriate funding models to support the delivery of new and existing services, monitoring income and providing Review existing income generating services based on pandemic impact and implement appropriate changes 		<ul style="list-style-type: none"> Additional income continues to be pursued through provision of managed services, project delivery and associate member development. The frequency of Income Review Board meetings has been increased. Review of income generating projects has been undertaken, included within appropriate committee meetings and corrective actions explored.
4.2 Continue to maintain a robust business infrastructure to support our growth ambitions	<ul style="list-style-type: none"> Continue to monitor Scotland Excel's business infrastructure to ensure it can support the organisation's growth ambitions, developing plans for continuous improvement and to address any gaps in capacity and/or capability 		<ul style="list-style-type: none"> Hardware and software requirements for efficient and effective business operations have been identified as a result of the Covid-19 pandemic. Work has already begun in relation to building organisational utilisation of software solutions such as MS Teams and SharePoint. Existing hardware will be continuously upgraded within available budgets to provide improved reliability and performance.
	<ul style="list-style-type: none"> Develop a risk model for evaluating new business opportunities to assess their impact on internal resources and/or existing customers 		<ul style="list-style-type: none"> A project risk model has been developed and is being trialled on a number of new projects in Q3.
	<ul style="list-style-type: none"> Continue to implement technology solutions which increase efficiency, support agile working and offer scalability for business growth 		<ul style="list-style-type: none"> ICT infrastructure requirements highlighted during the Covid-19 pandemic have been recorded and added to the organisational ICT Development Plan. Actions to ensure robust service delivery, whether home-based or office based, have been identified and will be explored with current providers in the new year.
4.3 Use our knowledge and insight to identify new services and/or sectors	<ul style="list-style-type: none"> Review collaborative procurement and leading change solutions available in other public sector markets to identify potential business opportunities, 		<ul style="list-style-type: none"> Work has continued to support councils in the migration to 1140 hours in early learning provision through tailored projects.

which provide growth opportunities	reporting on the findings to inform future operational plans		<ul style="list-style-type: none"> Continued support of strategic partnerships including SEEMiS, Digital Office, City Property etc. to explore ongoing and future opportunities. Scotland Excel have negotiated a partnership agreement with Construction Scotland Innovation Centre (CSIC) for approval at Nov20 Executive Sub-Committee. A reciprocal arrangement that will assist both organisations in developing Scotland's construction growth.
	<ul style="list-style-type: none"> Continue to deliver procurement support to housing associations and implement plans to market additional services to this sector 		<ul style="list-style-type: none"> Scotland Excel is continuing to provide procurement support to housing associations on request. The Scottish Government funded programme of work for the housing sector has not yet been initiated due to the continuing restrictions caused by the Covid-19 pandemic. This has impacted associate member growth.
	<ul style="list-style-type: none"> Continue to develop and market Scotland Excel's associate membership programme to maximise its commercial potential for the organisation and the benefits it provides for members 		<ul style="list-style-type: none"> Six new associate members have joined Scotland Excel since April, generating £6.5k in annual membership fees. Thirty-Six organisations took advantage of Scotland Excel's free temporary membership programme accessing the portfolio to support re-opening following lockdown. Fee based membership has been negatively impacted by Covid-19.
	<ul style="list-style-type: none"> Continue to market Scotland Excel through traditional and social media, targeted communications activity and political engagement to support new business opportunities 		<ul style="list-style-type: none"> Scotland Excel has implemented a combined print and digital communications campaign to inform the public sector and political leaders about our service offerings. This has been centred on our work to support Scotland's recovery.
	<ul style="list-style-type: none"> Continue to identify opportunities arising for staff development through new business opportunities, fostering an understanding of commercial and entrepreneurial approaches across the organisation 		<ul style="list-style-type: none"> A revised PRD for staff has been rolled out, a key element of which will be to ensure that development opportunities align with individual goals and objectives.

4.4 Explore opportunities to work with partners on the development and delivery of new business opportunities	<ul style="list-style-type: none"> Continue to explore opportunities to work in partnership with other public sector bodies to increase internal efficiency and/or improve service delivery for customers, reporting on the findings to inform future operational plans 		<ul style="list-style-type: none"> Scotland Excel cocreated and codeliver the project management programme and the business analysis and innovation programme with the Improvement Service. Scotland Excel are working with Scottish Government to cobrand development programmes aligned to the national development framework.
	<ul style="list-style-type: none"> Continue to manage Scotland Excel's partnership with Crown Commercial Services (CCS) to ensure it is delivering against customer expectations, and explore opportunities to extend this partnership 		<ul style="list-style-type: none"> The partnership continues within fleet collaborative procurement. Scotland Excel worked in partnership with Crown Commercial Services and the Local Government Digital Office to source digital devices and connectivity to support blended learning in schools.
	<ul style="list-style-type: none"> Continue to provide procurement support to SEEMiS in line with the partnership agreement 		<ul style="list-style-type: none"> Work continues to support the development of the Next Generation management information system for schools. Work continues to support the delivery of the next generation operating platform Additional opportunities underway include early years MIS platform and supply teacher booking application.

Report Key

	Project not yet started
	Project or activity is currently stalled or significantly behind schedule
	Project or activity is progressing at a slower pace than anticipated and/or results have been weaker than expected
	Project or activity is progressing in line with expected/agreed timelines and results
	Project completed

Key Performance Indicators

Outcomes	Key Performance Indicators	QX Status
Our services shape the effective and efficient delivery of public services	<ul style="list-style-type: none"> • Number of contracts delivered v plan¹ • Value of contract portfolio v target 	<ul style="list-style-type: none"> • 5 of 5 contracts delivered • £2bn against £2bn target
Our expertise leads continuous improvement in commercial performance	<ul style="list-style-type: none"> • Number of Scotland Excel Academy courses v plan² 	<ul style="list-style-type: none"> • 91 of 30 courses delivered
Our services facilitate the delivery of national and local policy priorities	<ul style="list-style-type: none"> • Number of Scottish suppliers & percentage SMEs 	<ul style="list-style-type: none"> • 640 Scottish suppliers of which 85% are SMEs
Our services enable positive and sustainable outcomes for people and communities	<ul style="list-style-type: none"> • Number of community benefits realised to date 	<ul style="list-style-type: none"> • Due to impact of the Pandemic, data related to community benefits have not yet been collected.
Our insight and knowledge underpins innovative solutions for our customers	<ul style="list-style-type: none"> • Number of business change initiatives in progress v plan 	<ul style="list-style-type: none"> • 4 of 4 initiatives in progress
Our activities are recognised as leading the way in public procurement	<ul style="list-style-type: none"> • Media coverage v target • Number of speaking engagements v target 	<ul style="list-style-type: none"> • 15 of 7 published media items • 6 of 2 speaking engagements
Our customers receive a measurable return on investment through savings	<ul style="list-style-type: none"> • Percentage savings achieved across the portfolio v target³ • Savings achieved in the last quarter 	<ul style="list-style-type: none"> • 1.3% against 2.5% savings target

Report issued: [9/11/20]

¹ Contracts developed, renewed or extended

² Programme modules and practice workshops

³ Average savings during the strategy period (2018-23) excluding social care contracts

Scotland Excel

To: Joint Committee

On: 11 December 2020

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

Proposed Operating Plan for 1st January 2021 to 31st March 2022






1. Purpose of the report

In June 2018, Scotland Excel's Joint Committee approved a new five-year corporate strategy which is supported by annual operating plans. This report presents the organisation's draft proposed Operating Plan for the period 1st January 2021 to 31st March 2022.

2. Reporting methodology

Progress reports are produced quarterly to track Scotland Excel's performance against operating plan commitments. Reports are produced at the end of each quarter and submitted to Executive Sub-Committee meetings. Half yearly and annual reports are also submitted to Joint Committee meetings.

The reports will summarise the progress made against operating plan commitments and will use a 'traffic light' symbol to provide a guide to the status of each activity. This guide was revised in 2018-19 to include symbols to indicate projects or activities which have not yet started, and projects or activities which have been completed:

	Project or activity not yet started
	Project or activity is currently stalled or significantly behind schedule
	Project or activity is progressing at a slower pace than anticipated and/or results have been weaker than expected
	Project or activity is progressing in line with expected/agreed timelines and results
	Project or activity completed

3. Approach

After previous feedback from the Executive Sub Committee, Scotland Excel sought to simplify the operating plan model. Further consultation and analysis ascertained that retaining the same number of strategic objectives but reduction in the number of detailed commitments would be a suitable way forward.

The proposed operating plan retains the sixteen strategic objectives set out in the original five-year plan and reduces the previous sixty eight detailed commitments to thirty broader commitments. These broader commitments will form the main part of future reporting to committee.

Members should be assured that this approach does not represent a decrease in Scotland Excel activity. These broader commitments align to over one hundred and twenty internal team commitments that will be used to direct organisational activity.

Quarterly reporting against commitments will continue as before.

4. Content

The plan proposed is the fourth and penultimate operating plan of the five-year Scotland Excel strategy. It provides a number of steps supporting our overall goals to achieve the agreed outcomes. Recognition of key environmental factors such as Covid-19 and BREXIT and the challenges facing members is at the heart of this approach. Sustainability and the ethos of community wealth building is also an important factor that influences many commitments.

5. Key Performance Indicators

Members will note that the proposed plan does not contain quantified key performance indicators (KPI). Initial work sought to improve the indicators previously utilised, but the current environment of uncertainty has made it difficult to provide indicators that offered a degree of confidence of future stability. It may be prudent for shorter term e.g. quarterly indicators, to be agreed during the period.

6. Recommendation

The members of the Joint Committee are invited to approve the proposed operating plan for 1st January 2021 to 31st March 2022.



Operating Plan

01 January 2021 – 31st March 2022

Introduction

Scotland Excel is the Centre of Procurement Expertise for the local government sector. Established in 2008, we deliver procurement and commercial solutions through a portfolio of high risk, high value collaborative contracts, professional development opportunities and organisational change initiatives which enhance the influence and impact of procurement across the sector.

Our contracts are designed to increase efficiency and ensure money is saved to protect front line public services. Our strategic approach to procurement supports innovation in service delivery, helps to deliver national and local policies, and brings social, economic and environmental benefits to communities.

Accredited professional development programmes and practitioner workshops, delivered through the Scotland Excel Academy, are designed to increase the skills and knowledge of those working in public procurement. Our change initiatives take a 'whole organisation' approach to best procurement practice, ensuring that it is considered in the development of policies and plans across all service areas.

In 2018, we published a new five year corporate strategy which builds on the achievements of our 2015-18 strategy and sets out our ambitions for supporting local authorities and public sector partners. Developed in consultation with key local government stakeholders, the strategy seeks to increase the value delivered by Scotland Excel and ensure the long-term sustainability and growth of our organisation.

Our vision is to be recognised as a leading provider of innovative, transformative procurement solutions for local and national public services across Scotland. We aim to achieve this by building on our strategic procurement expertise and experience of developing collaborative solutions which support better outcomes for Scotland's people and communities.

The strategy map on page 3 provides an overview of the business goals and strategic objectives which support our aim. The full strategy document is available to download from our website.

To support the strategy, we develop annual operating plans which record the commitments we will undertake to achieve our business goals. Each year, the plan is used to set priorities and develop detailed action plans for the organisation, which are cascaded as annual performance objectives for employees.

This document records the commitments we will deliver from January 2021- March 2022 to help us achieve each of our four goals and strategic objectives. Reports are issued quarterly to record our progress against these commitments, and a set of key performance indicators (KPIs) monitor ongoing delivery against our strategy outcomes.

Strategy Map

Vision

To provide innovative, transformative solutions for local and national public services across Scotland

Mission

To make the most of our strategic **procurement expertise** and our experience of developing **collaborative solutions** which support **better outcomes** for Scotland's people and communities through **early intervention** and the delivery of **sustainable public services**

Values

Professional • Courageous • Respectful • Integrity

Outcomes

Our services shape the effective and efficient delivery of public services	Our services facilitate the delivery of national and local policy priorities	Our insight and knowledge underpin innovative solutions for our customers	Our customers receive a measurable return on investment through savings
Our expertise leads continuous improvement in commercial performance	Our services enable positive and sustainable outcomes for people and communities	Our activities are recognised as leading the way in public procurement	Our customers are satisfied with our services and how we deliver them

Goals

<p>1: Shaping solutions for innovative public services</p> <p>Strategic objectives:</p> <p>1.1 Deliver a programme of collaborative procurement to support early intervention and the delivery of public services</p> <p>1.2 Deliver programmes which lead and develop professional, organisational and commercial capability</p> <p>1.3 Harness the potential of digital technology and data insight to support the delivery of public services</p> <p>1.4 Use our insight and experience to shape policy and meet the challenges of future public service delivery</p>	<p>2: Being sustainable in everything we do</p> <p>Strategic objectives:</p> <p>2.1 Deliver positive and measurable social value through our contracts</p> <p>2.2 Deliver positive and measurable local impact through SME and third sector participation in our contracts</p> <p>2.3 Deliver positive and measurable environmental benefits through our contracts</p> <p>2.4 Lead and develop sustainable procurement knowledge and practice</p>	<p>3: Placing people at the heart of our business</p> <p>Strategic objectives:</p> <p>3.1 Ensure our customers continue to receive maximum value from our services</p> <p>3.2 Engage stakeholders in the delivery of effective local solutions</p> <p>3.3 Represent the collective views of stakeholders at a national level</p> <p>3.4 Implement policies which develop, empower, value and engage our workforce</p>	<p>4: Driving sustainable and scalable growth</p> <p>Strategic objectives:</p> <p>4.1 Implement a new governance model which supports scalable business growth</p> <p>4.2 Continue to maintain a robust business infrastructure to support our growth ambitions</p> <p>4.3 Use our knowledge and insight to identify new services and/or sectors which provide growth opportunities</p> <p>4.4 Explore opportunities to work with partners on the development and delivery of new business opportunities</p>
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Key priorities for Jan 2021 - April 2022

Overview of the key commitments we will undertake this year:

<p>Goa1 1: Shaping solutions for innovative public services</p> <ul style="list-style-type: none"> • Drive the next generation development of the National Care Home Contact (NCHC) • Re-open the Adult Care and Support flexible framework to allow participation of new providers • Actively support members during Covid-19 recovery planning and BREXIT transition • Develop and deliver key supplier management as part of SXL's contract and supplier management (CSM) programme • Accelerate a collaborative approach to the adoption of digital technologies • Inform and support development of national policy objectives in line with the National Performance Framework e.g. e-commerce and environmental sustainability 	<p>Goa1 2: Being sustainable in everything we do</p> <ul style="list-style-type: none"> • Increase direct and supply chain opportunities for Scottish SMEs and contractors through SXL frameworks • Continue to embed community benefit models which enable councils to achieve direct benefits for their areas • Continue to monitor the proportion of Scotland Excel suppliers paying their staff the Real Living Wage and identify any opportunities to increase this • Develop plans for assessing and mitigating the environmental impact of Scotland Excel's activities • Continue to play a role in deterring serious organised crime from winning public sector contracts • Continue to work with the Supplier Development Programme (SDP) and other key partners to raise awareness of public procurement
<p>Goa1 3: Placing people at the heart of our business</p> <ul style="list-style-type: none"> • Continue to work with educational partners to promote the benefits of procurement to pupils • Work with partners and providers to support implementation of the Promise Strategy and National Standards and Pathways for Secure Care Centres • Deliver Scotland Excel's account management services to ensure value and positive customer experience • Embed plans for agile working to create a productive environment that benefits staff, Scotland Excel, and customers • Engage customers to assess satisfaction and understand current priorities to be addressed • Develop initiatives to inspire and develop staff, increase SXL's capability, and support succession planning 	<p>Goa1 4: Driving sustainable and scalable growth</p> <ul style="list-style-type: none"> • Continue to implement appropriate funding models to support the delivery of new and existing services • Continue to develop Scotland Excel's partnerships and forge new relationships to ensure the most effective delivery of SXL and Customer objectives • Maximise awareness of SXL services to support the wider public sector • Deliver the next national Coaction event online • Continue to grow and develop Scotland Excel's Associate membership programme • Continue to offer councils flexible and affordable solutions to support Scottish Government national policy objectives

Key Performance Indicators

This is where we typically identify key activities that we will monitor to assess our ongoing performance against outcomes in the operating plan. Due to the heightened levels of uncertainty as a result of the Covid-19 pandemic, Scotland Excel has been unable to finalise a list of KPIs for the period. It is proposed that work continues in developing this and, as a minimum, create shorter term quarterly KPIs.

Outcomes	Key Performance Indicators	2021-22 Target ¹
Our services shape the effective and efficient delivery of public services	<ul style="list-style-type: none"> • Number of contracts delivered v plan² • Value of contract portfolio v target 	<ul style="list-style-type: none"> • XX contracts • £XXbn portfolio value
Our expertise leads continuous improvement in commercial performance	<ul style="list-style-type: none"> • Number of Scotland Excel Academy courses v plan³ 	<ul style="list-style-type: none"> • XX courses
Our services facilitate the delivery of national and local policy priorities	<ul style="list-style-type: none"> • Number of Scottish suppliers & percentage SMEs 	<ul style="list-style-type: none"> • No target
Our services enable positive and sustainable outcomes for people and communities	<ul style="list-style-type: none"> • Number of community benefits realised to date 	<ul style="list-style-type: none"> • No target
Our insight and knowledge underpins innovative solutions for our customers	<ul style="list-style-type: none"> • Number of business change initiatives in progress v plan 	<ul style="list-style-type: none"> • X initiatives
Our activities are recognised as leading the way in public procurement	<ul style="list-style-type: none"> • Media coverage v target • Number of speaking engagement opportunities secured v target 	<ul style="list-style-type: none"> • 40 published media items • 20 speaking engagements
Our customers receive a measurable return on investment through savings	<ul style="list-style-type: none"> • Percentage savings achieved across the portfolio v target⁴ • Savings achieved in the last quarter 	<ul style="list-style-type: none"> • 2.5% rolling target (2018-23) • No target

¹ KPIs are monitored without targets where Scotland Excel cannot directly influence performance

² Contracts developed, renewed or extended

³ Programme modules and practice workshops

⁴ Excluding social care contracts

Goal 1: Shaping solutions for innovative public services

Strategic Objective	Commitment
<p>1.1 Deliver a programme of collaborative procurement to support early intervention and the delivery of public services</p>	<ul style="list-style-type: none"> • Continue to engage directly with local authority services on the collaborative procurement opportunities pipeline and identify opportunities to lead and/or participate in national cross-sector opportunities and initiatives with partners in health, further and higher education, and central government • Continue to develop and deliver a contract and supplier management (CSM) programme which monitors and enhances the performance of Scotland Excel contracts, incorporating new environmental performance measurements • Open the Adult Care and Support flexible framework to allow new providers to join, ensuring a diverse range of services and providers are available to meet the varying needs of people across the country, and promote choice for people who need support
<p>1.2 Deliver programmes which lead and develop professional, organisational and commercial capability</p>	<ul style="list-style-type: none"> • Develop a portfolio of accredited and non-accredited Academy programmes based on member and wider public sector requirements whilst progressing other strategic areas such as apprenticeships and becoming a credit rating body • Deliver sector and local initiatives which support Scottish Government national policy objectives, such as flexible and affordable solutions • Continue to deliver chargeable consultancy and transformation programmes, responding to any requests for these types of services and building the Scotland Excel knowledge bank to retain intellectual property of improvement methodologies and resources within the local government sector • Engage with members, suppliers and providers to understand the impact of Covid-19 and BREXIT to support the delivery of frameworks, services and knowledge to meet Local Authority and national objectives • Drive the next generation development of the National Care Home Contract (NCHC) and continue negotiations with providers on rates of return to enable implementation of the NCHC Cost Model © which supports the delivery of affordable and sustainable social care services

<p>1.3 Harness the potential of digital technology and data insight to support the delivery of public services</p>	<ul style="list-style-type: none"> • Continue to develop The Academy's online learning platform, to support engagement and learning, and to deliver national coaction events, video content and programmes • Continue to provide ICT procurement services for the Digital Office for Scottish Local Government, engaging proactively with stakeholders to accelerate a collaborative approach to the adoption of digital technologies
<p>1.4 Use our insight and experience to shape policy and meet the challenges of future public service delivery</p>	<ul style="list-style-type: none"> • Continue to work with the Scottish Government and other partners to support the development and/or delivery of national policy objectives across the Scotland Excel portfolio including guidance, tools and reporting

Goal 2: Being sustainable in everything we do

Strategic Objective	Commitment
2.1 Deliver positive and measurable social value through our contracts	<ul style="list-style-type: none"> • Work with partners and Secure Care providers to support the implementation of the new National Standards and Pathways for Secure Care Centres • Continue to monitor the proportion of Scotland Excel suppliers paying their staff the Real Living Wage and develop a plan to ensure suppliers meet their contractual commitments in relation to this. Also identify any opportunities to increase uptake of the real living wage in areas not currently covered • Continue to embed community benefit models which enable councils to achieve direct benefits for their areas and the participation of supported businesses and the third sector within our supply chain
2.2 Deliver positive and measurable local economic impact through SME and third sector participation in our contracts	<ul style="list-style-type: none"> • Support the continued application of community wealth building principles including payment of the real living wage and work with partners including Scottish Government and SDP
2.3 Deliver positive and measurable environmental benefits through our contracts	<ul style="list-style-type: none"> • Continue to deliver and promote environmental sustainability goals including Scotland Excel and supplier carbon footprint reduction and consider "best value" and 'whole life' costing within tender evaluations
2.4 Lead and develop sustainable procurement knowledge and practice	<ul style="list-style-type: none"> • Explore the development of progressive, sustainable learning pathways to support career development within the sector. Co-chair the Scottish Government professional practice and development framework, and work with educational partners and/or suppliers to establish workforce needs and promote the benefits of procurement as a career

Goa1 3: Placing people at the heart of our business

Strategic Objective	Commitment
3.1 Ensure our customers continue to receive maximum value from our services	<ul style="list-style-type: none"> • Continue to deliver Scotland Excel's account management services to ensure and demonstrate value to members and support a positive customer experience • Continue and refresh Scotland Excel's stakeholder engagement activity including understanding priorities and assessing satisfaction
3.2 Engage stakeholders in the delivery of effective local solutions	<ul style="list-style-type: none"> • Continue to engage directly with service users and the wider community, where appropriate, to ensure their needs are met and incorporated into the development of procurement strategies • Continue to engage directly with partners to ensure that national Social Care Contracts meet the needs of all care groups and align with national strategy
3.3 Represent the collective views of stakeholders at a national level	<ul style="list-style-type: none"> • Continue to collect, review and represent the views of members, customers and communities at appropriate fora
3.4 Implement policies which develop, empower, value and engage our workforce	<ul style="list-style-type: none"> • Continue to implement the Scotland Excel Organisational Development Strategy, progressing existing and developing new initiatives to inspire and develop staff, increase Scotland Excel's capability, and support succession planning

Goa1 4: Driving sustainable and scalable growth

Strategic Objective	Commitment
4.1 Implement a new governance model which supports scalable business growth	<ul style="list-style-type: none"> Promote the concept of Coaction to senior stakeholders and explore opportunities where creation, delivery and production of high-quality national cost-effective learning is jointly undertaken Continue to implement appropriate funding routes through the delivery of new and existing services, monitoring income and providing regular reports to the governance committees whilst recognising the impact of the pandemic
4.2 Continue to maintain a robust business infrastructure to support our growth ambitions	<ul style="list-style-type: none"> Continue to develop and support a robust working environment and infrastructure that includes the use of digital technology, harnessing data assets, agile working and emerging technology to benefit staff and customers
4.3 Use our knowledge and insight to identify new services and/or sectors which provide growth opportunities	<ul style="list-style-type: none"> Research collaborative procurement and leading change solutions available in other public sector markets to identify potential business opportunities, reporting on the findings to inform future growth plans Continue to grow and develop Scotland Excel's Associate membership programme to maximise commercial potential for the organisation including framework spend and promote other chargeable services whilst providing demonstrable benefits for members
4.4 Explore opportunities to work with partners on the development and delivery of new business opportunities	<ul style="list-style-type: none"> Continue to market Scotland Excel through traditional and social media, targeted communications activity and political engagement to support new business opportunities and promote our knowledge and experience in support of policy and public affairs goals Explore new Scotland Excel partnership opportunities and continue to develop partnerships e.g. Crown Commercial Services (CCS), to ensure the most effective delivery of Scotland Excel and Customer objectives

Scotland Excel

To: Joint Committee

On: 11 December 2020

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

Strategic Risk Register Update

1. Introduction

This report provides an update on the Strategic Risk Register which is maintained to assess threats/risks that could impact on the delivery of Scotland Excel's organisational objectives and to identify controls and actions that are being taken to mitigate these risks.

2. Background

The attached Strategic Risk Register was created in June 2018 when Scotland Excel carried out a full review of the organisation's Risk Register to reflect the new 5-year operating plan. It was agreed that the risk management plan would be reported to the Executive Sub Committee twice a year and the Joint Committee on an annual basis to give elected members visibility of the risks, and actions being taken by the organisation to manage and mitigate these risks.

In June 2019, the Strategic Risk Register template used by Scotland Excel was adjusted to better reflect that used by partner organisations. The revised template plus additional information which is now in use can be seen within the document at Appendix 1 of this report.

3. Risk Management update

The Strategic Risk Register is maintained and continues to be a focus for the on-going operations of the organisation. A process of regular review meetings is in place involving the entire Senior Management Team (SMT). These meetings are held quarterly to review, revise and update the register. Actions being undertaken in mitigation of the risks are on-going throughout the year.

Currently there are 10 risks identified within the Strategic Risk Register ranging in assessed risk score from 6 to 20. A summary of key statistics in relation to each identified risk is shown in Appendix 1 to this report.

The impact of the COVID-19 pandemic is the over-riding influence on all strategic risk at present coupled with continuing Brexit uncertainty. These factors are reflected in the upwards trend in relation to risk scores showing against a number of the existing strategic risks and in the introduction of a new risk in respect of, "National Emergency including Pandemic" (SXL-010-20/21) in April 2020.

The updated Strategic Risk Register identifies a number of existing and new linked actions in relation to each strategic risk aimed at mitigating the impact of each risk in the present day and going forward.

The new “National Emergency including Pandemic” risk is currently positioned on residual risk score of 20 (Likelihood 5, Impact 4). While Scotland Excel is operating well within the home working environment, the continuing uncertainty of when and how the pandemic is going to end and the economic uncertainty being caused necessitates this risk remaining at this level. A number of linked actions have been identified in relation to this risk aimed at mitigating the financial and operational impact on the organisation and making sure that the organisation learns from the current pandemic going forward.

Other risks with risk scores impacted by the COVID-19 pandemic are detailed on table 2 in the Strategic Risk Register at Appendix 1.

Factors taken into consideration, in addition to COVID-19, when reviewing the risk register over the year included Brexit; recruitment challenges within the procurement sector; continuing financial uncertainty across local government, social housing and the third sector; the developing importance of corporate social responsibility across the public sector; growing environmental awareness across society and the increasing size of the Scotland Excel contract portfolio.

Brexit, and the increasingly likely scenario of a no deal Brexit has had a significant impact on the Strategic Risk Register and in particular risk in relation to Supplier Failure. With a no deal scenario, suppliers on Scotland Excel frameworks may experience difficulties in sourcing materials, reduced export trade and higher costs which may impact their operational sustainability. Scotland Excel has actions in place to maintain contact with our suppliers to ensure we are kept aware of any difficulties being experienced.

Following quarterly review of these and other factors, the Scotland Excel Risk Register as at 5th November 2020 is shown in appendix 1.

4. Recommendation

Members are invited to provide any feedback on the risk register and the actions identified to manage risks.



Strategic Risk Register

Document Control 2020	
Review Dates:	24 January 2020
	27 April 2020
Exec Sub Comm.	29 May 2020
Review Dates:	27 August 2020
	05 November 2020
Exec Sub Comm.	27 November 2020
Joint Committee	11 December 2020
This document is available in alternative formats on request.	

Table 1 summarises risks identified within the Scotland Excel Risk Register and orders them according to their Residual Risk Score as at 5th November 2020. The Residual Risk Score represents the assessed risk score taking into consideration all risk controls and mitigations in place in relation to that specific risk on that date.

Table 1: Risk – Highest to Lowest Risk Score 05/11/20

Risk Ref.	Risk Title	Residual Risk Score
SXL010-20/21	National Emergency including Pandemic	20
SXL005-20/21	Supplier Failure	20
SXL001-20/21	Organisational Sustainability	20
SXL003-20/21	Political Change	16
SXL002-20/21	Managing Growth and Diversity	16
SXL004-20/21	Reputational Risk	12
SXL008-20/21	Risk of Not Performing/Delivering	12
SXL006-20/21	Staff Recruitment and Retention	9
SXL007-20/21	Corporate Social Responsibility	6
SXL009-20/21	Environmental Impact and Climate Change	6

Table 2 charts risk score movement and trend over the past year in relation to each risk identified within the Scotland Excel Risk Register. Where there has been movement in the risk score, a brief explanation has been provided.

Table 2: Residual Risk Movement During Past Year











Period	<u>Q2</u> Jan 20	<u>Q3</u> Apr 20	<u>Q4</u> Aug 20	<u>Q4</u> Nov 20	4 quarter Trend
Risk Ref.					
SXL010-20/21	n/a	20	20	20	
	Pandemic continues, SXL continues to deliver services				
SXL005-20/21	16	20	20	20	
	Economic uncertainty due to COVID 19 pandemic				
SXL001-20/21	12	16	16	20	
	Emerging financial impact of COVID-19 and No Deal BREXIT				
SXL003-20/21	16	16	16	16	
	Uncertainty over No Deal BREXIT and Scot Govt Elections 2021				
SXL002-20/21	12	16	16	16	
	COVID-19 pandemic impact on funding Streams				
SXL004-20/21	12	12	12	12	
	Organisation continues to perform well during pandemic				
SXL008-20/21	16	12	12	12	
	Organisational performance during COVID 19 pandemic				
SXL006-20/21	12	12	12	9	
	Public sector regarded as better employment option following				
SXL007-20/21	6	6	6	6	
	Exploring new ways to support disadvantaged young people				
SXL009-20/21	6	6	6	6	
	Growing Scotland Excel influence on Environmental issues				

Diagram 1: Consolidated Risk Matrix


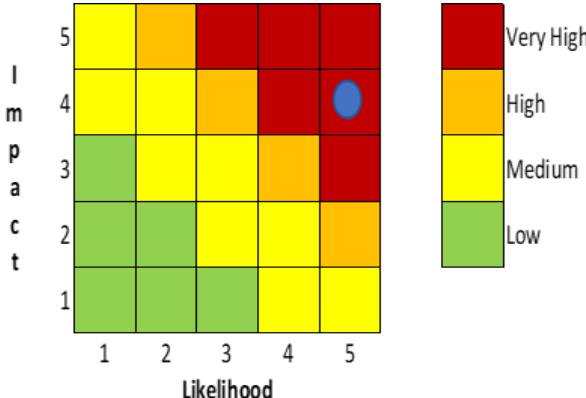
Severity	5					
	4			SXL004 SXL008	SXL003 SXL002	SXL010 SXL005 SXL001
	3		SXL007 SXL009	SXL006		
	2					
	1					
		1	2	3	4	5
		Likelihood				

PESTEL Analysis – April 2020		
POLITICAL		
Reference	Risk	Risk Score
SXL003-20/21	Political Change	16
ECONOMIC		
SXL005-20/21	Supplier Failure	20
SXL001-20/21	Organisational Sustainability	20
SXL002-20/21	Managing Growth and Diversity	16
SOCIAL		
SXL010-20/21	National Emergency including Pandemic	20
SXL004-20/21	Reputational Risk	12
SXL006-20/21	Staff Recruitment and Retention	9
SXL007-20/21	Corporate Social Responsibility	6
SXL008-20/21	Risk of Not Performing/Delivering	12
TECHNOLOGICAL		
ENVIRONMENTAL		
SXL009-20/21	Environmental Impact	6
LEGAL/LEGISLATIVE		


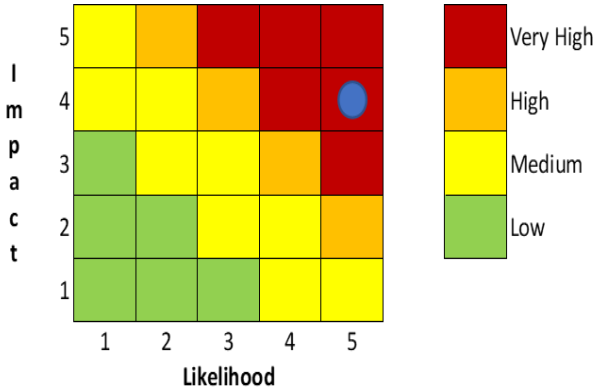
Appendix 2 presents details in relation to identified Strategic Risks in the Scotland Excel (SXL) risk template format. An explanation of each element of the risk template is shown in the table below.

Strategic Risk Register – Risk Template	
Element	Description
<i>Reference</i>	Unique risk identifier and Risk Title
<i>Context</i>	Context of identified risk
<i>Risk Statement</i>	Description of risk
<i>Risk Owner</i>	Executive Team Risk Owner
<i>Current Risk Controls</i>	Specific risk controls currently in place
<i>Risk Score</i>	Risk assessment detail
<i>Likelihood</i>	How likely is it that the Risk actually occurs (1-5)
<i>Impact</i>	What impact on SXL if the Risk occurs (1-5)
<i>Evaluation</i>	Likelihood x Impact = Evaluation Score
<i>Trend</i>	Evaluation movement over past 4 periods
<i>Residual</i>	Current Residual Risk Evaluation after Controls
<i>Risk Register Review Updates</i>	Meeting dates of Risk Management Group
<i>Linked Actions</i>	Current/on-going actions to mitigate and control risk

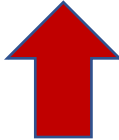
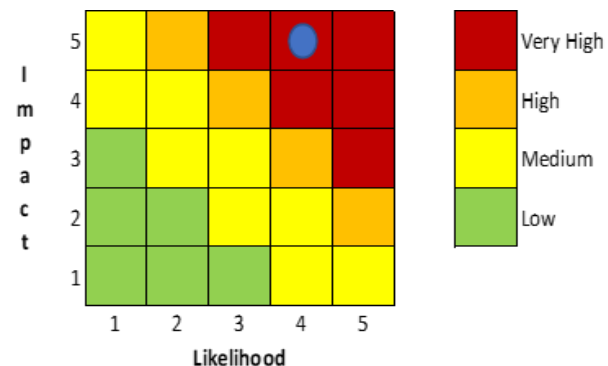
Appendix 2: - Scotland Excel Risk Register (April 2020)


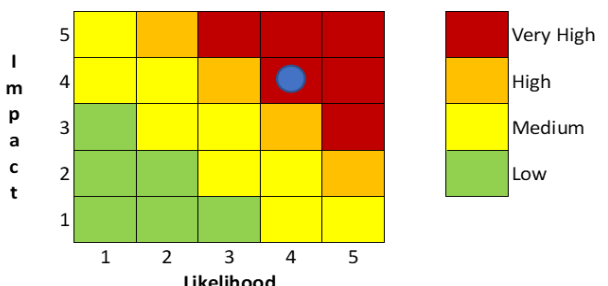
Reference:		SXL010-20/21		National Emergency Including Pandemic					
Context		Risk Statement	Risk Owner	Current Risk Controls	Risk Score				
					Likelihood	Impact	Residual	Trend	Original Evaluation
A National Emergency or Pandemic is declared by the Scottish Parliament and/or the UK Government which impacts the day to day operations of Scotland Excel.		Scotland Excel must ensure that, during a National Emergency or Pandemic, it can continue to deliver all its services to local authorities, associate members and to suppliers attached to its contract frameworks	JW	<p>Existing ICT arrangements within Scotland Excel perform well within a Home Working scenario.</p> <p>Employee support mechanisms (Occupational Health, Time to Talk etc.) remain in place during Home Working scenarios.</p> <p>Access to a range of video communication software allows business meeting to take place and ensures employees living alone or experiencing difficulties can be supported.</p> <p>Governance of the organisation can be maintained in line with governing documents.</p> <p>Framework nature of managed contracts ensure minimum dependence on single suppliers.</p> <p>The organisation can adapt to changing priorities and allocate resources accordingly, for example PPE and Food.</p>	5	4	20		25
									
Risk Register Review Updates									
Date	24/01/20	n/a							
	27/04/20	New Risk added to the Strategic Risk Register; Linked Actions added; Risk Score Evaluation of 25 (Likelihood 5, Impact 5); Residual Risk assessed as 20 (Likelihood 5, Impact 4) as organisation still operating and delivering services during lockdown.							
	27/08/20	Linked actions added, existing actions updated – Residual Risk Score remains unchanged							
	05/11/20	Linked actions added, existing actions updated – Residual Risk Score remains unchanged							
Linked Actions									


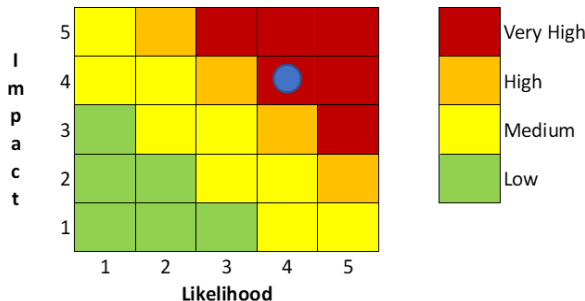
Description	Assigned To:	Due Date	Status	Notes
A return to office-based working plan for employees to be developed	SMT	31/03/21	On-going	Observing govt guidelines on social distancing – Awaiting Renfrewshire Council guidance on return.
Carry out Horizon Scanning sessions to discuss and review the impact of a National Emergency or Pandemic on the identified risks of Scotland Excel and to identify any future risks to the organisation following/during the emergency	SMT	30/06/20	Complete	7 Horizon Scanning groups set up to look at specific elements of SXL work now and in future.
A comprehensive review of Scotland Excel operations during Lockdown, Unlock and Post Lockdown to be carried out	SMT	31/12/20	On-going	Horizon Scanning group
A review of procedures in relation to initiating a working from home environment to be carried out.	SMT	30/09/20	Complete	
Undertake a Lessons Learned review of agile working infrastructure identifying possible improvements.	SMT	31/08/20	Complete	
Carry out a review of Scotland Excel Governance Model to ensure it is fit for purpose during National Emergency situations or Pandemic.	SMT	31/08/20	Complete	
Carry out a review of Contract Terms and Conditions ensuring they are appropriate during National Emergency or Pandemic situations.	SMT	31/12/20	On-going	
Carry out a Supply Chain review for relevant Scotland Excel contract frameworks to identify contract resilience during emergency or pandemic periods.	SMT	31/12/20	Complete	
Carry out a review of software requirements for staff to ensure efficient and effective working from home as and when required.	SMT	31/12/20	On-going	ICT Development Plan including maximization of MS Teams to go to SMT
Carry out a review of ICT infrastructure requirements for the organisation to ensure efficient and effective working from home as and when required.	SMT	31/12/20	On-going	ICT Development Plan including maximization of MS Teams to go to SMT
Assess feedback and outputs from Horizon Scanning Groups	SMT	31/12/20	On-going	Horizon Scanning groups provide regular progress reports to SMT

Reference:		SXL005-20/21	Supplier Failure						
Context		Risk Statement	Risk Owner	Current Risk Controls	Risk Score				
					Likelihood	Impact	Residual	Trend	Original Evaluation
<p>Financial (and other) factors impacting on resilience of suppliers. Negative reputational results across the portfolio from potential breach of contract and / or supplier failure.</p> <p>Focus required in areas which have a direct impact on delivery as a result of business failure.</p> <p>Expanding Social Care portfolio generates new risks for Scotland Excel</p> <p>Social care providers are being impacted by COVID-19 in terms of their financial sustainability</p>		The failure of a service provider could have significant implications for service provision within member council areas.	HC	<p>Effective risk management is in place during development and management of contracts. Robust processes for monitoring financial stability of suppliers carried out prior to award and throughout the life of a contract, utilising external advice as required.</p> <p>Specific measures are in place to meet the management of Social Care contracts and these key areas of risk.</p> <p>Scotland Excel has a range of measures for monitoring supplier resilience in addition to the external financial monitoring tools used.</p> <p>A new tailored approach to financial risk for high risk contracts has been implemented “Step-in Right” within relevant and appropriate contracts maintained</p> <p>Scotland Excel are involved in various groups to support provider sustainability in particular around establishing reasonable additional costs during COVID-19.</p>	5	4	20		12
									
Risk Register Review Updates									
Date	24/01/20	Severity score reduced due to mitigating work carried out and underway							
	27/04/20	Linked actions updated and risk discussed; Residual Risk Score increased from 12 to 20 (Likelihood 5; Severity 4) due to Business and Economic uncertainty during lockdown and extended pandemic period.							
	27/08/20	Linked action added; Linked actions updated, and risk discussed; Residual Risk Score (20) remains unchanged due to impact of COVID-19 pandemic							
	05/11/20	Linked action added; Linked actions updated, and risk discussed; Residual Risk Score (20) remains unchanged due to COVID-19 pandemic and increasing possibility of No Deal Brexit.							
Linked Actions									
Description				Assigned To:	Due Date	Status	Notes		
Develop robust Market Analysis Strategy across procurement categories				HC	31/03/21	On-going			


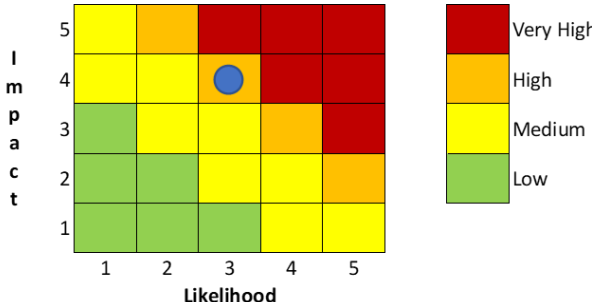
Expand supplier dialogue and comms; engage suppliers in pro-active contract management discussions; monitor emerging issues i.e. COVID; BREXIT	HC	31/03/21	On-going	
Development of contingency document in relation to potential impact of No Deal BREXIT.	SMT	31/12/20	On-going	


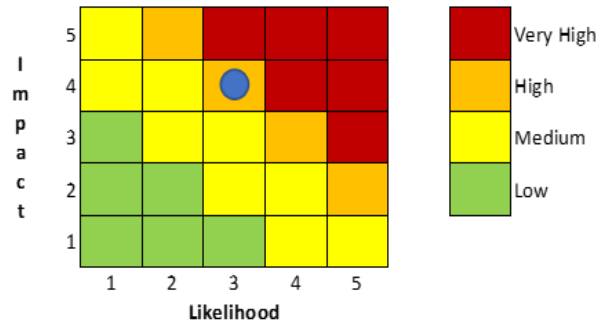
Reference:		SXL001-20/21		Organisational Sustainability					
Context		Risk Statement	Risk Owner	Current Risk Controls	Risk Score				
					Likelihood	Impact	Residual	Trend	Original Evaluation
<p>Potential for local government organisations withdrawing support.</p> <p>Requirement to diversify and generate financial income from alternate sources</p> <p>Council budget cuts impacting upon use of services provided.</p>		Membership of Scotland Excel is optional for all stakeholders and Scotland Excel must be alert to this and the impact of Councils or Associate Members resigning their membership.	JW	<p>Continuing focus on added Core Value delivered for all member councils.</p> <p>On-going development of projects offering new services and increasing benefits to stakeholders.</p> <p>Identification of new opportunities to provide additional chargeable services based on customer demand.</p> <p>Ongoing robust market testing of all new shared service propositions.</p> <p>Ongoing robust business model is in place for all new services (cost to serve, funding/uptake forecasts).</p> <p>Regular engagement with Chief Execs, Finance Directors, Corporate Procurement Leads and Elected Members demonstrating the value added by Scotland Excel</p>	4	5	20		16
									
Risk Register Review Updates									
Date	24/01/20	Linked actions updated; Risk scores maintained at current levels							
	27/04/20	Linked actions updated; Risk score reviewed in light of anticipated COVID-19 pandemic cost pressures							
	27/08/20	Completed linked actions removed; New Linked actions added; No change to risk score							
	05/11/20	Linked action added; Linked actions updated, and risk discussed; Residual Risk Score increased to 20 (Likelihood 4 x Impact 5) due to emerging financial impact of COVID-19 pandemic.							
Linked Actions									
Description				Assigned To:	Due Date	Status	Notes		
Continuing Customer Engagement exercise with key partners				JW	31/01/21	On-going	Engagement plan in development		
C.E presentation to CIPFA and SOLACE				JW	31/12/20	Complete			
Assess feedback and outputs from Horizon Scanning Groups				SMT	31/12/20	On-going	7 Horizon Scanning Groups		
Detailed review of project and contract opportunities				SB	31/03/21	On-going	Review of opportunities post COVID		
Assess financial impact of COVID-19 pandemic on Scotland Excel funding model for 2020/21 and 2021/22 onwards.				SMT	31/12/20	On-going	Current year outturn review and impact on future funding model		

Reference: SXL003-20/21		Political Change						
Context	Risk Statement	Risk Owner	Current Risk Controls	Risk Score				
				Likelihood	Impact	Residual	Trend	Original Evaluation
Legislative changes impact upon the organisation and how it must operate. Political uncertainty created by, for example, Brexit create unknown challenges Legislative changes have been introduced to procurement processes in light of the COVID-19 pandemic Scottish Government Elections May 2020	Political change at local, national, UK and international levels which Scotland Excel must be aware of in order to respond to, and maintain services to stakeholders	JW	An effective and properly resourced public affairs strategy is in place. Through effective research, engagement, partnership working and briefings – for example Brexit white paper - this ensures that the organisation is aware of and able to respond to challenges and opportunities in the external environment. Active participation by the organisation in various groups and boards influencing policy and “direction of travel”. Waste proposal developed to support customers in using changes to procurement legislation to deliver waste services externally if required.	4	4	16		16
								
Risk Register Review Updates								
Date	24/01/20	Progress against linked actions noted; No change to Risk scores due to continuing uncertainty on Brexit						
	27/04/20	Strategic Risk reviewed; No change to risk score						
	27/08/20	Completed linked actions removed; New Linked actions added; Scottish Govt Elections added under context; No change to risk score						
	05/11/20	Linked action added; Linked actions updated, and risk discussed; Residual Risk Score (16) remains unchanged due to possibility of No Deal Brexit and pending Scottish Government elections						
Linked Actions								
Description			Assigned To:	Due Date	Status	Notes		
Prepare and present BREXIT paper to Exec Sub Committee			SMT	31/12/20	On-going	Impact of BREXIT being monitored		
Prepare and present BREXIT paper to CEOMG			SMT	31/12/20	On-going	Impact of BREXIT being monitored		
Update SXL White paper on BREXIT			SMT	31/12/20	On-going	Impact of BREXIT being monitored		
Prepare and distribute communication to all local authority Chief Executives on contingency planning for COVID/BREXIT			SMT	31/12/20	On-going	Impact of COVID-19 and BREXIT continue to be monitored		


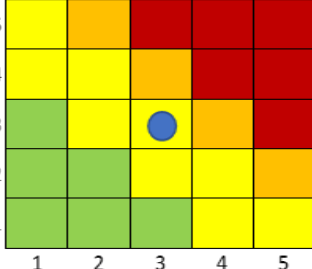
Reference: SXL002-20/21		Managing Growth and Diversity							
Context		Risk Statement	Risk Owner	Current Risk Controls	Risk Score				
					Likelihood	Impact	Residual	Trend	Original Evaluation
Failure to identify and manage emerging opportunities Inability to evolve service offering in a changing landscape COVID-19 has affected our ability to identify and deliver new project opportunities		There is a risk to the long-term future of the organisation if it fails to grow the portfolio of services offered to members	SB	Regular Horizon Scanning meetings help to identify market development opportunities and give the organisation time to plan for capability and capacity. OD strategy and workforce planning tools used to ensure that Scotland Excel has the right caliber of staff to deliver and grow a quality service offering. New project opportunities have been won across a number of councils and other public sector bodies. Employment of additional temporary marketing resource to ensure key projects/initiatives are adequately promoted.	4	4	16		12
									
Risk Register Review Updates									
Date	24/01/20	Progress against linked actions noted; No change to Risk scores.							
	27/04/20	Linked actions updated and added (project opportunities); Review based on COVID-19 – Residual risk increased to 16 (Likelihood up to 4) due to COVID-19 impact on projects pipeline.							
	27/08/20	Completed linked actions removed; New Linked actions added; No change to risk score.							
	05/11/20	Linked action added; Linked actions updated, and risk discussed; Residual Risk Score retained at current level (16)							
Linked Actions									
Description				Assigned To:	Due Date	Status	Notes		
Innovation management process being developed.				IMN	31/03/21	On-going	Innovation group has started meeting		
Review of market competitors to be refreshed.				HC	31/12/20	On-going	Operating Plan Action, Whole organisation		


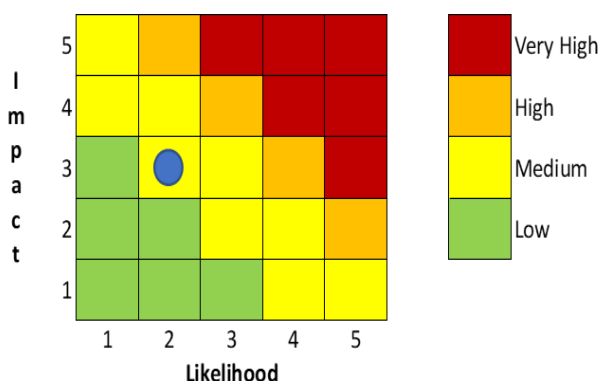
Review of Business Development Strategy	SB	31/12/20	On-going	Temp Snr Business Dev. Officer appointed
Provision of General Procurement Services for Key Partners	SB	31/12/20	On-going	Managed services for councils (D&G)
Detailed review of project and contract opportunities.	SB	31/03/21	On-going	Review of opportunities post COVID-19
Set up Horizon Scanning groups to discuss and review the impact of the Pandemic on the identified risks of Scotland Excel identifying any possible future risk.	SMT	30/06/20	Complete	7 Horizon Scanning groups set up to look at specific elements of SXL work


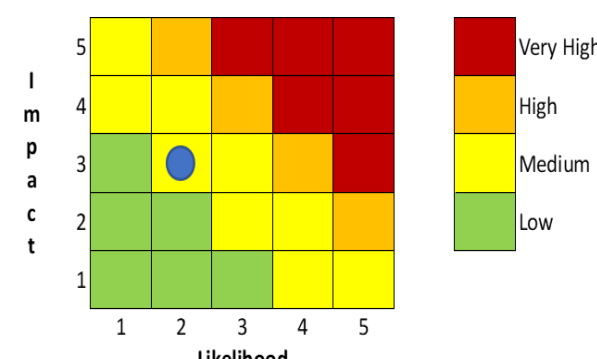
Reference:		SXL004-20/21		Reputational Risk					
Context		Risk Statement	Risk Owner	Current Risk Controls	Risk Score				
					Likelihood	Impact	Residual	Trend	Original Evaluation
<p>Negative publicity or media coverage affects the organisation and impacts stakeholders.</p> <p>Negative media reports relating to a framework or service provider.</p> <p>An increased need to generate positive marketing outlining Scotland Excel’s role during the COVID-19 pandemic.</p>		Scotland Excel is faced with negative publicity or a media crisis through a service issue or failure that compromises the organisation’s stakeholders	JW	<p>Colleagues advise communications team of any potential issues to enable effective planning for “negative” media interest. Pro-active monitoring of press coverage carried out by marketing team and wider organisation.</p> <p>Pro-active and robust engagement with press organisations to ensure positive relationships and coverage.</p> <p>Proactive marketing programme ensuring local authorities are aware of the services being offered to councils during the COVID-19 pandemic. This includes the Scotland Excel Newsroom, importance of clear and robust comms at all times</p> <p>COVID-19 pandemic test of organisational resilience – minimal impact on reputation. Resilience and agility shown reflects well on reputation</p>	3	4	12		8
									
Risk Register Review Updates									
Date	24/01/20	Residual Risk and Risk Evaluation scores changed due to increasing size and range of portfolio (social care); Likelihood (3) x Severity (4)							
	27/04/20	Linked actions added (Newsroom & Marketing); No change to Residual Risk score due to COVID-19 pandemic							
	27/08/20	Completed linked actions removed; New Linked actions added; Residual Risk unchanged – COVID.							
	05/11/20	Linked action added; Linked actions updated, and risk discussed; Residual Risk Score retained at current level (12)							
Linked Actions									
Description				Assigned To:	Due Date	Status	Notes		
Continuing Customer Engagement exercise with partners				JW	31/12/20	On-going	Engagement plan in development		
C.E presentation to CIPFA and SOLACE				JW	31/12/20	Complete			
Explore compliant and strategic ways to incorporate recently published SPPN8/2020 on increasing resilience in supply chains.				SMT	31/03/21	On-going	Includes growing the proportions of products sourced locally/shorter supply chains to support economic recovery.		
Reference:		SXL008-20/21		Risk of Not Performing/Delivering					

Context	Risk Statement	Risk Owner	Current Risk Controls	Risk Score				
				Likelihood	Impact	Residual	Trend	Original Evaluation
Failure to deliver in line with member council expectation. System failures impact on the ability of the organisation to deliver services. Increasing member expectations as financial challenges increase	Scotland Excel fails to perform in line with customer expectations.	SB	Approved 5 years strategy and one-year operating plan in place. A range of KPIs currently exist at contract and organisational level. These are regularly reviewed. Regular operating plan updates to Executive Sub Committee to ensure robust governance. Regular financial period review and reporting across core and projects. Business continuity approach ensures that the organisation and its systems can operate effectively remotely Scotland Excel are providing new and improved services to member councils on an ongoing basis.	3	4	12		8
								
Risk Register Review Updates								
Date	24/01/20	Linked actions updated; No change to risk score						
	27/04/20	Review Based on Covid-19 – Likelihood increased from 2 to 4 due to anticipated future financial constraints						
	27/08/20	Completed linked actions removed; New Linked actions added; Residual Risk Evaluation changed to 12 (Likelihood 3; Severity 4) due to organisational performance during lockdown and subsequent pandemic period.						
	05/11/20	Linked action added; Linked actions updated, and risk discussed; Residual Risk Score retained at current level (12)						
Linked Actions								
Description			Assigned To:	Due Date	Status	Notes		
Review of Member Infographic/Annual Values report			SB/HC	31/12/20	On-going	Project team in place		
Continuing Customer Engagement exercise with key partners			JW	31/01/21	On-going	Engagement plan in development		
C.E presentation to CIPFA and SOLACE			JW	31/12/20	Complete			
Annual Values Report issued to all Councils			SMT	30/11/20	Complete			

Reference:	SXL006-20/21	Staff Recruitment and Retention
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Context		Risk Statement	Risk Owner	Current Risk Controls	Risk Score				
					Likelihood	Impact	Residual	Trend	Original Evaluation
<p>Demand in the market for staff makes recruiting and retaining staff problematic.</p> <p>Recruitment massively impacted by COVID-19. Staff less likely to move during current circumstances.</p> <p>Pandemic making Public Sector careers more attractive</p>		Scotland Excel encounters problems in recruiting and retaining staff of suitable skill, quality and experience to deliver the operating plan	SB	<p>Recruitment processes reviewed and updated.</p> <p>PRD process reviewed and updated in consultation with Scotland Excel staff.</p> <p>Successful recruitment campaigns including events to be replicated.</p> <p>Retention measures improved including secondment opportunities and projects to enrich roles.</p> <p>Enhanced organisational reputation through events, partnerships and marketing.</p> <p>Retain Investors in People accreditation</p> <p>Staff turnover figures collated and presented to SMT annually</p>	3	3	9		9
					 <p>Very High High Medium Low</p>				
Risk Register Review Updates									
Date	24/01/20	Linked actions update, Likelihood score increased due to recruitment challenges with Category Manager post.							
	27/04/20	Linked actions updated and added (Conversation & Policy); No change to risk score							
	27/08/20	Completed linked actions removed; New Linked actions added; Risk Evaluation unchanged							
	05/11/20	Linked actions updated, and risk discussed; Residual Risk Score reviewed down to 9 (Likelihood 3 x Impact 3) due to public sector being better regarded as employer of choice following pandemic.							
Linked Actions									
Description				Assigned To:	Due Date	Status	Notes		
Exit interview process to be reviewed and issues reviewed				LC	31/12/20	On-going	Collection and reporting process development		
Review of job specs and person profiles to be completed				LC	31/12/20	On-going	Reviewed in conjunction with PRD review		
Move from Investors in People grade from Silver to Gold				JW	31/03/22	On-going	Work is continuing with Staff Engage. Group		
Build Scotland Excel reputation beyond procurement professionals promoting other areas including the Academy				IMN	31/03/21	On-going	Being led by SXL Academy		
Investigate a Procurement Conversion programme to attract professionals from other professions				SB	31/03/21	On-going	Broaden recruitment pool of candidates.		
Review recruitment policy during COVID-19 pandemic				SMT	31/03/21	On-going	Recruitment being continuously reviewed – fixed term appointments only being considered		

Reference: SXL007-20/21		Corporate Social Responsibility						
Context	Risk Statement	Risk Owner	Current Risk Controls	Risk Score				
				Likelihood	Impact	Residual	Trend	Original Evaluation
Ensure that, where possible, community benefits are delivered as part of the contract portfolio. Ethical sourcing of products and supplies in the whole supply chain.	Scotland Excel may not be seen as an industry leader in how it addresses key aspects of corporate social responsibility with an associated negative impact upon our reputation and stakeholder perceptions.	HC	Management and Reporting of Community Benefits developed and embedded. Community benefit requirements issued to suppliers at tender stage. Active promotion of community benefits in delivered through our contracts. Living Wage Employer accreditation secured, used to raise awareness with stakeholders. Workforce matters and living wage considerations are built in at strategy stage. Ethical sourcing strategies provided by suppliers as part of the tender process. Co-ordination of Community Benefits Forum for partner local authorities Staff have become mentors for children in schools under MCR Pathways Partnership with Founders 4 Schools supporting CV writing, mock interviews etc. Incorporation of “Fair Work First” incorporated in to SXL frameworks	2	3	6		6
								
Risk Register Review Updates								
Date	24/01/20	Linked action added (Work Placements); No change to risk score						
	27/04/20	Risk reviewed in light of COVID-19; No change to risk score.						
	27/08/20	Completed linked actions removed; New Linked actions added; Risk Evaluation unchanged						
	05/11/20	New linked action added, linked actions updated, and risk discussed; Residual Risk Score unchanged						
Linked Actions								
Description			Assigned To:	Due Date	Status	Notes		
Scotland Excel takes part in MCR (Motivation, Commitment & Resilience) pathways			SMT	31/03/21	On-going	Several staff are actively involved in this initiative which continues during pandemic		
Explore additional ways SXL can support disadvantaged young people			SMT	31/03/21	On-going	Horizon scanning group to be set up to explore options		

Reference:		SXL009-20/21		Environmental Impact and Climate Change					
Context		Risk Statement	Risk Owner	Current Risk Controls	Risk Score				
					Likelihood	Impact	Residual	Trend	Original Evaluation
Impact of organisational activity on the Environment. Impact of Scotland Excel frameworks on the Environment Influence of Scotland Excel on environmentally friendly public service delivery Potential impact of Climate change on day to day operations of Scotland Excel		Reputational/legal Risk in relation to the organisation having an adverse impact on the Environment. Reputational/legal Risk in relation to Scotland Excel frameworks having an adverse impact on the Environment Failure to champion Environmentally friendly practices via SXL frameworks	JW	Adoption of environmentally aware office practices within Scotland Excel i.e. recycling, agile working, double sided printing etc. Requirement for Environmental Policy, ISO certificate or equivalent for access to certain frameworks Actions in relation to reducing carbon footprint scored in assessment for certain frameworks Information in relation to environmental practices and plans requested across all frameworks Sustainability testing carried out on all framework suppliers	2	3	6		6
									
Risk Register Review Updates									
Date	24/01/20	Add Climate Change to Risk title and context; Risk score reviewed – No Change							
	27/04/20	Risk reviewed and action updated; No change to risk score							
	27/08/20	Completed linked actions removed; New Linked actions added; Risk Evaluation unchanged							
	05/11/20	New linked action added, linked actions updated, and risk discussed; Residual Risk Score unchanged							
Linked Actions									
Description				Assigned To:	Due Date	Status	Notes		
Review of what further actions can be taken by Scotland Excel to impact organisational, supplier and partner carbon footprint reduction activity				HC	31/03/20	On-going			
New Environmental Impact horizon scanning group to be created				SB	31/12/20	Complete	Group set up and meeting regularly		
Identify and participate in appropriate and relevant Environmental Groups where SXL can have influence				SMT	31/03/21	On-going	A number of SXL staff already attend environmental strategy groups		

Scotland Excel

To: Joint Committee

On: 11 December 2020

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

Scotland's Technical Asset Management Platform (STAMP)

1. Summary

This paper updates the Committee on work undertaken by Scotland Excel, supported by the Scottish Local Government Digital Office (SLGDO), with ICT (Information and Communications Technology) and Digital Transformation leads from councils. The purpose of this work was to develop and populate and asset management register to identify collaborative contracting opportunities.

2. Recommendation

Members of the Scotland Excel Joint Committee are invited to note the current position of the ongoing work in relation to the gathering of ICT Systems details and contract information from all of Scotland's councils.

3. Background

Councils in Scotland use multiple ICT software systems to support service delivery across all services. The acquisition, support and maintenance of these systems are a significant budgetary commitment for all local authorities. In partnership with the SLGDO, Scotland Excel identified that councils would benefit from a Scotland wide analysis of existing ICT systems and associated contracts. This analysis will lead to the identification of short, medium and longer terms opportunities for collaborative procurement, contract management, community benefits and financial efficiencies.

The initial challenge was to establish a baseline of the existing systems landscape across Scotland. The first attempt to gather the information was a distributed request to ICT leads via email with a spreadsheet attached for completion.

This baseline is important to understand what systems are in use, who are the suppliers to local government in Scotland, what do we spend on these systems and services, what technologies are used most commonly and what are the current contractual obligations. This information will inform the planned analysis.

The request for information led to the discovery that the detail requested was not easily accessed, software assets were not recorded uniformly, indeed in some instances, not at all.

This presented a further opportunity, which was to create an asset management platform that all councils could use to record key software asset information and that would deliver a range of benefits.

4. Progress to Date

South Lanarkshire Council offered technical resource to develop a software asset management information capture tool. Scotland Excel contributed to the specification, development and testing of the software.

Since the launch of the software tool eighteen months ago until March of this year, c.44% of councils had uploaded information into the asset management repository. However, this has since increased to c.59% - a summary of which can be found in appendix 1. The level of contribution was somewhat lower than anticipated, however barriers were identified that explained this position, including, only a single person per service access and the fact that the information did not all reside with a single officer group. Momentum stalled from March of this year with the onset of the pandemic and a need for councils to focus their resources in an appropriate response, coupled with a re-positioning of ICT support in all local authority areas.

Scotland Excel took this as an opportunity to review the feedback on the tool from the participating Local Authorities and address the barrier issues. Significant enhancements were planned and implemented, again with the support of South Lanarkshire technical developers. The latest version now has improved security features, easier & wider accessibility, audit features and additional recording / reporting functionality. West Lothian Council agreed to carry out extensive testing on the revised software and this has recently been concluded.

The latest version of the software has been named Scotland's Technical Asset Management Platform or STAMP in short and is being re-launched to all councils in collaboration with the SLGDO.

5. Benefits

Engagement across the sector has previously led to the realisation of a number of collaborative opportunities. This includes contracts for online school payments systems, customer service platforms and the current live tender exercise for social work care case management systems. However, more comprehensive information on current platforms and contract conditions will help to support the wider digital transformation, modernisation and standardisation agendas across the sector. It is anticipated that this will be phased, and include: -

Short Term

- a more informed understanding of the Scottish local government sector technology landscape
- an increased ability to effectively collaborate, share knowledge and skills to mitigate the requirement for external consultancy
- the identification of opportunities to work together to secure better deals from suppliers through the identification of common solutions
- the realisation of potential benefits, in the form of cashable savings, through an understanding of equivalent contracts in place across local government
- the identification of opportunities to engage with SME's around service innovation

Medium Term

- a more effective supplier and contract management relationship
- the reduction of support costs through identifying where councils could pool support and development expertise in virtual teams
- the identification of collaborative market engagement opportunities for new products and services

Longer Term

- an improvement in citizen experiences and outcomes through a standardised service delivery model across the sector

6. Next Steps

In conjunction with the Scottish Local Government Digital Office, a briefing note has been created to support the re-launch of the latest version of STAMP for distribution to council Chief Executives via SOLACE, heads of procurement via Scotland Excel and Heads of IT and Transformation via SLGDO.

To assist councils in reaching the full potential of this system, Scotland Excel will participate in one to one meetings with individual Local Authorities to demonstrate the functionality of STAMP and to offer advice, support and assistance on implementation and usage.

The information recorded in STAMP will inform a timeline of collaborative procurement opportunities by service sector and spend, and it will allow councils to be grouped by contract status and terms. Although currently incomplete, the data available so far will be used to develop initial contracting opportunities, which can be expanded as additional information is made available.

An enhanced user intelligence group (UIG), including subject matter experts from ICT, Procurement and Service Management will be created to consider the business merits of identified ICT collaborative opportunities. The Scottish local government Digital Assurance board will ensure that these procurements are aligned to and support the wider digital transformation policies agreed by the Scottish Government.

Appendix 1 – Council submission summary

Council	Submission level
Aberdeen City Council	None
Aberdeenshire Council	Full
Angus Council	Full
Argyll and Bute Council	Partial
City of Edinburgh Council	None
Clackmannanshire Council	None
Comhairle nan Eilean Siar	None
Dumfries and Galloway Council	Full
Dundee City Council	Partial
East Ayrshire Council	Partial
East Dunbartonshire Council	Full
East Lothian Council	None
East Renfrewshire Council	Full
Falkirk Council	Partial
Fife Council	Partial
Glasgow City Council	Partial
Highland Council	None
Inverclyde Council	None
Midlothian Council	Full
Moray Council	None
North Ayrshire Council	Full
North Lanarkshire Council	None
Orkney Islands Council	None
Perth & Kinross Council	Full
Renfrewshire Council	Partial
Scottish Borders Council	None
Shetland Islands Council	None
South Ayrshire Council	None
South Lanarkshire Council	Full
Stirling Council	Partial
West Dunbartonshire Council	Full
West Lothian Council	Full

Scotland Excel

To: Joint Committee

On: 11 December 2020

**Report by:
The Clerk**

Membership of Scotland Excel Chief Executive Officers Management Group

1. Summary

1.1 The purpose of this report is to seek approval for the membership of Scotland Excel's Chief Executive Officers Management Group (CEOMG), a key governance body for the organisation and which has been part of Scotland Excel's governance since its inception in 2008.

1.2 The CEOMG comprises six Chief Executives from the member authorities of Scotland Excel. The Chief Executive of Renfrewshire Council is a standing member of the group due to Renfrewshire Council being the lead authority for Scotland Excel. The other five members of the Group are appointed annually by the Scotland Excel Joint Committee although membership can be renewed.

1.3 In August 2018 a presentation was made to the SOLACE branch group seeking a new CEOMG member due to the retiral of Mary Pitcaithly. The SOLACE Executive decided to review the overall membership, and the following nominations were received and agreed by the Joint Committee at a meeting held on 7 December 2018:

Angela Scott	Aberdeen City Council
Margo Williamson	Angus Council
Cleland Sneddon	South Lanarkshire Council
Steve Grimmond	Fife Council
Annemarie O'Donnell	Glasgow City Council
Sandra Black	Renfrewshire Council

1.4 At the meeting of the Joint Committee held on 6 December 2019 it was agreed that the membership remain as detailed in paragraph 1.3 above until December 2020.

- 1.5 Sandra Black continued to Chair meetings of the CEOMG in line with the CEOMG procedures.
- 1.6 It is proposed that the CEOMG membership remain as detailed in paragraph 1.3 above until December 2021 to allow for continuity in the strategic direction for Scotland Excel.

2. Recommendation

- 2.1 That the membership of the CEOMG remain as detailed in paragraph 1.3 until December 2021.

Scotland Excel

To: Joint Committee

On: 11 December 2020

**Report by:
The Clerk**

Scotland Excel Executive Sub-committee: Attendance of Members

1. Summary

- 1.1 At the meeting of this Joint Committee held on 19 June 2020, members gave consideration to a report by the Clerk relative to the membership of the Scotland Excel Executive Sub-committee, which is renewed annually.
- 1.2 The Joint Committee decided (i) that it be agreed that the Executive Sub-committee continue to comprise of elected members from Renfrewshire Council (Convener), North Lanarkshire Council (Vice Convener), Aberdeenshire Council, Angus Council, City of Edinburgh Council, Comhairle nan Eilean Siar, Dumfries and Galloway Council, Fife Council, Glasgow City Council, Highland Council, North Ayrshire Council, Shetland Islands Council and South Lanarkshire Council; (ii) that membership of the Executive Sub-committee be next reviewed at the meeting of the Joint Committee to be held in June 2021; and (iii) that a report detailing the attendance of members, at meetings of the Executive Sub-committee since appointment in June 2017, be submitted to the next meeting of the Joint Committee to be held on 11 December 2020.
- 1.3 In relation to 1.2 (iii) above, the appendix to this report details attendance of members, at meetings of the Executive Sub-committee since appointment in June 2017.

2. Recommendation

- 2.1 That the attendance of members, at meetings of the Executive Sub-committee since appointment in June 2017, be noted.

Scotland Excel Executive Sub-committee Attendance

Councillor	Council	30 June 2017	25 August 2017	15 September 2017	13 October 2017	17 November 2017	8 December 2017	26 January 2018	23 March 2018	27 April 2018	1 June 2018
Howatson	Aberdeenshire	substitute					substitute		substitute	substitute	
Douglas	Angus										
Hutchison	Edinburgh										
Macdonald	Comhairle										
Thompson	Dumfries & Galloway										
Craik	Fife										
MacLeod	Glasgow										
Mackinnon	Highland										
Ferguson/Reid	North Ayrshire										
Di Mascio	North Lanarkshire										
Shaw	Renfrewshire										
Hawick	Shetland										
Stevenson	South Lanarkshire										

Councillor	Council	29 June 2018	24 August 2018	28 September 2018	26 October 2018	23 November 2018	7 December 2018	25 January 2019	22 March 2019	26 April 2019	31 May 2019	21 June 2019
Howatson	Aberdeenshire			substitute		substitute				substitute	substitute	
Douglas	Angus											
Hutchison	Edinburgh											
Macdonald	Comhairle											
Thompson	Dumfries & Galloway											
Craik	Fife											
MacLeod	Glasgow											
Mackinnon	Highland											
Ferguson/Reid	North Ayrshire											
Di Mascio	North Lanarkshire											
Shaw	Renfrewshire											
Hawick	Shetland											
Stevenson	South Lanarkshire											

Councillor	Council	2 August 2019	23 August 2019	20 September 2019	25 October 2019	22 November 2019	6 December 2019	31 January 2020	28 February 2020	27 March 2020	29 May 2020	19 June 2020
Howatson	Aberdeenshire			substitute	substitute	substitute						
Douglas	Angus											
Hutchison	Edinburgh											
Macdonald	Comhairle											
Thompson	Dumfries & Galloway											
Craik	Fife											
MacLeod	Glasgow											
Mackinnon	Highland											
Ferguson/Reid	North Ayrshire											
Di Mascio	North Lanarkshire											
Shaw	Renfrewshire											
Hawick	Shetland											
Stevenson	South Lanarkshire											

Councillor	Council	18 September 2020	27 November 2020	Number of meetings attended	Total number of meetings
Howatson	Aberdeenshire			28 (including substitute attendance)	34
Douglas	Angus			1	34
Hutchison	Edinburgh			4	34
Macdonald	Comhairle			22	34
Thompson	Dumfries & Galloway			23	34
Craik	Fife			17	34
Kelly	Glasgow			27	34
Mackinnon	Highland			9	34
Cullinane	North Ayrshire			6	34
Di Mascio	North Lanarkshire			25	34
Shaw	Renfrewshire			34	34
Hawick	Shetland			19	34
Stevenson	South Lanarkshire			22	34

Key code **Red block** attendance by nominated Member

substitute attendance by substitute member

Scotland Excel

To: Joint Committee

On: 11 December 2020

**Report by:
The Clerk**

Meetings of Scotland Excel Joint Committee in 2021

1. Summary

- 1.1 The purpose of this report is to seek approval for the proposed dates for meetings of the Scotland Excel Joint Committee in 2021.

2. Recommendations

- 2.1 That meetings of Scotland Excel Joint Committee be held at 10.45 am on 18 June and 10 December 2021; and
- 2.2 That members be advised of the venue for future meetings.

3. Background

- 3.1 In terms of Scotland Excel's Procedural Standing Orders:-

5. The Joint Committee shall meet not less than two times in each calendar year. The dates, times and places for ordinary meetings of the Joint Committee shall be decided by the Joint Committee.
6. A special meeting of the Joint Committee may be called at any time:
- (a) by the Convener or Vice-Convener; or
 - (b) if at least one quarter of the total number of members require a meeting in writing specifying the business to be transacted.

Any special meeting shall be held within 14 days from the date when the Clerk receives a written request and at the time and place specified by the Clerk in consultation with the Convener.

- 3.2 The Joint Committee normally meets in June of each year to approve the draft accounts for Scotland Excel and also in November or December of each year to approve the budget.

- 3.3 It is considered at this time that all of the business that requires to be transacted by the Joint Committee in 2021 can be dealt with at the two meetings.
- 3.4 The Executive Sub-committee, at its meeting held on 27 November 2020 decided that it would meet on 18 June and 10 December 2021.