

Minute of Meeting Scotland Excel Executive Sub-Committee

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

PRESENT

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

CHAIR

Councillor Valentine, Depute Convener, presided.

BY VIDEO LINK

Councillor B Fernie (Highland Council).

APOLOGIES

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

IN ATTENDANCE

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

DECLARATIONS OF INTEREST

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

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

1 REVENUE BUDGET MONITORING

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

DECIDED: That the report be noted.

2 AUDITED ANNUAL ACCOUNTS 2015/16

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

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

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

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

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

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

DECIDED:

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

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

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

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

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

5 CHIEF EXECUTIVE OFFICERS MANAGEMENT GROUP

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

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

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

A Scott, Aberdeen City Council

C Sneddon, Argyll & Bute Council

M Pitcaithly, Falkirk Council

A O'Donnell, Glasgow City Council

J White, West Dunbartonshire Council

6 WORKSTREAM: REBATE MANAGEMENT

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

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

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

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

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

DECIDED:

(a) That the report be noted; and

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

7 CONTRACT FOR APPROVAL - SUPPLY AND DELIVERY OF CATERING SUNDRIES

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

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

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

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

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

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

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

SEDERUNT

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

8 CONTRACT FOR APPROVAL - DOMESTIC FURNITURE AND FURNISHINGS

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

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

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

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

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

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

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

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

SEDERUNT

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

9 DEMOLITION SERVICES CONTRACT

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

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

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

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

10 QUARTERLY PROGRESS REPORT

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

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

DECIDED: That the progress made be noted.

11 EMPLOYEE ABSENCE MANAGEMENT REPORT

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

DECIDED: That the report be noted.

12 MEETINGS OF SCOTLAND EXCEL EXECUTIVE SUB-COMMITTEE IN 2017

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

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

13 DATE OF NEXT MEETING

DECIDED: That it be noted that the next meeting of the Executive Sub-committee would be held at 10.45 am on 14 October 2016 in Scotland Excel Meeting Room 1, Renfrewshire House, Paisley.