

**MINUTE OF MEETING OF THE SCOTLAND EXCEL EXECUTIVE SUB-COMMITTEE
HELD AT GLASGOW CALEDONIAN UNIVERSITY ON 27 MARCH, 2015**

PRESENT

I Whyte (City of Edinburgh Council); M McElroy (Glasgow City Council); M Holmes (Renfrewshire Council); and A Westlake (Shetland Islands Council)

Councillor Holmes, Convener, presided.

BY VIDEO LINK

Councillor P Valentine (Angus Council)

APOLOGIES

Councillors N Macdonald (Comhairle nan Eilean Siar); G Dykes (Dumfries and Galloway Council); M Smith (Highland Council); G McLean (North Ayrshire Council); and Provost E Logan (South Lanarkshire Council)

IN ATTENDANCE

J Welsh, Director of Scotland Excel, H Carr, Head of Strategic Procurement; J McLaggan, Business Services Manager; S Blackhall, Senior Information Technology Specialist; Maureen Robertson, Marketing & Communications Manager; T Hand, Senior Procurement Specialist, E Faulds, Interim Support Project Officer (all Scotland Excel); and D Forbes, Finance Manager; E Coventry, Democratic Services Officer; and K Locke, Risk Manager (all Renfrewshire Council).

DECLARATIONS OF INTEREST

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

No declarations of interest were expressed.

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

There was submitted the Minute of the meeting of the Executive Sub-Committee held on 6 March, 2015.

DECIDED: That the Minute be approved.

2. REVENUE BUDGET MONITORING REPORT

There was submitted a Revenue Budget Monitoring report by the Treasurer and Director of Scotland Excel for the period 1 April, 2014 to 27 February, 2015.

DECIDED: That the report be noted.

3. ASSOCIATE MEMBER REPORT

There was submitted a report by the Director which provided details of the review of the fee structure for Associate Members of Scotland Excel and outlined proposals for interim fees for Associate Membership to enable further work on funding options to be developed.

The report indicated that in addition to the 32 Local Authorities who were members of Scotland Excel there were 60 Associate Members of the organisation. Once approved for membership by committee, associates could access the Scotland Excel frameworks and benefit from discounted places on training courses delivered by Scotland Excel. The membership fees for these organisations had not been reviewed for a number of years and as Scotland Excel moved toward the delivery of a new business plan a review of the membership arrangements and fees was prudent. Appendix 1 to the report provided details of the current Associate Members.

Current membership fees were based on a number of factors with a set fee of £150 with additional amounts added from a matrix based upon the number of staff and number of locations that the organisation would require suppliers to service.

The report proposed a three tier structure for associate members. Fees for first tier members would be based on a membership fee plus a percentage of the organisation's annual spend over an agreed figure. As an indication this flexible element of the fee would be in the region of 1 or 2% of spend.

For second tier organisations there would be a minimum fee of £500. However, some flexibility in this fee would be exercised and if there were clear community benefits in waiving the fee this would be considered where appropriate.

The bottom tier would be council "arms length organisations" (ALEOs) who accessed the full range of Scotland Excel contracts and training. There was no fee for Council ALEOs however these organisations will still have to make formal application to become associate members and meet the legal requirements of membership.

Following discussion it was agreed that consideration required to be given to an appeals process, a mechanism for rebates, a review of tier designation when organisations expand and consultation prior to introduction. Accordingly it was agreed that a report should be submitted to the next meeting.

DECIDED:

- a) That the report be noted; and
- b) That a report be submitted to the next meeting providing details of an appeals process, a mechanism for rebates, a mechanism for review of tier designation when organisations expand, and consultation prior to introduction..

4. ASSOCIATE MEMBER APPLICATION – SB CARES

There was submitted a report by the Director of Scotland Excel indicating that a request for associate membership of Scotland Excel had been received from SB Cares. It was noted that SB Cares was an Arms Length External Organisation (ALEO) established by Scottish Borders Council through which it would deliver the Council's statutory duties.

DECIDED: That the SB Cares application to join Scotland Excel as an associate member be approved subject to completion and signing of the SLA.

5. COMMUNICATIONS UPDATE

A presentation was give by the Marketing Manager providing an update on the Scotland Excel communications strategy.

DECIDED: That the update be noted.

6. SUPPLIER EXCELLENCE AWARDS AND DEVELOPMENT EVENT

There was submitted a report by the Director providing details of the Scotland Excel Supplier Excellence Awards and Development Event which would take place on Thursday 11th June at the Glasgow Royal Concert Hall to celebrate good practice, innovation and suppliers who go the extra mile.

DECIDED: That the report be noted.

7. CONTRACT FOR APPROVAL – HEAVY PLANT

There was submitted a report by the Director of Scotland Excel relative to the framework for the purchase of heavy plant covering the period from 1 March 2015 to 28 February 2018 with an option to extend for up to 1 year to 28 February 2019. The framework covers a range of vehicles and machinery purchased by Councils for operational purposes.

The report indicated that the framework was split into seven lots designed to attract as many companies as possible which supply heavy plant to Councils and to allow tenderers to bid for specific lots.

The forecast annual spend for participating councils was £10.3m per annum equating to £41.2m over the term of the framework including the extension period.

To date 31 Councils and Tayside Contracts had confirmed participation in this framework. East Ayrshire Council is currently carrying out its own tender exercise and will not participate.

DECIDED: That the business be awarded as follows:

Lot 1 – Excavators

Scot JCB Ltd
Hamilton Bros Engineering Ltd
Caledonian Plant
Liebherr Great Britain Ltd
Lloyd Ltd

Lot 2 - Pedestrian Operated Rollers/Compactors/Sprayers/Rammers

Hamilton Bros Engineering Ltd
Scot JCB Ltd
Caledonian Plant
Bomag GB Ltd

Lot 3 – Ride-on Rollers

Scot JCB Ltd
Caledonian Plant
Bomag GB Ltd

Lot 4 – Towed Compressors/Asphalt Mixer

Scot JCB Ltd

Lot 5 – Compressors/Generators/Pumps

Hamilton Bros Engineering Ltd
Scot JCB Ltd
Caledonian Plant

Lot 6 – Forklifts/Telehandlers

Scot JCB Ltd
Terberg Matec UK Ltd
Lloyd Ltd
Liebherr Great Britain Ltd

Lot 7 - Trailers

Hamilton Bros Engineering Ltd
Lloyd Ltd

8. PROFESSIONAL INDEMNITY COVER

There was submitted a report by the Clerk relative to renewal OF Scotland Excel's professional indemnity cover.

On 20 June 2014, the Clerk submitted at paper to the Scotland Excel Joint Committee that set out insurance options for professional indemnity insurance to cover the risk of claims relating to Scotland Excel's procurement functions. The Joint Committee agreed that cover of £10 million should be put in place with a deductible of £50,000. The cover was arranged and has been in place from 1 July 2014, expiring on 31 March 2015.

The report outlined the position with regards to renewing Scotland Excel's professional indemnity cover.

DECIDED:

- a) That it be agreed that cover be renewed on existing terms with effect from 1 April 2015, at an annual premium cost of £63,600; and
- b) That delegated authority be granted to the Director of Scotland Excel to put this cover in place on an annual basis subject to the cover continuing to provide best value, and in consultation with Renfrewshire Council's insurance brokers and advisors, provided there is no significant increase (i.e. a maximum premium of £100,000) in the risks covered or the value of the cover.

9. DATE OF NEXT MEETING

The next meeting would be held on 15 May, 2015.

EXCLUSION OF PRESS AND PUBLIC

The Board resolved that the press and public be excluded from the meeting during consideration of the following item of business as it was likely, in view of the nature of the business to be transacted that if members of the press and public were present there would be disclosure to them of confidential information as defined in Section 50A (2) of the Local Government (Scotland) Act 1973.

10. SECURE CARE VARIATION REPORT

There was submitted a report by the Director of Scotland Excel relative to the increase in weekly fees for secure care places spread across four dedicated secure units.

Following approval by the Scotland Excel Sub Committee on 10 May 2013, Scotland Excel established four national contracts for 78 secure care beds. The contracts, which came into force on 1 July 2013, were awarded to the four independent providers of secure care in Scotland.

The contract operates until 31 March 2016, with an opportunity to extend by up to one further year to 31 March 2017. The contract allows for an annual application for fee reviews. All four providers could provide services to all 32 councils and the Scottish Government.

From 1 April 2015, all four providers have requested fee increases, ranging from 1.5% to 6.1%. The report detailed the proposed increased fees for each of the providers which would remain fixed to 31 March 2016.

DECIDED: That the proposed price increases be accepted.