

Notice of Meeting and Agenda Scotland Excel Joint Committee

Date	Time	Venue
Friday, 07 December 2018	10:45	City Chambers, Glasgow City Council, 80 George Square, Glasgow, G2 1DU

KENNETH GRAHAM
Clerk

Membership

Councillor Alan Donnelly and Councillor John Reynolds (Aberdeen City Council); Councillor 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 (City of Edinburgh Council); Councillor Phil Fairlie (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); Bailie Norman MacLeod and Councillor Martin McElroy (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); Vacant (North Ayrshire Council); Councillor Paul Di Mascio and Councillor Kenneth Stevenson (North Lanarkshire Council); Councillor Barbara Foulkes (Orkney Islands); Councillor Colin Stewart (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 Eileen Logan and Councillor Collette Stevenson (South Lanarkshire Council); Councillor Alison Laurie (Stirling Council); Councillor Ian Dickson (West Dunbartonshire Council); Councillor John McGinty (West Lothian Council).

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

Further Information

This is a meeting which is open to members of the public.

A copy of the agenda and reports for this meeting will be available for inspection prior to the meeting at the Customer Service Centre, Renfrewshire House, Cotton Street, Paisley and online at <http://renfrewshire.cmis.uk.com/renfrewshire/CouncilandBoards.aspx>

For further information, please either email

democratic-services@renfrewshire.gov.uk or telephone 0141 618 7112.

Members of the Press and Public

Members of the press and public wishing to attend the meeting should report to reception where they will be met and directed to the meeting.

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.

- | | | |
|-----------|---|----------------|
| 1 | Minute of Joint Committee | 5 - 16 |
| | Minute of meeting of the Joint Committee held on 29 June 2018. | |
| 2 | Minutes of Executive Sub-committee | 17 - 40 |
| | Minutes of meetings of the Executive Sub-committee held on 29 June, 24 August, 28 September, 26 October and 23 November 2018. | |
| 3 | Directors Update | |
| | Presentation by Director of Scotland Excel. | |
| 4 | Revenue Estimates 2019/2020 | 41 - 52 |
| | Report by Treasurer and Director of Scotland Excel. | |
| 5 | Update on Contract Delivery Plan | 53 - 60 |
| | Report by Director of Scotland Excel. | |
| 6 | Operating Plan Update 2018/19 | 61 - 80 |
| | Report by Director of Scotland Excel. | |
| 7 | Community Benefits and Fair Work Practices Update | 81 - 86 |
| | Report by Director of Scotland Excel. | |
| 8 | Membership of Scotland Excel Chief Executive Officers Management Group (CEOMG) | 87 - 88 |
| | Report by Clerk. | |
| 9 | Risk Register Update | 89 - 96 |
| | Report by Director of Scotland Excel. | |
| 10 | Meetings of Scotland Excel Joint Committee 2019 | 97 - 98 |
| | Report by Clerk. | |



Minute of Meeting Scotland Excel Joint Committee

Date	Time	Venue
Friday, 29 June 2018	10:45	City Chambers, Glasgow City Council, 80 George Square, Glasgow, G2 1DU

Present

Provost Bill Howatson (Aberdeenshire Council); Councillor Alasdair Rankin (City of Edinburgh Council); Councillor Stephen Thompson (Dumfries & Galloway Council); Councillor Gary Bouse (Falkirk Council); Bailie MacLeod and Councillor Martin McElroy (both Glasgow City Council); Councillor Alister Mackinnon (Highland Council); Councillor Jim Clocherty (Inverclyde Council); Councillor Paul Di Mascio (North Lanarkshire Council); Councillor Barbara Foulkes (Orkney Council); Councillor Callum Purves (Perth & Kinross Council); Councillor John Shaw (Renfrewshire Council); Councillor Simon Mountford (Scottish Borders Council); Councillor Amanda Westlake (Shetland Islands Council); Councillor Peter Henderson (South Ayrshire Council); Councillor Eileen Logan and Councillor Colette Stevenson (both South Lanarkshire Council); Councillor Ian Dickson (West Dunbartonshire 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 (all Scotland Excel); A Russell, Director of Finance & Resources; M Conaghan, Legal & Democratic Services Manager, A McMahon, Chief Auditor, D Low, Senior Committee Services Officer and K O'Neill, Assistant Democratic Services Officer (all Renfrewshire Council).

Apologies

Councillor Alastair Bews (Aberdeenshire Council); Councillor John Reynolds (Aberdeen City Council); Councillor Graham Hutchison (City of Edinburgh Council); Baillie 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 Altany Craik (Falkirk Council); Councillor Ross Vettraino (Fife Council); Councillor Matthew Reiss (Highland Council); Councillor Derek Milligan (Midlothian Council); Councillor Donald Gatt (The Moray Council); Councillor Todd Ferguson (North Ayrshire Council); and Councillor Alison Laurie (Stirling Council).

Declarations of Interest

Councillor Shaw declared an interest in item 8 of the agenda – Extension of Lease and Office Extension – as he was a member of the host authority in which the offices were based. However, he considered the interest to be insignificant in terms of the Councillors' Code of Conduct and intimated that he would remain in the meeting for this item.

1 Minute of Joint Committee

There was submitted the Minute of the meeting of the Joint Committee held on 8 December 2017.

DECIDED: That 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 8 December 2017, 26 January, 23 March, 27 April and 1 June 2018.

DECIDED: That the Minutes be approved.

3 Membership of Scotland Excel Executive Sub-committee

There was submitted a report by the Clerk relative to the membership of the Executive Sub-committee seeking approval for the appointment of members to the Executive Sub-committee for the period to June 2019.

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.

DECIDED:

(a) That it be agreed that the Executive Sub-committee continue to comprise of elected members from Renfrew 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; and

(b) That membership of the Executive Sub-committee be next reviewed at the meeting of the Joint Committee to be held in June 2019.

4 Scotland Excel Unaudited Annual Accounts 2017/18

There was submitted a report by the Treasurer relative to the unaudited annual accounts for the Joint Committee for 2017/18 which were attached to the report.

The report intimated that the accounts for the year ended 31 March 2018 had been completed and forwarded to Audit Scotland for audit. The accounts showed a surplus for the year of £273,059 against a budgeted deficit of £166,000, returning an underspend of £439,059. Excluding project expenditure and income the Joint Committee returned a deficit of £76,266 compared to a budgeted deficit of £166,000, returning an underspend of £89,734.

In accordance with the Local Authority Accounts (Scotland) Regulations 2014 the unaudited accounts had only been signed by the Treasurer as Proper Officer. The audited accounts would be signed by the Convener, the Director of Scotland Excel and the Treasurer in accordance with the regulations.

DECIDED: That the unaudited annual accounts for the year ended 31 March 2018 be noted and that the accounts be further presented to the Executive Sub-committee on completion of the audit.

Sederunt

Councillor Bouse entered the meeting prior to consideration to the following item of business.

5a Internal Audit Reporting Arrangements

There was submitted a report by the Chief Auditor, Renfrewshire Council relative to internal audit reporting arrangements.

The report intimated that Audit Scotland in their report to members on the annual audit for 2016/17 identified that “internal audit reports were not provided to members of the Joint Committee”. This had presented the Chief Auditor with an opportunity to review and formalise the internal audit reporting arrangements for the Joint Committee.

It was noted that in line with the Public Sector Internal Audit Standards, Internal Audit must communicate the results of each engagement to the Joint Committee. The report outlined the details and outcomes of the Chief Auditor’s considerations in relation to the Joint Committee reporting arrangements for completed audit engagements and follow-up work.

DECIDED: That the reporting arrangements put in place to communicate the results of internal audit work to the Joint Committee be noted.

Sederunt

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

5b Internal Audit Report Summary - Contract Management (Tendering)

There was submitted a report by the Chief Auditor, Renfrewshire Council relative to the Internal Audit report summary on the arrangements in place for tendering.

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 for tendering 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.

It was proposed that future reports should contain greater detail relative to risk reporting. The Convener proposed that he discuss the issues raised with the Chief Auditor, Renfrewshire Council. This was agreed.

DECIDED:

(a) That the Internal Audit report summary for the review of Contract Management (Tendering) be noted; and

(b) That the Convener discuss the issues raised during consideration of this item with the Chief Auditor, Renfrewshire Council.

5c Internal Audit Annual Report 2017/18

There was submitted a report by the Chief Auditor, Renfrewshire Council relative to the Internal Audit annual report on Scotland Excel 2017/18. 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 the Joint Committee was attached as an appendix to the report and outlined the role of internal audit, the performance of the internal audit team and the main findings from the internal audit work undertaken in 2017/18 and contained an audit assurance statement.

DECIDED: That the Internal Audit annual report for 2017/18 be noted.

6 Funding Model Review

There was submitted a report by Director of Scotland Excel relative to potential future funding models for Scotland Excel. The report provided further details on the previously reported operating deficit and the continuation of vital care services.

The report intimated that Scotland Excel continued to seek operational savings to manage its financial position flexibly in order to maintain its aim of minimising the level of requisition required and to develop value propositions for member authorities to ensure that best value was achieved.

In addition to the operational deficit outlined to the Joint Committee at its meeting held on 8 December 2017, there were other areas where ongoing funding gaps existed, the main area of concern was within the Scotland Excel Care portfolio. The report provided further information on the gaps within care and the options explored to diversify its funding base.

Potential funding opportunities in relation to consultancy services; new build housing; learning and development; rebates; and associate membership expansion had been identified by Scotland Excel and a short summary on their background, financial scale and opportunity analysis was detailed in section 3 of the report.

A summary of the total funding gap including the operating deficit, assuming a 2% pay award in each year, and care services was detailed in table 6 of the report. Options had been identified to address the deficit faced by Scotland Excel over the coming fiscal periods and these were detailed in section 4 of the report.

Scotland Excel had taken an ambitious and prudent approach to securing the financial sustainability of the organisation over the next five years. It anticipated that in the same period, the organisation would see its contract portfolio value rise from the current £1 billion to circa £2.5 billion which in turn would deliver further value and savings to members. The organisation would also deliver a number of key services to members in order to support councils' wider ambitions and continue to be its partner of choice.

DECIDED:

(a) That the proposed hybrid approach, as outlined in option C of section 4 of the report, be approved to meet the deficit whereby the funding opportunity projects detailed in section 3 of the report are progressed by Scotland Excel in addition to potential flexible use of reserves and potential requisitions increases;

(b) That it be agreed that the Care Home for Older People project continue to be directly funded from the participating councils;

(c) That it be agreed that Scotland Excel officers continue to work with the Treasurer to identify methods to address the short to mid-term deficit; and

(d) That it be noted that an update would be submitted to the next meeting of the Joint Committee to be held on 7 December 2018 along with the annual Revenue Estimates. The paper would provide an update on the steps taken and any further steps required to ensure ongoing financial sustainability.

7 Review of Governance Structure of Scotland Excel

Under reference to item 4 of the Minute of the meeting of this Joint Committee held on 8 December 2017 there was submitted a report by the Director of Scotland Excel relative to options on the future governance structure of Scotland Excel.

The report intimated that the purpose of the review was to consider possible governance options and identify the most appropriate governance structure for generating sustainable future revenue streams to support new service development and minimise potential increases to member requisitions. As part of the review a number of scenarios had been tested and these were detailed in section 2 and Appendix 1 of the report.

The Executive Sub-committee and the Chief Executive Officers Management Group had been consulted and were of the view that, whilst none of the options should be ruled out without due consideration, the powers within the existing model should only be amended to address limitations that were adversely impacting on the efficient operation of Scotland Excel. Both also indicated that any changes should not dilute the focus of Scotland Excel's core activities and were of the opinion that option 1 and option 2 would, in principle, be more acceptable and would be more readily implemented.

It was noted that the current model met the substantial majority of the scenarios tested and the recommended option was option 1, to maintain the current governance model. In reaching this conclusion it had been determined that the current Scheme of Delegations should be updated to correct some minor anomalies and these were outlined in Appendix 2 to the report. The amended Scheme of Delegations formed Appendix 3 to the report.

DECIDED:

(a) That the recommendation to maintain the current Joint Committee structure with an updated Scheme of Delegation as detailed at Appendix 3 be approved; and

(b) That it be noted that Scotland Excel would continue to review governance as necessary to ensure it was fit for purpose.

8 Extension of Lease and Office Expansion

Under reference to item 5 of the Minute of the meeting of this Joint Committee held on 8 December 2017 there was submitted a report by the Director of Scotland Excel relative to the proposal to extend the lease for office accommodation and also to increase the space being provided to Scotland Excel by Renfrewshire Council.

The report intimated that at the meeting of the Joint Committee held on 8 December 2017 it had been agreed that the lease be extended for a period of one year to February 2019 to allow Scotland Excel to consider options and prepare recommendations for the Joint Committee.

The existing office space had been optimised to provide the maximum number of desks for staff and agile working, including hot-desking, had been implemented. However, the need for additional space had become more critical.

Scotland Excel had been in discussion with colleagues at Renfrewshire Council to

explore options and costs for potential expansion within Renfrewshire House and had commissioned GVA, a leading real estate advisory company with experience in the public sector to, explore alternative accommodation. Details of the options appraisal of alternative accommodation from GVA were outlined in section 4 of the report. Based on the GVA report and Scotland Excel analysis, Scotland Excel had worked with colleagues within Renfrewshire Council to explore options for extending the current one-year lease and expanding its footprint within Renfrewshire House and details were outlined in section 4 of the report.

Section 5 of the report detailed the cost of extending the current one-year lease in Renfrewshire House to five-years. It was noted that the office expansion should be fully funded from income generate from projects and that the expansion should not place an additional financial burden on the core services or core requisition paid by members.

DECIDED: That the signing of a new five-year lease incorporating a three-year break-point and the plans for future office expansion be approved.

9 Additional Drawdown of Reserves 2018/19

There was submitted a report by the Director of Scotland Excel relative to an additional drawdown of reserves in 2018/19.

The report intimated that within the financial statements for 2017/18, an underspend of £90,030 had been reported for the period. The Director of Scotland Excel advised that the correct figure was £89,734.

In addition to the drawdown of reserves approved by Joint Committee at meetings held on 30 June and 8 December 2017, the report sought the allocation of the remaining underspend to the 2018/19 budget to an additional phase of furniture replacement.

DECIDED: That the drawdown of the remaining £20,000 from reserves to fund the project detailed in the report be approved.

10 Care Home Services for Older People

There was submitted a report by the Director of Scotland Excel relative to care home services for older people including details on the planned transition of operational management responsibility for the National Care Home Contract (NCHC) from the Convention of Scottish Local Authorities (CoSLA) to Scotland Excel.

The report intimated that in Scotland care home provision was delivered by more than 300 providers across more than 800 care homes for older people. Councils across Scotland spent £492 million on these services with 59% of this expenditure, £291 million, distributed across 20 providers.

The NCHC was a model set of terms that detailed the service specification and payment mechanisms for councils when purchasing care home care. Councils contract individually with care homes using the NCHC model set of terms and monitored services delivered to the individual as part of their statutory responsibilities.

CoSLA, supported by Scotland Excel, negotiated a national rate for nursing and residential care with provider representatives annually. Given the significant expenditure incurred in this critical sector and the market share held by a small number

of providers operating across Scotland, 28 councils were currently funding Scotland Excel until March 2020 to progress three work streams, cost of care calculator; market intelligence, particularly around financial health; and sourcing strategy. The report detailed the progress across all workstreams.

With the development of the cost of care calculator, the need for an annual political negotiation had been removed, with the calculator mechanism for future rate setting. On this basis, Scotland Excel and CoSLA had agreed that the future operational management of the NCHC should be transitioned to Scotland Excel. The transition of responsibilities would take effect in advance of the award of contract for the 2019/20 financial year.

DECIDED: That the update on activities associated with care home services for older people, in particular the transition of operational management of the NCHC to Scotland Excel, be noted.

Sederunt

Councillor Foulkes and Councillor Westlake left the meeting during discussion of the following item of business.

11 Proposed Contract Rebate/Supplier Levy Strategy

There was submitted a report by the Director of Scotland Excel relative to the proposed contract rebates/supplier levy strategy and setting out an approach that Scotland Excel would adopt to embed rebate/supplier levy additions into appropriate contracts.

The report intimated that to date, Scotland Excel had relied almost exclusively on member requisitions to cover operating costs. The funding update provided summarised the current financial position and five-year projection for Scotland Excel. Within this, options to generate additional income were outlined, including the incorporation of volume rebates into appropriate contracts and current projections were that this could generate approximately £800,000 by 2023/24.

Despite the differences in approach, both methodologies could potentially derive additional income from contract expenditure. For volume rebates, a special condition was added to a contract where a defined percentage of the contract spend was paid by the supplier to the contracting authority. For supplier levy, a defined percentage was added to supplier invoices and as such paid by the buyer at the point of call-off.

It was noted that a key advantage of levies over rebates was that there was less of a time interval between contract call-off and recovery of the monies earned and that a key challenge when either was being considered was overcoming the risk that incorporating a rebate or a levy could adversely affect pricing on the contract. However, market analysis would suggest that if the level was maintained below around 0.75%, there was less of a likelihood of an adverse price variance.

It was anticipated that not all contract arrangements would lend themselves to incorporating rebates or levies. At contract strategy development, the inclusion of rebates would be considered on the basis of the nature of the contract, the goods or service provided, the market conditions and the anticipated supply base. Agreed outcomes would then become an integral part of the contract strategy, which would be subject to the normal level of review and consultation with the User Intelligence Group

(UIG), and subsequently embedded into the tender documents. At the point of contract award, the rebate inclusion would become part of the terms and conditions of contract, and as such delivery would become a contractual commitment.

Some category activity within the current contract portfolio covered market segments in which the use of rebates was commonplace. The current contract for electrical and plumbing materials had generated an annual rebate in excess of £200,000 and this had been distributed to councils. The report proposed that any additional rebates generated would be held by Scotland Excel to support current and anticipated financial constraints, and to suppress the need to increase member requisitions for future development activity.

It was not intended that a rebate provision would be included within social care contracts and development of the social care contract offering was likely to be supported by rebates generated for other contract areas.

It was anticipated that further development and expansion of the scope of rebate inclusion across the portfolio provided support to enable the organisation to establish a sustainable financial position.

DECIDED: That the approach summarised for the inclusion of a rebate or supplier levy mechanism across appropriate areas of the contract portfolio be endorsed.

12 Operating Plan Update 2017/18

There was submitted a report by the Director of Scotland Excel relative to the progress made against operating plan activities during 2017/18.

The report intimated that in June 2015 the Joint Committee approved a new three-year corporate strategy and rolling annual operating plan. Quarterly reports were being produced to track Scotland Excel's performance against operating plan activities 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. Appendix 1 to the report provided the year-end update report on progress undertaken and updates on ten key performance indicators (KPIs) included within the plan.

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.

DECIDED: That Scotland Excel's performance in the delivery of the operating plan 2017/18 be noted.

13 Corporate Strategy 2018/23 and Operating Plan 2017/18

There was submitted a report by the Director of Scotland Excel relative to the development of a new corporate strategy 2018/23 and operating plan 2018/19, copies of which were appended to the report.

The report intimated that the new corporate strategy built on the progress made by Scotland Excel over the past three years and had been developed in close consultation

with local authority stakeholders and Scotland Excel staff. It aligned with the challenges facing local government and the wider public sector, responded to procurement and commercial requirements of members, and recognised Scotland Excel's need to secure sustainable funding and growth.

The four business goals which informed Scotland Excel's strategic direction had been updated to reflect the experience and influence gained and these were detailed in the report. The strategy now covered a five-year period to support a longer-term view of the organisation's future and would be reviewed at the end of year three and updated, if required. This year's operating plan set out an ambitious agenda which would lay the foundations for delivering the aims of the strategy over the next five years.

Progress reports would be produced quarterly and half-yearly and annual reports would be submitted to meetings of the Joint Committee with reports for the interim quarters submitted to the Executive Sub-committee. Reports would also track performance against strategy outcomes using fourteen key performance indicators currently being finalised.

It was noted that the title of the report should read Corporate Strategy 2018/23 and Operating Plan 2018/19 and not Corporate Strategy 2018/23 and Operating Plan 2017/18 as stated; further that in relation to the corporate strategy, the figure referred to in paragraph 2 of page 204 of the report should read £750,000 and not £750m as stated.

DECIDED:

(a) That it be noted that the title of the report should read Corporate Strategy 2018/23 and Operating Plan 2018/19 and not Corporate Strategy 2018/23 and Operating Plan 2017/8 as stated;

(b) That in relation to the corporate strategy, the figure referred to in paragraph 2 of page 204 of the report should read £750,000 and not £750m as stated; and

(c) That the proposed Corporate Strategy 2018/23 and Operating Plan 2018/19, as amended, be approved.

14 Annual Procurement Report

There was submitted a report by the Director of Scotland Excel relative to Scotland Excel's first 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 must be published as soon as reasonably practicable after 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 in Scotland based on information contained in the annual procurement reports from public organisations.

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

Sederunt

Provost Howatson left the meeting during discussion of the following item of business.

15 Community Benefits and Fair Work Practices Update

There was submitted a report by the Director of Scotland Excel providing an update on the community benefits facilitated and delivered from the Scotland Excel portfolio of framework agreements for the period to 30 March 2018 together with an update on Fair Work Practices.

The report intimated that the requirement to include community benefits in the delivery of goods and services was an integral element within Scotland Excel frameworks. Community benefits were reviewed with suppliers at contract management review meetings and reported to local authority procurement managers at business review meetings. The system used to capture and record community benefits had been updated to address the requirements of the statutory guidance made under the Procurement Reform (Scotland) Act 2014 and to further support the drive to deliver sustainable procurement.

Table 1 to the report detailed a summary of the social value added across the portfolio since 2013. The appendix to the report detailed the community benefits by council for 2017/18.

In relation to Fair Work Practices, the report intimated that Scotland Excel commenced formal consideration within tenders in early 2015 and that the respective position on bidders' work practices had been outlined within contract approval reports submitted to the Executive Sub-committee. The report detailed the overall position across Scotland Excel's portfolio.

The next community benefits data collection, analysis and review cycle would be completed in line with management information processes to cover the period to the end of September 2018. The results would be reviewed with the supply base and where appropriate would be incorporated into supplier performance objectives.

DECIDED: That the report be noted and the measures proposed to monitor delivery of community benefits for the 2018/19 financial year be supported.

16 Organisation Information Report

There was submitted a report by the Director of Scotland Excel relative to staff absence rates, special leave given to staff and hospitality granted by the organisation in 2017/18.

DECIDED: That the report be noted.

17 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 7 December 2018 within the City Chambers, Glasgow City Council.



Minute of Meeting Scotland Excel Executive Sub-committee

Date	Time	Venue
Friday, 29 June 2018	09:45	City Chambers, Glasgow City Council, 80 George Square, Glasgow, G2 1DU

Present

Provost Bill Howatson (Aberdeenshire Council); Councillor Stephen Thompson (Dumfries and Galloway Council); Bailie Norman MacLeod (Glasgow City Council); Councillor Paul Di Mascio (North Lanarkshire Council); Councillor John Shaw (Renfrewshire Council); Councillor Amanda Westlake (Shetland Islands Council); and Councillor Collette Stevenson (South Lanarkshire Council).

Chair

Councillor John Shaw, Convener, presided.

In Attendance

J Welsh, Director, H Carr, Head of Strategic Procurement, S Brannagan, Head of Customer & Business Services, L Richard, Strategic Procurement Manager, L Cairns, Senior Procurement Specialist and S Brysdon, Procurement Coordinator (all Scotland Excel); M Conaghan, Legal and Democratic Services Manager, D Low, Senior Committee Services Officer and K O'Neill, Assistant Democratic Services Officer (all Renfrewshire Council).

Apologies

Councillor Graham Hutchison (City of Edinburgh Council); Councillor Altany Craik (Fife Council); Councillor A Mackinnon (Highland Council); and Councillor Todd Ferguson (North Ayrshire 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 1 June 2018.

DECIDED: That the Minute be approved.

2(a) Contract for Approval: Supply and Distribution of Fresh Meats, Cooked Meats and Fresh Fish

There was submitted a report by the Director of Scotland Excel relative to the award of a renewal framework agreement for the supply and distribution of fresh meats, cooked meats and fresh fish which would be effective from 1 October 2018 to 30 September 2021 with the option to extend to 30 September 2022.

The report intimated that the framework provided councils with a mechanism to procure a range of fresh goods and that users of the framework were likely to include schools, nurseries, leisure centres, community centres, social work, council buildings and civic centres. The renewal framework incorporated a number of enhancements including locally sourced produce and an increase in sustainable products.

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

The framework had been divided into four lots and 41 geographical sub-lots as detailed in table 1 of the report and had been advertised at an estimated value of £10 million per annum.

It was noted that 28 councils had confirmed their intention to participate in the framework. In addition, Tayside Contracts had confirmed their intention to participate.

Tender responses had been received from ten suppliers and a summary of offers received was detailed in Appendix 2 to the report. The report highlighted that Hartleys Farm Foods Limited was non-compliant with the second stage technical assessment as they failed to offer an ability to service any council area. It was also noted that reference to Gordon McWilliam (Aberdeen) Limited in Appendix 2 to the lots offered should read 1, 2 and 4.

Based on the criteria and scoring methodology set out within the tender document, a full evaluation of the compliant offers had been completed and 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 agreement be awarded to seven suppliers across the four lots as outlined in Appendix 3 to the report.

DECIDED:

(a) That the award of the framework agreement for the supply and distribution of fresh meats, cooked meats and fresh fish, as detailed in Appendix 3 to the report, be approved; and

(b) That it be noted that reference to Gordon McWilliam (Aberdeen) Limited in Appendix 2 to the lots offered should read 1, 2 and 4.

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

There was submitted a report by the Director of Scotland Excel relative to the award of a renewal framework agreement for the supply and distribution of roadstone which would be effective from 23 July 2018 to 30 June 2022.

The report intimated that the framework provided councils with a mechanism to procure a range of coated, uncoated and recycled roadstone as well as ready mixed concrete to support the requirements of councils' road departments. The renewal framework incorporated a number of enhancements including additional products, the removal of any limits on the number of quarries or plants offered and an increased commercial focus on distribution costs.

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

The framework had been divided into four lots as detailed in table 1 of the report and had been advertised at an estimated value of £20 million over the four-year period. It was noted that 10 councils had confirmed their intention to participate in the framework.

Tender responses had been received from 14 suppliers and a summary of offers received was detailed in Appendix 2 to the report.

Based on the criteria and scoring methodology set out within the tender document, a full evaluation of the compliant offers had been completed and 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 agreement be awarded to 14 suppliers across the four lots as outlined in Appendix 3 to the report.

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

2(c) Contract for Approval: Social Care Agency Workers

There was submitted a report by the Director of Scotland Excel relative to the award of a national framework agreement for social care agency workers.

The report intimated that the framework aimed to bring flexibility and scope to meet the ever-changing needs of the care and support market by allowing the addition of new suppliers throughout the duration of the agreement, where required, to enable the continued delivery of best value and sufficient geographic and service coverage across all of Scotland.

The framework had been divided into three lots as detailed in table 1 of the report and also 17 geographical regions to encourage SME participation and allow suppliers operating in specific geographical areas to submit competitive bids. It was noted that the framework was available to all 32 councils, NHS National Procurement, the Scottish Prison Service and a number of associate member housing associations.

Tender responses had been received from 48 suppliers and a summary of offers received was detailed in Appendix 2 to the report. A number of tenderers withdrew their tender submissions or were deemed non-compliant and the reasons were detailed in section 4 of the report

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

In order to provide a range of providers for each region and to provide coverage and choice it was recommended that participation on the flexible framework be awarded to 15 tenderers as outlined in Appendix 3 to the report.

DECIDED: That the participation of 15 tenderers on the flexible framework, as detailed in Appendix 3 to the report, be approved.

3 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 24 August 2018 in Scotland Excel Meeting Room 1, Renfrewshire House, Cotton Street, Paisley.

Minute of Meeting Scotland Excel Executive Sub-committee

Date	Time	Venue
Friday, 24 August 2018	10:45	Scotland Excel Meeting Room 1, Renfrewshire House, Cotton Street, Paisley

Present

Councillor Altany Craik (Fife Council); Bailie Norman MacLeod (Glasgow City Council); and Councillor John Shaw (Renfrewshire Council).

By Videolink

Provost Bill Howatson (Aberdeenshire Council).

Chair

Councillor J Shaw, Convener, presided.

In Attendance

J Welsh, Director, H Carr, Head of Strategic Procurement, S Brannagan, Head of Customer & Business Services, J Baxter, Senior Procurement Specialist, K Carlin, Procurement Co-ordinator, S Irvine, Senior Procurement Specialist, G Montgomery, Category Manager and G Mooney, Category Analyst(all Scotland Excel) and M Conaghan, Legal and Democratic Services Manager, E Currie, Senior Committee Services Officer, K O'Neill, Assistant Democratic Services Office,; L Dickie, Finance Manager and K Crawford, Accountant (all Renfrewshire Council).

Apologies

Councillor Angus Macmillan Douglas (Angus Council); Councillor Graham Hutchison (City of Edinburgh Council); Provost Norman A Macdonald (Comhairle Nan Eilean Siar); Councillor Stephen Thompson (Dumfries & Galloway Council); Councillor Alister Mackinnon (Highland Council); Councillor Paul Di Mascio (North Lanarkshire Council); Councillor Collette Stevenson (South Lanarkshire Council); and Councillor Amanda Westlake (Shetland Islands Council).

Declarations of Interest

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

Order of Business

The Convener advised that Item number 3(c) of the Agenda, Contract for Approval – Domestic Gas Boiler Maintenance, had been withdrawn and would be considered at a future meeting of the Executive Sub-committee.

1 Minute of the Executive Sub-committee

There was submitted the Minute of the meeting of the Executive Sub-committee held on 29 June 2018.

DECIDED: That the Minute be approved.

2 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 20 July 2018.

The report intimated that gross expenditure was £2,000 under budget and income was currently break even which had resulted in a net underspend of £2,000.

DECIDED: That the report be noted.

3(a) Contract for Approval: Provision and Delivery of Washroom Solutions and Sanitary Products

There was submitted a report by the Director of Scotland Excel relative to the award of a renewal framework agreement for Provision and Delivery of Washroom Solutions and Sanitary Products which would be effective from 1 October 2018 until 30 September 2022.

The report intimated that the framework, which supported the Scottish Government's commitment of promoting dignity to women by providing free sanitary products to students in educational establishments, would provide councils with a mechanism to procure a range of products and services which included, but was not limited to, disposal of sanitary waste, nappy waste, sharps and medical waste, and the provision of sanitisers; air fresheners and sanitary products. Users of the framework were likely to include schools, nurseries, leisure centres, community centres, social work, council buildings and civic centres.

The framework had been divided into two lots as detailed in table 1 of the report and had been advertised at an estimated value of £3.5 million per annum.

It was noted that 29 Councils had confirmed their intention to participate in the framework, these were detailed in Appendix 1. Tender responses had been received from six suppliers and a summary of offers received was detailed in Appendix 2 to the report.

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

DECIDED: That the award of the framework agreement for the Provision and Delivery of Washroom Solutions and Sanitary Products, as detailed in Appendix 3 to the report, be approved.

3(b) Contract for Approval: Supply and Delivery of First Aid Materials

There was submitted a report by the Director of Scotland Excel relative to the award of a new framework agreement for the Supply and Delivery of First Aid Materials which would be effective from 1 October 2018 until 30 September 2021 with the option to extend for up to an additional one-year period until 30 September 2022.

The requirement for this procurement had arisen due to the forthcoming expiration of two regional contracts led by North Lanarkshire and Midlothian Councils. It was estimated that around two-thirds of local authorities currently procured first aid materials through these existing frameworks, whilst the rest were procuring these products through their own individual arrangements. It was intended that this Scotland Excel framework would consolidate and replace these, offering a national collaborative solution for first aid materials.

The report intimated that the framework had been developed by the Operational Supplies and Services (OSS) Team with a fast-tracked approach which had been divided into two lots as detailed in figure 1 of the report and had been advertised at an estimated value of £8 million over the four-year period.

Tender responses had been received from six suppliers detailed in Appendix 1 and a summary of offers received for each lot was detailed in Appendix 2 to the report.

DECIDED: That the award of the framework agreement for the Supply and Delivery of First Aid Materials, as detailed in Appendix 2 to the report, be approved.

3(c) Contract for Approval: Supply and Delivery of Road Maintenance Materials

There was submitted a report by the Director of Scotland Excel relative to the award of a renewal framework agreement for the Supply and Delivery of Road Maintenance Materials which would be effective from 17 September 2018 until 31 August 2022.

The framework covered the supply and delivery of an extensive range of commonly purchased road maintenance materials which included pedestrian safety barriers, drainage products, kerbstones, bollards and traffic cones to support councils' roads departments.

The framework had been divided into seven lots as detailed in table 1 of the report and had been advertised at an estimated value of £2.5 million per annum.

It was noted that all 32 Councils and Tayside Contracts had confirmed their intention to participate in the framework, these were detailed in Appendix 1. Tender responses had been received from 23 suppliers and a summary of offers received was detailed in Appendix 2 to the report.

Based on the criteria and scoring methodology set out within the tender document, a full evaluation of the compliant offers had been completed and Appendix 3 to the report detailed the scoring achieved by each of the 19 successful bidders.

DECIDED: That the award of the framework agreement for the Supply and Delivery of Road Maintenance Materials, as detailed in Appendix 3 to the report, be approved.

3(d) Contract for Approval: Supply and Delivery of Street Lighting Materials

There was submitted a report by the Director of Scotland Excel relative to the award of a renewal framework agreement for the Supply and Delivery of Street Lighting Materials from 1 August 2018 until 31 July 2021 with an option to extend for a further 12-month period until 31 July 2022 (effective date 1 October 2018).

The framework covered a range of products from traditional street lighting materials such as steel and aluminium lighting columns to the latest generation high technology Light Emitting Diode (LED) Lanterns.

The renewal framework would assist councils in the maintenance of their street lighting infrastructure and delivery of the LED street lighting replacement programmes which supported the Scottish Government's climate change targets and the transition to a low carbon economy.

The framework had been divided into eight lots as detailed in table 1 of the report and had been advertised at an estimated value of £35 million per annum.

It was noted that all 32 Councils had confirmed their intention to participate in the framework, these were detailed in Appendix 1. Tender responses had been received from 31 suppliers and a summary of offers received was detailed in Appendix 2 to the report.

Based on the criteria and scoring methodology set out within the tender document, a full evaluation of the compliant offers had been completed and Appendix 3 to the report detailed the scoring achieved by each of the 25 successful bidders.

DECIDED: That the award of the renewal framework agreement for the Supply and Delivery of Street Lighting Materials, as detailed in Appendix 3 to the report, be approved.

3(e) Contract for Approval: Treatment and Disposal of Recyclable and Residual Waste

There was submitted a report by the Director of Scotland Excel which informed the Executive Sub Committee that the Scotland Excel Environment Category Team (within Transport, Roads and Environment) intended to introduce a Dynamic Purchasing System (DPS) for the Treatment and Disposal of Recyclable and Residual Waste. This DPS would replace the recently expired Recyclable and Residual Waste Framework (14/13).

This would involve following a route to market that was new to Scotland Excel and was intended to secure the provision of assorted services for the treatment and disposal of various waste related materials collected by councils. This route to market had been chosen for a number of reasons that were outlined within the report. The

definition of a DPS and key differences to a framework agreement were detailed together with the desired outcomes that the team and the User Intelligence Group (UIG) hoped to achieve with its creation. An explanation was provided on how DPS aligned with guidance/legal tests in terms of its validity as an option and how it would operate and the next steps going forward. were also detailed.

The DPS would seek legally compliant service providers, capable of delivering the treatment of material(s), whilst allowing for a small level of tailoring for operational requirements at an individual council level.

Councils required a simple method to contract award for treatment (and disposal) services from appropriately qualified contractors, assured of regulatory compliance and ideally, with as much choice as possible in terms of capacity to contract. It was considered that a DPS was more likely to satisfy this need than the traditional framework model. A matrix of desired outcomes and the likelihood of these being achieved each under the framework model versus the DPS was detailed in Appendix 1.

The Scottish Governments Procurement Journey provided guidance which detailed when a DPS could be an appropriate route to market. Whilst much of the guidance was subject to interpretation, based upon knowledge of the market area, Scotland Excel believed that the needs related to this service area met the majority of the defined criteria. The key criteria presented by the guidance and a summary of Scotland Excel's interpretation of how it aligned was listed in Appendix 2.

Scotland Excel would provide template terms and conditions and a template evaluation methodology that councils could opt to use or tailor to their own operational needs. Awarding contracts under the DPS would ensure councils achieved bespoke pricing based upon their own material content and quality as well as individual operational requirements.

The introduction of a Dynamic Purchasing System was a first for Scotland Excel as an organisation and provided an alternative to a framework model that in relation to this particular service area, offered a number of key benefits that would help councils meet their operational service needs within a landscape of policy change and market uncertainty. As Scotland's leading procurement organisation for local authorities, it was considered that this particular contract area provided an opportunity to be at the forefront in terms of introducing a procurement tool that could offer benefits across the organisation's contract portfolio as a whole, whilst securing a service delivery option for councils that would be relatively easy to use and would cover needs at a national level.

DECIDED:

(a) That the use of the Dynamic Purchasing System procurement tool for the Treatment and Disposal of Recyclable and Residual Waste be approved; and

(b) That it be noted that a report would be submitted to a future meeting of the Executive Sub-committee on progress with the tender to set up the Dynamic Purchasing System.

4 Request for Associate Membership of Scotland Excel: The Wise Group

There was submitted a report by the Director of Scotland Excel advising that The Wise Group had submitted an application to become an associate member of Scotland Excel.

DECIDED: That the application by The Wise Group to become an associate member of Scotland Excel, at an annual membership fee of £1,000, be approved subject to completion and signing of the agreement documentation.

5 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 31 July 2018, the previous six and 12 months and provided information relating to the absence statistics and reasons.

DECIDED: That the report be noted.

6 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 September 2018 in Scotland Excel Meeting Room 1, Renfrewshire House, Cotton Street, Paisley.

Minute of Meeting Scotland Excel Executive Sub-committee

Date	Time	Venue
Friday, 28 September 2018	10:45	Scotland Excel Meeting Room 1, Renfrewshire House, Cotton Street, Paisley

Present

Councillor Charles Buchan (Aberdeenshire Council); Provost Norman A Macdonald (Comhairle Nan Eilean Siar); Bailie Norman MacLeod (Glasgow City Council); Councillor Paul Di Mascio (North Lanarkshire Council); Councillor John Shaw (Renfrewshire Council); and Councillor Amanda Westlake (Shetland Islands Council).

By Video Conferencing

Councillor Stephen Thompson (Dumfries and Galloway Council).

Chair

Councillor Shaw, Convener, presided.

In Attendance

J Welsh, Director, H Carr, Head of Strategic Procurement, S Brannagan, Head of Customer & Business Services, G Sutherland, Senior Procurement Specialist, Z Brawn, Senior Procurement Specialist, and R Green, Procurement Co-ordinator (all Scotland Excel); E Currie, Senior Committee Services Officer, K O'Neill, Assistant Democratic Services Officer, and M Ball, Principal Accountant (Management Accounting) (all Renfrewshire Council); and M Ferris and S Afzal (both Audit Scotland).

Apologies

Provost Bill Howatson (Aberdeenshire Council); Councillor Angus Macmillan Douglas (Angus Council); and Councillor Alister Mackinnon (Highland Council).

Declarations of Interest

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

Order of Business

In terms of Standing Order 12, the Convener intimated that he proposed to alter the order of business to facilitate the conduct of the meeting by considering item 3(b) of the agenda before item 3(a) of the agenda.

1 Minute

There was submitted the Minute of the meeting of the Executive Sub-committee held on 24 August 2018.

DECIDED: That the Minute be approved.

2 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 17 August 2018.

The report intimated that gross expenditure was £6,000 under budget and income was currently breakeven which resulted in a net underspend of £6,000.

DECIDED: That the report be noted.

3(a) Audited Annual Accounts 2017/18

Under reference to item 4 of the Minute of the meeting of this Joint Committee held on 29 June 2018 there was submitted a joint report by the Treasurer and Director of Scotland Excel relative to the audited annual accounts for the Joint Committee for 2017/18.

The report intimated that in accordance with the Local Authority Accounts (Scotland) Regulations 2014 the audited accounts must be approved for signature by the Joint Committee no later than 30 September each year. Following approval, the audited accounts would be signed by the Director of Scotland Excel, Convener and Treasurer. The report detailed the main changes from the unaudited to the audited accounts.

The audited annual accounts had been amended to reflect changes identified during the audit by Audit Scotland in the Annual Audit Report 2017/18 and an amended set of audited annual accounts had been issued to members of the Executive Sub-committee. It was proposed that paragraph 4 of page 11 of the audited accounts 2017/18, as amended, be deleted. This was agreed.

3(b) Annual Audit Report 2017/18

Under reference to item 4 of the Minute of the meeting of this Joint Committee held on 29 June 2018 there was submitted a report by Audit Scotland relative to the Annual Audit Report 2017/18 for the Joint Board.

The report intimated that the audit certificate issued by Audit Scotland provided an unqualified opinion that the annual accounts present a true and fair view of the financial position of the Joint Committee as at 31 March 2018, in accordance with the accounting policies detailed in the accounts.

Amendments to the wording in relation to paragraph 40 of Part 2 of the report and follow up action point 2 of Appendix 1 to the report were proposed and agreed. M Ferris, Audit Scotland advised that these amendments would appear in the final Annual Audit Report 2017/18.

Audit Scotland had amended their covering letter for the Annual Audit Report 2017/18 and an amended letter had been issued to members of the Executive Subcommittee.

DECIDED:

(a) That the report and amendments to the wording in paragraph 40 and follow up action point 2 of Appendix 1 be noted; and

(b) That the audited accounts 2017/18, as amended, be approved for signature by the Director of Scotland Excel, Convener and Treasurer.

4(a) Contract for Approval: Asbestos Surveys, Removal and Disposal and Analytical Services

There was submitted a report by the Director of Scotland Excel relative to the award of a renewal framework agreement for asbestos surveys, removal and disposals and analytical services which would be effective from 1 November 2018 until 31 October 2020, with an option to extend for up to 24 months to 31 October 2022.

The Convener intimated that the Director of Scotland Excel had withdrawn this report.

DECIDED: That it be noted that the report had been withdrawn.

4(b) Contract for Approval: Domestic Gas Boiler Maintenance

There was submitted a report by the Director of Scotland Excel relative to the award of the first national collaborative framework for gas boiler maintenance which would be effective from 22 October 2018 until 13 September 2020, with an option to extend for up to two years until 13 September 2022.

The report intimated that the framework provided councils and associate members with a mechanism to procure a contractor to carry out annual servicing, maintenance and ad-hoc repairs of gas boilers across their housing stock. The framework would support councils in delivering against Scotland's National Outcomes and ensure gas boilers were efficient and working economically, reducing fuel emissions and increasing energy efficiency within the housing sector.

The level of spend was anticipated to be in the region of £10 million per annum, increasing as current contractual arrangements expired. It was noted that eight councils had confirmed their intention to participate in the framework with an additional two councils considering their options. Six associate members had also confirmed their intention to participate in the framework.

Tender responses had been received from 12 suppliers. One supplier failed to submit a commercial response and as such this bid was non-compliant.

Based on the criteria and scoring methodology set out within the tender document, a full evaluation of the 11 compliant offers had been completed and Appendix 3 to the report detailed the scoring achieved by each bidder.

Based on the evaluation undertaken to secure best value, capacity and coverage it was recommended that a multi-supplier framework agreement be awarded to nine suppliers across the 37 geographical areas as outlined in Appendix 3 to the report.

It was noted that the figure in table 1 of the report in relation to technical points should read 39.9%. An amended last page of Appendix 3 was tabled at the meeting.

DECIDED:

(a) That it be noted that the figure in table 1 of the report in relation to technical points should read 39.9%; and

(b) That the award of the framework agreement for the domestic gas boiler maintenance, as detailed in Appendix 3 to the report, as amended, be approved.

4(c) Contract for Approval: Supply, Delivery and Installation of Commercial Catering Equipment

There was submitted a report by the Director of Scotland Excel relative to the award of a framework agreement for the supply, delivery and installation of commercial catering equipment which would be effective from 1 November 2018 until 31 October 2021, with an option to extend for up to an additional 12-month period until 31 October 2022.

The report intimated that the framework provided councils with a mechanism to procure a range of gas, electric and refrigerated commercial catering equipment and summarised the outcome of the procurement process for this national framework arrangement.

The framework had been divided into five lots as detailed in table 1 of the report and had been advertised at an estimated value of £16 million over the four-year period.

Tender responses had been received 19 suppliers and a summary of offers received was detailed in Appendix 1 to the report.

Based on the criteria and scoring methodology set out within the tender document, a full evaluation of the compliant offers had been completed and Appendix 2 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 agreement be awarded to 14 suppliers across the five lots as outlined in Appendix 2 to the report.

DECIDED: That the award of the framework agreement for the supply, delivery and installation of commercial catering equipment, as detailed in Appendix 2 to the report, be approved.

5 Request for Associate Membership: Advice Direct Scotland

There was submitted a report by the Director of Scotland Excel advising that Advice Direct Scotland, an independent member of the Scottish Association of Citizens Advice Bureaux and registered charity, had submitted an application to become an associate member of Scotland Excel.

DECIDED: That the application by Advice Direct Scotland to become an associate member of Scotland Excel, at an annual membership fee of £500, be approved subject to completion and signing of the agreement documentation.

6 Early Learning and Childcare and Procurement: Delivering the 1140 Hours

There was submitted a report by the Director of Scotland Excel relative to Scotland Excel's work regarding the expansion of Early Learning and Childcare (ELC) in Scottish local authorities.

The report intimated that currently every three and four-year old were entitled to 600 hours of funded childcare per year. Local authorities used a variety of processes to ensure suitable early learning and childcare provision was available in their local area. In October 2016 the Scottish Government launched "A Blueprint for 2020: The Expansion of Early Learning and Childcare in Scotland" which set out their vision to nearly double the entitlement to free ELC for every three and four-year old and eligible two-year olds to 1140 hours per year by 2020.

The Scottish Government formed a Service Models Working Group (SMWG) in June 2017 to develop the principles and detailed documentation for the expansion. In particular, the SMWG had focussed on a new National Standard and a "Funding Follows the Child" approach.

In March 2018, the Scottish Government and CoSLA published "The ELC Service Model for 2020: Consultation Paper" setting out the "Funding Follows the Child" approach which sought views of the National Standard that would underpin it. Given Scotland Excel's strong background of working across Scottish local authorities to develop and deliver national, collaborative projects, the SMWG had commissioned Scotland Excel to develop the necessary ELC supporting guidance.

Scotland Excel had been awarded grant funding by the Scottish Government to deliver the work and the report detailed the remit and workplan of the project. Scotland Excel would co-produce guidance with local authorities with input from provider bodies and other relevant stakeholders. Focus Groups would be set up to identify and share best practice and develop the contents of each of the guidance documents. Consultation with public, private and third sector providers would also be undertaken.

DECIDED: That the new project which Scotland Excel was undertaking in relation to Early Learning and Childcare be noted.

7 Update on the Contract Delivery Plan

There was submitted an update report by the Director of Scotland Excel relative to the progress of the 2018/19 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 3 to the report provided further details.

The report highlighted that contract delivery remained active with 62 current frameworks in the Scotland Excel portfolio, nine of which were to be renewed before 31 March 2019; a further six new frameworks would be added to the contract portfolio by 31 March 2019; and a further eight frameworks on the current portfolio had extension options that were likely to be exercised in 2018/19, four of which had already been approved.

Scotland Excel was exploring the benefits of further collaborative procurement across high spend, critical service areas of adult social care and construction and in 2018/19 would co-produce and implement a procurement strategy for care and support services; would deliver a new sourcing strategy for care home services for older people; had released an updated prior information notice for a new build housing framework aimed to support council delivery of new affordable houses, enabling councils to attain a range of works and services; and working in partnership with the Digital Office had released a prior information notice for market engagement across a range of projects to drive digital transformation across Scotland.

It was noted that overall, efficiencies delivered to date continued to be within the 2% to 4% forecast range.

DECIDED: That the report be noted.

8 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 26 October 2018 in Scotland Excel Meeting Room 1, Renfrewshire House, Paisley.

Minute of Meeting Scotland Excel Executive Sub-committee

Date	Time	Venue
Friday, 26 October 2018	10:45	Scotland Excel Meeting Room 1, Renfrewshire House, Cotton Street, Paisley

Present

Provost Norman A Macdonald (Comhairle Nan Eilean Siar); Bailie Norman MacLeod (Glasgow City Council); Councillor Paul Di Mascio (North Lanarkshire Council); Councillor John Shaw (Renfrewshire Council); Councillor Collette Stevenson (South Lanarkshire Council); and Councillor Amanda Westlake (Shetland Islands Council).

By Videoconference

Provost William Howatson (Aberdeenshire Council) and Councillor Stephen Thompson (Dumfries and Galloway Council).

Chair

Councillor Shaw, Convener, presided.

In Attendance

H Carr, Head of Strategic Procurement, S Brannagan, Head of Customer & Business Services, K Carlin, Procurement Coordinator, E Kidd, Senior Procurement Specialist, and M Robertson, Marketing and Communications Manager (all Scotland Excel); and M Conaghan, Legal and Democratic Services Manager; D Low, Senior Committee Services Officer, K Crawford, Senior Accountant and N O'Brien, Assistant Committee Services Officer (all Renfrewshire Council).

Apologies

Councillor Angus Macmillan Douglas (Angus Council); Councillor Altany Craik (Fife Council); Councillor Graham Hutchison (City of Edinburgh Council); and Councillor Alister Mackinnon (Highland 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 28 September 2018.

DECIDED: That the Minute be approved.

2 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 14 September 2018.

The report intimated that gross expenditure was £5,000 under budget and income was currently breakeven which resulted in a net underspend of £5,000.

DECIDED: That the report be noted.

3(a) Contract for Approval: Supply and Delivery of Road Signage Materials

There was submitted a report by the Director of Scotland Excel relative to the award of a renewal framework agreement for the supply and delivery of signage materials which would be effective from 1 December 2018 until 30 November 2021, with an option to extend for up to an additional one-year period to 30 November 2022.

The report intimated that the framework provided councils with a mechanism to procure materials which would support road maintenance programmes.

The framework had been developed by the Operational Supplies and Services (OSS) Team with a fast-tracked approach involving key stakeholders and had been divided into four lots as detailed in figure 1 of the report and had been advertised at an estimated value of £5 million over the four-year period. Appendix 1 to the report detailed the participation, spend and savings summary of the 31 councils participating in the framework. Orkney Islands Council would not be participating in any new arrangement as they had their own sign shop.

Tender responses had been received 14 suppliers and a summary of offers received and their SME status was detailed in Appendix 2 to the report.

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 agreement be awarded to 11 suppliers across the four lots as outlined in Appendix 3 to the report.

Appendix 4 to the report detailed suppliers with Living Wage status.

DECIDED: That placings on this framework for the supply and delivery of road signage materials, be awarded to the suppliers as detailed in Appendix 3 to the report.

Declaration of Interest

Provost Macdonald declared a non-financial interest in item 3(b) of the agenda as he was a retained firefighter with the Scottish Fire and Rescue Service and indicated his intention to remain in the meeting during consideration of the item and not to take part in any discussion or voting thereon.

3(b) Contract for Approval: Technology Enabled Care

There was submitted a report by the Director of Scotland Excel relative to the award of a renewal framework agreement for the supply of telecare and telehealth technologies, renamed as technology enabled care, which would be effective from 1 January 2019 until 31 December 2019, with an option to extend for up to three one-year periods to 31 December 2022.

The report intimated that the framework provided councils, health and social care partnerships and associate members with a mechanism to procure technology enabled care and ancillary monitoring services to maintain, promote and support independent living. The framework would allow for four annual break clauses and would exercise Regulation 72 of the procurement regulations to allow a digital specification to be added to the framework during the four-year duration.

The framework would provide more comprehensive location and lifestyle monitoring services together with consumer grade home health monitoring peripheral devices to help reduce unnecessary routine admissions to primary and secondary healthcare.

The framework had been divided into 10 lots as detailed in table 1 of the report and had been advertised at an annual value of £6.3 million. Appendix 1 to the report detailed the participation, spend and savings summary of the 32 councils/health and social care partnerships, three health boards and three housing associations participating in the framework.

Tender responses had been received from 17 suppliers and a summary of offers received was detailed in Appendix 2 to the report.

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

The offers received within lot 10 (Alarm Receiving Technology) could not be equally evaluated on a like-for-like basis due to the changing nature of current technology available. As a result, lot 10 had not been recommended for award. Further engagement would be carried out to identify the most appropriate method for local authorities to purchase this technology.

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 agreement be awarded to 14 suppliers across the nine lots as outlined in Appendix 3 to the report.

Appendix 4 to the report detailed suppliers with Living Wage status at point of tender.

It was noted that any reference in the appendices to the report to ITS Design Ltd trading as Alert-It should be replaced with ITS Designs Ltd trading as Alert-It.

DECIDED:

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

(b) That it be noted that any reference in the appendices to the report to ITS Design Ltd trading as Alert-It should be replaced with ITS Designs Ltd trading as Alert-It.

4(a) Request for Associate Membership: Cairn Housing Association

There was submitted a report by the Director of Scotland Excel advising that Cairn Housing Association had submitted an application to become an associate member of Scotland Excel.

DECIDED: That the application by Cairn Housing Association to become an associate member of Scotland Excel, at an annual membership fee of £4,790, be approved subject to completion and signing of the agreement documentation.

4(b) Request for Associate Membership: SEStran (South East of Scotland Transport Partnership)

There was submitted a report by the Director of Scotland Excel advising that SEStran had submitted an application to become an associate member of Scotland Excel.

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

5 Operating Plan 2018/19 Update

There was submitted a report by the Director of Scotland Excel relative to the Q1 progress made against operating plan activities and commitments during 2018/19.

DECIDED: That the report be noted.

6 Date of Next Meeting

DECIDED: That it be noted that the next meeting of the Executive Sub-committee would be held at 10.45am on 23 November 2018 in Scotland Excel Meeting Room 1, Renfrewshire House, Paisley.

Minute of Meeting Scotland Excel Executive Sub-committee

Date	Time	Venue
Friday, 23 November 2018	10:45	Scotland Excel Meeting Room 1, Renfrewshire House, Cotton Street, Paisley

Present

Councillor Charles Buchan (Aberdeenshire Council) (substitute for Provost William Howatson); Bailie Norman MacLeod (Glasgow City Council); Councillor Paul Di Mascio (North Lanarkshire Council); Councillor John Shaw (Renfrewshire Council); Councillor Amanda Westlake (Shetland Islands Council) and Councillor Collette Stevenson (South Lanarkshire Council).

Chair

Councillor Shaw, Convener, presided.

In Attendance

J Welsh, Director, H Carr, Head of Strategic Procurement and S Brannagan, Head of Customer & Business Services (all Scotland Excel); and A MacArthur, Head of Finance, M Conaghan, Legal & Democratic Services Manager and D Low, Senior Committee Services Officer (all Renfrewshire Council).

Apologies

Provost Bill Howatson, (Aberdeenshire Council); Councillor Angus Douglas (Angus Council); Councillor Graham Hutchison (City of Edinburgh Council); Provost Norman Macdonald (Comhairle Nan Eilean Siar); Councillor Stephen Thompson. (Dumfries & Galloway Council); Councillor Altany Craik (Fife Council) and Councillor Alister Mackinnon (Highland 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 26 October 2018.

DECIDED: That the Minute be approved.

2 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 12 October 2018.

The report intimated that gross expenditure was £4,000 under budget and income was currently £10,000 under recovered which resulted in a net overspend of £6,000.

DECIDED: That the report be noted.

3(a) Request for Associate Membership - East Kilbride and District Housing Association Limited

There was submitted a report by the Director of Scotland Excel advising that East Kilbride and District Housing Association had submitted an application to become an associate member of Scotland Excel.

DECIDED: That the application by East Kilbride and District Housing Association to become an associate member of Scotland Excel, at an annual membership fee of £790, be approved subject to completion and signing of the agreement documentation.

3(b) Request for Associate Membership - Link Group Limited

There was submitted a report by the Director of Scotland Excel advising that Link Group Limited had submitted an application to become an associate member of Scotland Excel.

DECIDED: That the application by Link Group Limited to become an associate member of Scotland Excel, at an annual membership fee of £10,680, be approved subject to completion and signing of the agreement documentation.

4 Funding 2019/20 Update

There was submitted a report by the Director of Scotland Excel providing an update on the funding strategy for fiscal period 2019/20 set out in the Funding Model Review report approved at the meeting of the Joint Committee held on 29 June 2018.

The report provided an update on the progress made by Scotland Excel to maximise income through consultancy services; new build housing; learning and development through the Scotland Excel Academy; rebates; and associate member expansion. It was anticipated that consultancy services, learning & development and associate

member expansion would generate income in 2019/20 with the other two areas contributing in subsequent years. Having implemented the hybrid funding approach approved by the Joint Committee in June 2018, the report anticipated that a requisition increase of 2% would be required for 2019/20.

DECIDED:

(a) That the progress made since June 2018 be noted; and

(b) That the contents of the report be endorsed and that it be noted that an updated report would be submitted to the meeting of the Joint Committee to be held on 7 December 2018.

5 Risk Register Update

There was submitted a report by the Director of Scotland Excel providing an update on the risk register maintained to assess threats and risks that could impact on the delivery of Scotland Excel's organisational objectives and the actions identified to mitigate such risks.

It was proposed that in future the risks included in the register be ranked in order of degree of risk and that each risk indicate the level of movement between the previously reported risk ranking and the new risk ranking being reported. This was agreed.

DECIDED:

(a) That in future the risks included in the register be ranked in order of degree of risk (highest to lowest) and that each risk indicate the level of movement between the previously reported risk ranking and the new risk ranking being reported; and

(b) That the report otherwise be noted.

6 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 ending 31 October 2018, the previous six and 12 months and provided information relating to the absence statistics and reasons.

DECIDED: That the report be noted.

7 Meetings of Scotland Excel Executive Sub-committee in 2019

There was submitted a report by the Clerk relative to proposed dates and venues for meetings of the Executive Sub-committee in 2019.

DECIDED: That the dates and venues for meetings of the Executive Sub-committee in 2019 as detailed in the report, be approved.

8 Date of Next Meeting

DECIDED: That it be noted that the next meeting of the Executive Sub-committee would be held at 9.45am on 7 December November 2018 in Glasgow City Chambers, George Square, Glasgow.

Scotland Excel



To: Joint Committee

On: 07 December 2018

Report by The Treasurer and Director

Revenue Estimates 2019-20

1. Summary

The following report has been prepared by the Treasurer, in consultation with the Director, to present the Revenue Estimates of Scotland Excel including the requisition of the constituent authorities for the financial year 2019-20 and indicative planning figures for 2020-21 and 2021-22.

2. Recommendations

2.1 It is recommended that members:

- **agree** the Revenue Estimates of Scotland Excel for the financial year 2019-20 as shown in Appendix 1
- **agree** the requisitions from constituent authorities as detailed in Appendix 2
- **note** the indicative estimates for 2020-21 and 2021-22
- **note** the update to the funding model outlined in Section 6

3. Background

3.1 The Annual Revenue Estimates process each year outlines the summary revenue budget position for the organisation. The budget estimates provided in the attached Appendix 1 outline the projected position and proposed requisition for 2019/20, and outline an indicative projected position for 2020/21 and 2021/22 for member's information and as an aid to constituent authorities financial planning. The assumptions used in developing these projections are outlined in section 4 below.

3.2 The financial environment in which Scotland Excel and member authorities operate continues to be characterised by significant demand and cost pressures, compounded by reducing levels of grant support. It is anticipated that the Scottish Budget and local government settlement to be announced on 12 December will likely reflect a revenue grant cut for local authorities. It is also likely that the settlement announced will again be for a single financial year only, adding significant uncertainty to financial forecasts.

- 3.3 It is further recognised that over the medium term, local government in Scotland is likely to face further contraction in available resources, relating predominantly to the provision of revenue grant from the Scottish Government. In this context, Scotland Excel will continue to seek operational savings, 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. The Joint Committee agreed in June 2018 a revised funding model which aims to reduce the reliance on requisition income. An update on this funding model is detailed in section 6 below.

4. **Budget Assumptions**

- 4.1 The budget is based on the following assumptions:

- A budget provision of 3% in relation to the 2019/20 pay award has been included in the budget forecast (3% has also been assumed in the indicative 20/21 and 21/22 forecasts). It is recognised that national pay negotiations for 2018/19 remain ongoing, with unions recently rejecting the most recent offer of a 3% uplift. Should the final agreed position be in excess of the budget provision (the 2018/19 budget was agreed including a 2% pay uplift, so there is an immediate pressure in the current financial year), an appropriate adjustment will require to be made to the 2018/19 budget funded from reserve balances;
- in line with previous years practice, no inflation adjustment has been made to any non-pay expenditure lines;
- adjustments have been made to specific budget lines to reflect operational experience in relation to:
 - employee costs – a budgeted staffing turnover assumption of 5% has been applied;
 - property costs – rent and service charge costs have increased due to the cost of the office expansion
 - supplies and services - ICT costs have increased due to the migration to a cloud based environment, the introduction of virtual servers and the move to Microsoft O365
 - administration costs – increased due to the inclusion of annual review costs, the cost of facilitating practitioner workshops and increased telephony costs
 - Member requisitions – a 2% increase has been recommended for 2019/20.
 - Other income – has been reduced to reflect the anticipated reduction in income from Crown Commercial Services.

- 4.2 The projected outturn position for 2018/19 is a break even position on core activities as detailed in Appendix 1. A minor overspend is currently reported, however the organisation is taking mitigating action to recover this position by the end of the financial year. Scotland Excel is acutely aware that the use of non-recurring revenue sources to fund recurrent core activities is inconsistent with a sustainable funding position and section 5 below outlines the measures that were approved to address this position.

5. Financial Overview

- 5.1 As outlined above, the financial outlook in the medium term continues to be characterised by uncertainty. At this point both major areas of financial risk for the Joint Committee – the level of pay award and the level of requisition income (broadly linked to the movement in the level of grant available to local government) – are unknown. However, both appear to be increasing risks; with the level of pay award expected to be higher in future years. The pay award for 2018/19 has still to be agreed, with unions recently rejecting the 3% pay offer. Similarly, the level of funding available to local government through the grant settlement process is expected to reduce.
- 5.2 While the exact impact of these issues for Scotland Excel cannot be forecast with certainty there is a general consensus that prospects for economic growth have deteriorated, placing further ongoing pressure on public spending. Scotland Excel continues to be mindful of the financial pressures member authorities face and will work with them to address these challenges through the support provided to local procurement teams and through the collaborative contracts put in place. Scotland Excel has had no requisition increase since 2016/17.
- 5.3 There has been a change from the approach adopted in previous years, where revenue estimates have been developed to ensure core operations are funded fully by requisition income. Members will be aware that a new funding model was approved at the June 2018 Joint Committee which means that core operations will be funded from both requisitions and income generated from a range of other sources. This move to a more commercial funding model does increase the overall level of financial risk to the organisation, which requires to be appropriately mitigated through a prudent level of reserves. It is estimated the reserves balance at the end of the 2018/19 financial year will be £202,000 – 5.7% of turnover, however this position is significantly dependent on the level of pay award agreed for 2018/19. The remaining reserves balance will be used to protect against any unforeseen costs or financial risks which may arise in the future, and is near the 5% floor which is viewed as being the minimum recommended by the Treasurer. To provide some context for member authorities, each 1% movement in requisition for Scotland Excel amounts to circa £35,000, while a movement of 1% in the pay award would cost circa £30,000.
- 5.4 The information provided in Appendix 1 outlines the indicative medium term financial position and estimates for 2019/20. 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. These include the flexible use of Associate Income generated in 2018/19; the temporary use of reserves built up by the Small Value Procurement Team; and income that is expected to be earned by projects during 2019/20. A 2% requisition increase has therefore been recommended.
- 5.5 Indicative figures have been included for 2020/21 and 2021/22. This shows that with a 3% requisition increase in 2020/21 Scotland Excel will required to secure

additional income or reduce costs by a further £90,000. A 3% requisition increase in 2021/22 will result in a breakeven position being achieved based on current estimates. These indicative estimates assume a 3% pay award in both years.

- 5.6 Members will note that detailed in Appendix 1 is a memorandum section relating to the projects that Scotland Excel operate. 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 2019/20 figures are provided. As outlined above, each project is forecast to contribute surpluses toward core activities during the forthcoming financial years. It should be noted that these projects will become business as usual activity and will be subsumed into core operations; consequently figures have only been provided for 2019/20.

6 Scotland Excel Funding Model

- 6.1 The Revenue Estimates 2018-19 report presented at the 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. It recognised that over the medium term, local government in Scotland is likely to face further contraction in available resources, relating predominantly to the provision of revenue grant from the Scottish Government. In this context, Scotland Excel will continue to seek operational savings, 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.
- 6.2 The review concluded with a number of steps that were subsequently approved by the Joint Committee:
- Approve the proposed hybrid approach to meeting the deficit whereby the funding opportunity projects were progressed by Scotland Excel in addition to potential flexible use of reserves and potential requisitions increases.
 - Agree that the Care Homes for Older People project continues to be directly funded from the participating councils.
 - Agree that Scotland Excel officers continue to work with the Treasurer to identify methods to address the short to mid-term deficit.
 - Note that an update paper will be presented to the December 2018 Joint Committee along with the annual Revenue Estimates. This paper would provide an update on the steps taken since the June 2018 joint committee and any further steps required to ensure ongoing financial sustainability.
- 6.3 The approach outlined a number of measures to mitigate the financial pressure Scotland Excel is under both now and in the future, with a range of alternative income streams being developed. A brief update on each of these is outlined in the table below:

Consultancy Services	Scotland Excel has been working on a number of consultancy service opportunities since the June Joint Committee and is confident on the projected surplus outlined. In 2017/18 projects were initiated with Fife council, East Renfrewshire council and Aberdeen City council. Additionally, work was undertaken with Scottish Education Management Information System (SEEMiS) and City Property (Glasgow) LLP for the provision of procurement support. The Fife Council and City Property projects will continue into the following financial year and therefore contribute towards the target set out.
New Build Housing	Since the June Joint Committee, Scotland Excel has continued to work with member councils to progress the New Build project. Extensive stakeholder engagement has been held to date including those with individual contractors, purchasers, Scottish Government (grant funding & More Homes divisions), Homes for Scotland (contractor representative body), Construction Innovation Centre, Offsite Solutions Scotland (organisation comprising offsite contractors and manufacturers in Scotland) and Construction Industry Training Board (CITB). User intelligence groups have been held over the past five months and the framework strategy is almost complete. A restricted procedure has been agreed upon, with the contract notice to be published by the end of November 2018 and a contract start date anticipated in August 2019.
Learning & Development – The Academy	The Academy has made good progress since the June 2018 Joint Committee. Working with our partner organisation, The Improvement Service, Scotland Excel has introduced a new Professional Diploma Award (PDA) in Project Management. The programme, which is accredited by The Scottish Qualifications Authority (SQA), has commenced and has a pipeline of 4 learning groups. Additionally, two new learning groups have commenced, delivering Practitioner and Advanced Practitioner within the Chartered Institute of Procurement and Supply (CIPS).
Rebates	The use of volume rebates within appropriate contracts was approved at the June 2018 Joint Committee. Rebates have been used to varying degree of success across the Scotland Excel portfolio to date. Some frameworks have had a rebate embedded within the commercial agreement, such as within construction materials, whilst others have offered successful returns on a one-off basis. There is also the view that if rebates are maintained at very modest levels, for example less than c.0.75%, there is no adverse

	effect on pricing. As part of the internal contract governance process, the applicability of the inclusion of rebates is now standard practice.
Associate Member Expansion	<p>This project is taking a much more proactive approach to the identification and enrolment of associate members to Scotland Excel. The project is making use of the existing affordable housing team to accelerate this within both the housing sector and beyond.</p> <p>Scottish Government funding for the project supported a team of four specialists within Scotland Excel. The funding for this initiative terminates at the end of the current financial year. In addition to the aims of the Scottish Government funded project, the team have generated an additional £80k of associate annual income.</p> <p>It is proposed that this future income be utilised to support the project team going forward. The team will be reduced in size to two team members to meet the objectives including the income objectives set out in the '<i>funding model review</i>'. The focus for this team will continue to be supporting housing sector growth, whilst seeking wider associate opportunities. A future review will consider the scale of this team based on income generation.</p>

6.4 Work has continued to review the financial sustainability of Scotland Excel since the Joint Committee in June 2018 and to consider the funding solutions set out at that point. The organisation has made good progress in developing each of the potential offerings set out in section 6.3 of this report. Three opportunities are forecast to deliver income in financial year 19/20; consultancy, learning and development and associate members expansion. Each project has delivered income within the current financial year and measures have been taken to meet the targets set out for the next financial year. The remaining two projects are forecast to deliver income within subsequent financial years.

6.5 A number of additional financial arrangements were proposed and approved within the June Joint Committee report and they remain valid:

- Use of up to £120k from project reserves currently allocated to the Operational Supplies and Services (OSS) project and repaid in financial year 2022/23 when income has grown to a sufficient level.
- Use of £80k of associate income earned in the current financial year and allocated to support 2019/20.
- *Care Home for Older People* project continues to be directly funded from the participating councils.

7 2019/20 Member Authority Requisitions

- 7.1 The Member Authority Requisitions for 2019/20 have been updated to reflect changes in population (as reflected in the 2017 mid-year population estimates published by NRS). An increase of 2% has been recommended and these are detailed in Appendix 2 of this report. It should be noted the requisitions outlined do not include amounts payable by councils in relation to care home services.
- 7.2 Any future events which may materially affect these finances will require to be the subject of a report to the Joint Committee.
- 7.3 The funding drawdown will be annually during October in accordance with arrangements made by the Treasurer.

Appendix 1

	2018/19 Approved	2018/19 Forecast Outturn	2019/20 Proposed	2020/21 Indicative	2021/22 Indicative
<u>Core Operational Expenditure</u>					
Employee Costs	3,040,160	2,998,415	3,139,900	3,287,200	3,430,495
Property Costs	176,500	176,500	217,800	217,800	217,800
Supplies and Services	141,140	154,445	165,900	165,900	165,900
Contractors	-	-	2,800	2,800	2,800
Administration Costs	266,400	286,840	286,100	326,100	286,100
Payments to other Bodies	20,000	20,000	20,000	20,000	20,000
Supported Living/Care at Home	-	-	169,400	172,800	176,200
Required Saving	-	-	-	(89,710)	0
Total Core Operating Expenditure	3,644,200	3,636,200	4,001,900	4,102,890	4,299,295
<u>Core Operational Income</u>					
Council Requisitions	3,484,200	3,484,200	3,553,900	3,660,500	3,770,305
18/19 Associate Income			80,000		
Temporary Reserve Use			120,000		
Other Income	90,000	82,000	75,000	114,000	153,600
Income from Projects			173,000	273,390	275,390
Rebates				55,000	100,000
Total Core Operating Income	3,574,200	3,566,200	4,001,900	4,102,890	4,299,295
Core Operating Deficit/(Surplus)	70,000	0	0	0	0

<u>Funded from Reserves</u>					
Staff Costs	70,000	70,000	-	-	-
Office Furniture	20,000	20,000	-	-	-
Other Development Costs	0	0	-	-	-
Total Temporary Costs	90,000	90,000	0	0	0

<u>Reserve Funding</u>					
Total Reserves	291,664	291,664	201,664	201,664	201,664
Budgeted Drawdown	(90,000)	(90,000)	0	-	-
Projected Underspend	-	0	-	-	-
Budgeted Balance	201,664	201,664	201,664	201,664	201,664
Estimated Balance	201,664	201,664	201,664	201,664	201,664

Memorandum

<u>Scotland Excel Projects</u>			
Additional Costs	960,000	1,678,000	1,428,000
Additional Income	960,000	1,834,000	1,601,000
Net Expenditure	0	(156,000)	(173,000)
Opening Project Reserves	264,489	264,489	420,489
Use of reserves	0	156,000	(373,000)
Closing Project Reserves	264,489	420,489	47,489

Appendix 2

Member Requisitions

Requisition by Authority	<u>2018/19</u>	<u>2019/20</u>	<u>Movement</u>
Aberdeen City	140,311	142,125	1,814
Aberdeenshire	156,995	159,420	2,425
Angus	81,869	83,153	1,284
Argyll and Bute	66,712	67,709	997
Clackmannanshire	48,259	49,176	917
Dumfries and Galloway	98,888	100,407	1,519
Dundee City	98,243	100,150	1,907
East Ayrshire	84,798	86,120	1,322
East Dunbartonshire	77,238	78,882	1,644
East Lothian	75,458	77,158	1,700
East Renfrewshire	70,157	71,874	1,717
City of Edinburgh	283,339	291,182	7,843
Eilean Siar	35,649	36,335	686
Falkirk	103,973	106,135	2,162
Fife	212,766	216,865	4,099
Glasgow City	338,987	347,684	8,697
Highland	142,854	145,468	2,614
Inverclyde	62,600	63,489	889
Midlothian	67,475	69,427	1,952
Moray	71,322	72,409	1,087
North Ayrshire	91,859	93,378	1,519
North Lanarkshire	196,810	200,383	3,573
Orkney Islands	33,045	33,742	697
Perth and Kinross	99,486	101,402	1,916
Renfrewshire	112,508	114,911	2,403
Scottish Borders	80,843	82,493	1,650
Shetland Islands	33,741	34,308	567
South Ayrshire	79,780	81,266	1,486
South Lanarkshire	185,314	188,962	3,648
Stirling	70,126	71,477	1,351
West Dunbartonshire	68,120	69,175	1,055
West Lothian	114,675	117,235	2,560
Total	3,484,200	3,553,900	69,700

Scotland Excel



To: Joint Committee

On: 07 December 2018

Report by Director Scotland Excel

Update on the Contract Delivery Plan

1. Introduction

This report provides a progress update on the 2018/ 2019 contract delivery plan.

2. Progress to Date

As detailed in Appendices 1 – 3, the 2018/ 2019 contract delivery plan comprises framework renewals, new developments, framework extensions and frameworks with ongoing contract management only.

There are 63 current frameworks in the Scotland Excel contract portfolio, with six of these frameworks to be renewed before 31 March 2019 (Appendix 1).

As detailed in Appendix 1, both the road signage materials and technology enabled care frameworks were delivered ahead of schedule in October 2018. The strategy for the dynamic purchasing system for the treatment of recyclable and residual waste was approved by the executive sub committee in September and is forecast to be in place for February 2019.

The delivery date for a renewal framework for asbestos surveys, removal and disposal, and analytical services has been moved from November to July to allow for a re-tender required by an emerging issue relating to professional indemnity insurance.

As part of Scotland Excel's partnership agreement with Crown Commercial Services (CCS) for light vehicles, the renewal CCS vehicle purchase framework (RM6060) has completed its standstill period and is now live.

The Scotland Excel framework for Online School Payments has now expired. It was agreed with Council Colleagues that as late adoption had taken place, it would be worthwhile delaying the renewal of a replacement framework with work due to begin on renewal in Spring 2019. The scope of this project would be widened to incorporate additional requirements such as cashless catering.

The remaining renewal frameworks in 2018/ 2019 are currently on track with the forecast schedule.

Scotland Excel plans to add a further three new frameworks to its contract portfolio by 31 March 2019 (Appendix 2). The three planned first-generation

frameworks include two being coordinated through the operational supplies and services team. An opportunity assessment been conducted for vocational training service providers and this will now no longer be tendered by Scotland Excel.

A further ten of the frameworks on the current portfolio have extension options that are likely to be exercised in 2018/ 2019 with eight of these extensions already approved (Appendix 3).

Overall, efficiencies delivered to date in 2018/ 2019 are 4.4%, which is above the 2-4% forecast savings range.

In addition to the activity detailed in Appendices 1 -3, Scotland Excel is exploring the benefits of further collaborative procurement across high spend, critical service areas of adult social care and construction.

Scotland Excel has finalised the procurement strategy for care and support services. In 2018-2019, Scotland Excel will continue to work with a range of partners to implement the procurement strategy.

In 2018/ 2019, Scotland Excel will also deliver a new sourcing strategy for care home services for older people. This strategy, again co-produced with stakeholders, will build on current best practice and complement local strategic commissioning plans.

The first generation new build residential construction framework is progressing well. The framework will support councils to deliver new affordable houses in line with Strategic Housing Investment Plans (SHIPs). A strategy has now been agreed with councils and the first of a two-stage tender procedure is scheduled to be issued on 30th November 2018. The procurement exercise remains on course for going live in August 2019.

Scotland Excel, working in partnership with the Digital Office, released a prior information notice (PIN) for market engagement across a range of projects to drive digital transformation across Scotland. A further Prior Information Notice was subsequently released to notify the market place regarding a replacement Social Work Case Care Management System. A Technical panel comprising of ICT colleagues from within councils has been derived and two meetings have now taken place to work on the ITT specification requirements. It is anticipated that this ITT will be released early January 2019.

3. Conclusion

Members are invited to note the progress made to date.

Appendix 1 - List of contracts to be renewed

Service	Estimated Annual Collaborative Contract Opportunity	Activity	Original Forecast Date	Previous Forecast Date	Delivered Date	Latest Forecast Date if Different	Forecast Savings Range	Delivered Savings Forecast	Comments
Treatment Of Recyclable & Residual Waste	25,000,000	Renew	Jun-18	Oct-18		Feb-19	2% - 4%		Strategy approved at Executive Sub Committee on 28 September 2018
Street Lighting Materials	35,000,000	Renew	Jul-18		Aug-18		2% - 4%	13.0%	Framework is live
Salt	16,250,000	Renew	Jul-18		Jun-18		2% - 4%	-11.1%	Framework is live
Road Maintenance Materials	2,500,000	Renew	Jul-18		Aug-18		2% - 4%	2.0%	Framework is live
Roadstone	5,000,000	Renew	Jul-18		Jun-18		2% - 4%	13.3%	Framework is live
Social Care Agency Workers	20,000,000	Renew	Aug-18		Jun-18		2% - 4%	N/A	Framework is live
Fresh Meat, Cooked Meats & Fresh Fish	10,000,000	Renew	Oct-18		Jun-18		2% - 4%	2.3%	Framework is live
Washroom Solutions	3,500,000	Renew	Oct-18		Aug-18		2% - 4%	0.0%	Framework is live
Asbestos	12,000,000	Renew	Nov-18			Jul-19	2% - 4%		Strategy in development
Audio Visual Equipment	7,500,000	Renew	Apr-19				2% - 4%		Evaluating
Online School Payments	2,500,000	Renew	Dec-18			Dec-19	2% - 4%		Plan delayed to incorporate additional requirements
Road Signage Materials	1,250,000	Renew	Dec-18		Oct-18		2% - 4%	16.0%	Recommendations presented to Executive Sub Committee on 26 October 2018
Vehicle Purchase RM6060	15,000,000	Renew	Dec-18		Dec-18		2% - 4%	N/A	Framework awarded by Crown Commercial Services
Technology Enabled Care	6,300,000	Renew	Jan-19		Oct-18		2% - 4%	9.1%	Recommendations presented to Executive Sub Committee on 26 October 2018
Light & Heavy Plant	5,000,000	Renew	Mar-19				2% - 4%		Tender released
Ground Maintenance Equipment	5,000,000	Renew	Mar-19				2% - 4%		Tender released
Janitorial Products	12,000,000	Renew	Mar-19				2% - 4%		Evaluating

Appendix 2 – List of new contracts to be developed and delivered in 2018/2019

Service	Estimated Annual Collaborative Contract Opportunity	Activity	Original Forecast Date	Previous Forecast Date	Delivered Date	Latest Forecast Date if Different	Forecast Savings Range	Delivered Savings Forecast	Comments
Vocational Training Service Providers	2,500,000	New Contract	Mar-18	Dec-18		N/A	5.5%		Opportunity assessment concluded that there is a limited appetite for a collaborative contract
Power Tools	625,000	New Contract	Jun-18		Apr-18		5.5%	5.8%	Framework is live
Boiler Maintenance	10,000,000	New Contract	Jul-18		Sep-18		5.5%	5.8%	Framework is live
First Aid Materials	2,000,000	New Contract	Sep-18		Aug-18	Oct-18	5.5%	15.0%	Framework is live
Commercial Catering Equipment	4,000,000	New Contract	Oct-18		Sep-18		5.5%	9.9%	Framework is live
Care Home Services for Older People	450,000,000	New Contract	Jan-19			Apr-19	N/A		Strategy in development
Hot Beverage Machinery & Supplies	1,000,000	New Contract	Jan-19				5.5%		Recommendations to be presented to Executive Sub Committee on 7 December 2018
Energy Advice Services	1,000,000	New Contract	Jan-19				5.5%		Recommendations to be presented to Executive Sub Committee on 7 December 2018

Appendix 3 – Contracts with extension options and contract management activity ongoing in 2018/2019

Contracts with extension options in 2018/19

Contract Description	Est Annual Value
Bitumen Products	£ 12,000,000
Buildings Related Engineering Consultancy	£ 10,000,000
Education Materials	£ 17,500,000
Electrical Materials	£ 14,000,000
Fostering & Continuing Care	£ 25,000,000
Frozen Foods	£ 25,000,000
Outdoor Play Equipment and Artificial Surfaces	£ 17,500,000
Personal Protective Equipment	£ 10,000,000
Plumbing & Heating Materials	£ 20,621,122
Waste Disposal Equipment	£ 1,250,000

Contracts which are shaded have been approved for extension

Contracts with no renewal or extension activity and contract management activity ongoing in 2018/19

Contract Description	Est Annual Value
Bottled Gas	£ 2,000,000
Building And Timber Materials	£ 15,200,000
Care Homes for Adults (LD)	£ 31,000,000
Catering Machines	£ 2,000,000
Catering Sundries	£ 6,000,000
Children's Residential Care	£ 105,000,000
Community Meals	£ 4,000,000
Customer Service Platform	£ 3,750,000
Demolition	£ 16,000,000
Digital Publications and Services	£ 1,000,000
Domestic Furniture and Furnishings	£ 20,000,000
Education And Office Furniture	£ 9,000,000
Energy Efficiency Contractors	£ 200,000,000
Engineering Consultancy	£ 17,000,000
Fire Fighting & Rescue Services	£ 2,500,000
Groceries & Provisions	£ 30,000,000
Heavy Vehicles	£ 40,000,000
Laundry Equipment	£ 1,100,000
Library Books & Textbooks	£ 14,000,000
Milk	£ 9,000,000
Organic Waste	£ 12,000,000
Pest Control Services	£ 1,500,000
Recycle And Refuse Containers	£ 12,500,000
Secure Care	£ 20,000,000
Security Services and Equipment	£ 18,000,000
Steeplejack Services	£ 1,750,000
Street Lighting Bulk Renewal of Luminaires	£ 5,000,000
Swimming Pool Chemicals	£ 1,250,000
Trade Materials	£ 10,000,000
Tyres for Vehicles & Plant	£ 6,500,000
Vehicle & Plant Hire	£ 15,000,000
Vehicle Parts	£ 12,000,000
Water Coolers	£ 1,500,000



Scotland Excel

To: Joint Committee

On: 07 December 2018

**Report
by
Director Scotland Excel**

Operating Plan Update 2018-19






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 half year performance against the Operating Plan 2018-19.

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 has been revised 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 thirteen key performance indicators (KPIs) linked to strategic outcomes.

3. Performance

The majority of activities in the operating plan are progressing in line with plans and are indicated as green within the report. Three activities are progressing more slowly than anticipated, predominantly due to external factors, and these are indicated as amber within the report.

Three activities were completed during the first two quarters and are indicated as black within the report. Thirteen activities indicated as white will commence in the latter part of this financial year or during 2019-20. Most of these activities have dependencies on the outcome of other actions being undertaken as part of the 2018-19 Operating Plan.

4. Recommendation

The members of the Joint Committee are invited to note Scotland Excel's performance in the delivery of the Operating Plan 2018-19.














Operating Plan





2018 – 2019








Half Year 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"> Develop plans which support direct engagement with local authority services to identify new collaborative procurement opportunities 		<ul style="list-style-type: none"> Scotland Excel is continuing to engage directly with stakeholders across a number of local authority services including housing, social care, ICT and catering in support of existing projects and to identify new opportunities.
	<ul style="list-style-type: none"> Complete the sourcing strategy and initiate the tender process for a new build housing framework on behalf of participating local authorities 		<ul style="list-style-type: none"> A User Intelligence Group model has been established and meetings began in September 2018. A Prior Information Notice (PIN) is continuing to attract interest from the market, and the framework is on track for delivery by August 2019.
	<ul style="list-style-type: none"> Implement a procurement strategy for older people care home services for that provides choice, continuity of care and innovation in service delivery 		<ul style="list-style-type: none"> The majority of Health & Social Care Partnerships (HSPCs) have confirmed their agreement with the proposed sourcing strategy. A meeting of the User Intelligence Group will be held on 21 November 2018 to discuss implementation of the strategy.
	<ul style="list-style-type: none"> Implement the procurement strategy for adult care and support services and secure sustainable funding for ongoing delivery as part of the social care portfolio 		<ul style="list-style-type: none"> The Scottish Government has extended the timescales for this project to allow for additional stakeholder consultation and co-production work. The framework is now scheduled to begin in January 2020. Scotland Excel will establish a strategic steering group for adult social care to bring stakeholders together to discuss key issues.
	<ul style="list-style-type: none"> Continue to pursue funding to deliver proposals which support the expansion of early learning and childcare provision 		<ul style="list-style-type: none"> Funding has been secured for Scotland Excel to produce guidance, cost modelling and standard terms and conditions to support the expansion of early learning and childcare provision. Work is now underway to deliver this project.







	<ul style="list-style-type: none"> Develop and implement contract and supplier management (CSM) and key supplier management (KSM) programmes which monitor and enhance the performance of Scotland Excel contracts 		<ul style="list-style-type: none"> The roll out of CSM to Category 1 contracts is continuing. Segmentation of contracts by CSM category is being reviewed to ensure resources are allocated effectively before the programme is extended to Category 2 and 3 contracts from Q4. A KSM programme will be considered once CSM is in place across the portfolio.
	<ul style="list-style-type: none"> 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"> Scotland Excel is continuing to participate in the Scottish Government's Collaborative Leads Group to explore cross-sector opportunities. A workshop with NSS National Procurement took place in Q2 to discuss collaborative opportunities across the health and local government sectors.
	<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 is continuing to advise councils on their duty to produce an Annual Procurement Report. Thirteen councils had completed the report by the end of Q2. Scotland Excel is also working with the Scottish Government to produce Brexit briefing notes for public procurement stakeholders.
1.2 Deliver programmes which lead and develop professional, organisational and commercial capability	<ul style="list-style-type: none"> Develop and deliver a targeted programme of change projects based on development needs identified by Procurement & Commercial Improvement Programme (PCIP) assessments 		<ul style="list-style-type: none"> Four change projects are underway to support outcomes from the first PCIP cycle. A further two change projects addressing specific council needs are being scoped.
	<ul style="list-style-type: none"> Deliver a second cycle of local government PCIP assessments for all local authorities 		<ul style="list-style-type: none"> The second PCIP cycle began in September 2018, and two assessments took place in Q2. All 32 councils have committed to taking an assessment, with some opting for the new focussed assessment which assesses areas selected by the council.
	<ul style="list-style-type: none"> Deliver the chargeable consultancy projects and transformation programmes agreed for Aberdeen City and Fife Councils, and respond to any further requests for these types of services from other councils 		<ul style="list-style-type: none"> Scotland Excel's project team have been working within Fife Council since July, with initial work focusing on procurement foundations. The Aberdeen City Council project is progressing, and an extension has been agreed to 31 March 2019. Scotland Excel is scoping two other consultancy proposals at the request of councils.








	<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"> A new Professional Development Award (PDA) in project management, accredited by the Scottish Qualifications Authority (SQA), and a second Chartered Institute of Procurement & Supply (CIPS) cohort were launched in August 2018. Sixty-four learners are now engaged in six learning cohorts, and a further eight cohorts are in development including a new CIPS advanced practitioner programme and a Masters-level Chartered Management Institute (CMI) programme.
	<ul style="list-style-type: none"> Develop and deliver a programme of practitioner workshops, masterclasses and events to lead best practice through the Scotland Excel Academy 		<ul style="list-style-type: none"> A webinar on Purchase-to-Pay (P2P) automation was delivered on 26 September 2018. This forms part of a programme of practitioner learning opportunities which are currently in development. A CSM workshop was delivered in early October, and further six workshops, masterclasses and events are in the pipeline for delivery by March 2019. Two non-accredited 'introduction to procurement' programmes are also being developed in response to customer demand.
	<ul style="list-style-type: none"> Continue to develop Scotland Excel Academy online resources to support learning programmes and create a community platform for sharing best practice 		<ul style="list-style-type: none"> Academy online resources are continually evolving as new programmes and cohorts are introduced. Content and expertise is shared with the procurement community where possible.
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 promote a collaborative approach to the adoption of digital technologies 		<ul style="list-style-type: none"> A Prior Information Notice (PIN) has been published for a replacement social care case management solution, with tendering expected to take place before the end of the year. Scotland Excel and the Digital Office are planning joint workshops to improve procurement awareness among local authority ICT professionals to increase the pace of collaboration within the sector, which has delayed progress to date.


	<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"> Progress on the development of data analytic tools has been slower than anticipated during Q2 due to a technical issue which is being resolved.
	<ul style="list-style-type: none"> Continue to develop and share access to the Cost of Care calculator to support the delivery of affordable and sustainable social care services 		<ul style="list-style-type: none"> The consultancy arm of CIPFA, C.Co, have been commissioned to report on a methodology for calculating commercial return for providers within the calculator. This work will enable the calculator to be finalised.
	<ul style="list-style-type: none"> Continue to develop and share access to Indexation Modelling to track market influences on costs 		<ul style="list-style-type: none"> Scotland Excel is continuing to use Indexation Modelling as part of its contract management activities. Indexation Modelling will be one of the topics discussed at a CSM workshop for the sector in October 2018, and a masterclass in Indexation Modelling will be held in December.
	<ul style="list-style-type: none"> Deliver market analysis reports in support of new collaborative procurement or service opportunities 		<ul style="list-style-type: none"> IBIS World is now being used for standard market intelligence across all teams. In addition, Gartner market intelligence has been used within the ICT portfolio for this year.
	<ul style="list-style-type: none"> Develop plans to roll out data analytic tools to staff across the organisation 		<ul style="list-style-type: none"> Power BI data analytics tools will be rolled out to staff during 2019-20 once the first development phase has been completed.
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 continuing to engage with the Scottish Government, COSLA, Health & Social Care Partnerships and care providers on the cost of care calculator and new frameworks for care and support and older people's care homes.
	<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 food procurement for school meals 		<ul style="list-style-type: none"> Scotland Excel has been invited to present at a Holyrood food and education policy conference in December 2018 to share best practise in food procurement within educational establishments.

	<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"> Scotland Excel will focus on the development of the new build housing framework in 2018-19 and will explore further opportunities to influence or support affordable housing policy in 2019-20.
	<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"> Regular meetings continue to take place with Zero Waste Scotland to discuss opportunities to support the Circular Economy. Scotland Excel has endorsed Zero Waste Scotland's application for a European Regional Development Fund project to review and consolidate public sector knowledge and improve waste collection methods and tools.
	<ul style="list-style-type: none"> Develop and deliver a calendar of communications activities which promotes our knowledge and experience in support of our policy and public affairs goals 		<ul style="list-style-type: none"> A rolling calendar of communications activities is in place and is reviewed and updated regularly. During Q2, Scotland Excel published and distributed its new corporate strategy, continued to place media articles on key policy themes, and developed six award entries showcasing the organisation's success. Plans are also in development for a parliamentary reception to engage with political stakeholders in January 2019.
	<ul style="list-style-type: none"> Continue to play a lead role in the development and delivery of national Graduate Apprenticeships as a cost-effective talent management opportunity for the local government sector 		<ul style="list-style-type: none"> Scotland Excel is exploring an opportunity for the Academy to become a Graduate Apprenticeship assessment partner. Two members of Scotland Excel staff commenced Graduate Apprenticeships offered by the University of the West of Scotland in September 2018.






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"> Develop plans to increase the proportion of Scotland Excel suppliers paying their staff the Scottish Living Wage 		<ul style="list-style-type: none"> Scotland Excel's process will be reviewed from Q3 to align CSM activity with the objective of increasing the overall percentage of suppliers paying the Scottish Living Wage.
	<ul style="list-style-type: none"> Continue to develop community benefit models which enable councils to achieve direct benefits for their areas 		<ul style="list-style-type: none"> The model used to evaluate community benefits in tenders has been revised and updated to recognise the proportionate value of specific benefits to councils.
	<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"> A supported business has bid for the road signage materials tender which was advertised in August 2018 and a social enterprise has been awarded a place on the new washroom solutions framework. Further engagement initiatives to develop links between the local government sector and supported businesses will be considered in 2019.
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 Q2, Scotland Excel delivered an SDP webinar for SMEs, and co-sponsored, presented and exhibited at SDP's Meet the Buyer North event in Inverness.
	<ul style="list-style-type: none"> 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"> The proposed strategy for the new build housing framework will encourage SME participation through small scheme lots and mandatory advertising of sub-contracting opportunities.
	<ul style="list-style-type: none"> Encourage housing associations to consider the local economic impact they can deliver through the use of Scotland Excel contracts 		<ul style="list-style-type: none"> Consideration of local economic impact forms a key part of the PCIP assessment undertaken with housing associations. In September 2018, Scotland Excel presented a session on community benefits at a Scottish Federation of Housing Associations (SFHA) conference, and work is ongoing to promote the use of Scotland Excel contracts as a route to securing local impact from procurement.


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"> Scotland Excel has written to all suppliers with non-recyclable plastic products to establish progress on eliminating these from their supply chain. Tetrapack, the manufacturer of drinks cartons which include plastic straws, have advised that they will make an announcement on the use of plastic materials by the end of this year.
	<ul style="list-style-type: none"> Develop and implement a model for considering 'whole life' costing within tender evaluations, including plans for monitoring costs over the lifecycle of products and services 		<ul style="list-style-type: none"> Scotland Excel's ITT documentation continues to include appropriate cost evaluation to ensure that lifetime value is assessed.
	<ul style="list-style-type: none"> Continue to support the collection, handling, treatment and recovery of value from waste by implementing new recyclable and residual waste arrangements which offer increased options for recycling and/or disposal and cover additional types of waste 		<ul style="list-style-type: none"> The tender for the new recyclable and renewable framework has been delayed due to changes in waste legislation and will now be published by the end of November 2018.
	<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"> Plans for assessing and mitigating Scotland Excel's environmental impact will be considered in 2019-20 following the appointment of new Corporate Services Manager in Q4.
2.4 Lead and develop sustainable procurement knowledge and practice	<ul style="list-style-type: none"> Produce an annual report on procurement activity in line with the requirements of the Procurement Reform (Scotland) Act 2014, providing support and guidance on reporting commitments to the local authorities 		<ul style="list-style-type: none"> An Annual Procurement Report has been published in line with the requirements of the Procurement Reform (Scotland) Act 2014.
	<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 through the Scottish Government's Best Practice Working Group.
	<ul style="list-style-type: none"> Develop plans to increase the local government sector's sustainable procurement knowledge and capability through the Scotland Excel Academy 		<ul style="list-style-type: none"> Sustainable procurement is embedded in the CIPS accredited course delivered through the Scotland Excel Academy, and will form part of a non-accredited 'introduction to procurement' course available from October.

	<ul style="list-style-type: none"> • Develop and implement plans to promote sustainable procurement to elected members and senior officers to support a 'whole organisation' approach 		<ul style="list-style-type: none"> • Plans to promote sustainable procurement to elected members and senior officers will form part of senior stakeholder engagement plans which will be developed from Q4.
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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 account management services to ensure they deliver value to local authority procurement teams and support a positive customer experience for councils 		<ul style="list-style-type: none"> Scotland Excel's account managers are now involved in delivering change projects and facilitating workshops. Quarterly business reviews continue to take place with councils to demonstrate the value of membership and gather feedback from council procurement teams.
	<ul style="list-style-type: none"> Explore further opportunities to use digital technologies to engage with customers and/or expand online 'self-service' facilities, incorporating the findings into Scotland Excel's ICT strategy and roadmap 		<ul style="list-style-type: none"> Data analytics tools now allow self service of a range of social care information. Further opportunities will be explored once the first phase of development of these data tools has been completed.
	<ul style="list-style-type: none"> Explore the feasibility of providing additional services requested by customers, incorporating the findings into future operational plans 		<ul style="list-style-type: none"> In 2018-19, Scotland Excel will focus on expanding the range of courses available through the Academy, extending the range of small value contracts, developing a new build housing framework and delivering consultancy services to councils. Further opportunities to provide new services will be explored in 2019-20.
	<ul style="list-style-type: none"> Embed the outputs of Scotland Excel's stakeholder engagement project into customer and stakeholder engagement plans and activities, ensuring that these reflect the organisation's expanding customer base 		<ul style="list-style-type: none"> Work to embed the outputs of Scotland Excel's stakeholder engagement project will begin in Q4. Tools created as part of this project will be used to analyse, plan and prioritise engagement activities with different stakeholder groups.
3.2 Engage stakeholders in the delivery of effective local solutions	<ul style="list-style-type: none"> Develop a model for incorporating community engagement, where appropriate, into the development of procurement strategies 		<ul style="list-style-type: none"> Scotland Excel's approach to developing procurement strategies will be reviewed later this year to ensure that opportunities to engage with communities are considered as part of strategy development.




	<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"> Scotland Excel has engaged with supported learning and additional support schools as part of the AV and presentation equipment framework renewal. The new framework will include a lot for extra sensory equipment to meet the curriculum needs of children requiring this type of support.
	<ul style="list-style-type: none"> Explore the feasibility of working with educational partners and/or suppliers to promote the benefits of procurement to pupils, incorporating the findings into future operational plans 		<ul style="list-style-type: none"> Scotland Excel is continuing to work with Founders 4 Schools, a business to business model which encourages coaching and mentoring for pupils. In Q2, staff delivered a workshop on interview skills through the programme for pupils at the Gaelic School in Glasgow.
3.3 Represent the collective views of stakeholders at a national level	<ul style="list-style-type: none"> Review Scotland Excel's representation activities to ensure that these are targeted where they can have the greatest impact 		<ul style="list-style-type: none"> Scotland Excel will initiate a review of all national engagement activity by the end of December 2018 to ensure that resources are targeted effectively for the benefit of stakeholders.
	<ul style="list-style-type: none"> Establish a model for undertaking representation activities, including a clear feedback loop for customers and/or communities 		<ul style="list-style-type: none"> The model will be developed on completion of the review of national engagement activity. Outputs will be discussed with key stakeholders including the Scottish Local Government Procurement Forum (SLGPF) to ensure that national engagement activities undertaken by Scotland Excel incorporate local views.
	<ul style="list-style-type: none"> 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"> Quarterly meetings continue to take place with the CEO and policy leads at COSLA. Scotland Excel is helping COSLA and the Scottish Government to procure research to understand the impact that a switch from analogue to digital will have on call handling for technology enabled care.
3.4 Implement policies which develop, empower, value and engage our workforce	<ul style="list-style-type: none"> Continue to deliver Scotland Excel's organisational development strategy and rolling improvement plans, involving staff in the development of plans, policies and initiatives where appropriate 		<ul style="list-style-type: none"> Scotland Excel is continuing to implement the Organisational Development (OD) strategy developed in 2017-18. Projects to review recruitment policy and performance management are underway in response to staff feedback. Proposals for improvements are expected in Q3.






	<ul style="list-style-type: none"> • Develop and implement a talent management programme to inspire and develop staff, increase Scotland Excel's capability, and support succession planning 		<ul style="list-style-type: none"> • Following feedback at a staff meeting in Q1, plans for developing a talent management programme have been put on hold pending the development of a new approach to performance management.
	<ul style="list-style-type: none"> • Develop plans for agile working to create a productive working environment that benefits staff, Scotland Excel, and customers 		<ul style="list-style-type: none"> • Technology solutions which support agile working are now in place as part of ICT strategy. A review of telephony arrangements is underway and the number of hot desks available in the office will be increased in Q3. Policy to support agile working will be developed from Q4.

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"> Complete the review of Scotland Excel's governance and funding models, presenting recommendations to the Joint Committee for approval 		<ul style="list-style-type: none"> Governance and funding proposals to support the delivery of the 2018-23 strategy were approved by the Joint Committee in June 2018.
	<ul style="list-style-type: none"> Develop plans to implement the governance recommendations approved by the Joint Committee 		<ul style="list-style-type: none"> Scotland Excel will continue to operate its existing governance model in support of the 2018-23 strategy. Governance arrangements will continue be reviewed periodically to ensure they align with the organisation's ambitions.
	<ul style="list-style-type: none"> Implement appropriate funding models to support the delivery of new and existing services 		<ul style="list-style-type: none"> Income is being accrued through Academy and consultancy revenue, and all new or renewed contracts in development are being assessed for rebate potential. Plans to increase income from associate membership are in development. Income from the new build housing framework is expected to accrue from Q4 of 2019-20.
4.2 Continue to maintain a robust business infrastructure to support our growth ambitions	<ul style="list-style-type: none"> Review Scotland Excel's business infrastructure to ensure it can support the organisation's growth ambitions, developing plans for continuous improvement initiatives and to address any gaps in capacity and/or capability 		<ul style="list-style-type: none"> Scotland Excel has strategies and plans in place for the continuous development of key business areas including ICT and OD. Negotiations have been completed for additional space in Renfrewshire House to accommodate growing staff numbers, and the new office space is expected to be available from Q4.
	<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"> Learnings from business opportunities secured this financial year will be used to develop a new business evaluation model during 2019-20. In the meantime, Scotland Excel has refined its new business pitching process to ensure a sufficient level of commitment is secured before detailed proposals are developed.

	<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"> Delivery of the ICT strategy is progressing well. During 2018, the focus will be on consolidating the technology phase, which introduced new servers and software, before moving into the application development phase in Q4.
4.3 Use our knowledge and insight to identify new services and/or sectors which provide growth opportunities	<ul style="list-style-type: none"> Review collaborative procurement and leading change solutions available in other public sector markets to identify potential business opportunities, reporting on the findings to inform future operational plans 		<ul style="list-style-type: none"> A rolling calendar of communications activities is now in place and is reviewed and updated regularly. During Q2, Scotland Excel published and distributed its new corporate strategy, continued to place media articles on key policy themes, and developed six award entries showcasing the organisation's success. Plans are also in development for a parliamentary reception to engage with political stakeholders in January 2019.
	<ul style="list-style-type: none"> Continue to deliver procurement support to housing associations on behalf of the Scottish Government and develop plans to market additional Scotland Excel services which secure the long term sustainability of this service 		<ul style="list-style-type: none"> Scotland Excel completed 9 PCIP assessments with housing associations on behalf of the Scottish Government during Q2. This brings the total to 31 assessments and a further 35 are expected to be completed by the end of March 2019.
	<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 to members 		<ul style="list-style-type: none"> Scotland Excel has initiated workshops to develop a strategy for marketing associate membership to housing associations. A consultancy project is being scoped for an associate member, City Property, and a proposal will be issued in Q3.
	<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"> A range of activities to promote the work of the organisation continues to take place each quarter. During Q2, marketing support was provided for the launch of a new Scotland Excel Academy Professional Development Award (PDA) and for promoting the new build housing project at the Scottish Social Housing Annual Conference.
	<ul style="list-style-type: none"> 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"> Scotland Excel staff have been deployed on a number of consultancy projects alongside new recruits. Plans to extend participation to support staff development will be put in place as part of ongoing performance management activity.

4.4 Explore opportunities to work with partners on the development and delivery of new business opportunities	<ul style="list-style-type: none"> 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 has launched a Professional Development Award (PDA) in project management in partnership with the Improvement Service. The course has attracted significant interest from the local government sector, and a further four cohorts are being planned.
	<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 new CCS vehicles framework which will be used by councils has been awarded and is due to go live in December 2018. Scotland Excel and CCS are planning an engagement event for council fleet managers in Q3 at which the new contract will be mobilised.
	<ul style="list-style-type: none"> Design a model for providing procurement support to SEEMiS in line with the partnership agreement 		<ul style="list-style-type: none"> Scotland Excel is continuing to provide resource to SEEMiS to deliver procurement support for a range of IT projects. A meeting will take place in Q3 to discuss resource requirements to continue to deliver the workplan beyond the period of the current agreement.

Report Key	
	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

Key Performance Indicators

Outcomes	Key Performance Indicators	Q2 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"> • 16 of 31 contracts delivered • £1bn against £1.4bn target
Our expertise leads continuous improvement in commercial performance	<ul style="list-style-type: none"> • Number of PCIP assessments delivered v plan • Number of Scotland Excel Academy courses v plan² 	<ul style="list-style-type: none"> • 2 of 22 assessments delivered • 18 of 40 courses delivered
Our services facilitate the delivery of national and local policy priorities	<ul style="list-style-type: none"> • Tonnes of waste diverted from landfill in the last recorded quarter³ • Number of Scottish suppliers & percentage SMEs 	<ul style="list-style-type: none"> • 56,436 tonnes (Jan-Mar 2018) • 485 Scottish suppliers of which 77.1% 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"> • 474 jobs • 242 apprenticeships • 88 work placements • 61,053 hours work experience • 45,633 hours volunteering/mentoring • £670,848 value of other initiatives
Our insight and knowledge underpins innovative solutions for our customers	<ul style="list-style-type: none"> • Number of business change initiatives delivered v plan 	<ul style="list-style-type: none"> • 2 of 6 initiatives delivered
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"> • 34 of 60 media items published • 9 of 12 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"> • 4% against 2.5% savings target • £3.5m (Apr – Jun 2018)
Our customers are satisfied with our services and how we deliver them	<ul style="list-style-type: none"> • Customer satisfaction scores v target⁵ 	<ul style="list-style-type: none"> • 80% of respondents

Report issued: October 2018

¹ Contracts developed, renewed or extended

² Programmes, workshops and masterclasses

³ Through Scotland Excel's organic waste framework

⁴ Average savings during the strategy period (2018-23) excluding social care contracts

⁵ Percentage of respondents reporting 'good' or 'very good' overall satisfaction in the most recent customer satisfaction survey (currently 2017)



Scotland Excel

To: Joint Committee

On: 07 December 2018

**Report
by
Director Scotland Excel**

Community Benefits and Fair Work Practices Update

1 Introduction

In line with legislative requirements and Scotland Excel's sustainable procurement duty this report will highlight the community benefits delivered in the period April 2018 to September 2018, as a result of the Scotland Excel framework portfolio. Additionally, an update will be provided with respect to Fair Work Practices which will give an analysis of suppliers and providers' Living Wage status.

Scotland Excel continually strive to be innovative in its approach to community benefits. We recognise that community benefits have a considerable social, environmental and economic impact within local communities and we continue to encourage and grow awareness in this regard. Our approach to community benefit commitments at point of tender has been developed to further advance the undertakings made by suppliers and to facilitate a robust process for the collection of responses. The newly developed community benefit menu has been favoured by procurement specialists when embarking on new procurement exercises and offers a focused approach across the Scotland Excel procurement portfolio. Furthermore, it aims to encourage suppliers and providers to deliver community benefits within the awarding local authority area.

2 Summary

Twice yearly suppliers and providers are requested to complete a comprehensive Community Benefits template. This information is collated to illustrate the variety and extent of community benefits delivered as a result of Scotland Excel frameworks. This method of collection together with ongoing contract management aims to support the delivery of the commitments made by suppliers and providers at point of tender. For the return through to 30 September 2018, community benefits have been sought from suppliers and providers who have received in excess of £25,000 spend via a Scotland Excel framework.

Table 1 shows a summary of the social value added across the Scotland Excel procurement portfolio since 2013. The figures are complete for the six month period through to the end of September 2018.

	2013/14	2014/15	2015/16	2016/17	2017/18	Apr -Sep 2018	Total
No of Apprentices	9	92	49	18	52	22	242
No of New Jobs	78	43	29	53	146	125	474
No of Work Placements	0	5	6	17	30	30	88
Hours of Volunteering & Mentoring	95	377	1279	1570	1637	675	5633
Hours of Work Experience	5305	28214	16734	7852	2541	407	61053
Value of Other Community Benefits	£2,474	£16,550	£46,140	£87,814	£311,549	£206,321	£670,848

Table 1: Summary of social value added across the collaborative portfolio

Community benefits delivered via Scotland Excel frameworks continue to be incremental. Figures in terms of ‘number of new jobs’ for the current return period have seen exponential growth with Dundee being of particular note. As a result of the business associated with Scotland’s first design museum, the V&A, one supplier alone required to recruit 15 new full-time employees. This business was awarded through the Scotland Excel Security Services framework. In addition, a total of 5 new apprentices have been recruited within Dundee, 90% of which are from priority groups. Angus has also seen an influx in recruitment largely as a result of the Scotland Excel Secure Care and Children’s Residential Care frameworks.

As shown in Appendix 1, returns illustrate that Fife received the most substantial amount of ‘Other Community Benefits’. This is largely made up of donations to various charities and sponsorships of local clubs.

With regard to Fair Work Practices (including the Living Wage) Scotland Excel commenced formal consideration within Tenders in early 2015. Since this time the respective position on bidders’ work practices has been outlined within Executive Sub Committee Contracts for Approval Reports. From a review of the data available since 2015 the overall position across Scotland Excel’s portfolio is:

Of the 855 suppliers appointed since formal consideration:

690 (80.7%) notified that they pay the Living Wage

- Living Wage Accredited – 123 (14.4%)
- Progress towards accreditation – 33 (3.8%)
- Committed to gaining accreditation over the first 2 years of the framework – 99(11.6%)
- Not accredited but paying the Living Wage – 435 (50.9%)
- Not accredited or paying the Living Wage but committed to doing so within 2 years – 31(3.6%)
- Neither accredited nor paying Living Wage – 134 (15.7%)

Scotland Excel continue to ensure transparency within the tender process and focus on aspects of fair work practices deemed relevant for each framework. Scotland Excel continue to monitor and encourage the implementation of fair working practices and to work closely with suppliers to review their progress in this area.

3 Next Steps

The next Community Benefits data collection, analysis and review cycle will be completed in line with the Management Information process to cover the period through to the end of 31 March 2019. The results will be reviewed with the supply base and where appropriate will be incorporated into supplier performance objectives.

4 Conclusion

Committee members are requested to note the content of this report, and support the measures proposed to monitor delivery of community benefits for the 2018/19 financial year.

Appendix 1 Community Benefits by Council Apr-Sep 18

	Number of new apprentices	Number of new employees	Number of work placements	Hours of volunteering	Hours of work experience	Monetary value of Other Community Benefits
Aberdeen City		2	2.2			£9,150
Aberdeenshire	1	7.4	0.5	26	17.5	£4,296
Angus	2	14.3	1.1	11.7	11.7	£2,521
Argyll & Bute						£1,754
Clackmannanshire		1.9			1.1	£1,751
Dumfries & Galloway		4.8				£3562
Dundee	5	17.1	1		19.5	£6430
East Ayrshire	2	7				£2921
East Dunbartonshire		0.3		8		£581
East Lothian						£912
East Renfrewshire		0.5			34	£380
Edinburgh	1.5	8	3			£4,913
Falkirk	2.2	3	0.2			£8,300
Fife	0.5	10.4	4.7			£57,266
Glasgow	1.8	6.1	4.2	104	52.5	£8,558
Highland			0.5			£7,405
Inverclyde				468	52.5	£5,563
Midlothian						£961
Moray	1	2				£10,005
North Ayrshire	1.5	2	1			£300
North Lanarkshire	1	3	7.6	44	117.5	£15,918
Orkney						£2,620
Perth & Kinross	1				40	£5,132
Renfrewshire	0.5	4				£243
Scottish Borders		3.7				£1,467
Shetland						£2,995
South Ayrshire	0.2	1				£7,447
South Lanarkshire		6.8			4.8	£6
Stirling	1	13.9	0.5	13.5	40	£16,400
West Dunbartonshire						£6,941
West Lothian		5.7				£4,021
Western Isles						£4,374
Blanks			3.4		16	£1,228
Total	22.2	124.9	29.9	675.2	407.1	£206,321

Scotland Excel



To: Joint Committee

On: 7 December 2018

Report by the Clerk

Membership of Scotland Excel Chief Executive Officers Management Group (CEOMG)

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.

2. Recommendation

- 2.1 That the Joint Committee approve the membership of the CEOMG as detailed in section 3.4 of this report.

3. Background

- 3.1 The CEOMG has been part of Scotland Excel's governance since its inception in 2008.

- 3.2 The CEOMG procedures state:

- 1.1 The Chief Executive Officers Management Group 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.

- 12.1 Membership of the group shall be appointed annually by the Joint Committee although membership can be renewed.

- 12.2 To assist the Joint Committee to make appointments, the group shall seek annual nominations for membership from SOLACE Scotland and shall prepare a report on these nominations for consideration by the Joint Committee.

3.3 The current CEOMG membership is as follows:

Angela Scott	Aberdeen City Council
Cleland Sneddon	Argyll & Bute Council
Mary Pitcaithly	Falkirk Council
Annemarie O'Donnell	Glasgow City Council
Sandra Black (Chair)	Renfrewshire Council
Joyce White	West Dunbartonshire Council.

3.4 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:

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

3.5 Sandra Black would continue to Chair meetings of the CEOMG in line with the CEOMG procedures.

Scotland Excel

To: Joint Committee

On: 07 December 2018

**Report
by
Director Scotland Excel**

Risk Register Update

1. Introduction

This report provides an update on the risk register which is maintained to assess threats/risks that could impact on the delivery of Scotland Excel's organisational objectives and to identify actions that have been taken to mitigate these risks.

2. Background

The attached 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 taken by the organisation to manage those risks.

3. Risk Management update

The risk register is maintained and continues to be a focus for the organisation; a process for regular review is in place including the Senior Management Team meeting quarterly to review, revise and update the register.

The current risk register is attached as an appendix to this report for review by members.

4. Recommendation


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


Appendix 1:


Risk Register


Context	Risk Statement	Owned by	Current Risk Control Measures	Likelihood	Impact	Evaluation	Residual Risk	Movement
REF: Risk 1 Organisational Sustainability Context: <ul style="list-style-type: none"> Potential for local government / organisations withdrawing support Need to attract additional resources Council budget cuts impacting upon use of services provided 	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	<ul style="list-style-type: none"> The organisation has developed a number of projects to offer new services which will greatly increase the benefits to stakeholders. Identifying new opportunities to provide additional chargeable services based on customer demand Ongoing robust market testing of all new shared service propositions Ensure ongoing robust business model is in place for all new services (cost to serve, funding/uptake forecasts) Continuing to focus on adding value for all member councils 	2	5	10	8	↓
Action Ref	Linked Actions	Latest Notes		Assigned to	Due Date	Status		


Context	Risk Statement	Owned by	Current Risk Control Measures	Likelihood	Impact	Evaluation	Residual Risk	Movement
REF: Risk 2 Managing growth and diversity <ol style="list-style-type: none"> Failure to identify and manage emerging opportunities Inability to evolve service offering in a changing landscape 	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	<ul style="list-style-type: none"> Regular horizon scanning meetings help to identify market development opportunities and give the organisation the time to plan for capability and capacity. OD strategy in development. Workforce planning and "talent management" programmes are being considered as part of the ongoing OD strategy. Innovation management process being developed. 	3	4	12	12	↔
Action Ref	Linked Actions	Latest Notes		Assigned to	Due Date	Status		


Context	Risk Statement	Owned by	Current Risk Control Measures	Likelihood	Impact	Evaluation	Residual Risk	Movement
REF: Risk 3 Political Change	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	<ul style="list-style-type: none">• An effective and properly resourced public affairs strategy is in place.• Through effective research, engagement, partnership working and briefings – for example Brexit white paper - it 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”.	3	4	12	9	
Context: 1. Legislative changes impact upon the organisation and how it has to operate. 2. Political uncertainty created by, for example, Brexit create unknown challenges								
Action Ref	Linked Actions	Latest Notes		Assigned to	Due Date	Status		

Context	Risk Statement	Owned by	Current Risk Control Measures	Likelihood	Impact	Evaluation	Residual Risk	Movement
REF: Risk 4 Title: Reputational Risk	Scotland Excel is faced with negative publicity or a media crisis through a service issue or failure that compromises the organisation's stakeholders	JW	<ul style="list-style-type: none">Colleagues advise communications colleagues 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.Pro-active and robust engagement with press organisations to ensure positive relationships and coverageUndertake media training.	3	4	12	8	
Context: 1. Negative publicity or media coverage affects the organisation and impacts stakeholders 2. Negative media reports relating to a framework or service provider.								
Action Ref	Linked Actions	Latest Notes		Assigned to	Due Date	Status		

Context	Risk Statement	Owned by	Current Risk Control Measures	Likelihood	Impact	Evaluation	Residual Risk	Movement
REF: Risk 5 Supplier Failure	The failure of a service provider could have significant implications for service provision within member council areas.	HC	<ul style="list-style-type: none">• Effective risk management is in place at development and management of contracts• Robust processes for monitoring the financial stability of suppliers is carried out prior to award and throughout the life of a contract• Specific measures to meet the management of Social Care contracts and these key areas of risk.• Scotland Excel has a range of measures for monitoring supplier resilience in addition to the external financial monitoring tools used.• To ensure robust financial evaluation and support for teams the option to secure external advice for review of financials for suppliers is being implemented.	4	5	20	15	
Context: 1. Financial (and other) factors impacting on resilience of suppliers 2.Negative reputational results across the portfolio from potential breach of contract and / or supplier failure 3. Focus required in areas which have a direct impact on delivery as a result of business failure.								
Action Ref	Linked Actions	Latest Notes		Assigned to	Due Date	Status		

Context	Risk Statement	Owned by	Current Risk Control Measures	Likelihood	Impact	Evaluation	Residual Risk	Movement
REF: Risk 6 Staff Recruitment and Retention	Scotland Excel encounters problems in recruiting and retaining staff of suitable skill, quality and experience to meet the agreed contract delivery schedule.	SB	<ul style="list-style-type: none">There is an ongoing review of the organisation's recruitment process to ensure that any changes in the market are addressedPR process reviewed in consultation with the Scotland Excel staff to implement a new model.Successful recruitment campaigns including events to be replicated.Measures implemented to support retention including secondment opportunities and projects to enrich roles.Continue to focus on our internal development programme.Enhanced organisational reputation through events, partnerships and marketing.	3	3	9	6	
Context: 1. Demand in the market for staff makes recruiting and retaining staff problematic. 2. Build credibility beyond procurement professionals to cover other areas including the Academy.								
Action Ref	Linked Actions	Latest Notes		Assigned to	Due Date	Status		

Context	Risk Statement	Owned by	Current Risk Control Measures	Likelihood	Impact	Evaluation	Residual Risk	Movement
REF: Risk 7 Corporate Social responsibility	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 stakeholders.	HC	<ul style="list-style-type: none">• Management and reporting of Community Benefits has been developed and embedded.• Elected members receive updates as part of the governance process on the range of community benefits on frameworks.• Scotland Excel has secure accreditation as a Living Wage Employer and this will be used to raise awareness with suppliers and stakeholders.• Engagement with appropriate bodies such as the British Association of Supported Employment to encourage participation in frameworks.• Ethical sourcing strategies are provided by suppliers as part of the tender process as a control measure where appropriate.• Marketing actively promote the community benefits in our contracts.• Anti-Slavery legislation has been included and is reviewed as part of our procurement strategy.• The Sustainable procurement strategy is being implemented which will reflect areas of work already in use or in development.• Community benefit requirements are issued to suppliers at tender stage and a register of the community benefits subsequently delivered will be used to assist in future tender scoring.• Workforce matters and living wage considerations are built in at strategy stage	2	4	8	6	
Context: 1 Ensure that where possible community benefits can be delivered as part of the contract portfolio. 2 Ethical sourcing of products and supplies in the whole supply chain.								
Action Ref	Linked Actions	Latest Notes		Assigned to	Due Date	Status		

Context	Risk Statement	Owned by	Current Risk Control Measures	Likelihood	Impact	Evaluation	Residual Risk	Movement
REF: Risk 8 Risk of not performing/ delivering	Scotland Excel fails to perform in line with customer expectations.	SB	<ul style="list-style-type: none">• A range of KPIs currently exist at contract and organisational level. These are regularly reviewed• Regular operating plan updates to Executive subcommittee to ensure robust governance.• Regular financial period review and reporting across core and projects.• Business continuity approach ensures that the organisation and its systems is able to operate effectively remotely• Approved 5 years strategy and one year operating plan in place.	3	4	12	8	
Context: 1. Failure to deliver in line with member council expectation 2. System failures impact on the ability of the organisation to deliver services 3. Management of data and GDPR legislation require more rigorous security								
Action Ref	Linked Actions	Latest Notes		Assigned to	Due Date	Status		



Scotland Excel

To: Joint Committee

On: 7 December 2018

Report by the Clerk

Meetings of Scotland Excel Joint Committee in 2019

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 2019.

2. Recommendation

- 2.1 That meetings of Scotland Excel Joint Committee be held at 10.45 am on 21 June and 6 December 2019 within the City Chambers, Glasgow City Council.

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 2019 can be dealt with at the two meetings.
- 3.4 The Executive Sub-committee, at its meeting held on 23 November 2018 decided that it would meet on 21 June and 6 December 2019.

