

Minute of Meeting Scotland Excel Joint Committee

Date	Time	Venue
Friday, 10 December 2021	10:45	Remotely by MS Teams,

Present

Provost Bill Howatson (Aberdeenshire Council); Councillor David Cameron (Aberdeen City Council); Councillor Donald Balsillie (Clackmannanshire Council); Councillor Andrew Johnston (City of Edinburgh Council); Councillor Stephen Thompson (Dumfries and Galloway 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 Vettrai (Fife Council); Councillor Ruairi Kelly (Glasgow City Council); Councillor Aaron McLean (Moray Council); Councillor Paul Di Mascio (North Lanarkshire Council); Councillor Sheila McCole (Perth and Kinross Council); Councillor John Shaw (Renfrewshire Council); Councillor Robin Tatler (substitute for Councillor Simon Mountford) (Scottish Borders Council); Councillor Amanda Hawick (Shetland Islands Council); Councillor Peter Henderson (South Ayrshire Council); Councillor Ian Dickson (West Dunbartonshire Council); and Councillor John McGinty (West Lothian Council).

Chair

Councillor Shaw, Convener, presided.

In Attendance

J Welsh, Chief Executive, S Brannagan, Head of Customer & Business Services, H Carr, Head of Strategic Procurement, L Campbell, Corporate Services Manager, K Forrest, Office Manager, L Richard, Strategic Procurement Manager, S Christie, Commercial Manager and R Williams, Senior Marketing and Communications Specialist (all Scotland Excel); and M Conaghan, Legal & Democratic Services Manager, C McCourt, Finance Business Partner and E Currie and R Devine, both Senior Committee Services Officers (all Renfrewshire Council).

Apologies

Councillor John Reynolds (Aberdeen City Council); Councillor Alastair Bews (Aberdeenshire Council); Councillor Angus Macmillan Douglas (Angus Council); Councillor Rory Colville (Argyll & Bute Council); Provost Norman MacDonald (Comhairle Nan Eilean Siar); Councillor Gordon Jenkins (East Ayrshire Council); Councillor Matthew Reiss (Highland Council); Councillor Jim Clocherty (Inverclyde Council); Councillor Joe Cullinane (North Ayrshire Council); Councillor Allan Graham (North Lanarkshire Council); Councillor Simon Mountford (Scottish Borders Council) and Councillor Josh Wilson (South Lanarkshire Council).

Declarations of Interest

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

1 Minutes of Joint Committee

There were submitted the Minute of the meeting of the Joint Committee held on 18 June 2021 and the Minute of the special meeting of the Joint Committee held on 22 October 2021.

DECIDED: That the Minutes be approved.

2 Minutes of Executive Sub-committee

There were submitted the Minutes of the meetings of the Executive Sub-committee held on 18 June, 20 August, 17 September, 22 October and 19 November 2021.

In relation to the Minute of the meeting held on 22 October 2021, Councillor Craik advised that the interest he declared was non-financial and not financial as recorded in page 34 of the Minute.

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

Sederunt

Councillor Jamieson joined the meeting during consideration of the following item of business.

Councillor Thomson left the meeting during consideration of the following item of business.

3 Presentation

The Chief Executive of Scotland Excel gave a presentation to members providing an overview of performance in 2021 which included information on how Scotland Excel had delivered value to members; supported Scotland's recovery; supported Scotland's Green recovery; and future services for members.

The presentation provided further detail on what Scotland Excel had delivered for member councils; annual value reports which detailed the value derived by individual councils from membership of Scotland Excel; projects and partnerships; income generation; return on investment; children's services; adult social care; supply chain disruption; energy efficient homes; electric vehicle charging infrastructure and the green fleet; and the 3% requisition increase together with the associated efficiencies and cost drivers.

DECIDED: That the presentation be noted.

Sederunt

Councillor McCole left the meeting prior to consideration of the following item of business.

4 Revenue Estimates 2022/23

There was submitted a joint report by the Treasurer and the Chief Executive of Scotland Excel relative to the revenue estimates for Scotland Excel, including the requisition of the constituent authorities for financial year 2022/23 and indicative planning figures for 2023/24 and 2024/25.

The report intimated that the annual revenue estimates process outlined the summary revenue budget position of the organisation. Appendix 1 to the report outlined the projected position and proposed requisitions for 2022/23 and the indicative projected position for 2023/24 and 2024/25.

The financial environment within which Scotland Excel and its member authorities currently operated continued to be characterised by uncertainty due to the ongoing impact of the COVID-19 pandemic and the emerging impact of Brexit. These factors had influenced the revenue budget estimates. Scotland Excel would continue to seek operational efficiencies to manage its financial position flexibly in order to maintain its aim of minimising the level of requisition required and also to develop value propositions for member authorities to ensure that best value was achieved.

Appendix 2 to the report detailed the member authority requisitions for 2021/22 and 2022/23 and the savings achieved by member authorities during 2020/21.

The report provided information on the assumptions that the budget had been based on; income from projects; a financial overview for Scotland Excel and member authority requisitions for 2022/23.

DECIDED:

(a) That the revenue estimates of Scotland Excel for the financial year 2022/23, as detailed in Appendix 1 to the report, be approved;

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

(c) That the indicative estimates for 2023/24 and 2024/25 be noted.

5 Contract Delivery Plan Update

There was submitted a report by the Chief Executive of Scotland Excel providing a progress update on the 2021/22 contract delivery plan.

The report intimated that the contract delivery plan comprised new framework developments and renewals, framework extensions and frameworks with ongoing contract management only and appendices 1 to 4 to the report provided further details. The report highlighted that there were 74 current frameworks in the Scotland Excel portfolio with four further new frameworks to be added, 25 frameworks to be renewed before 31 December 2022 and 16 frameworks with extension options likely to be exercised in 2021/22, with five of these extensions already approved. Appendices 1 to 4 to the report provided further details.

The estimated forecast value of the Scotland Excel framework portfolio as at 31 March 2022 would be approximately £2 billion.

It was noted that overall, efficiencies delivered to date in 2021/22 were 3.07%, which was above the forecast range. A summary of spend and forecast savings per Council for the period July 2020 to June 2021 was detailed in Appendix 5 to the report, with an average forecast efficiency of circa 1.72%.

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

DECIDED: That the progress made to date be noted.

6 **Operating Plan Update 2021/22**

There was submitted a report by the Chief Executive of Scotland Excel providing an update on the progress made in the nine months to 30 September 2021.

The report intimated that a new operating plan, covering the fifteen-month period from January 2021 to March 2022, had been approved at the meeting of the Scotland Excel Joint Committee held on 11 December 2020. To simplify reporting, the number of commitments in the plan had reduced from 68 detailed commitments to 30 broader commitments and these aligned to more than 120 specific actions cascaded to staff as part of Scotland Excel's Performance Review and Development Programme.

The report highlighted that 24 commitments were progressing in line with plans and were indicated as green; four commitments were indicated as amber; and one commitment had been completed and was indicated as black.

It was noted that the next quarterly report, covering the period from 1 October to 31 December 2021, would be published in January 2022. As an interim update, the report highlighted some key activities that had taken place during that period.

It was noted that progress reports were produced quarterly to track Scotland Excel's activity against operating plan commitments and at the end of each quarter reports were submitted to the Executive Sub-committee with half-yearly and annual reports submitted to the Joint Committee.

DECIDED: That Scotland Excel's progress in delivering the commitments contained within the operating plan 2021/22 be noted.

7 **Draft Operating Plan for April 2022 to March 2023**

There was submitted a report by the Chief Executive of Scotland Excel presenting the organisation's proposed operating plan for the period 1 April 2022 to 31 March 2023, a copy of which was appended to the report.

The report intimated that the plan covered the key activities that would be undertaken during the 2022/23 financial year to complete the delivery of the current five-year corporate strategy. A new five-year strategy would be developed over the coming year in conjunction with the Executive Sub-committee and would be presented to the Joint Committee for approval in December 2022.

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

Following feedback from the Executive Sub-committee, the 2021/22 operating plan had been simplified, retaining the 16 strategic objectives set out in the original five-year plan but reducing the number of detailed commitments from 68 to 30. These broader commitments aligned to over 120 specific commitments cascaded to staff as part of Scotland Excel's Performance Review and Development programme.

The draft 2022/23 operating plan continued with this approach allowing reporting to focus on those activities most relevant for members. The new plan had 34 commitments reflecting the key actions Scotland Excel would undertake next financial year to conclude the five-year strategy, with expanded commitments on project work to reflect growing demand for flexible procurement, consultancy and Academy services.

The proposed plan did not contain quantified key performance indicators. The ongoing and residual impact of both the COVID-19 pandemic and Brexit had made it difficult to provide indicators that offered a degree of confidence in an uncertain operational environment. A new set of key performance indicators would be developed as part of the new five-year strategy and planning process that would begin in early 2022.

DECIDED: That the proposed operating plan for 2022/23 be approved.

Sederunt

Councillor Thomson re-joined the meeting during consideration of the following item of business.

Councillor Johnston left the meeting during consideration of the following item of business.

8 **Strategic Risk Register Update**

There was submitted a report by the Chief Executive of Scotland Excel providing an update on the strategic risk register maintained to assess threats and risks that could impact on the delivery of Scotland Excel's organisational objectives and to identify controls and actions that were being taken to mitigate these risks.

The report intimated that currently there were 11 risks identified ranging in assessed residual risk score from 6 to 20 and a summary of the key statistics in relation to each identified risk was detailed in Appendix 1 to the report.

It was noted that the ongoing impact of the COVID-19 pandemic, the emerging impact of Brexit on markets and suppliers and the uncertainty in relation to the Scottish Government plans for a National Care Service were the over-riding influences on the strategic risk register at present.

DECIDED: That the strategic risk register and actions identified to manage risks be noted.

9 **Community Benefits and Fair Work Practices Update**

There was submitted a report by the Chief Executive of Scotland Excel highlighting the community benefits delivered as a result of the Scotland Excel framework portfolio in the period 1 April to 30 September 2021 together with an update on fair work practices which would give an analysis of the Living Wage status of suppliers and providers.

The report intimated that Scotland Excel continually strived to be innovative in its approach to community benefits and recognised that community benefits had a considerable social, environmental and economic impact within local communities. The approach to community benefit commitments had been developed to further advance the undertakings made by suppliers and to facilitate a robust process for the collection of responses. Scotland Excel utilised the community benefit menu that had been favoured by procurement specialists when embarking on new procurement exercises and offered a focussed approach across the Scotland Excel procurement portfolio. It aimed to encourage suppliers and providers to deliver community benefits within the awarding local authority area.

The report advised that information supplied by providers had been collated to illustrate the variety and extent of community benefits delivered as a result of Scotland Excel frameworks and this method of collection together with ongoing contract management aimed to support the delivery of commitments made by suppliers and providers at point of tender. For the return through to 30 September 2021, community benefits had been sought from suppliers and providers who had received in excess of £50,000 spend over the quarter via Scotland Excel frameworks.

Table 1 of the report provided a summary of the social value added across the portfolio since 2013. The figures were complete for the year ending on 31 March 2021. The appendix to the report detailed the community benefits by council for the period April to September 2021.

The report further advised that communication had been received from the Scottish Government in October 2021 advising that the Scottish Government believed it was possible to mandate the real Living Wage in public contracts where Fair Work First practices, including payment of the real Living Wage, was relevant to how the contract would be delivered; it did not discriminate amongst potential bidders; it was proportionate to do so; and the contract would be delivered by workers based in the UK. In light of this communication, Scotland Excel were reviewing its approach to fair work and would report on this in early 2022.

It was noted that the next community benefits data collection, analysis and review cycle would be completed in line with management information process to cover the period to 31 March 2022.

DECIDED: That the content of the report be noted and that the ongoing practice to monitor delivery of community benefits for the 2021/22 financial year be supported.

10 **Membership of Scotland Excel Chief Executive Officers Management Group**

There was submitted a report by the Clerk seeking approval for the membership of Scotland Excel's Chief Executive Officers Management Group (CEOMG), a key governance body for the organisation.

The report intimated that the CEOMG had been part of Scotland Excel's governance since its inception in 2008 and comprised of six Chief Executives from the member authorities. The Chief Executive of Renfrewshire Council was a standing member of the group due to Renfrewshire Council being the lead authority for Scotland Excel. The other five Chief Executives were appointed annually by the Joint Committee although membership could be renewed.

The report proposed that the CEOMG membership remain as detailed in paragraph 1.6 of the report until December 2022 to allow for continuity in the strategic direction for Scotland Excel.

DECIDED:

(a) That membership of the CEOMG remain as detailed in paragraph 1.6 of the report until December 2022; and

(b) That it be noted that Alan Russell would chair meetings of the CEOMG.

11 **Consideration of Remuneration of the Roles of Convener and Vice Convener of Scotland Excel Joint Committee**

Under reference to item 3 of the Minute of the meeting of this Joint Committee held on 11 December 2020, there was submitted a report by the Clerk relative to remuneration of the roles of Convener and Vice Convener of the Scotland Excel Joint Committee.

The report intimated that the Local Governance (Scotland) Act 2004 (Remuneration) Amendment Regulations 2007 ("The Regulations") established the rules in respect of remuneration of councillors, including the roles of council leaders, civic heads and senior councillors. The Regulations also set out that certain payments could be made to councillors in respect of convener and vice convener roles within certain joint boards. No provisions were made within the Regulations that permitted such payments in respect of joint committees. Scotland Excel was a joint committee and not a joint board within the terms of the Local Government (Scotland) Act 1973.

The report advised that the Regulations were further amended by The Local Governance (Scotland) Act 2004 (Remuneration) Amendment Regulations 2011 which inserted a provision that "no local authority shall allow a body controlled by it to make any payments to its councillors by way of remuneration other than the reimbursement of authorised and receipted expenses." As a joint committee, Scotland Excel was a body controlled by the member authorities and as such the amended Regulations prohibited any remuneration being paid by Scotland Excel to any councillor. Accordingly, it would not be possible for the roles of Convener and Vice Convener to be remunerated.

DECIDED: That the content of the report be noted.

12 **Meetings of Scotland Excel Joint Committee in 2022**

There was submitted a report by the Clerk relative to proposed meeting dates for the Joint Committee during 2022.

DECIDED:

(a) That meetings of the Joint Committee be held at 10.45 am on 17 June and 9 December 2022; and

(b) That it be agreed that the Joint Committee continue to meet remotely and that this continue to be reviewed to take into account public health advice and guidance.