

Minute of Meeting Scotland Excel Executive Sub-committee

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

Present

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

Chair

Councillor Shaw, Convener, presided.

In Attendance

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

Apologies

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

Declarations of Interest

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

1 Minute

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

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

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

2 Revenue Budget Monitoring

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

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

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

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

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

DECIDED: That the report be noted.

3 Revenue Estimates 2021/22

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

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

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

DECIDED:

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

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

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

4 Annual Audit Report on the Annual Accounts 2019/20

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

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

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

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

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

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

DECIDED:

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

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

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

There was submitted a report by the Chief Executive of Scotland Excel advising that Cernach Housing Association Limited had submitted an application to become an associate member of Scotland Excel.

The report provided details of the organisation and the legislative position in relation to the application.

DECIDED: That the application by Cernach Housing Association Limited to become an associate member of Scotland Excel, with an annual membership fee of £1,245, be approved subject to completion and signing of the agreement documentation.

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

There was submitted a report by the Chief Executive of Scotland Excel advising that Drumchapel Housing Co-operative Limited had submitted an application to become an associate member of Scotland Excel.

The report provided details of the organisation and the legislative position in relation to the application.

DECIDED: That the application by Drumchapel Housing Co-operative Limited to become an associate member of Scotland Excel, with an annual membership fee of £718, be approved subject to completion and signing of the agreement documentation.

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

There was submitted a report by the Chief Executive of Scotland Excel advising that Construction Scotland Innovation Centre, operating under Edinburgh Napier University, had submitted an application to become an associate member of Scotland Excel.

The report provided details of the organisation and the legislative position in relation to the application.

DECIDED: That the application by Edinburgh Napier University, acting as the administrative institution for Construction Scotland Innovation Centre, to become an associate member of Scotland Excel, with no annual membership fee, be approved subject to completion and signing of the agreement documentation.

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

There was submitted a report by the Chief Executive of Scotland Excel advising that Kendoon Housing Association Limited had submitted an application to become an associate member of Scotland Excel.

The report provided details of the organisation and the legislative position in relation to the application.

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

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

There was submitted a report by the Chief Executive of Scotland Excel advising that Kingsridge Cleddans Housing Association Limited had submitted an application to become an associate member of Scotland Excel.

The report provided details of the organisation and the legislative position in relation to the application.

DECIDED: That the application by Kingsridge Cleddans Housing Association Limited to become an associate member of Scotland Excel, with an annual membership fee of £500, be approved subject to completion and signing of the agreement documentation.

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

There was submitted a report by the Chief Executive of Scotland Excel advising that Pineview Housing Association Limited had submitted an application to become an associate member of Scotland Excel.

The report provided details of the organisation and the legislative position in relation to the application.

DECIDED: That the application by Pineview Housing Association Limited to become an associate member of Scotland Excel, with an annual membership fee of £800, be approved subject to completion and signing of the agreement documentation.

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

There was submitted a report by the Chief Executive of Scotland Excel advising that the University of Aberdeen had submitted an application to become an associate member of Scotland Excel.

The report provided details of the organisation and the legislative position in relation to the application.

DECIDED: That the application by the University of Aberdeen to become an associate member of Scotland Excel, with no annual membership fee, be approved subject to completion and signing of the agreement documentation.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

8 Strategic Risk Register Update

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

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

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

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

9 Meetings of Scotland Excel Executive Sub-committee in 2021

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

DECIDED:

(a) That, if required, meetings of the Executive Sub-committee be held on 29 January, 19 February, 19 March, 23 April, 21 May, 18 June, 20 August, 17 September, 22 October, 19 November and 10 December 2021 and that where these meetings were being held remotely, they commence at 9.30 am and where they were being held within a venue, they commence at 10.45am;

(b) That, if required, meetings of the Executive Sub-committee be held on 18 June and 10 December 2021, prior to meetings of the Joint Committee and that where these meetings were being held remotely, they commence at 9.30 am and where they were being held within a venue they commence at 9.45 am; and

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

10 Date of Next Meeting

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