

Minute of Meeting

Scotland Excel Executive Sub-committee

| Date | Time | Venue |
|---------------------|-------------|------------------------|
| Friday, 29 May 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); Bailie Norman MacLeod (Glasgow City Council); Councillor Alister Mackinnon (Highland Council); Councillor Paul Di Mascio (North Lanarkshire Council); Councillor John Shaw (Renfrewshire Council); Councillor Amanda Hawick (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, S Brannagan, Head of Customer and Business Services and L Campbell, Corporate Services 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 Audit Manager (Audit Scotland).

Apologies

Councillor Angus Macmillan Douglas (Angus Council) and Councillor Graham Hutchison (City of Edinburgh 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 27 March 2020.

It was noted that Councillor Hawick's and Bailie McLeod's apologies had not been recorded in the Minute.

DECIDED: That the Minute, as amended, 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 2019 to 31 March 2020.

The report intimated that Scotland Excel had ended the 2019/20 financial year with a net overspend of £6,139 within its Core Operations, a saving of £7,861 compared to the budgeted reserve drawdown of £14,000.

As projected at Period 10, the expenditure overspend arose mainly within Employee Costs with other minor overspends in Premises Costs and Apprenticeship Levy (Transfer Payments). These were offset by underspends across Supplies and Services, including furniture and marketing and Transport Costs. The net result was an overspend in gross expenditure for 2019/20 of £51,611.

Income was higher than anticipated as a Scottish Government grant of £150,633 funded the Supported Living/Care at Home activity that was budgeted to be funded from £120,000 of Project reserve balances, as such this drawdown was no longer needed. This, along with other short-term unplanned project income, resulted in an over-recovery in gross income for 2019/20 of £59,472. At 1 April 2019, the balance on the Projects Reserve was £636,924.

The Projects ended the year with a surplus of income over expenditure of £126,368. This balance was committed for future Project spend, the detail and management of this balance would be reported in the draft Annual Accounts, due to be brought before the Joint Committee on 19 June 2020.

The table in the report provided an analysis of the budget and actual spend during 2019/20 and included a summary of movement in the General Reserve.

It was noted that the last sentence of paragraph 1.1 of the report should read 'Further detail is provided in section 3' and not section 4 as stated.

DECIDED: That the year-end positions in both Core Operations and Projects detailed in the report be noted.

3(a) Request for Associate Membership: Crown Estate Scotland

There was submitted a report by the Chief Executive of Scotland Excel advising that Crown Estate Scotland 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 Crown Estate Scotland to become an associate member of Scotland Excel, with no annual membership fee, be approved subject to completion and signing of the agreement documentation.

3(b) Request for Associate Membership: South of Scotland Enterprise Agency

There was submitted a report by the Chief Executive of Scotland Excel advising that South of Scotland Enterprise Agency 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 South of Scotland Enterprise Agency to become an associate member of Scotland Excel, with no annual membership fee, be approved subject to completion and signing of the agreement documentation.

Prior to consideration of the following item of business, the Head of Customer and Business Services advised that in terms of the delegation awarded to the Director, now Chief Executive, at the meeting of the Executive Sub-committee held on 27 March 2020, 18 requests for temporary associate membership, at no fee, had been received from public body or third sector organisations.

4 Update on Contract Delivery Plan

There was submitted a report by the Chief Executive of Scotland Excel relative to the progress of the 2020/21 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 there were 74 current frameworks in the Scotland Excel portfolio. Appendix 1 to the report detailed those frameworks to be renewed before 31 March 2021; Appendix 2 to the report detailed the new frameworks that would be added to the portfolio before 31 March 2021; and Appendix 3 to the report detailed those frameworks that had extension options likely to be exercised in 2020/21

The estimated forecast value of the Scotland Excel framework portfolio by 31 March 2021 would be approximately £2 billion.

The national flexible framework for Care and Support Services went live in April 2020 and a total of 78 care providers offering 316 services had been awarded a place on

the framework; the services for engineering and construction consultancy would now be delivered through two individual frameworks, an Engineering and Technical Consultancy framework and a Construction and Building Consultancy framework.

In light of the severe impact on normal business practices resulting from the current coronavirus/Covid-19 outbreak, Scotland Excel had deferred some projects and proposed to extend some current frameworks as detailed in Appendix 4 to the report.

In addition to the activity detailed in appendices 1 to 3, Scotland Excel was exploring the benefits of further collaborative procurement across high spend, critical service areas in the construction and corporate teams; scoping a new opportunity for Robotics Process Automation/Artificial Intelligence; testing further changes to the information capture tool used for data gathering purposes with West Lothian Council; continuing work on the revised procurement process for the Social Care Case Management Framework; provided input to the digital telecare procurement playbook instruction manual aimed at supporting those buying Telecare kit and services; and further enhanced the scope of the Online School Payments system.

It was noted that overall, efficiencies delivered in 2019 were circa 2.5% which was in line with the forecast range.

It was proposed that a further schedule be included in future reports detailing the spend data by contract, and that the spend by council be sorted alphabetically.

DECIDED:

(a) That the overall contract delivery plan review, including the proposed actions to be taken as a result, be noted;

(b) That the recommendations for contract extensions, as detailed in Appendix 4 of the report be approved, subject to further consultation with relevant bodies and legal colleagues to ensure the modifications proposed were applied appropriately and in accordance with Scotland Excel's governance and applicable Regulations; and

(c) That a further schedule be included in future reports detailing the spend data by contract, and that the spend by council table should be sorted alphabetically.

5 Risk Register Update

There was submitted a report by the Chief Executive 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 to identify controls and actions that had been taken to mitigate such risks. A copy of the risk register was appended to the report.

It was noted that the impact of the COVID-19 pandemic was the over-riding influence on all strategic risk at present coupled with continuing Brexit uncertainty. These factors were reflected in the upwards trend in relation to risk score showing against a number of the existing strategic risks and in the introduction of a new risk in respect of National Emergency including Pandemic. The updated Strategic Risk Register identified a number of existing and new linked actions in relation to each strategic risk aimed at mitigating the impact of each risk in the present day and going forward. This risk was currently positioned on the highest risk score of 25. While Scotland Excel was operating well within the home working environment, the continuing uncertainty

of when and how the lockdown was going to end necessitated this risk remaining on the maximum risk score. A number of linked actions had been identified in relation to this risk aimed at mitigating the impact on the organisation at present and making sure that the organisation learned from the current pandemic going forward.

Other risks with risk scores impacted by the COVID-19 pandemic were detailed in table 2 in the Strategic Risk Register. Factors taken into consideration, in addition to COVID-19, when reviewing the risk register over the year included Brexit; recruitment challenges within the procurement sector; continuing financial uncertainty across local government; the developing importance of corporate social responsibility; growing environmental awareness across society and the increasing size of the Scotland Excel contract portfolio.

DECIDED: That the report be noted.

6 Employee Absence Management Report

There was submitted a report by the Chief Executive of Scotland Excel relative to employee absence statistics for Scotland Excel. The report advised of the absence levels for the period ending 31 March 2020 and provided a breakdown of the current month, the last six and 12 months absence figures, together with an illustration of 12 months in days and the last 12 months in percentages.

The rate of absence across the organisation had been maintained below the 4% target with the rolling six and 12 month average absence rates now at or below 2.5%.

DECIDED: That the report be noted.

7 Covid-19 Update

There was submitted a report by the Chief Executive of Scotland Excel providing an update on the impact of COVID-19 with regard to a number of operational matters within Scotland Excel.

The report intimated that the UK Government had issued detailed guidance in relation to measures that should be taken to restrict the spread of the Covid-19 virus. These measures included restrictions on unnecessary travel and meetings and advice for specified groups of citizens who were seen as being at greater risk from infection.

In view of this guidance, and to support measures to prevent the spread of the virus, the Executive Sub-committee at its meeting held on 29 March 2020 delegated authority to the Director, in consultation with the Chair and/or Vice Chair of the Executive Sub Committee the power to cancel, if necessary, the planned meeting of the Executive Sub-committee on 29 May 2020 and any subsequent meeting; authority to make all decisions required relating to the functions of the Executive Sub-committee in advance of the next meeting of the Executive Sub-committee and agreed to temporary associate membership at no fee to any public body or third sector organisation that the Director felt would benefit efforts to tackle the current crisis.

Scotland Excel was currently operating a full service via remote working for all employees in line with government guidance with the specific focus being working with suppliers to ensure that the goods and services required to support essential frontline services continued to be available to councils. Regular updates were being provided to councils in relation to supplier stock levels for essential items and advice

on alternative sources of supply where possible. This was an ever-changing picture and everything was being done to make sure council procurement teams had access to all information available at the time.

The Chief Executive Officers Management group (CEOMG) at its meeting held on 6 May 2020 considered reports on five key areas of business and the impact of COVID-19, being PPE; Food; Care; Waste; and Construction and these were appended to the report.

Scotland Excel had successfully held both the March Executive Sub-committee meeting and the May CEOMG meeting via video conference and after consultation with the convener, it had been proposed that the meetings of the Executive Sub-committee scheduled to be held on 29 May and 19 June would also take place using the same methods. Scotland Excel was currently reviewing its video conferencing platform and would be in touch with every elected member to test connectivity for future meetings. It was noted that paragraph 4.1 of the report should refer to the March Executive Sub-committee meeting and not the April Executive Sub-committee meeting.

The Chief Executive gave a commitment to work with officers from councils in relation to provision of supplies and that she would provide members with the breakdown information for their council.

DECIDED: That the report be noted and the measures taken to continue operations during the COVID-19 pandemic be supported.

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 19 June 2020.