

Scotland Excel

To: Joint Committee

On: 10 December 2021

**Report by:
Chief Executive of Scotland Excel**

Contract Delivery Plan Update

1. Introduction

This report provides a progress update on the 2021/ 2022 contract delivery plan.

2. Progress to Date

As detailed in Appendices 1 – 4, the 2021/ 2022 contract delivery plan details new framework developments and renewals, framework extensions and frameworks with ongoing contract management only.

There are 74 current frameworks in the Scotland Excel contract portfolio, with 4 further new frameworks to be added and 25 of these frameworks to be renewed before 31 December 2022 (Appendix 1).

A further 16 of the frameworks on the current portfolio have extension options that are likely to be exercised in 2021/ 2022, with 5 of these extensions already approved.

The estimated forecast value of the Scotland Excel framework portfolio by 31 March 2022 will be approximately £2Billion.

Overall, efficiencies delivered to date in 2021/ 2022 are 3.07%, which is slightly above the forecast range.

A summary of spend and forecast savings per council between July 2020 and June 2021 can be found in appendix 5, with an average forecast efficiency of c.1.72%.

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

The Care and Support Flexible Framework went live on 1 April 2020. The framework has currently 119 providers offering over 460 Services.

There has been a steady increase in uptake since the framework start date with 13 councils having confirmed they are utilising the framework. Indicative baseline data submitted by 10 councils projected to the end of the financial year (31 March 2022) indicates support packages for around 4,700 service users will be in place by the end of March 2022.

The framework was re-opened in October enabling new providers to apply to join the framework from April 2022.

The Flexible Framework Agreement for the provision of Social Care Agency Workers is due to expire on 31st July 2022. This framework currently covers the provision of agency staff in social care roles, social work and other professional roles and ancillary support roles. The third-generation framework is anticipated to go live on the 1st August 2022. Consultation to help inform the strategy development work is due to begin shortly with sessions for suppliers and purchasers scheduled for December 2021.

Negotiations in relation to the National Care Home Contract (NCHC) rates for 2022/23 began in early November. An interim increase is required to take effect from 1st December to reflect Scottish Government's workforce increase as part of winter planning measures. Implementation of Scottish Government's adult annual social care increase will need to be considered along with detailed discussion on cost pressures faced by the sector.

Scotland Excel has been consulting with key stakeholders in relation to future plans for the national framework for Children's Residential Care & Education. This work seeks to understand the potential impact on the sector of policy change coming from the work of The Promise and to determine how best to reflect this in the national arrangement.

The activity under the New Build Residential Construction Framework has continued to grow as our members have renewed their activity on new build housing projects. To date, the framework has 14 awarded projects which together are delivering over 550 homes and also a care facility. Twelve projects are live on site and are already delivering substantial local benefits, with over £32 million being awarded to local contractors and subcontractors. It is anticipated that in total 22 projects with a combined value of c£230m will be awarded through the framework by the end of 2021/22.

Supply Chain disruption is having a significant impact on construction materials. Scotland Excel is deploying a range of measures to manage the impact on council members. Part of that strategy includes consolidating the number of frameworks associated with these product groupings. By doing this it will simplify the contract management arrangements for both the supply base and the operational teams using the framework. Building and Timber Materials, Plumbing and Heating Materials, Electrical Materials, Trades Materials and Power Tools will be combined into a multi-lotted framework which will mean fewer tender responses for the supply market and a simplified call off for end users. As part of this rationalisation Gas Boiler Maintenance services will also be aligned with maintenance services across a wider scope. Regulation 72 will be used to harmonize the end dates of the affected frameworks.

Scotland Excel has developed a new process for undertaking opportunity assessments for OSS (Operational Supplies and Services) contracts to understand how these frameworks have operated, for example their participation and spend profile. These opportunity assessments will be used to inform discussions with councils as to whether it is viable to renew each of these frameworks or, for example, if their scope should be changed significantly. This will ensure that the contracts within the OSS team continue to meet council requirements.

Supply Chain disruption also continue to have a major impact on supply across the Scotland Excel food portfolio. Suppliers continue to be impacted by the industry-wide, global supply chain challenges. The primary challenge for suppliers is a shortage of staff. When combined with knock-on impacts to production and haulage capacity, this is affecting the ability of many of our suppliers to deliver to members on time and in full.

Multiple categories and product types are affected, from farm to fork, whether sourced from the UK, the EU or from further afield. These challenges have been ongoing since the market reopened summer 2021, and are forecast to continue until beyond Christmas, and even further into 2022 in some parts of the country. Scotland Excel will continue to work closely with suppliers and members to ensure communication is managed during this uncertain period.

The next generation of the Frozen Foods framework is currently under evaluation and will be presented to the Executive Sub Committee in January 2022. Scotland Excel will then begin work on the development of the renewal for Fresh Meats, Cooked Meats and Fresh Fish.

A new category manager has been appointed to oversee the management of the ICT and digital category and to lead the development of sourcing strategies to deliver value for money and improved services for our members. The category manager will work with strategic partners such as the Digital Office for product/service development, research, innovation and working collaboratively to improve digital access across Scotland.

3. Conclusion

Members are invited to note the progress made to date.

Appendix 1 – List of New or Renewal Contracts until December 2022

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
Electric Vehicle Charging Points	20,000,000	New Contract	Aug-20	Dec-21		Feb-21	5.5%		Tender is currently out to the market, schedule to close December 2021.
Lift Maintenance (OSS)	1,250,000	New Contract	Mar-20	Mar-21		Cancelled	5.5%		After consulting with members it is not a viable option to take forward as a tender exercise. Can be discussed further at commercial UIGs should this be a requirement in the future.
Building Construction Consultancy	18,750,000	New Contract	May-21	Mar-22		Apr-22	2% - 4%		Initially merged with Engineering Consultancy but delayed due to separate service offering. Strategy Consultation commenced. Forecast start date May 2022.
Waste Composition Analysis	750,000	New Contract	Jun-21		May-21		5.50%	0%	Approved by Executive Sub Committee May 2021. Contract effective 09/06/2021
Digital Telecare	4,000,000	New Contract	Apr-21			Aug-21	5.5%		Approved by Executive Sub Committee August 2021
Musical Instruments	1,750,000	New Contract	Oct-21	Nov-21		Dec-21	5.5%	5%	Will be presented to Executive Sub Committee December 2021
Property Repair, Maintenance and Refurbishment	100,000,000	New Contract	Dec-22				2%-4%		Opportunity Assessment
Online School Payments	3,000,000	Renew	Apr-20	Apr-21		Sep-21	2% - 4%		Approved by Executive Sub Committee September 2021
Vehicle Parts	12,000,000	Renew	Jan-21	Apr-21	Apr-21		2% - 4%	1.4%	Approved by Executive Sub Committee April 2021.
Education and Office Furniture	5,000,000	Renew	Mar-21	May-21	Jun-21	Aug-21	2% - 4%	1.27%	Approved by Executive Sub Committee June 2021.
Outdoor Play and Sports Facilities	15,000,000	Renew	Mar-21	Mar-22		May-22	2% - 4%		A reg 72 extension has been taken out on this will now go to May Committee with a July 2022 start date
Fostering and Continuing Care	34,000,000	Renew	Mar-21		Jun-21	Jul-21	N/A	N/A	Approved by Executive Sub Committee June 2021.
Organic Waste	12,000,000	Renew	Apr-21		Jun-21	July'21	2%-4%	0%	Approved by Executive Sub Committee June 2021.
Energy Efficiency Contractors	200,000,000	Renew	May-21	Nov-21		Feb-22	2% - 4%		Will be presented to Executive Sub Committee December 2021

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
Frozen Foods	25,000,000	Renew	Jul-21	Dec-22		Jan-22	2% - 4%		Will be presented to Executive Sub Committee January 2022
Education Materials	17,500,000	Renew	Aug-21	May-21	Jun-21		2% - 4%	0.50%	Approved by Executive Sub Committee June 2021.
Personal Protective Equipment	10,000,000	Renew	Mar-21	Oct-21		Mar-22	2% - 4%		Strategy approved, tender in development
Laundry Equipment	1,100,000	Renew	Nov-21			Not being renewed	2% - 4%		Opportunity Assessment was undertaken and showed limited spend and participation to date. Framework will not be renewed.
Bottled Gas	2,000,000	Renew	Nov-21			Not being renewed	2% - 4%		Opportunity Assessment was undertaken and showed limited spend and participation to date. Framework will not be renewed.
Pest Control Services	1,500,000	Renew	Nov-21	Nov-21		Jan-22	2% - 4%		Tender published 10/11/2021, due to close 8/12/2021
Steeplejack Services	1,750,000	Renew	Dec-21	Oct-21		Mar-22	2% - 4%		Strategy approved. Delays due to legal support.
Heavy Vehicles	25,000,000	Renew	Jan-22				2% - 4%		Tender published 11th October. Recommendations to go to January Executive Sub-Committee, go live early February
Tyres for Vehicles and Plant	6,500,000	Renew	Nov-21	Jan-22		Jan-22	2% - 4%		Tender published 29th September. Recommendations to go to January Executive Sub-Committee, go live early February.
Vehicle and Plant Hire	15,000,000	Renew	Nov-21	Feb-22			2% - 4%		Tender documents going through final legal checks prior to publishing. Recommendations to go to February Executive Sub-Committee.
Recycle and Refuse Containers	8,000,000	Renew	Nov-21	Dec-21		Dec-21	2% - 4%		Will be presented to Executive Sub Committee December 2021
Water Coolers	1,500,000	Renew	Jan-22	Jan-22		Feb-22	2% - 4%		PIN notice issued, strategy under development]
Repair of Catering Machines	2,000,000	Renew	Jan-22	Jan-22		Feb-22	2% - 4%		PIN notice issued, strategy under development]
Swimming Pool Chemicals	1,250,000	Renew	Jan-22			Not being renewed	2% - 4%		Opportunity Assessment was undertaken and showed limited spend and participation to date. Framework will not be renewed.
Library Books & Textbooks	14,000,000	Renew	Feb-22	Feb-22		Mar-22	2% - 4%		Strategy in development
Digital Publications and Services	1,000,000	Renew	Feb-22	Feb-22		Mar-22	2% - 4%		Strategy in development
Trade Materials	10,000,000	Renew	Feb-22				2% - 4%		Regulation 72 extension progressing through governance, new end date will align with merged Construction Materials framework.
Milk	9,000,000	Renew	Mar-22			Nov-21	2% - 4%		Approved by executive Sub Committee November 2021

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
Children's Residential	105,400,000	Renew	Mar-22				n/a		Options for the future of the framework are being considered in line with changes in national policy direction.
Fire Safety Products	2,500,000	Renew	Apr-22				2%-4%		Opportunity Assessment to be undertaken to confirm requirements/spend
Roadstone	5,000,000	Renew	Jul-22				2%-4%		Pending
Salt for winter maintenance	16,250,000	Renew	Jul-22				2%-4%		Pending
Street Lighting Materials	35,000,000	Renew	Aug-22				2%-4%		Pending
Road Maintenance Materials	2,500,000	Renew	Sep-22				2%-4%		Pending
First Aid Materials	2,000,000	Renew	Sep-22				2%-4%		Opportunity Assessment to be undertaken to confirm requirements/spend
Washroom Solutions	14,000,000	Renew	Sep-22				2%-4%		Pending
Fresh Meats, Cooked Meats and Fresh Fish	40,000,000	Renew	Sep-22				2%-4%		Pending
Commercial Catering Equipment	4,000,000	Renew	Oct-22				2%-4%		Opportunity Assessment to be undertaken to confirm requirements/spend
Construction Materials	70,000,000	Renew	Apr-23				2%-4%		Opportunity Assessment

Appendix 2 – Flexible Contracts until December 2022

Service	Estimated Annual Collaborative Contract Opportunity	Activity	Anticipated Re-Opening Date	Comments
Care and Support	£140,000,000	Flexible Framework Agreement	In Progress	The framework is currently open for new providers to apply to join. It is anticipated that successful new providers will be able to offer services under the framework from April 2022
Care Homes For Adults With Learning Disabilities Including Autism	£26,500,000	Flexible Framework Agreement	TBC	The survey findings have indicated that there was sufficient interest to initiate discussions at a future User Intelligence Group (UIG) to further develop the framework and reopening pending market consultation.
Social Care Agency Workers	£20,000,000	Flexible Framework Agreement	TBC	Determined by the requirements of Purchasing Authorities. To be retendered, date to be confirmed with suppliers joining for 1st August 2022.
Bikeability Scotland Training Providers	£300,000	Dynamic Purchasing System (DPS)	N/A	New entrants may be approved at any point during the lifetime of the DPS
Recyclable and Residual Waste	£40,000,000	Dynamic Purchasing System (DPS)	N/A	New entrants may be approved at any point during the lifetime of the DPS
Digital Telecare	£4,000,000	Dynamic Purchasing System (DPS)	N/A	New entrants may be approved at any point during the lifetime of the DPS

Appendix 3 – Contracts with extension options and contract management activity ongoing until December 2022

Contract Description	Est Annual Value
Asbestos	£12,000,000
Boiler Maintenance	£10,000,000
Grounds Maintenance Equipment	£6,000,000
Groceries and Provisions	£30,000,000
Fresh Bread Rolls and Bakery Products	£1,500,000
Fresh Fruit and Vegetables	£1,500,000
Hot Beverages (OSS)	£1,000,000
Energy Advice (OSS)	£1,000,000
Vending Machines (OSS)	£1,250,000
Cleaning Equipment (OSS)	£2,250,000
Alcoholic Beverages (OSS)	£1,250,000
Sheriff Officers (OSS)	£1,100,000
Technology Enabled Care	£6,300,000
Demolition Services	£18,000,000
New Build Residential Construction	£375,000,000
Secure Care	£17,500,000

Contracts which are shaded have been approved for extension

Appendix 4 - Contracts with no renewal or extension activity and contract management activity ongoing until December 2022

Contract Description	Est Annual Value	Contract Description	Est Annual Value
Audio Visual	£7,500,000	Plumbing and Heating Materials	£22,500,000
Bitumen Products	£12,000,000	Road Signage Materials	£1,250,000
Building and Timber	£15,000,000	Security Services and Cash Collection	£12,500,000
Catering Sundries	£6,000,000	Social Care Case Management Solutions	£7,000,000
Community Meals	£4,000,000	Vehicle Purchase RM6060	£10,000,000
Electrical Materials	£20,000,000	Waste Disposal Equipment	£1,250,000
Janitorial Products	£12,000,000	Supply Teacher Booking System	£300,000
Light and Heavy Plant	£10,000,000	Domestic Furniture and Furnishings	£26,000,000
Waste Composition Analysis	£750,000	Engineering and Technical Consultancy	£17,125,000
Vehicle Parts	£12,000,000	Organic Waste	£12,000,000
Fostering and Continuing Care	£34,000,000		

Appendix 5 – Expenditure summary per Council: Jul'20 – Jun'21

Member Organisation	Sum of Actual Spend	Sum of Forecast Spend	Variance	% of Total Actual Spend	Sum of Estimated Saving	% Saving
The City of Edinburgh Council	£45,136,129	£34,112,422	132.3%	6.92%	£789,908	1.75%
Glasgow City Council	£43,049,498	£52,015,882	82.8%	6.60%	£762,550	1.77%
Fife Council	£42,107,637	£113,111,492	37.2%	6.45%	£640,188	1.52%
South Lanarkshire Council	£38,970,107	£68,073,112	57.2%	5.97%	£434,159	1.11%
Aberdeenshire Council	£34,476,560	£39,228,746	87.9%	5.28%	£446,727	1.30%
Associate Members	£31,713,146	£58,198,074	54.5%	4.86%	£490,616	1.55%
West Lothian Council	£28,661,467	£28,511,140	100.5%	4.39%	£364,352	1.27%
Falkirk Council	£28,658,578	£44,972,329	63.7%	4.39%	£1,019,393	3.56%
Aberdeen City Council	£27,598,423	£36,362,466	75.9%	4.23%	£518,640	1.88%
West Dunbartonshire Council	£25,243,709	£26,312,727	95.9%	3.87%	£528,370	2.09%
The Highland Council	£25,046,129	£29,130,509	86.0%	3.84%	£166,660	0.67%
North Lanarkshire Council	£21,684,782	£58,322,714	37.2%	3.32%	£538,609	2.48%
North Ayrshire Council	£21,343,674	£51,515,266	41.4%	3.27%	£314,976	1.48%
Dundee City Council	£19,589,464	£15,131,022	129.5%	3.00%	£264,611	1.35%
Renfrewshire Council	£17,871,465	£39,460,389	45.3%	2.74%	£434,747	2.43%
East Lothian Council	£15,658,525	£13,454,253	116.4%	2.40%	£201,674	1.29%
Argyll and Bute Council	£13,984,480	£10,052,226	139.1%	2.36%	£253,452	1.81%
Dumfries and Galloway Council	£15,230,035	£13,164,003	115.7%	2.33%	£276,068	1.81%
East Ayrshire Council	£15,171,016	£16,345,970	92.8%	2.33%	£287,716	1.90%
Scottish Borders Council	£13,188,554	£13,436,482	98.2%	2.02%	£112,708	0.85%
Perth and Kinross Council	£12,515,946	£11,037,217	113.4%	1.92%	£414,798	3.31%
Tayside Contracts	£12,473,006	£12,345,377	101.0%	1.91%	£225,887	1.81%
Stirling Council	£12,325,900	£8,995,147	137.0%	1.89%	£131,213	1.06%
South Ayrshire Council	£12,168,532	£20,189,524	60.3%	1.87%	£141,222	1.16%
The Moray Council	£11,178,761	£23,548,339	47.5%	1.71%	£104,566	0.94%
East Dunbartonshire Council	£10,809,022	£10,605,548	101.9%	1.66%	£205,755	1.90%
Inverclyde Council	£10,802,337	£8,021,292	134.7%	1.66%	£212,144	1.96%
Clackmannanshire Council	£10,117,463	£12,975,917	78.0%	1.55%	£194,372	1.92%
East Renfrewshire Council	£9,555,038	£12,094,012	79.0%	1.46%	£409,562	4.29%
Angus Council	£8,863,087	£17,191,476	51.6%	1.36%	£156,693	1.77%
Midlothian Council	£7,981,931	£12,180,758	65.5%	1.22%	£119,439	1.50%
Orkney Islands Council	£2,952,504	£2,370,786	124.5%	0.45%	£13,822	0.47%
Shetland Islands Council	£2,765,548	£3,159,783	87.5%	0.42%	£5,241	0.19%
Comhairle nan Eilean Siar	£2,160,109	£5,131,223	42.1%	0.33%	£36,934	1.71%
Total	£651,052,560	£920,757,622	N/A	100.00%	£11,217,773	1.72%

