

**MINUTE OF MEETING OF THE SCOTLAND EXCEL EXECUTIVE SUB-COMMITTEE
HELD AT CITY CHAMBERS, GLASGOW ON 12 JUNE, 2015**

PRESENT

Councillors W Howatson (Aberdeenshire Council); P Valentine (Angus Council); I Whyte (City of Edinburgh Council); N Macdonald (Comhairle nan Eilean Siar); M McElroy (Glasgow City Council); G McLean (North Ayrshire Council); M Holmes (Renfrewshire Council); A Westlake (Shetland Islands Council) and Provost E Logan (South Lanarkshire Council).

Councillor Holmes, Convener, presided.

APOLOGIES

Councillors G Dykes (Dumfries and Galloway Council) and M Smith (Highland Council).

IN ATTENDANCE

J Welsh, Director of Scotland Excel, H Carr, Head of Strategic Procurement; J McLaggan, Business Services Manager; S Brannagan, Head of Customer & Business Services; M Robertson, Marketing and Communications Manager and N Burleigh, Procurement Specialist (all Scotland Excel); M Conaghan, Legal and Democratic Services Manager and E Coventry, Democratic Services Officer (both Renfrewshire Council) and J Thompson, Senior Procurement Officer (Angus Council).

DECLARATIONS OF INTEREST

The Clerk intimated this was a standard item on the Agenda and asked members to indicate if there were any declarations of interest.

No declarations of interest were expressed.

1. MINUTE OF THE MEETING OF THE EXECUTIVE SUB-COMMITTEE

There was submitted the Minute of the meeting of the Executive Sub-Committee held on 15 May, 2015.

DECIDED: That the Minute be approved.

EXCLUSION OF PRESS AND PUBLIC

The Joint Board resolved that the press and public be excluded from the meeting during consideration of item 2 as it was likely, in view of the nature of the business to be transacted, that if members of the press and public were present, there could be disclosure to them of exempt information as defined in paragraphs 6 and 8 of Part I of Schedule 7A of the Local Government (Scotland) Act 1973.

2. **CONTRACTS**

Supply and Delivery of Community Meals

There was submitted a report by the Director of Scotland Excel, relative to a second generation framework agreement for the supply and delivery of prepared meals for the provision of community meals service for the period 1 September 2015 until 31 August 2018 with the option to extend for up to 12 months to 1 September 2019.

The key objective of the framework was to provide high quality, appetising meals covering cultural as well as dietary needs, and including special requirements like soft foods or diabetic meals which promoted health and wellbeing. As detailed in Appendix 1, 19 councils had confirmed their intention to participate in the framework. The remaining councils had confirmed that they would not participate due to either having no requirement for community meals service or having their own arrangements in place. However, all member councils were listed in the contract notice as potential participants in order that they may access the framework in the future if required where an offer was received for them.

Councils provided meals services through a number of different models and had different purchasing requirements in addition to varying approaches to customer payment contributions, therefore the tender document was developed to reflect these requirements using the following lots: Bulk delivery of frozen meals to a central distribution point; Delivery of frozen meals to customers at home and Delivery of hot meals directly to customers at home.

The forecast spend for participating local authorities was £3.5m per annum across all three lots.

DECIDED: That the business be awarded as follows:

Lot 1 - Bulk Delivery to a Central Distribution Point

Apetito Limited
ICare (GB) Limited
MacLean's Bakery (Benbecula) Ltd

Lot 2 - Frozen Delivery Service to Customers at Home Council Nominated Premises

Evaluation A - North Lanarkshire

Apetito Limited
ICare (GB) Limited
Oakhouse Foods Limited

Evaluation B - Aberdeen City, City of Edinburgh, Dundee City

Apetito Limited
ICare (GB) Limited
Oakhouse Foods Limited

Evaluation C - East Ayrshire

Apetito Limited
ICare (GB) Limited
Oakhouse Foods Limited

Evaluation D - East Dunbartonshire, East Renfrewshire, Falkirk, Fife, Glasgow, Inverclyde, North Ayrshire, Renfrewshire, South Ayrshire, South Lanarkshire, West Dunbartonshire, West Lothian

Apetito Limited
ICare (GB) Limited
Oakhouse Foods Limited

Evaluation E - Clackmannanshire, East Lothian, Midlothian, Perth & Kinross, Stirling

Apetito Limited
Oakhouse Foods Limited

Evaluation F - Aberdeenshire, Angus, Dumfries & Galloway, Scottish Borders

Apetito Limited
Oakhouse Foods Limited

Evaluation G – Moray

Apetito Limited

Lot 3 - Daily Delivery of Hot Meals to Customers at Home Council Nominated Premises

Evaluation A - Aberdeen City, City of Edinburgh, Dundee City, Glasgow

ICare (GB) Limited
Apetito Limited

Evaluation B - East Ayrshire, East Dunbartonshire, East Renfrewshire, Falkirk, Fife, Inverclyde, North Ayrshire, North Lanarkshire, Renfrewshire, South Lanarkshire, West Dunbartonshire, West Lothian

Apetito Limited
ICare (GB) Limited

Evaluation C - South Ayrshire

ICare (GB) Limited
Apetito Limited

Evaluation D - Angus, Clackmannanshire, East Lothian, Midlothian, Stirling

Apetito Limited

3. DATE OF NEXT MEETING

The next meeting would be held on 28 August, 2015.

Minute of Meeting Scotland Excel Executive Sub-Committee

Date	Time	Venue
Friday, 28 August 2015	10:45	Scotland Excel Meeting Room 1, Renfrewshire House, Cotton Street, Paisley

PRESENT

Councillors G Dykes (Dumfries & Galloway Council); M McElroy (Glasgow City Council); M Holmes (Renfrewshire Council); Provost E Logan (South Lanarkshire Council) and Councillor A Westlake (Shetland Islands Council).

BY VIDEO LINK Councillors W Howatson (Aberdeenshire Council) and P Valentine (Angus Council).

CHAIR

Councillor Holmes, Convener, presided.

APOLOGIES

Councillors N Macdonald (Comhairle nan Eilean Siar); I Whyte (City of Edinburgh Council); B Fernie (Highland Council); and G McLean (North Ayrshire Council).

IN ATTENDANCE

J Welsh, Director, H Carr, Head of Strategic Procurement, S Brannagan, Head of Customer & Business Services; J Bowles, Senior Procurement Specialist; A Richmond, Senior Procurement Specialist and A Kowalska, Assistant Procurement Specialist (all Scotland Excel); R Lewis, Head of Procurement (Dumfries & Galloway Council) and D Forbes, Finance Manager, Elaine Currie, Senior Committee Services Officer and K Druce, Assistant Committee Services Officer (all Renfrewshire 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 12 June, 2015.

DECIDED: That the Minute be approved.

2 **REVENUE BUDGET MONITORING**

There was submitted a revenue budget monitoring report by the Treasurer and Director for the period 1 April to 24 July, 2015.

DECIDED: That the report be noted.

3 **AUDITED ANNUAL ACCOUNTS 2014/15**

Under reference to item 9 of the Minute of the meeting of the Joint Committee held on 12 June, 2015 there was submitted a report by the Treasurer and Director relative to the annual accounts for the Joint Committee for 2014/15. The report intimated that the Audit Certificate issued by Audit Scotland provided an unqualified opinion that the abstract of accounts presented a true and fair view of the financial position of the Joint Board as at 31 March, 2015, in accordance with the accounting policies detailed in the accounts. A report on the 2014/15 audit by Audit Scotland was also attached to the report and indicated that there were no matters arising from the audit which required specific reporting to members.

Following the introduction of the Local Authority Accounts (Scotland) Regulations 2014 the audited accounts had to be approved for signature by the Executive Sub-Committee no later than 30 September each year. Following approval the audited accounts would be signed by the Director, Convener and Treasurer.

DECIDED: That the audited annual accounts 2014/15 be approved for signature and the report by Audit Scotland be noted.

4 **EMPLOYEE ABSENCE MANAGEMENT**

There was submitted a report by the Director relative to the sickness absence statistics for Scotland Excel for the period May to July 2015. The Joint Committee had previously agreed that Scotland Excel should work to an absence rate of below 4%. This target aligned Scotland Excel with partner organisations, supported good practice in this area and demonstrated the ongoing commitment to absence management as a key efficiency target.

In line with audit recommendations, the report detailed the breakdown of the current month, the last six months and the last 12 months absence figures; an illustration of the last 12 months in days, percentages and full-time equivalent (FTE).

The report intimated that Scotland Excel would continue its positive practices, including working with Occupational Health and other support services to support attendance and support staff who had significant health issues.

DECIDED: That the report be noted.

5 **ASSOCIATE MEMBERSHIP**

Under reference to item 6 of the Minute of meeting of the Sub-Committee held on 15 May, 2015 there was submitted a report by the Director relative to the proposed changes to the fee structure for Associate Membership.

The report intimated that officers had engaged with current and potential new members to implement the changes. The number of members who had intimated their intention to resign had been low and there had been contact from a number of new organisations wishing to explore membership opportunities.

As part of the additional and ongoing work to gather spend data it had become clear that one area of the original proposal submitted to the sub-committee as part of the fee structure report had not offered the opportunity that was initially anticipated. The report proposed that more work be carried out to explore an acceptable and manageable fee for the group of larger, high spending Associate Members and that a revised proposal for the organisations affected would be submitted to a future meeting of the sub-committee. In the meantime the report proposed that the current fees be applied with the normal inflationary increase which would generate income in the region of £18,000. A revised proposal for the organisations affected would be submitted to a future meeting of the Executive Sub-Committee.

DECIDED:

(a) That the actions detailed in the report be approved; and

(b) That a report relative to a revised proposal for the organisations affected be submitted to a future meeting of the Executive Sub-Committee.

6 **NATIONAL CARE HOME CONTRACT**

There was submitted a report by the Director relative to the National Care Home Contract arrangements which had been in place since 2006. The arrangements were coordinated by CoSLA, who took the lead role in the annual negotiations with provider representative bodies on both fees and contract variations. All Scottish Councils, with the exception of Shetlands Islands, currently accessed the contract the purchase care home placements and the current rates were in place until March 2016.

The report provided an update on the proposal that Scotland Excel provided councils with procurement and contract management services for the National Care Home Contract, supplementing the existing council contract monitoring. Funding of circa £250k per annum would be required to provide procurement, data analysis, financial accounting and legal skills required to deliver the planned activities to all 32 councils. These resources reflected the significant scale of the older peoples' care home sector in Scotland, which comprised close to 900 care homes and 350 providers.

In July 2015 Scotland Excel and CoSLA issued a joint letter to 28 councils seeking support for the proposal that Scotland Excel would provide a range of predetermined procurement and contract management services to complement local contract monitoring activities.

Responses had been received from 30 councils, with 23 councils supporting the proposals (subject to some caveats that needed to be discussed further) and 8 not supporting the proposals.

A meeting was also held with the Scottish Local Government Partnership (SLGP) members to establish their views on the proposal as these councils represented a significant proportion of the overall care home placements currently made under the National Care Home Contract.

During a period of sustained financial constraint, Scotland Excel would not request any further contribution from supporting councils to meet the shortfall from those councils not supportive of the proposal, however, this necessitated a review of the full range of activities originally proposed.

Scotland Excel's planned procurement and contract management service would include an analysis of the available procurement options for the future contracting of care homes for older people. A report on the procurement options would be submitted to a future meeting of the Executive Sub-Committee when the analysis had been concluded.

DECIDED:

- (a) That the level of support from councils in respect of the proposal for Scotland Excel to provide supplementary contract management services be noted;
- (b) That Scotland Excel move forward to work with those councils supportive of the contract management proposal;
- (c) That the development of a procurement strategy by Scotland Excel be approved;
- (d) That it be noted that Scotland Excel was in continued dialogue with both CoSLA and SLGP regarding the future contracting for care home services for older people; and
- (e) That a report relative to the procurement options be submitted to a future meeting of the Executive Sub-Committee once the analysis had been concluded.

7 UPDATE ON PERFORMANCE MEASUREMENT AGAINST THE SCOTLAND EXCEL OPERATING PLAN

Under reference to item 4 of the Minute of meeting of the Joint Committee held on 12 June, 2015 there was submitted a report by the Director relative to Scotland Excel's operating plan and supporting key performance indicators (KPIs).

The report intimated that from the one year operating plan, a suite of 10 KPIs across the four goals had been derived which would be used to report overall performance against the plan. These KPIs would ensure clear and concise reporting on an ongoing basis and would be reported quarterly. The operating plan KPIs formed the appendix to the report.

DECIDED: That the report be noted.

8(a) **CONTRACT: BUILDINGS RELATED ENGINEERING CONSULTANCY**

There was submitted a report by the Director relative to the national collaborative framework for the provision of building related engineering consultancy services which encompassed mechanical, electrical, civil and structural engineering activities including inspection, feasibility and design for the period 1 October, 2015 to 30 September, 2017, with the option to extend up to a further two years until 30 September, 2019.

The report intimated that this framework would provide an efficient method of engaging external consultancy for services commonly used across councils which in turn would realise benefits for both councils and consultants in terms of cost savings and the adoption of best practice. The NEC3 Professional Services Contract 2013 and the NEC3 Professional Services Short Contract 2013 formed the terms and conditions on which councils would contract.

Twenty six councils and the Advance Procurement for Universities and Colleges (APUC) had confirmed their intention to participate in the framework from the start date and a further four councils had confirmed they may participate once their current contractual arrangements expired.

The framework had been advertised at £40m over the maximum period of four years. The value of work awarded under the framework would be dependent on the level of funding councils received and their ability to utilise internal resources. It was anticipated that spend would be lower in the initial two years of the framework and would increase in the later years.

DECIDED:

(i) That, based on the evaluation undertaken on the criteria set out in the report, the multi-supplier framework agreement be awarded to 29 consultants across the two lots as detailed in Appendix 3 to the report; and

(ii) That it be noted that the range of recommended consultants awarded to each council varied from eight to fourteen consultants per lot with councils being able to utilise between three and eight consultants for each category. This would provide best value to councils by ensuring that there was sufficient competitive capacity and full geographical and service coverage to meet operational requirements.

8(b) **CONTRACT: DEMOLITION SERVICES**

There was submitted a report by the Director relative to the national collaborative framework for the provision of demolition services for the period 1 October, 2015 to 30 September, 2017 with an option to extend for up to 24 months to 30 September 2019.

The Director intimated that she wished to withdraw this report.

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

9 **UPDATE ON COMMUNITY MEAL POST TENDER NEGOTIATIONS**

Under reference to item 2 of the Minute of the meeting of this Sub-Committee held on 12 June, 2015 there was submitted a report by the Director relative to an update on the tender negotiation process in relation to the community meals contract and the outcomes achieved.

The report intimated that Scotland Excel had invited the three suppliers who were recommended for award on Lot 1 and the councils affected by the proposed increases to post tender negotiation meetings. Following this process, the overall estimated increased cost of the framework was now approximately 2.69% per annum across the participating councils, based on current spend forecast, as detailed in the appendix to the report. This was a reduction from the 3.67% on cost presented to the Executive Sub-Committee on 12 June, 2015.

DECIDED:

- (a) That the update report on post tender negotiations be noted; and
- (b) That the updated participation, spend and savings, which formed the appendix to the report, be noted.

10 **DATE OF NEXT MEETING**

DECIDED: That it be noted that the next meeting of the Executive Sub-Committee would be held on 2 October, 2015 at 10.45 am.

Minute of Meeting Scotland Excel Executive Sub Committee

Date	Time	Venue
Friday 2 October, 2015	10.45am	Scotland Excel Meeting Room 1, Renfrewshire House, Cotton Street, Paisley

PRESENT

Councillors M McElroy (Glasgow City Council); B Fernie (Highland Council); M Holmes (Renfrewshire Council); Provost E Logan (South Lanarkshire Council) and Councillor A Westlake (Shetland Islands Council).

CHAIR

Councillor Holmes, Convener, presided.

BY VIDEO LINK

Councillors P Valentine (Angus Council) and I Whyte (City of Edinburgh Council).

APOLOGIES

Councillors W Howatson (Aberdeenshire Council); N Macdonald (Comhairle nan Eilean Siar); G Dykes (Dumfries & Galloway Council); A Craik (Fife Council); and G McLean (North Ayrshire Council).

IN ATTENDANCE

J Welsh, Director, H Carr, Head of Strategic Procurement, S Brannagan, Head of Customer & Business Services; D Pettigrew, Procurement Coordinator; L Jones, PA to Director; S Irvine, Graduate Trainee; and Z Brown, Graduate Trainee (all Scotland Excel); and D Forbes, Finance Manager, E Currie, Senior Committee Services Officer and K Druce, Assistant Committee Services Officer (all Renfrewshire Council).

DECLARATIONS OF INTEREST

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

1. **MINUTE OF THE MEETING OF THE EXECUTIVE SUB-COMMITTEE**

There was submitted the Minute of the meeting of the Executive Sub-Committee held on 28 August, 2015.

DECIDED: That the Minute be approved.

2. **REVENUE BUDGET MONITORING**

There was submitted a revenue budget monitoring report by the Treasurer and Director for the period 1 April to 21 August, 2015.

DECIDED: That the report be noted.

3 **CONTRACT - DEMOLITION SERVICES**

There was submitted a report by the Director of Scotland Excel relative to the national collaborative framework for the provision of demolition services for the period 1 October 2015 to 30 September 2017 with an option to extend for up to 24 months to 30 September 2019.

The report indicated that the framework was split into 3 lots and that the estimated combined spend for all was approximately £16m per annum across the Councils who had confirmed intentions to participate in this. This equated to approximately £64m over the term of the framework including the extension period. To date 30 councils had confirmed participation in the framework. Dundee City and Midlothian councils had their own contractual arrangements in place. All member councils, however, were listed in the EU contract notice as potential participants and could access the framework in future if required.

DECIDED:

(a) That, based on the evaluation undertaken on the criteria set out in the report, the multi-supplier framework agreement be awarded to 22 suppliers across the three lots as detailed in Appendix 3 to the report; and

(b) That it be noted that the range of recommended suppliers awarded to each council varied from two to ten suppliers per lot. This would provide best value to councils by ensuring that there was sufficient competitive capacity and full geographical and service coverage to meet operational requirements.

4. **CONTRACT – SUPPLY AND DELIVERY OF PLUMBING AND HEATING MATERIALS**

There was submitted a report by the Director of Scotland Excel relative to the national collaborative framework for the provision of plumbing material to replace the current framework which expired on 30 November 2015. The new framework would operate for the period 1 December 2015 to 30 November 2018 with an option to extend for up to 12 months to 30 November 2019.

The report indicated that the framework was split into 9 lots and that the estimated combined spend for all was approximately £19.4m per annum across the Councils who had confirmed intentions to participate in this. This equated to approximately £77.6m over the term of the framework including the extension period. To date 28 councils had confirmed participation in this framework. Dundee City and Midlothian councils had their own contractual arrangements in place. All member councils, however, were listed in the EU contract notice as potential participants and could access the framework in future if required.

DECIDED:

- (a) That, based on the evaluation undertaken on the criteria set out in the report, the multi-supplier framework agreement be awarded to 10 suppliers across the nine lots as detailed in Appendix 3 to the report; and
- (b) That it be noted that the range of recommended suppliers awarded to each council varied from five to eight suppliers per lot. This would provide best value to councils by ensuring that there was sufficient competitive capacity and full geographical and service coverage to meet operational requirements.

5. DATE OF NEXT MEETING

DECIDED: That it be noted that the next meeting of the Executive Sub-Committee, if required, would be held on Friday 27 November, 2015 at 10.00 am prior to the meeting of the Joint Committee.