

Notice of Meeting and Agenda Scotland Excel Joint Committee

Date	Time	Venue
Friday, 19 June 2020	10:45	Remotely by MS Teams ,

KENNETH GRAHAM
Clerk

Membership

Councillor John Reynolds and Councillor David Cameron (both Aberdeen City Council); Provost Bill Howatson and Councillor Alastair Bews (Aberdeenshire Council); Councillor Angus Macmillan Douglas (Angus Council); Councillor Rory Colville (Argyll and Bute Council); Councillor Alasdair Rankin and Councillor Graham Hutchison (both City of Edinburgh Council); Councillor Donald Balsillie (Clackmannanshire Council); Provost Norman Macdonald (Comhairle Nan Eilean Siar); Councillor Stephen Thompson (Dumfries and Galloway Council); Bailie Willie Sawers (Dundee City Council); Councillor Gordon Jenkins (East Ayrshire 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); Bailie Norman MacLeod and Councillor Martin McElroy (both Glasgow City Council); Councillor Alister Mackinnon and Councillor Matthew Reiss (Highland Council); Councillor Jim Clocherty (Inverclyde Council); Councillor Derek Milligan (Midlothian Council); Councillor Aaron McLean (Moray Council); vacant position (North Ayrshire Council); Councillor Paul Di Mascio and Councillor Allan Graham (North Lanarkshire Council); Councillor Barbara Foulkes (Orkney Islands); Councillor Sheila McCole (Perth and Kinross Council); Councillor John Shaw (Renfrewshire Council); Councillor Simon Mountford (Scottish Borders Council); Councillor Amanda Hawick (Shetland Islands Council); Councillor Peter Henderson (South Ayrshire Council); Councillor Eileen Logan and Councillor Collette Stevenson (South Lanarkshire Council); Councillor Alison Laurie (Stirling Council); Councillor Ian Dickson (West Dunbartonshire Council); Councillor John McGinty (West Lothian Council).

Councillor John Shaw (Convener): Councillor Paul Di Mascio (Vice Convener).

Members of the Press and Public

Members of the press and public wishing information in relation to this meeting please contact Elaine Currie, elaine.currie@renfrewshire.gov.uk

Items of business

Apologies

Apologies from members.

Declarations of Interest

Members are asked to declare an interest in any item(s) on the agenda and to provide a brief explanation of the nature of the interest.

- | | | |
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12 COVID-19 Update

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Report by Chief Executive of Scotland Excel.

13 Date of Next Meeting

Note that the next meeting of the Joint Committee will be held at 10.45 am on 11 December 2020.



Minute of Meeting Scotland Excel Joint Committee

Date	Time	Venue
Friday, 06 December 2019	10:45	City Chambers, Glasgow City Council, 80 George Square, Glasgow, G2 1DU

Present

Councillor Alan Donnelly (Aberdeen City Council); Provost Bill Howatson (Aberdeenshire Council); Provost Norman Macdonald (Comhairle Nan Eilean Siar); Councillor Stephen Thompson (Dumfries & Galloway Council); Councillor Gordon Jenkins (East Ayrshire Council); Councillor John Jamieson (East Dunbartonshire Council); Bailie Norman MacLeod (Glasgow City Council); Councillor Aaron McLean (Moray Council); Councillor Paul Di Mascio (North Lanarkshire Council); Councillor Sheila McCole (Perth & Kinross Council); Councillor John Shaw (Renfrewshire Council); 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, Director, S Brannagan, Head of Customer & Business Services, H Carr, Head of Strategic Procurement (all Scotland Excel); M Conaghan, Legal & Democratic Services Manager, C McCourt, Finance Business Partner, E Currie, Senior Committee Services Officer and K O'Neill, Assistant Democratic Services Officer (all Renfrewshire Council).

Apologies

Councillor John Reynolds (Aberdeen City Council); Councillor Alastair Bews (Aberdeenshire Council); Councillors Rory Colville and Ellen Morton (both Argyll & Bute Council); Councillor Graham Hutchison (City of Edinburgh Council); Councillor Donald Balsille (Clackmannanshire Council); Councillor Tony Buchanan (East Renfrewshire Council); Councillor Ross Vettraino and Councillor Gary Bouse (both Falkirk Council); Councillor Martin McElroy (Glasgow City Council); Councillor Alister Mackinnon and Councillor Matthew Reiss (both Highland Council); Councillor Jim Clocherty (Inverclyde Council); Councillor Allan Graham (North Lanarkshire Council) and Councillor Barbara Foulkes (Orkney Council).

Declarations of Interest

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

1 Minute of Joint Committee

There was submitted the Minute of the meeting of the Joint Committee held on 21 June 2019.

DECIDED: That the Minute be approved.

2 Minutes of Executive Sub-committee

There were submitted the Minutes of the meetings of the Executive Sub-committee held on 21 June, 2 August, 23 August, 20 September, 25 October and 22 November 2019.

DECIDED: That the Minutes be noted.

3 Directors Update

The Director of Scotland Excel gave a presentation to members providing an overview of what Scotland Excel was delivering for member councils; an update on Scottish Government and other projects; and an update on income streams and the funding position.

DECIDED: That the presentation be noted.

Adjournments

During consideration of the following item of business, the fire alarm was activated twice. On both occasions, all members left the building and returned to the meeting when advised to do so by fire wardens.

Order of Business

As the meeting had been adjourned twice due to fire alarms, the Convener intimated that should the fire alarm be activated for a third time, it would be his intention to adjourn the meeting to a date and time to be agreed in consultation with the Clerk.

To facilitate this, in terms of Standing Order 12, the Convener intimated that he proposed to alter the order of business to facilitate the conduct of the meeting by considering item 11 of the agenda after item 4 of the agenda.

4 Revenue Estimates 2020/21

There was submitted a joint report by the Treasurer and the Director of Scotland Excel relative to the revenue estimates for Scotland Excel including the requisition of the constituent authorities for financial year 2020/21 and indicative planning figures for 2021/22 and 2022/23.

The report intimated that the revenue estimates had been presented to the meeting of the Executive Sub-committee held on 22 November 2019 when it was decided that the revenue estimates be recommended to the Joint Committee.

Appendix 1 to the report detailed the revenue estimates for 2020/21 and Appendix 2 to the report detailed the member authority requisition levels.

The report provided information on the assumptions that the budget had been based on; a financial overview for Scotland Excel; the Scotland Excel funding model; and member authority requisitions for 2020/21.

Councillor Shaw, seconded by Bailie MacLeod, moved (a) that the revenue estimates of Scotland Excel for the financial year 2020/21, as detailed in table 1 of Appendix 1 to the report, be agreed; (b) that the requisitions for constituent authorities, as detailed in Appendix 2 to the report, be agreed; and (c) that the indicative estimates for 2021/22 and 2022/23 be noted.

Provost Howatson, seconded by Councillor Donnelly, moved as an amendment that there should be no increase in constituent authority requisitions.

On the vote being taken, 2 members voted the amendment and 14 members voted for the motion. The motion was accordingly declared carried.

DECIDED:

(a) That the revenue estimates of Scotland Excel for the financial year 2020/21, as detailed in Table 1 of Appendix 1 to the report, be agreed;

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

(c) That the indicative estimates for 2021/22 and 2022/23 be noted.

5 Meetings of Scotland Excel Joint Committee 2020

There was submitted a report by the Clerk relative to proposed meeting dates for the Joint Committee during 2020.

DECIDED: That meetings of the Joint Committee be held at 10.45 am on 19 June and 11 December 2020 within the City Chambers, Glasgow City Council.

6 Income Stream Update

There was submitted a report by the Director of Scotland Excel relative to the progress made on generating additional funding through a series of income generating projects, detailed financial information of which had been provided in the Revenue Estimates 2020/21 report considered at item 5 of this Minute, a summary of which was detailed in Appendix 1 of the report.

The report intimated that reports on the revenue estimates 2018/19 and the funding model review presented to the Joint Committee on 8 December 2017 and 29 June 2018, respectively, highlighted the challenging future financial landscape for local government and the impact on Scotland Excel. It was recognised that over the medium term, local government in Scotland was likely to face further contraction in available resources and in this context, Scotland Excel continued to seek operational savings to manage its financial position flexibly to maintain the aim of minimising the level of requisition required and develop value propositions for member authorities to ensure that best value was achieved.

Five funding opportunities had been approved by the Joint Committee and were progressing, with three projects contributing targeted surpluses within the current financial year. The report provided updates in relation to each of the funding streams and advised that further updates.

Scotland Excel had implemented a number of internal processes and practices to guide and support income generating projects which were detailed in the report and were developing methods for generating further innovation within the organisation, proposing future projects and sharing good practice with the wider Scotland Excel membership.

DECIDED:

(a) That the progress made in this area be noted; and

(b) That it be noted that further updates on funding projects, including delivery against income targets, would be presented to future meetings of the Joint Committee and Executive Sub-committee.

7 Procurement Commercial Improvement Programme (PCIP) Update

There was submitted a report by the Director of Scotland Excel providing an update on the status of the work undertaken to support councils with the Procurement Commercial Improvement Programme (PCIP).

The report intimated that PCIP, a maturity model designed to assess Scottish public sector procurement performance in a common format, was introduced in 2015 and was a continuation of the work undertaken by the Procurement Capability Assessment carried out on an annual basis since 2008. The focus of PCIP was on the policies and procedures driving procurement performance and the results they delivered.

The first round of PCIP assessments with all 32 councils was carried out in 2016/17 following which a 'lessons learned' and consultation exercise was carried out with key stakeholders. The outcome was that councils would be offered two assessment routes in 2018/19, being either the full assessment route or a streamlined focussed assessment route with any council that scored below 55% in 2016/17 being automatically subject to the full assessment route.

Following selection of the assessment routes, 25 councils were subject to focussed assessment and seven were subject to the full assessment.

The report provided a summary of the profile of the number of councils and the performance band and a breakdown of the average scores across the local government sector for each section of the PCIP assessment for 2016/17 and 2018/19.

The focussed assessment approach delivered in 2018/19 had been well received by councils and Scotland Excel would work with councils, Scottish Government and other centres of excellence to share lessons and ensure that future programmes maintained value and met the needs and aspirations of the local government sector. The Scottish Government were organising a workshop to help inform the future direction of PCIP 2021.

DECIDED: That the progress and completion of the local government sector of the 2018/19 PCIP programme be noted.

8 Community Benefits and Fair Work Practices

There was submitted a report by the Director 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 2019 together with an update on fair work practices which would give an analysis of suppliers' and providers' Living Wage status.

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 newly developed community benefit menu had been favoured by procurement specialists when embarking on new procurement exercises; offered a focussed approach across the Scotland Excel portfolio; and encouraged suppliers and providers to deliver community benefits within the awarding local authority area.

Suppliers and providers were requested to complete a comprehensive community benefits template which, together with ongoing contract management, aimed to support the delivery of the commitments made by suppliers and providers at point of tender.

Table 1 to the report detailed a summary of the social value added across the portfolio since 2013. The appendix to the report detailed the community benefits by council for the period 1 April to 30 September 2019.

In relation to fair work practices, including the Living Wage, the report intimated that Scotland Excel commenced formal consideration within tenders in early 2015 and that the respective position on bidders' work practices had been outlined within contract approval reports submitted to the Executive Sub-committee. The report detailed the overall position across Scotland Excel's portfolio.

The next community benefits data collection, analysis and review cycle would be completed in line with the management information processes to cover the period to the end of March 2020. The results would be reviewed with the supply base and where appropriate would be incorporated into supplier performance objectives.

DECIDED:

(a) That the report be noted; and

(b) That the measures proposed to monitor delivery of community benefits for the 2019/20 financial year be supported.

9 Operating Plan Update 2019/20

There was submitted a report by the Director of Scotland Excel presenting the half-year performance against the Operating Plan 2019/20, a copy of which was appended to the report.

The report summarised the progress made against operating plan commitments and used a 'traffic light' symbol to provide a guide to the status of each activity. This guide had been revised to include symbols to indicate projects or activities which had not yet started and projects or activities which had been completed. The report also tracked performance against 14 key performance indicators linked to strategic outcomes.

DECIDED: That Scotland Excel's performance in the delivery of the Operating Plan 2019/20 be noted.

10 Risk Register Update

There was submitted a report by the Director 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 actions that had been taken to mitigate such risks.

The report intimated that currently there were nine 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.

The risk register template used by Scotland Excel had been adjusted to better reflect that used by Glasgow City Council and a copy of the revised risk register as at 31 October 2019 formed Appendix 2 to the report.

The risk management plan would be reported to the Executive Sub-committee twice a year and the Joint Committee on an annual basis to give members visibility of the risks and actions taken by the organisation to manage and mitigate these risks.

DECIDED: That the report be noted.

11 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 members were appointed to the CEOMG in terms of the CEOMG procedures which were detailed in the report.

In August 2018 a presentation had been made to the SOLACE branch group seeking a new CEOMG member due to the retirement of Mary Pitcaithly. The SOLACE Executive decided to review the overall membership and nominations were received from Angela

Scott, Aberdeen City Council; Margo Williamson, Angus Council; Cleland Sneddon, Argyll & Bute Council; Steve Grimmond, Fife Council; Annemarie O'Donnell, Glasgow City Council and Sandra Black, Renfrewshire Council. Sandra Black would continue to chair meetings of the CEOMG as Chief Executive of the lead authority in line with the CEOMG procedures. These nominations were approved at a meeting of the Joint Committee held on 7 December 2018.

The report proposed that the CEOMG membership remain as detailed in paragraph 1.3 of the report until December 2020 to allow for continuity in the strategic direction for Scotland Excel.

DECIDED: That membership of the CEOMG remain as detailed in paragraph 1.3 of the report until December 2020.



Minute of Meeting Scotland Excel Executive Sub-committee

Date	Time	Venue
Friday, 06 December 2019	09:45	City Chambers, Glasgow City Council, 80 George Square, Glasgow, G2 1DU

Present

Provost Norman A Macdonald (Comhairle Nan Eilean Siar); Councillor Stephen Thompson (Dumfries and Galloway Council); Bailie Norman MacLeod (Glasgow City Council); Councillor Paul Di Mascio (North Lanarkshire Council); Councillor John Shaw (Renfrewshire Council); and Councillor Amanda Hawick (Shetland Islands 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, L Campbell, Corporate Services Manager, and K Murphy, Procurement Coordinator (Policy) (all Scotland Excel); and M Conaghan, Legal and Democratic Services Manager, C McCourt, Finance Business Partner, E Currie, Senior Committee Services Officer and K O'Neill, Assistant Democratic Services Officer (all Renfrewshire Council).

Apologies

Councillor Graham Hutchison (City of Edinburgh Council); and Councillor Alister Mackinnon (Highland Council).

Declarations of Interest

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

Order of Business

In terms of Standing Order 12, the Convener intimated that he proposed to alter the order of business to facilitate the conduct of the meeting by considering item 2 of the agenda after item 3 of the agenda.

1 Minute

There was submitted the Minute of the meeting of the Executive Sub-committee held on 22 November 2019.

DECIDED: That the Minute be approved.

2 Living Wage Terminology

There was submitted a report by the Director of Scotland Excel relative to the various definitions used when referring to the Living Wage and outlining the terminology Scotland Excel would use in future reports.

The report provided information in relation to the Real Living Wage; the Scottish Living Wage; the Scottish Local Government Living Wage; the Glasgow Living Wage; the National Minimum Wage; and the National Living Wage.

DECIDED: That, in line with the Scottish Government, Scotland Excel would support the voluntary rate rather than the legal minimum rate of pay set by the UK Government and in recognising that the various definitions and terminology could be confusing, Scotland Excel would consistently and strongly promote the voluntary rate and the use of the term 'Real Living Wage' to make a distinction from the legal minimum rate set by the UK Government.

3 Revenue Budget Monitoring

There was submitted a revenue budget monitoring report by the Treasurer and the Director of Scotland Excel for the period 1 April to 8 November 2019.

The report intimated that Scotland Excel was projecting a break-even position by year-end in its core activities and that it was anticipated that projects would contribute £173,000 to core.

The table in the report provided an analysis of the actual spend to date along with projected net expenditure for 2019/20 and included a summary of movement in the revenue reserve.

DECIDED: That the report be noted.

Sederunt

Provost Macdonald entered the meeting during consideration of the following item of business.

4 National Care Home Contract Cost Model

There was submitted a report by the Director of Scotland Excel providing an update on work being undertaken to complete the National Care Home Contract (NCHC) Cost Model.

The report intimated that the Cost Model had been developed to provide a transparent and evidence-based approach to underpin the national rate and provide longer-term sustainability for care homes for older people in Scotland. Agreement had been reached on the majority of the elements contained in the Cost Model which related to direct care, however, for the past three years, there had been no agreement on the business cost elements of the model. Last year's offer to the care home sector had been based on the Cost Model and it was agreed that further joint work would be required on the business costs and commercial return section in an attempt to finalise the model. This did not impact on the rate offered and it was made clear to the sector that it might be necessary to look at an alternative approach to reach agreement from April 2020 onwards, given the number of benchmarks rejected by them on the basis that they fell short of their member's expectations.

It was unlikely that agreement on the whole model would be reached for the 2020/21 national rate and it was proposed that the Cost Model be used to enter into negotiation with the sector on the annual uplift based on the direct care costs. Scotland Excel, supported by CoSLA, would lead the negotiation for local government.

Scottish Care called an Extraordinary General Meeting on 30 October 2019 followed by a member vote which concluded on 8 November 2019. Scottish Care advise that their members voted to accept the agreed Cost Care Model elements related to Direct Care Costs and for further negotiation on the outstanding elements of capital and provider return, occupancy and efficiency. Effectively members voted for a continuance of the national approach on agreeing the National Care Home Contract and Cost Model.

Scotland Excel had advised stakeholders of the current position and would lead negotiations with the sector supported by CoSLA following further consultation with stakeholders.

DECIDED: That the report be noted.

5 Contract Delivery Plan Update

There was submitted an update report by the Director of Scotland Excel relative to the progress of the 2019/20 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 4 to the report provided further details.

The report highlighted that contract delivery remained active with 73 current frameworks in the Scotland Excel portfolio, 12 of which were planned for renewal throughout the year; a further 15 new frameworks were planned for the year, nine of which had been delivered to date; and a further 23 frameworks on the current portfolio had extension options, 21 of which had already been approved.

The estimated forecast value of the Scotland Excel framework portfolio by 31 March 2020 would be approximately £1.9 billion.

It was noted that overall, efficiencies delivered to date were 2.7% which was above the 2.5% forecast savings.

In addition to the activity detailed in appendices 1 to 4, Scotland Excel had explored the benefits of further collaborative procurement across high spend, critical service areas of adult social care and construction; was currently evaluating the tender for care and support services, with the framework scheduled to go live in February 2020; would be working with members to undertake the strategy development phase of the Engineering and Construction Consultancy, with the framework scheduled to go live in Autumn 2020; and would continue to work in conjunction with the Digital Office to procure a replacement Social Work Care Case Management System.

As detailed in Appendix 5 to the report, contract participation levels remained high with spend levels in excess of 87% against forecast in the 12 months from July 2018 to June 2019. Expenditure across the portfolio was anticipated to continue to rise over the course of next year and beyond.

It was proposed that future reports contain reference to the targets set and that information be presented using the traffic light system of red, amber and green. This was agreed unanimously.

DECIDED:

(a) That the progress to date be noted; and

(b) That future reports contain information regarding targets set and that the information be presented using the traffic light system of red, amber and green.

6 Employee Absence Management Report

There was submitted a report by the Director of Scotland Excel relative to employee absence statistics for Scotland Excel. The report advised of the absence levels for the period ending 31 October 2019, the previous six and 12 months and provided information relating to the absence statistics and reasons.

It was proposed that information relating to the previous three years be detailed in future reports. This was agreed unanimously.

DECIDED:

(a) That the report be noted; and

(b) That information relating to the previous three years be detailed in future reports.

7 Date of Next Meeting

DECIDED: That it be noted that the next meeting of the Executive Sub-committee would be held at 10.45 am on 31 January 2020 in Scotland Excel Meeting Room 1, Renfrewshire House, Cotton Street, Paisley.

Minute of Meeting Scotland Excel Executive Sub-committee

Date	Time	Venue
Friday, 31 January 2020	10:45	Scotland Excel Meeting Room 1, Renfrewshire House, Cotton Street, Paisley

Present

Councillor Altany Craik (Fife Council); Councillor John Shaw (Renfrewshire Council); Councillor Amanda Hawick (Shetland Islands Council) and Councillor Collette Stevenson (South Lanarkshire Council).

By Video Conference

Councillor Gillian Owen (Aberdeenshire Council) (substitute for Provost Bill Howatson (Aberdeenshire Council); Provost Norman Macdonald (Comhairle Nan Eilean Siar) and Councillor Stephen Thompson (Dumfries and Galloway 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, L Richard, Strategic Procurement Manager and I Murray, Senior Client Services Specialist (all Scotland Excel); and M Conaghan, Legal and Democratic Services Manager and K O'Neill, Assistant Democratic Services Officer (both Renfrewshire Council).

Apologies

Provost Bill Howatson (Aberdeenshire Council); Councillor Graham Hutchison (City of Edinburgh Council); Bailie Norman MacLeod (Glasgow City Council); Councillor Alister MacKinnon (Highland Council); and Councillor Paul Di Mascio (North Lanarkshire 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 6 December 2019.

DECIDED: That the Minute be approved.

2 Contract for Approval: Supply and Distribution of Fresh Fruit and Vegetables

There was submitted a report by the Director of Scotland Excel relative to the award of a new framework for the supply and distribution of fresh fruit and vegetables which would operate from 1 April 2020 until 31 March 2022, with the option to extend for up to an additional two 12 month periods until 30 March 2024.

The framework provided councils and other participating bodies with a mechanism to procure a range of fresh/organic fruit and vegetables and supported councils with the introduction of the revised nutrition act that required a minimum of two portions of vegetables and a portion of fruit to be offered as part of a school lunch, in both primary and secondary schools.

The framework had been divided into two lots as detailed in figure 1 of the report and had been advertised at a value of £6 million over the four-year period.

Tender responses had been received from six suppliers and Appendix 1 to the report provided a summary of the offers received.

Based on the criteria and scoring methodology set out in the tender document, a full evaluation of compliant offers had been carried out and Appendix 2 to the report detailed the scoring achieved by each bidder.

Based on the evaluation undertaken, and in line with the criteria and weightings set out in the report, it was recommended that a multi-supplier framework arrangement be awarded to six suppliers across two lots as outlined in Appendix 2.

Appendix 3 to the report detailed the Real Living Wage status of bidders.

DECIDED: That the award of the framework agreement for the supply and distribution of fresh fruit and vegetables, as detailed in Appendix 2 to the report, be approved.

3 Update on Social Work Care Case Management Framework Award Recommendation

The Head of Strategic Procurement gave a verbal update outlining changes required to the Social Work Case Management Framework presented to the meeting of this Executive Sub-committee held on 22 November 2019.

Members were advised that the scale of the level of detail in the framework required to be amended and that a presentation on this award be delivered at a future meeting of the Executive Sub-committee.

DECIDED:

(a) That the information provided by the Head of Strategic Procurement on the Social Work Care Case Management Framework Award recommendation be noted; and

(b) That a presentation on this award be delivered at a future meeting of the Executive Sub-committee.

4 Associate Member Update Report

There was submitted a report by the Director of Scotland Excel which provided an update on Scotland Excel associate membership.

The report intimated that associate members had always been part of Scotland Excel's membership base and generally joined Scotland Excel to take advantage of a particular contract. There was little or no engagement between associate members and Scotland Excel after the initial joining period which resulted in a relatively static membership level with an equivalent number of members joining and leaving over the years.

Scotland Excel associate membership was classified into five main groups, housing associations, Council arm's length organisations (ALEOs), transport bodies, organisations utilising reciprocal arrangements (Scottish Government and education) and other bodies and table 1 of the report detailed the breakdown of associate members per group.

The growth of associate membership was detailed in figure 1 of the report; the current income breakdown of associate members as at January 2020 was detailed in figure 2 of the report; the increase in the number of housing associations was detailed in figure 3 of the report; and the current fee split of associate members was detailed in figure 4 of the report.

Scotland Excel were currently updating its Associate Strategy which would be presented to committee in February 2020; were also introducing a lite touch account management process for associates to encourage take up of contracts and promotion of additional services; and would continue to review spend levels of associates to ensure that the fee reflected the usage from the associate.

DECIDED: That the progress made with regard to the ongoing work with current associate members and to encourage suitable organisations to apply for membership be noted.

5(a) Request for Associate Membership: West College Scotland

There was submitted a report by the Director of Scotland Excel advising that West College 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 and advised that no annual fee was payable as all education establishments were covered under the reciprocal no fee agreement.

DECIDED: That the application by West College Scotland to become an associate member of Scotland Excel, at no annual fee, be approved subject to completion and signing of the agreement documentation.

5(b) Request for Associate Membership: National Museums Scotland

There was submitted a report by the Director of Scotland Excel advising that National Museums 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 the National Museums Scotland to become an associate member of Scotland Excel, at no annual fee, be approved subject to completion and signing of the agreement documentation.

5(c) Request for Associate Membership: Ardenglen Housing Association Limited

There was submitted a report by the Director of Scotland Excel advising that Ardenglen 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 Ardenglen Housing Association Limited to become an associate member of Scotland Excel, at an annual membership fee of £1,437, be approved subject to completion and signing of the agreement documentation.

5(d) Request for Associate Membership: Dunbritton Housing Association Limited

There was submitted a report by the Director of Scotland Excel advising that Dunbritton 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 Dunbritton Housing Association Limited to become an associate member of Scotland Excel, at an annual membership fee of £1,329, be approved subject to completion and signing of the agreement documentation.

6 Single Use Plastics Update Report

There was submitted a report by the Director of Scotland Excel relative to single use of plastic items within Scotland Excel frameworks.

The Single Use Plastics Update Report January 2020 was appended to the report and provided an update on progress made to date and outlined development activity being undertaken to continue to drive the sourcing of viable alternative products.

DECIDED: That the report and progress made to date be noted.

7 Date of Next Meeting

DECIDED: That it be noted that the next meeting of the Executive Sub-committee would be held at 10.45 am on 28 February 2020 in Scotland Excel Meeting Room 1, Renfrewshire House, Cotton Street, Paisley.

Minute of Meeting Scotland Excel Executive Sub-committee

Date	Time	Venue
Friday, 28 February 2020	10:45	Scotland Excel Meeting Room 1, Renfrewshire House, Cotton Street, Paisley

Present

Provost Norman Macdonald (Comhairle Nan Eilean Siar); Councillor Altany Craik (Fife Council); Baillie Norman MacLeod (Glasgow City Council); Councillor John Shaw (Renfrewshire Council); and Councillor Collette Stevenson (South Lanarkshire Council).

By Video Conference

Provost Bill Howatson (Aberdeenshire Council) and Councillor Stephen Thompson (Dumfries and Galloway 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, L Campbell, Corporate Services Manager, S Brydson, Senior Procurement Specialist, J Hunt, Strategic Programme Manager, A Kowalska, Procurement Co-ordinator and L Cairns, Senior Procurement Specialist (all Scotland Excel); and M Conaghan, Legal and Democratic Services Manager (for items 1 and 2 only), C McCourt, Finance Business Partner, E Currie, Senior Committee Services Officer and K O'Neill, Assistant Democratic Services Officer (all Renfrewshire Council).

Apologies

Councillor Angus Douglas (Angus Council); Councillor Graham Hutchison (City of Edinburgh Council); Councillor Alister MacKinnon (Highland Council); Councillor Paul Di Mascio (North Lanarkshire Council) and Councillor Amanda Hawick (Shetland Islands 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 31 January 2020.

In relation to item 4 – Associate Member Update Report – the Director of Scotland Excel advised that the report in relation to Scotland Excel’s Associate Strategy would be submitted to the meeting of this Sub-committee to be held on 27 March 2020.

DECIDED:

(a) That the Minute be approved; and

(b) That it be noted that the report in relation to Scotland Excel’s Associate Strategy would be submitted to the meeting of this Sub-committee to be held on 27 March 2020.

2 Revenue Budget Monitoring

There was submitted a revenue budget monitoring report by the Treasurer and the Director of Scotland Excel for the period 1 April 2019 to 3 January 2020.

The report intimated that Scotland Excel was projecting a £14,000 underspend compared to budget by year-end in its core activities and that it was anticipated that projects would contribute £173,000 to core.

The table appended to report provided an analysis of the actual spend to date along with projected net expenditure for 2019/20 and included a summary of movement in the revenue reserve.

It was proposed that the information contained in future revenue budget monitoring reports be presented in a different format and this was agreed.

DECIDED:

(a) That the report be noted; and

(b) That the information contained in future revenue budget monitoring reports be presented in the format agreed by the Sub-committee.

3(a) Contract for Approval: National Flexible Framework for Care and Support Services

There was submitted a report by the Director of Scotland Excel relative to the award of the first national flexible framework agreement for the provision of care and support services, care at home and supported living services, in Scotland which would operate from 1 April 2020 until 31 March 2024.

The report intimated that the flexible nature of this framework meant that it would re-open on a six-monthly basis throughout its four-year duration to allow new providers to join, ensuring that a diverse range of services and providers were available to meet the varying needs of people across the country, and promote choice for people who needed support.

Scotland Excel had been funded by the Scottish Government to explore collaborative opportunities in the delivery of care and support services in Scotland and following significant stakeholder engagement, a flexible framework was developed to deliver services predominately delivered into people's own homes and communities.

Currently, councils and Health and Social Care Partnerships (HSCPs) in Scotland contracted separately for these services and this flexible framework provided an opportunity to introduce a single procurement approach, minimising repetition to enable commissioners to focus on ensuring that individual needs were understood and that care packages were enabled to support this.

People who currently accessed care and support through an existing council contract should remain under the contracted arrangement until they chose an alternative or, if their care needs were reassessed. It was likely that the new flexible framework would initially be used for new care and support requirements ensuring ongoing service continuity for people in line with the Scottish Government guidance on procurement of care and support services.

The report summarised the procurement process. The advertised value of the flexible framework was £560 million over a four-year period and 22 Councils/HSCPs had confirmed their intention to use the flexible framework throughout its duration. All 32 councils and HSCPs were named on the published contract notice to allow them to use the flexible framework in the future and an overview of the participating councils was detailed in Appendix 1 to the report.

Tender responses had been received from 84 providers across 334 registered services as detailed in Appendix 2 to the report. There were five unsuccessful providers as their bids were non-compliant with the published qualification criteria. There were three providers who were partly successful as some of their tendered services were non-compliant with the published qualification criteria.

Scotland Excel would work with any providers interested in applying to participate when the flexible framework reopened and with successful providers who wished to vary their services.

Based on the evaluation undertaken, and in line with the criteria and weightings set out in the report, it was recommended that 79 providers across the 22 geographical areas be awarded to the flexible framework from its commencement, as outlined in Appendix 3 to the report. It was noted that this appendix required to be amended so that the total score for Glasgow Homecare Limited trading as Home Instead Senior Care Glasgow South stated 77.5 and not 100.

Appendix 4 to the report detailed the Real Living Wage status of bidders.

DECIDED:

(a) That the award of this flexible framework agreement to the providers, as detailed in Appendix 3 to the report, be approved;

(b) That it be noted that Appendix 3 to the report required to be amended so that the total score for Glasgow Homecare Limited trading as Home Instead Senior Care Glasgow South stated 77.5 and not 100;

(c) That authority be delegated to the Director of Scotland Excel, or Head of Strategic Procurement in the Director's absence, to approve recommendations following the evaluation of offers received on the periodic re-opening of the flexible framework, or following the consideration of formal requests from existing providers for the addition of new services; and

(d) That it be noted that the appointment of any new providers to the flexible framework would be included within the annual procurement report.

3(b) Contract for Approval: Secure Care Services

There was submitted a report by the Director of Scotland Excel relative to the award of a renewal framework for secure care which would operate from 1 April 2020 to 31 March 2022, with an option to extend for up to 24 months.

The report intimated that three reviews had been conducted during the last year of the current arrangement and the findings and recommendations could have a significant impact on the future of secure care services in Scotland as they presented a degree of uncertainty with regards to the political, social and legal environment in which these services operated. In order to manage the risk associated with this uncertainty, the new contracts were designed to be capable of adapting to changes in legislation, standards and practice. To ensure service, continuity and stability whilst awaiting the outcome of the reviews, the new contract term would be for a period of two years, with an option to extend for a further period of up to 24 months.

The report summarised the procurement process and all parties responsible for purchasing secure accommodation placements in Scotland, being 32 councils and the Scottish Government, had agreed to use the new contracts from the start date. Appendix 1 to the report detailed the participation and spend summary of all participants.

Tender responses had been received by four providers as detailed in Appendix 2 to the report.

Based on the criteria and scoring methodology set out in the tender document, a full evaluation of the compliant offers received had been completed and Appendix 2 to the report detailed the scores relative to each bidder.

Based on the evaluation undertaken and in line with the criteria and weightings detailed in the report it was recommended that the contracts be awarded to the four providers as detailed in Appendix 3 to the report.

Appendix 4 to the report detailed the Real Living Wage status of bidders. It was noted that this appendix required to be amended to read that both Rossie Young People's Trust and St. Mary's Kenmure were accredited living wage employers and that Kibble Education and Care Centre paid the Real Living Wage to all employees but were not accredited.

DECIDED:

(a) That the award of contracts for secure care services, as detailed in Appendix 3 to the report, be approved; and

(b) That it be noted that Appendix 4 to the report required to be amended to read that both Rossie Young People's Trust and St. Mary's Kenmure were accredited living wage employers and that Kibble Education and Care Centre paid the Real Living Wage to all employees but were not accredited.

3(c) Contract for Approval: Supply and Delivery of Electrical Materials

There was submitted a report by the Director of Scotland Excel relative to the award of a fourth-generation renewal framework for the supply and delivery of electrical materials which would operate from 1 April 2020 until 31 March 2022, with the option to extend for up to 24 months.

The framework provided councils and other participating bodies with a mechanism to procure a range of electrical products including, but not limited to, cables, wiring accessories, circuit protection, heating, ventilation, safety detectors, and lamps.

The report summarised the outcome of the procurement process for the national framework agreement which incorporated multi-offer lots to provide a choice and flexibility for a range of manufacturer brands. As well as delivering savings, rebates and sustainable procurement initiatives, this renewal also supported recent legislative changes.

The framework had been divided into seven lots as detailed in figure 1 of the report and the total projected contract value was £80 million. Appendix 1 to the report detailed the participation and spend summary for the 31 councils participating in the framework. Tayside Contracts, NHS and Scottish Prison Service had confirmed their intention to participate in the framework.

Tender responses had been received from 13 suppliers however, two tenderers rejected the terms and conditions and withdrew their offers. Appendix 2 to the report provided a summary of the offers received.

Based on the criteria and scoring methodology set out in the tender document, a full evaluation of compliant offers had been carried out and Appendix 3 to the report detailed the scoring achieved by each bidder in each lot.

Based on the evaluation undertaken, and in line with the criteria and weightings set out in the report, it was recommended that a multi-supplier framework arrangement be awarded to 11 suppliers across seven lots as outlined in Appendix 3 to the report.

Appendix 4 to the report detailed the Real Living Wage status of bidders at point of tender.

DECIDED: That the award of the framework agreement for the supply and delivery of electrical materials, as detailed in Appendix 3 to the report, be approved.

3(d) Contract for Approval: Supply and Delivery of Waste Disposal Equipment

There was submitted a report by the Director of Scotland Excel relative to the award of a third-generation renewal framework for the supply and delivery of waste disposal equipment which would operate from 1 April 2020 until 31 March 2024.

The framework provided councils and other participating bodies with a mechanism to procure a wide range of waste disposal equipment including, but not limited to, large containers, skips, compactors, balers and roll-packers.

The report summarised the outcome of the procurement process for this third-generation framework agreement.

The framework had been divided into four lots as detailed in figure 1 of the report and had been advertised at a value of £5 million over the four-year period. Appendix 1 to the report detailed the participation, spend and savings summary of those 31 councils participating in the framework.

Tender responses had been received from nine suppliers and Appendix 2 to the report provided a summary of the offers received.

Based on the criteria and scoring methodology set out in the tender document, a full evaluation of compliant offers had been carried out and Appendix 3 to the report detailed the scoring achieved by each bidder.

Based on the evaluation undertaken, and in line with the criteria and weightings set out in the report, it was recommended that a multi-supplier framework arrangement be awarded to eight suppliers across the four lots and Council geographical areas as outlined in Appendix 3 to the report.

Appendix 4 to the report detailed the Real Living Wage status of bidders.

DECIDED: That the award of the framework agreement for the supply and delivery of waste disposal equipment, as detailed in Appendix 3 to the report, be approved.

4 Operating Plan Update 2019/20

There was submitted a report by the Director of Scotland Excel relative to the progress made towards delivering the five-year corporate strategy.

The report intimated that 52 of the 64 actions were progressing in line with plans; five activities were progressing more slowly than anticipated; three activities had been completed during the first three quarters of the financial year; and four activities would commence in the fourth quarter of this financial year.

It was noted that the recommendation in the report referred to the Joint Committee and that this should be the Executive Sub-committee.

DECIDED: That the Executive Sub-committee note the progress made in delivering the commitments contained in the Operating Plan 2019/20.

5 Date of Next Meeting

DECIDED: That it be noted that the next meeting of the Executive Sub-committee would be held at 10.45 am on 27 March 2020 in Scotland Excel Meeting Room 1, Renfrewshire House, Cotton Street, Paisley.

Minute of Meeting Scotland Excel Executive Sub-committee

Date	Time	Venue
Friday, 27 March 2020	10:45	By Video Conference,

Present

Provost Bill Howatson (Aberdeenshire Council); Councillor Paul Di Mascio (North Lanarkshire Council); and Councillor John Shaw (Renfrewshire 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, L Campbell, Corporate Services Manager and L Muir, Senior Procurement Specialist (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 Graham Hutchison (City of Edinburgh Council); Provost Norman Macdonald (Comhairle Nan Eilean Siar); Councillor Stephen Thompson (Dumfries and Galloway Council); Bailie Norman McLeod (Glasgow City Council); Councillor Alister Mackinnon (Highland Council); and Councillor Amanda Hawick (Shetlands Islands Council).

Declarations of Interest

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

Additional Item

The Convener intimated that there was an additional item of business in relation to Covid-19 Emergency Governance Arrangements which had not been included in the notice calling the meeting. The Convener, being of the opinion that the item which is dealt with at item 8 below, was urgent in view of the need to advise members of the position, authorised its consideration.

Order of Business

In terms of Standing Order 12, the Convener intimated that he proposed to alter the order of business to facilitate the conduct of the meeting by considering item 8 of the agenda after the additional item of business.

1 Minute

There was submitted the Minute of the meeting of the Executive Sub-committee held on 28 February 2020.

DECIDED: That the Minute be approved.

2 Audit Scotland Annual Audit Plan 2019/20

There was submitted a report by the Treasurer relative to Audit Scotland's annual audit plan 2019/20 for the Joint Committee which outlined Audit Scotland's planned activities in their audit for the 2019/20 financial year, a copy of which was appended to the report.

The report intimated that, based on analysis of the risks facing the Joint Committee, Audit Scotland had submitted an audit plan which outlined its approach to the audit of the Joint Committee's 2019/20 annual accounts to assess whether the accounts provided a true and fair view of the Joint Committee's financial position and also whether the accounts had been prepared in accordance with proper accounting practice, the 2019 Code of Practice on Local Authority Accounting in the UK.

The annual audit plan outlined the responsibilities of the Joint Committee, Treasurer and Audit Scotland; an assessment of key challenges and risks; the approach and timetable for completion of the audit; and included a section on Audit Risks which had been included in the audit plans of many bodies which Audit Scotland worked with. The inclusion of this section was not a reflection of any specific risk within the Joint Committee.

The Senior Audit Manager, Audit Scotland, focussed on three sections of the audit plan being the risks identified in Exhibit 1, materiality and the audit fee.

DECIDED: That Audit Scotland's annual audit plan 2019/20 be noted.

3 Contract Authorisation: Supply Only and Supply and Distribution of Groceries and Provisions

There was submitted a report by the Director of Scotland Excel relative to the award of a renewal framework agreement for the supply only and the supply and distribution of groceries and provisions which would operate from 1 May 2020 until 30 April 2022, with an option to extend for up to two one-year periods until 30 April 2024.

The framework provided councils with a mechanism to procure a range of dairy and chilled products, dried goods, ambient products, crisps, confectionery, soft drinks and water. The renewal incorporated a number of enhancements including the option for manufacturers to bid directly and it was anticipated that this would create brand flexibility, enhance locally sourced produce and increase the inclusion of sustainable products.

The report summarised the outcome of the procurement process for this national framework agreement.

The framework had been divided into five lots as detailed in figure 1 of the report and had been advertised at a value of up to £30 million per annum. Appendix 1 to the report detailed the participation, spend and savings summary of those 30 councils participating in the framework together with Tayside Contracts. It was noted that Orkney Islands Council had its own arrangements in place and Shetland Islands Council did not confirm their intention to participate in the framework.

Tender responses had been received from 17 tenderers and Appendix 2 to the report provided a summary of the offers received. The commercial offer submitted by two tenderers was uncompetitive when compared to other offers for the lot and they were therefore unsuccessful.

Based on the criteria and scoring methodology set out in the tender document, a full evaluation of compliant offers had been carried out and Appendix 3 to the report detailed the scoring achieved by each bidder.

Based on the evaluation undertaken, and in line with the criteria and weightings set out in the report, it was recommended that a framework arrangement be awarded to 15 suppliers as outlined in Appendix 3 to the report.

Appendix 4 to the report detailed the Real Living Wage status of bidders.

DECIDED: That the award of the framework agreement for the supply only and supply and distribution of groceries and provisions, as detailed in Appendix 3 to the report, be approved.

4 Outline of the Scotland Excel approach to Contract and Supplier Management

There was submitted a report by the Director of Scotland Excel relative to Scotland Excel's approach to contract and supplier management.

The report intimated that regular contract reviews maintained the relationship between Scotland Excel and the supply base; supported active engagement to monitor contract and supplier performance; and maintained an awareness of market developments and their impact across the sector. During the mobilisation stages of new contracts, contract owners met with suppliers to discuss performance requirements and Scotland Excel's contract and supplier management approach in detail. A contract specific management plan was then developed with contract owners considering, as a minimum, contract classification (and therefore risk and value); contract type; supply base stability; macro environment; and PESTLES issues. These management action plans were monitored through scheduled reviews and the performance elements were assessed.

The contract segmentation tool considered a range of 14 criteria and, once completed, automatically generated a total score out of 100, the higher the output score the higher the classification of contract and supplier management activity. There were five segmentation classifications rated from class A to E and these were detailed in table 1 of the report.

Management information was collected quarterly from suppliers which enabled Scotland Excel to highlight potential areas of additional savings and areas where contracts did not accurately reflect customer needs. This data was shared with customers via UIG's and quarterly account management reviews. At a high level, feedback to customers on performance monitoring was provided via commercial UIG's, together with spend, savings and overall business and contract performance.

The contract management process was underpinned by gathering data from a broad selection of stakeholders and questionnaire returns. Suppliers were informed of relevant feedback from Councils and were held accountable for delivery of actions arising from this feedback.

DECIDED: That the report be noted and the current approach to contract supplier management be endorsed.

5 Associate Strategy

There was submitted a report by the Director of Scotland Excel relative to Scotland Excel's Associate Member Strategy, a copy of which was appended to the report.

The report intimated that the Associate Member Strategy had been refreshed as a number of key changes had occurred since it was first published in 2016.

Scotland Excel had over 80 associate members which were split into five categories of Council Arms Length External Organisations (ALEOs); housing associations; third sector; non-departmental public bodies/reciprocal arrangements; and other organisations. The report detailed the focus on growth of membership in each of these categories.

Scotland Excel had explored its existing fee structure and future options for development and the strategy set out options together with a recommendation that Scotland Excel retained future rebates associated with associate spend which would be implemented over a period of time with a review of appropriate documentation and notification to suppliers and associate members.

DECIDED:

(a) That the strategic direction set out in the strategy be noted; and

(b) That the move to implementing a model whereby associate member rebates were retained by Scotland Excel to support organisational sustainability be approved.

6(a) Request for Associate Membership: Angus Housing Association Limited

There was submitted a report by the Director of Scotland Excel advising that Angus 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 Angus Housing Association Limited to become an

associate member of Scotland Excel, at an annual membership fee of £3,000, be approved subject to completion and signing of the agreement documentation.

6(b) Request for Associate Membership: Edinburgh International Festival Society

There was submitted a report by the Director of Scotland Excel advising that Edinburgh International Festival Society 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 International Festival Society to become an associate member of Scotland Excel, at an annual membership fee of £500, be approved subject to completion and signing of the agreement documentation

6(c) Request for Associate membership: Scottish Canals

There was submitted a report by the Director of Scotland Excel advising that Scottish Canals 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 Scottish Canals to become an associate member of Scotland Excel, at no annual fee, be approved subject to completion and signing of the agreement documentation.

6(d) Request for Associate Membership: Scottish Fire and Rescue Service

There was submitted a report by the Director of Scotland Excel advising that the Scottish Fire and Rescue Service 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 Scottish Fire and Rescue Service to become an associate member of Scotland Excel, at an annual membership fee of £5,000, be approved subject to completion and signing of the agreement documentation.

6(e) Request for Associate Membership: Trust Housing Association Limited

There was submitted a report by the Director of Scotland Excel advising that Trust 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 Trust Housing Association Limited to become an associate member of Scotland Excel, at an annual membership fee of £5,325, be approved subject to completion and signing of the agreement documentation.

6(f) Request for Associate Membership: University of Edinburgh

There was submitted a report by the Director of Scotland Excel advising that the University of Edinburgh 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 Edinburgh to become an associate member of Scotland Excel, at no annual fee, be approved subject to completion and signing of the agreement documentation.

7 Review of Job Title for Director of Scotland Excel

There was submitted a report by the Clerk seeking approval to the post title of Director of Scotland Excel being changed to Chief Executive of Scotland Excel.

The report intimated that the post of Director of Scotland Excel had been created when the organisation was established in 2008 and, at that time, the job title reflected the title of the most senior officer's post in the predecessor organisation, the Authorities Buying Consortium, on which Scotland Excel's governance was initially based.

The role of the Director was set out in Scotland Excel's governance documents and was defined as the officer appointed by the joint committee to have overall responsibility for the operational performance of Scotland Excel. There had been significant changes to the landscape in which Scotland Excel operated since its inception in 2008, and this had demanded that the Director operated at a much more strategic level, engaging national and local stakeholders in the development of Scotland Excel, the promotion of excellence in strategic procurement in local government and a much more proactive relationship with industry and suppliers.

The original focus of the Director's role had been primarily to get the organisation set up and running effectively but the role was now key in supporting and leading emerging policy agendas for both local and national government. The proposed revision of the job title more accurately reflected the strategic nature of the role and the level of stakeholder engagement and influencing required. The change in title of the post would not involve a regrading of the post.

DECIDED: That the post of Director of Scotland Excel be retitled as Chief Executive of Scotland Excel.

8 Covid-19 Emergency Governance Arrangements

There was submitted a report by the Director of Scotland Excel relative to Covid-19.

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 report sought approval for delegations to the Director to enable decisions to be taken without there being a requirement for the Executive Sub-committee.

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.

Condition 6.1(c) of Scotland Excel's Standing Orders Relating to Contracts required a signature to validate contract processes where the contract was subject to standing orders, unless where the Clerk and Director agreed otherwise. Both the Clerk and the Director of Scotland Excel had agreed to dispense with condition 6.1(c) of Scotland Excel's Standing Orders Relating to Contracts and this change would allow award letters to be issued electronically and thereby facilitate staff working from home maintaining social distancing and self-isolation.

Members thanked all staff members of Scotland Excel for the work being undertaken in ensuring the organisation operated as 'business as usual' and noted that the organisation was well placed to allow all staff to work remotely.

DECIDED:

(a) That delegated authority be granted to the Director, in consultation with the Chair and/or Vice Chair of the Executive Sub-committee, to cancel, if necessary, the planned meeting of the Executive Sub-committee scheduled to be held on 29 May 2020 and any subsequent meeting;

(b) That delegated authority be granted to the Director, in consultation with the Chair and/or Vice Chair, 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 taking place;

(c) That it be agreed that temporary associate membership, at no fee, be granted to any public body or third sector organisation that the Director felt would benefit efforts to tackle the current crisis; and

(d) That the actions taken to protect Scotland Excel staff and to support councils at this time be noted.

9 Date of Next Meeting

DECIDED: That it be noted that the next meeting of the Executive Sub-committee was scheduled to be held at 10.45 am on 29 May 2020 unless cancelled by the Director of Scotland Excel.

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.

Scotland Excel

To: Joint Committee

On: 19 June 2020

**Report by:
The Clerk**

Membership of Scotland Excel Sub-committee

1 Summary

- 1.1 The membership of the Scotland Excel Executive Sub-committee is renewed annually.
- 1.2 The purpose of this report is to seek the Joint Committee's approval to the continued appointment of the existing membership of the Sub-committee.

2 Recommendations

- 2.1 That the Joint Committee agree that the members of the Executive Sub-committee shall continue to come from those Councils listed in paragraph 3.3 of the report; and
- 2.2 That membership of the Executive Sub-committee be next reviewed at the meeting of the Joint Committee in June 2021.

3 Background

- 3.1 The Scotland Excel Terms and Conditions document signed by all member councils provides that there shall be an Executive Sub-committee with the role and functions of the Sub-committee to be determined by the Joint Committee.
- 3.2 In June 2017, the Joint Committee agreed to increase the number of members of the Sub-committee from 12 to 13 to include both the Convener and Vice Convener and the Procedural Standing Orders for the Joint Committee were amended to reflect that change. However, the new arrangements remained subject to the requirement that where possible the membership of the Executive Sub-committee shall reflect the geographic diversity of the constituent authorities.

- 3.3 It was agreed at that meeting that the membership of the Executive Sub-committee should comprise elected members from the following Councils:-

Renfrewshire

North Lanarkshire

Angus

Aberdeenshire

Comhairle nan Eilean Sar

Fife

Glasgow City

Highland

North Ayrshire

City of Edinburgh

South Lanarkshire

Shetlands Islands

Dumfries & Galloway

- 3.4 The Joint Committee is requested to consider the appointment of members to the Executive Sub-committee for the period to June 2021 when it is proposed that the membership would be reviewed.
- 3.5 The main function of the Executive Sub-committee is to consider and decide upon the award of contracts and frameworks. The proposal to continue with the existing membership will ensure that the knowledge and experience built up over the lifetime of the current arrangements is not lost or diluted.

Scotland Excel

To: Joint Committee

On: 19 June 2020

**Report by:
The Treasurer**

Scotland Excel Unaudited Annual Accounts 2019/20

1. Summary

- 1.1. The Annual Accounts for the year ended 31 March 2020 will be submitted to Audit Scotland in advance of the statutory deadline of 30 June 2020 and a copy is attached at Appendix 1 for consideration.
- 1.2. Scotland Excel's Core activities resulted in a draw on reserves of £6,139 in 2019/20 compared to a budgeted draw on reserves of £14,000. Projects returned income of £126,368 over expenditure. This produces a combined underspend for the year of £120,229. This underspend is added to Usable Reserves, which are committed as outlined in Note 5 to the Accounts.
- 1.3. The Management Commentary (pages 1-10) within the accounts provides an overview of Scotland Excel's performance during 2019/20, along with risk information and its outlook for the future.

2. Recommendations

- 2.1. The Joint Committee is asked to:
 - (a) Note the Unaudited Annual Accounts for 2019/20; and
 - (b) Approve the Annual Governance Statement (pages 12-13).

3. Background

- 3.1. The Local Authority Accounts (Scotland) Regulations 2014 require Scotland Excel to prepare and publish a set of accounts, including an Annual Governance Statement, by 30 June each year.
- 3.2. The Unaudited Accounts are then required to be formally considered by the Joint Committee no later than 31 August and the Annual Governance Statement should be formally approved by this time.

- 3.3. In accordance with the Local Authority Accounts (Scotland) Regulations 2014, the Unaudited Annual Accounts will be signed only by the Treasurer as proper officer.
- 3.4. The accounts are then subject to external audit by the appointed auditor, Audit Scotland, by 30 September. The 2019/20 Audited Annual Accounts are currently scheduled to be presented to the Executive Sub-Committee on 18 September 2020 for approval and to be signed by the Convener, the Chief Executive and the Treasurer, in accordance with the regulations.
- 3.5. The Comprehensive Income and Expenditure Statement on page 16 shows an accounting Deficit on the Provision of Services of £735,558.
- 3.6. The Expenditure and Funding Analysis on page 19 shows how this differs from the budgetary surplus of £120,229 due to accounting adjustments for pension costs, capital charges and the statutory employee leave accrual.
- 3.7. The Balance Sheet on page 18 shows an increase in net worth of £1,742,442, which is largely driven by the movement in the pension liability. This is explained further in the Management Commentary within the accounts.
- 3.8. Note 5 on page 21 outlines committed and uncommitted balances on Core Operations (the Revenue Reserve) and Projects at 31 March 2020.



Unaudited Annual Accounts 2019/20

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Management Commentary

The purpose of the Management Commentary is to present an overview of Scotland Excel’s financial performance during the year 2019/20 and to help readers understand its financial position at 31 March 2020. In addition, it outlines the main risks and uncertainties facing the organisation for the financial year 2019/20 and beyond.

Structure

Scotland Excel is a Joint Committee constituted by Scottish local authorities and formed under Section 57 of the Local Government (Scotland) Act, 1973 for the purpose of regulating the joint discharge of the functions by the Constituent Authorities.

Scotland Excel is governed by three groups of stakeholders drawn from our member organisations:

The **Joint Committee** is made up of one or more Elected Members (Councillors) from each of Scotland’s 32 local authorities. It meets twice a year and is responsible for the strategic direction of the organisation and for approving the annual budget and business plan.

The **Executive Sub-Committee** is a sub-group of Elected Members from the Joint Committee who meet regularly to approve contract awards and other business decisions.

The **Management Group** consists of six local authority Chief Executives ensuring delivery of Scotland Excel’s overall business plan objectives and providing strategic direction across a range of operational areas.

Internally, the organisation has Executive and Senior Management Teams that run the day-to-day business of Scotland Excel. There is also an active Staff Engagement Group that facilitates employee engagement, as well as organising charity and social events.

Strategic Aims

The Scotland Excel 2018-23 Strategy, “Shared Vision, Shared Success”, sets out how we plan to raise our game further, providing even greater support to councils and other public sector stakeholders. The Strategy looks forward over a period of five years to support a longer-term view of our goals and objectives and enable us to plan accordingly.

The Strategy can be found at the following link:
<http://www.scotland.org.uk/home/Aboutus/Business-Goals.aspx>



The current Scotland Excel Strategy Map is detailed below.

Vision

To provide innovative, transformative solutions for local and national public services across Scotland

Mission

To make the most of our strategic **procurement expertise** and our experience of developing **collaborative solutions** which support **better outcomes** for Scotland's people and communities through **early intervention** and the delivery of **sustainable public services**

Values

Professional • Courageous • Respectful • Integrity

Outcomes

Our services shape the effective and efficient delivery of public services	Our services facilitate the delivery of national and local policy priorities	Our insight and knowledge underpins innovative solutions for our customers	Our customers receive a measurable return on investment through savings
Our expertise leads continuous improvement in commercial performance	Our services enable positive and sustainable outcomes for people and communities	Our activities are recognised as leading the way in public procurement	Our customers are satisfied with our services and how we deliver them

Goals

<p>1: Shaping solutions for innovative public services</p> <p>Strategic objectives:</p> <p>1.1 Deliver a programme of collaborative procurement to support early intervention and the delivery of public services</p> <p>1.2 Deliver programmes which lead and develop professional, organisational and commercial capability</p> <p>1.3 Harness the potential of digital technology and data insight to support the delivery of public services</p> <p>1.4 Use our insight and experience to shape policy and meet the challenges of future public service delivery</p>	<p>2: Being sustainable in everything we do</p> <p>Strategic objectives:</p> <p>2.1 Deliver positive and measurable social value through our contracts</p> <p>2.2 Deliver positive and measurable local impact through SME and third sector participation in our contracts</p> <p>2.3 Deliver positive and measurable environmental benefits through our contracts</p> <p>2.4 Lead and develop sustainable procurement knowledge and practice</p>	<p>3: Placing people at the heart of our business</p> <p>Strategic objectives:</p> <p>3.1 Ensure our customers continue to receive maximum value from our services</p> <p>3.2 Engage stakeholders in the delivery of effective local solutions</p> <p>3.3 Represent the collective views of stakeholders at a national level</p> <p>3.4 Implement policies which develop, empower, value and engage our workforce</p>	<p>4: Driving sustainable and scalable growth</p> <p>Strategic objectives:</p> <p>4.1 Implement a new governance model which supports scalable business growth</p> <p>4.2 Continue to maintain a robust business infrastructure to support our growth ambitions</p> <p>4.3 Use our knowledge and insight to identify new services and/or sectors which provide growth opportunities</p> <p>4.4 Explore opportunities to work with partners on the development and delivery of new business opportunities</p>
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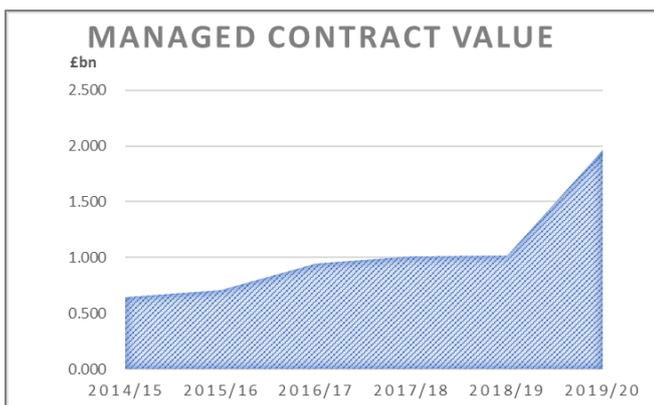
Performance

Review of the Year

During 2019/20, Scotland Excel continued to deliver against target outcomes detailed within the organisation’s “Shared Vision, Shared Success Corporate Strategy” document for 2018-23. The framework portfolio administered by the organisation during 2019/20 expanded through the launch of new product frameworks including the New Build Housing and Care and Support frameworks. In addition to launching new frameworks, Scotland Excel assumed the lead role under the National Care Homes Contract (NCHC) from COSLA in April 2019.

Scotland Excel Academy continued its successful rollout across Public and Third sector organisations and a total of 18 consultancy and support projects were delivered during the year.

As at March 2020, the estimated value of the contract portfolio managed and administered by Scotland Excel exceeded £1.98bn. The graph below shows the rise in estimated value of the managed contract portfolio administered by Scotland Excel over the past 6 years.



Weighted savings figures (calculated by dividing the estimated savings by the value of each framework) for local authorities in relation to the Scotland Excel portfolio are estimated at 2.53%. This savings figure excludes contracts relating to social care.

The expansion of both the contract framework portfolio and the increasing numbers of consultancy

and support contracts being delivered by Scotland Excel has necessitated an increasing workforce over the past 6 years as detailed in the graph below.



Contract Rebates

The use of volume Contract Rebates within appropriate contracts was approved by Scotland Excel at the June 2018 Joint Committee. As part of the internal contract governance process, the applicability of the inclusion of rebates is now standard practice within the organisation.

Income from Contract Rebates was initially targeted to deliver a contribution of £0.055m to core operating costs in financial year 2020/21. It is anticipated however that this figure will be exceeded with a revised budget estimate of £0.066m being forecast. A number of Scotland Excel framework opportunities have been identified and are being considered for future rebate opportunities. The contribution from Contract Rebates to core operating costs is projected to increase over the coming years.

Key Performance Indicators

A summary of key performance indicators for Scotland Excel for the period January 2019 to December 2019 is detailed on the graphic below.

Scotland Excel Overview

Latest information for customers and suppliers - <https://scotlandexcelcovid19-newsroom.prgloo.com/>

Frameworks



£1.9bn Value of our frameworks



£15.7M

Estimated savings delivered against agreed spend levels



71
Number of live frameworks

Scotland Excel has closed its office and all staff are working from home.

Scotland Excel is fully equipped to support agile working and continues to deliver for our customers.



Suppliers

1006
Number of suppliers over all frameworks

74%
% SMEs over all frameworks

608
Number of Scottish suppliers over all frameworks

82%
% of Scottish suppliers that are SMEs

Learning & Development



147
Qualifications Awarded by The Academy
28
Councils Engaged in The Academy

Community Benefits

Total	821	275	67,184 hours	£1.46m
Apr - Sept 19	192	21	5,879 hours	£560k
Jobs	Apprentices	Work experience	Charity/community initiatives	

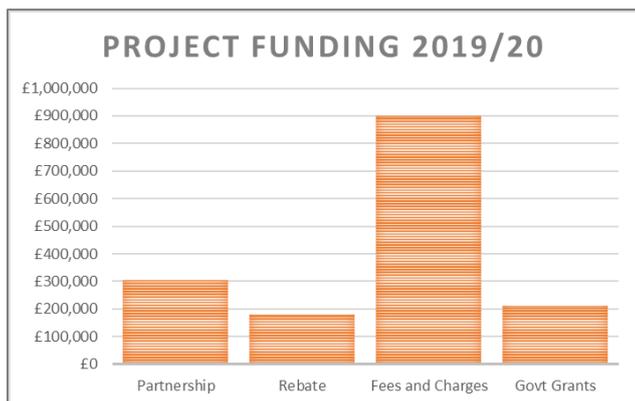
Scottish Living Wage

83%
Pay the Scottish Living Wage

Framework information at Q3 2019/20; estimated savings figure does not include social care service frameworks | Community Benefits: Total = Apr 2013 to Sept 19 | Living Wage is of the 926 suppliers appointed since formal consideration of living wage in tenders

Consultancy

During 2019/2020, Scotland Excel worked closely with a range of Public, Government and Third sector organisations delivering procurement related projects and consultancy services. Projects are resourced through a range of funding models including Scottish Government Grant Funding, partnership funding across a group of local authority partners and specific project fees for individual projects. Sources and levels of project funding for 2019/20 are shown below.



In total, 18 projects were delivered by Scotland Excel during 2019/20, generating a turnover in excess of £1.93m and a contribution to core running costs of £0.17m.

One such project is the "Fife Procurement Transformation Programme" which started in September 2018 and runs for 2 years. The programme is made up of 13 individual projects that have been designed in partnership with Fife Council and contribute to the overall aims of the local authority. At 31 March 2020, the project has identified over £10m of potential benefits of which recurring benefits rise to in excess of £25m.

Projects being delivered for Third and other Public sector agencies include Kingdom Housing Association, Cycling Scotland, City Properties, SEEMiS and the Improvement Service.

Learning and Development

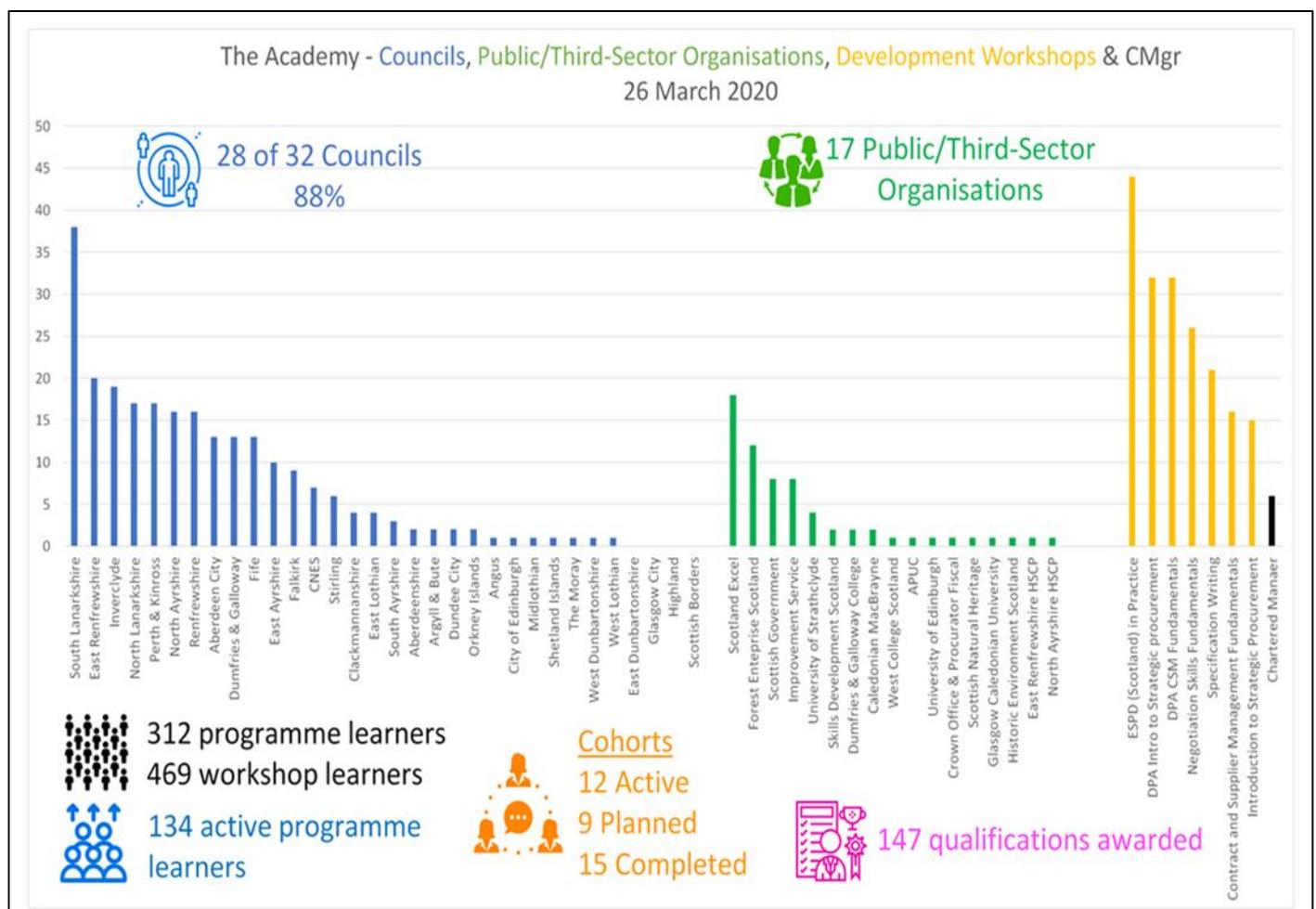
The Scotland Excel Academy continues to help raise the profile of procurement within local authorities and across the Public and Third sectors by championing its potential to shape markets, support policy priorities and, ultimately, ensure the sustainable delivery of services.

The Academy supports work-based learning through a blend of online learning, face to face workshops and master classes. The knowledge gained through this can then be applied directly in the workplace. The

Academy also supports mentoring and practice sharing among the local authority community.

It is important to note that the Academy has continued to deliver taught workshops online using video and screen sharing software during the COVID-19 lockdown period.

A summary of key performance information for the Scotland Excel Academy during 2019/20 is shown in the graphic below. Of the 147 qualifications awarded in the year, six learners achieved Chartered Manager (CMgr), the highest accolade in the leadership and management profession.



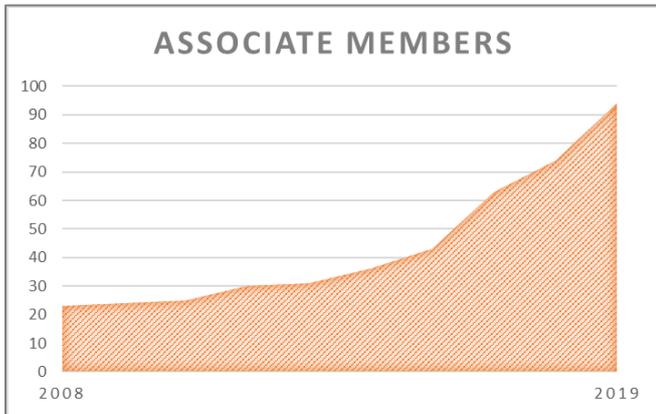
Associate Membership Expansion

Scotland Excel continues to build its portfolio of Associate Members, which currently number 94 in total. Associate Members are made up of 21 Arm's Length External Organisations (ALEOs), who gain associate membership through their host local

authority. A further 73 Associate Members are drawn from a range of sectors including Social Housing, Charitable Trusts and include a number of Scottish Government Bodies.

Scotland Excel Associate Members have access to the full range of contracts and frameworks administered

by Scotland Excel along with access to the procurement expertise available within the organisation. The graph below details the growth in Associate membership for Scotland Excel over the past five years.



New Build Housing

Following an extensive development period and a restricted procurement exercise, 19 contractors have been awarded to the New Build Housing framework which commenced on 26 August 2019. The new framework comprises five lots aimed at different project sizes and includes provisions which encourage sustainable and energy efficient housing, advertising of sub-contracting opportunities, delivery of community benefits and use of supported businesses and social enterprises.

Extensive engagement was undertaken with individual contractors and purchasers, as well as a number of other key stakeholder groups. The framework was formally launched at an event in Edinburgh in October 2019 which brought together contractors, Scotland Excel Local Authority and Associate members.

Individual and bespoke mobilisation sessions are now being undertaken by the Scotland Excel team with member councils and housing associations.

The New Build Residential Construction framework was initially targeted to deliver its first contribution of £0.093m in financial year 2020/21. It is anticipated that the contribution to surplus for the New Build project in the 2020/21 budget will not be achieved

due to the impact of COVID-19 restrictions. The annual estimates previously derived over two years, however, are still anticipated to be delivered albeit over a longer time period.

Primary Financial Statements

The annual accounts are prepared in accordance with the International Accounting Standards Board Framework for the Preparation and Presentation of Financial Statements as interpreted by the Code of Practice on Local Authority Accounting in the United Kingdom (the Code). Under Section 106 of the Local Government (Scotland) Act 1973, joint committees are classed as local authorities.

The annual accounts summarise the Joint Committee's transactions for the year and its year-end position at 31 March 2020. The Primary Financial Statements include the Comprehensive Income and Expenditure Statement (CIES), the Movement in Reserves Statement (MIRS) and the Balance Sheet. These statements are accompanied by Notes to the Accounts, which provide more details on the figures shown in the statements and set out the Accounting Policies adopted by the Joint Committee.

The Joint Committee does not have a bank account. Apart from petty cash, all transactions are accounted for through Renfrewshire Council as the administering authority. The cash balance at 31 March 2020 of £150 in the Balance Sheet represents petty cash held by officers of the Joint Committee.

Financial Performance

Excluding Project expenditure and income, the Joint Committee returned a net expenditure in 2019/20 of £6,139, compared to the approved budget of £14,000, resulting in an underspend of £7,861.

There were a number of additional pressures in Employee Costs during 2019/20 relating to maternity backfill arrangements and agency resources. There were also some minor overspends in Premises Costs and Apprenticeship Levy (Transfer Payments).

These pressures were offset by underspends across Supplies and Services, including furniture and marketing (£7,757) and Transport Costs (£4,764). The net result was an overspend in gross expenditure for 2019/20 of £51,611.

Income from requisitions was fully recovered in the year, however Associate Income was higher than anticipated. In addition, Scotland Excel received a grant from the Scottish Government of £150,633, which funded the Supported Living / Care at Home activity that was originally budgeted to be funded from £120,000 of Project reserve balances. This meant that the reserve drawdown was no longer needed. The net result was an over-recovery in gross income for 2019/20 of £59,472.

Scotland Excel's Projects ended the year at 31 March 2020 with a surplus of income over expenditure of £126,368. This balance is committed for future Project spend, as outlined in Note 5: Transfers to / from Earmarked Reserves on page 21.

The Comprehensive Income and Expenditure Statement (CIES) on page 16 summarises the total costs of providing services and the income available to fund those services.

The difference between Employee Costs in the figure below and the figure reported in the CIES is due to accounting adjustments for pension costs (£809,000) and accrued employee benefits (£20,079).

The difference between the Other Income figure below and the figure reported in the CIES is the re-classification of £243,349 as Government Grants, as well as Interest receivable of £4,203 and Pension interest costs of £99,000.

The CIES also records capital charges and capital grants that affect the accounting deficit. These reporting differences are presented in Note 1: Expenditure Funding Analysis on page 19.

	Core			Projects Actual £	Total Actual £
	Budget £	Actual £	Variance £		
Employee Costs	3,108,860	3,168,672	(59,812)	1,387,370	4,556,042
Premises Related Costs	216,800	219,244	(2,444)	0	219,244
Supplies and Services	254,280	247,626	6,654	400,004	647,630
Support Costs	220,740	223,849	(3,109)	0	223,849
Supported Living / Care at Home	169,400	165,872	3,528	0	165,872
Transfer Payments	10,820	12,012	(1,192)	4,503	16,515
Transport Costs	35,000	30,236	4,764	13,255	43,491
Total Expenditure	4,015,900	4,067,511	(51,611)	1,805,132	5,872,643
Requisitions from Member Authorities	(3,553,900)	(3,553,900)	0	0	(3,553,900)
Income from Projects	(173,000)	(173,000)	0	(1,838,784)	(2,011,784)
Temporary Use of Project Balances	(120,000)	0	(120,000)	0	0
Other Income	(155,000)	(334,472)	179,472	(92,716)	(427,188)
Total Income	(4,001,900)	(4,061,372)	59,472	(1,931,500)	(5,992,872)
Net Expenditure / (Income) for Year	14,000	6,139	7,861	(126,368)	(120,229)

The Balance Sheet at 31 March 2020

The Balance Sheet sets out the total net worth of the Joint Committee at a snapshot in time. When

comparing the net worth of the Joint Committee at 31 March 2020 to that of the prior year, an overall increase in net worth of the organisation of £1.742m can be seen. This is primarily due to the decrease in pension liability explained later.

Non-current assets held by the Joint Committee include IT equipment and software. Details can be found in Note 8: Intangible Assets and Note 9: Plant and Equipment on page 24.

Net Pension Position

The disclosure requirements for pension benefits under IAS19 are detailed at Note 16: Retirement Benefits on page 26.

The appointed actuaries have confirmed a net liability position of £2.051m (£3.621m 2018/19), a decrease in liabilities of £1.570m, in their assessment of the position of the pension fund. This can be attributed to a higher net discount rate which serves to reduce the value placed on the obligations (corporate bond yields are at a similar level to 2019 but inflation expectations are significantly lower).

There is no further impact in 2019/20 relating to the McCloud/Sargeant case noted in last year's accounts, whereby transitional protections on implementation of the new pension benefit structure in 2015 for members close to retirement age are argued to be unlawful on the grounds of age discrimination. The 2018/19 impact was an additional £0.223m of pension liability.

The net deficit position of the pension reserve impacts the Joint Committee as a whole, however the funding of these future liabilities will be met from future requisitions from members and as such the going concern assumption is valid.

The appointed actuaries remain of the view that the asset holdings of the Strathclyde Pension Fund and the contributions from employees and employers together with planned increases in employers' contributions provide sufficient security and income to meet future pension liabilities.

A further potential change to pension rules is outlined in Note 17: Contingent Liabilities on page 28; however, this has not been reflected in the pension liability reported in the Balance Sheet.

Reserves

Scotland Excel holds a Revenue Reserve balance that comprises an uncommitted element to mitigate the impact of future cost pressures, along with balances specifically earmarked for the future delivery of Projects. Further detail on these balances can be found in Note 5: Transfers to / from Earmarked Reserves on page 21. The closing balance on Usable Reserves at 31 March 2020 was £998,294.

Principal Risks and Uncertainty

Scotland Excel maintains a Strategic Risk Register to assess risks that could adversely impact on the delivery of organisational objectives and identifies actions currently being undertaken to control and mitigate the likelihood and impact of these risks. The Strategic Risk Register is reviewed quarterly by the organisation's Senior Management Team; it is presented twice per year to the Scotland Excel Executive Sub-Committee and annually to the Joint Committee.

Currently, there are ten risks identified within the Scotland Excel Strategic Risk Register including a new strategic risk added in light of the COVID-19 pandemic named "National Emergency including Pandemic". This risk identifies the organisational risk posed by such events, identifying corporate actions aimed at mitigating the current impact on the organisation in addition to learning from the impact of COVID-19 and putting in place appropriate risk controls for any similar future events.

Other factors taken into consideration by Scotland Excel when reviewing the risk register over the year included Brexit; recruitment challenges within the procurement sector; continuing financial uncertainty across local government; the increasing importance of corporate social responsibility including environmental considerations within our contract strategies, and the increasing size of the Scotland Excel contract portfolio.

The table below summarises all Strategic Risk identified and details the risk score allocated to each.

Risk Reference	Risk Title	Risk Score
SXL010-20/21	National Emergency including Pandemic	25
SXL005-20/21	Supplier Failure	20
SXL003-20/21	Political Change	16
SXL001-20/21	Organisational Sustainability	16
SXL002-20/21	Managing Growth and Diversity	16
SXL008-20/21	Risk of Not Performing/Delivering	16
SXL006-20/21	Staff Recruitment and Retention	12
SXL004-20/21	Reputational Risk	12
SXL007-20/21	Corporate Social Responsibility	6
SXL009-20/21	Environmental Impact and Climate Change	6

The diagram below shows each identified Strategic Risk and its positioning on the risk assessment matrix which gives rise to its total risk score.



Outlook and Future Plans

While 2019/20 represents another successful year for Scotland Excel, the outlook and future plans for the organisation, like many other organisations across the sector, has been impacted by the COVID-19 pandemic. During the lockdown period and, due to its agile working set up, Scotland Excel has continued to deliver all services to local authorities and other partners. In addition, Scotland Excel has managed to maintain its normal levels of governance, facilitating committee meetings via video conferencing software. While the sector adapts to operating within a COVID-19 environment, Scotland Excel will continue to work with its partners to ensure that on-going service delivery requirements for public services are met and exceeded and that best value is achieved.

Conclusion

We would wish to take this opportunity to acknowledge the team effort required to produce the accounts and to record our thanks to all the staff involved for their continued hard work and support. Further information on the Annual Accounts can be obtained either by writing to: Scotland Excel, Renfrewshire House, Cotton Street, Paisley, PA1 1AR, by emailing us on: contactus@scotland-excel.org.uk, or by telephoning 0300 300 1200.

Councillor John Shaw

Convenor

19 June 2020

Alan Russell CPFA

Treasurer

19 June 2020

Julie Welsh

Chief Executive

19 June 2020

Statement of Responsibilities for the Annual Accounts

The Joint Committee's Responsibilities

The Joint Committee is required to:

- make arrangements for the proper administration of its financial affairs and to secure that the proper officer of the Joint Committee has the responsibility for the administration of those affairs (section 95 of the Local Government (Scotland) Act 1973). The designated officer is Renfrewshire Council's Director of Finance and Resources, who is also the Treasurer of Scotland Excel;
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- ensure that the Annual Accounts are prepared in accordance with legislation (The Local Authority Accounts (Scotland) Regulations 2014), and so far as is compatible with that legislation, in accordance with proper accounting practices (section 12 of the Local Government in Scotland Act 2003);
- approve the Annual Accounts for signature.

I confirm that these Annual Accounts were approved for signature by the Joint Committee at its meeting on the 19 June 2020.

Signed on behalf of Scotland Excel.

Councillor John Shaw

Convenor

19 June 2020

The Treasurer's Responsibilities

The Treasurer is responsible for the preparation of the Joint Committee's Annual Accounts in accordance with proper practices as required by legislation and as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Accounting Code).

In preparing the Annual Accounts, the Treasurer has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with legislation; and
- complied with the local authority Accounting Code (in so far as it is compatible with legislation);

The Treasurer has also:

- kept adequate accounting records that were up to date; and
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

I certify that the financial statements give a true and fair view of the financial position of the Joint Committee at the reporting date and the transactions of the Joint Committee for the year ended 31 March 2020.

Alan Russell CPFA

Treasurer

19 June 2020

Annual Governance Statement

Scope of Responsibility

Scotland Excel's Joint Committee is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. The Joint Committee also has a statutory duty to make arrangements to secure best value under the Local Government in Scotland Act 2003. In discharging this overall responsibility, the Joint Committee's elected members and senior officers are responsible for putting in place proper arrangements for its affairs and facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

The Joint Committee's Governance Framework

The governance framework comprises the systems and processes, and culture and values, by which the Joint Committee is directed and controlled. It also describes the way it engages with, and accounts to its stakeholders.

The Joint Committee has also put in place a system of internal control designed to manage risk to a reasonable level. Internal control cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Joint Committee's policies aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The main features of our governance arrangements are summarised below:

- Clearly defined Procedural Standing Orders, Scheme of Delegation, Financial Regulations and Standing Orders Relating to Contracts.

- Comprehensive business planning arrangements, setting key targets and action plans designed to achieve our corporate objectives,
- Application of the Chartered Institute of Purchasing and Supply, Code of Professional Ethics,
- Regular performance reporting to the Executive Sub Committee and public performance reporting through the Annual Report,
- A range of policies to regulate employee related matters, including the employee code of conduct, and disciplinary procedures,
- Arrangements to manage risk, including the risk management strategy and Corporate Risk Register and business continuity plans,
- Clear customer complaints procedures,
- Comprehensive policies and procedures for information security,
- An anti-fraud and corruption strategy and arrangements supported by a range of policies and guidelines.

Within the overall control arrangements, the system of internal financial control is intended to ensure that assets are safeguarded, transactions are authorised and properly recorded and material errors are detected and corrected. The system is based on a framework of management information, financial regulations, administrative procedures (including segregation of duties), management and supervision, and a system of delegation and accountability.

The system includes:

- Financial management is supported by comprehensive financial regulations and codes,
- Comprehensive budgeting systems, and detailed guidance for budget holders,
- Regular reviews of periodic and annual financial reports which indicate financial performance against the forecasts,
- Setting targets to measure financial and other performance,

- The preparation of regular financial reports that indicate actual expenditure against the forecasts,
- The Chief Finance Officer is the Treasurer who complies with the CIPFA Statement on the Role of The CFO in Public Services.

With Renfrewshire Council being the lead authority, all financial transactions of the Joint Committee are processed through the financial systems of the Council and are subject to the same controls and scrutiny as those of as those of Renfrewshire Council. This includes regular reviews by the Chief Auditor of Renfrewshire Council.

Review of Effectiveness

Members and officers of the Joint Committee are committed to the concept of sound governance and the effective delivery of services and take into account comments made by internal and external auditors.

The effectiveness of the governance framework is reviewed annually by the Director, including the use of a self-assessment tool covering five key areas of governance:

- Service Planning and Performance Management;
- Internal Control Environment;
- Budgeting, Accounting and Financial Control;
- Risk Management and Business Continuity;
- Impact of coronavirus (COVID-19)

This self-assessment indicated that the governance framework is being complied with in all material respects.

The Joint Committee's internal audit service operates in accordance with the Public Sector Internal Audit Standards. Internal Audit undertakes an annual programme following an assessment of risk completed

during the strategic audit planning process. The Chief Auditor provides an annual report to the Joint Committee and an independent opinion on the adequacy and effectiveness of the system of internal control. The Chief Auditor's annual assurance statement concluded that a reasonable level of assurance can be placed upon the adequacy and effectiveness of the Joint Committee's internal control systems. The review has not identified any significant governance issues to be reported on for 2019/2020 and no actions arising for the 2018/19 governance statement that require to be reported on.

This governance framework has been in place throughout the year. The outbreak of coronavirus (COVID-19) did not result in any changes to the governance arrangements for 2019/20. The risk of social distancing continuing and its potential impact on the governance arrangements continues to be reviewed and monitored through robust risk management arrangements.

Assurance

In conclusion, it is our opinion that the annual review of governance together with the work of internal audit, any comments received from external audit and certification of assurance from the Director provide sufficient evidence that the principles of good governance operated effectively and the Joint Committee complies with its governance arrangements in all material respects. Systems are in place to continually review and improve the governance and internal control environment. Future actions will be taken as necessary to maintain and further enhance the Joint Committee's governance arrangements.

Councillor John Shaw

Convenor

19 June 2020

Julie Welsh

Chief Executive

19 June 2020

Remuneration Report

All information disclosed in the tables in this Remuneration Report will be audited by the appointed auditor, Audit Scotland. The other sections of the Remuneration Report will be reviewed by Audit Scotland to ensure that they are consistent with the financial statements.

Remuneration of elected members

The Joint Committee makes no remuneration payment to any elected member, nor does it pay any expenses, fees or allowances to elected members. Further, no recharges have been made by member authorities in relation to elected member remuneration.

Remuneration of senior employees

2018/19 Total Salary, fees and allowances £	Name	Post Held	2019/20 Total Salary, fees and allowances £
105,714	Julie Welsh	Chief Executive	109,332
82,206	Hugh Carr	Head of Strategic Procurement	88,766
81,252	Stephen Brannagan	Head of Customer & Business Services	87,189

Salary, fees and allowances includes any other payments made to or receivable by the person in connection with the termination of their employment, or, in the case of a councillor, the total of any payment made to that person in connection with their ceasing to hold office before the end of a fixed term appointment.

The Chief Executive's salary is matched to the Renfrewshire Council Chief Officer pay scale CO21.

The above tables show the relevant amounts, before tax and other deductions, due to, or receivable by, each of the persons named for the year to 31 March 2020, whether or not those amounts were actually paid to, or received by, those persons within that period.

Pension rights

Pension benefits for Joint Committee employees are provided through the Local Government Pension Scheme (LGPS).

From 1st April 2015 benefits are based on career average pay. Pension benefits are based on the pay received for each year in the scheme, uplifted by the

increase in the cost of living, as measured by the appropriate index (or indices). The scheme's normal retirement age is linked to the state pension age for each member.

From 1 April 2009 a five-tier contribution system was introduced with contributions from scheme members being based on how much pay falls into each tier. This is designed to give more equality between the cost and benefits of scheme membership. Prior to 2009 contributions rates were set at 6% for all non-manual employees.

Tiered contribution rates on whole time pay:		Equivalent bandings for 2018/19
Up to £21,800	5.5%	Up to £21,300
£21,801 to £26,700	7.25%	£21,300 to £26,100
£26,701 to £36,600	8.5%	£26,100 to £35,700
£36,601 to £48,800	9.5%	£35,700 to £47,600
Over £48,801	12%	Over £47,601

If a person works part-time their contribution rate will be based on their part-time pay.

There is no automatic entitlement to a lump sum. Members may opt to give up (commute) pension for lump sum up to the limit set by the Finance Act 2004.

The accrual rate guarantees a pension based on 1/49th of the pensionable pay for each year of membership, adjusted in line with the cost of living (prior to 2015 the accrual rate guaranteed a pension based on 1/60th of final pensionable salary).

The value of the accrued benefits has been calculated on the basis of the age at which the person will first become entitled to receive a full pension on retirement without reduction on account of its

payment at that age; without exercising any option to commute pension entitlement into a lump sum; and without any adjustment for the effects of future inflation.

The pension figures shown relate to the benefits that the person has accrued as a consequence of their total local government employment, not just that relating to their current post.

Name	Post Held	Accrued Pension Benefits				Pension Contributions made by Scotland Excel	
		As at 31 March 2020		Change from 31 March 2019		2019/20	2018/19
		Pension	Lump Sum	Pension	Lump Sum	2019/20	2018/19
		£000	£000	£000	£000	£000	£000
Julie Welsh	Chief Executive	23	2	2	0	21	20
Hugh Carr	Head of Strategic Procurement	17	0	4	0	17	16
Stephen Brannagan	Head of Customer & Business Services	10	0	4	0	17	16

Remuneration of Employees

The following table gives a statement of the number of employees whose remuneration, excluding pension contributions, was in excess of £50,000 during 2019/20, in bands of £5,000.

2018/19 Number of employees	Remuneration Band	2019/20 Number of employees
1	£50,000 - £54,999	3
0	£55,000 - £59,999	3
2	£80,000 - £84,999	0
0	£85,000 - £89,999	2
1	£105,000 - £109,999	1
4		9

Exit packages

There were no exit packages agreed for employees of Scotland Excel during 2019/20 or 2018/19.

Councillor John Shaw
Convenor
19 June 2020

Julie Welsh
Chief Executive
19 June 2020

Comprehensive Income and Expenditure Statement

This statement shows the accounting cost of providing services and managing the Joint Committee during the year. It includes, on an accruals basis, all of the Joint Committee's day-to-day expenses and related income. It also includes transactions measuring the value of non-current assets actually consumed during the year and the real projected value of retirement benefits earned by employees during the year. The statement shows the accounting cost in accordance with generally accepted accounting practices, rather than the cost according to the statutory regulations that specify the net expenditure that local authorities need to take into account. The required adjustments between accounting basis and funding basis under regulations are shown in the Movement in Reserves Statement.

2018/19			Note	2019/20		
Gross Expenditure £	Gross Income £	Net Expenditure £		Gross Expenditure £	Gross Income £	Net Expenditure £
4,946,356	0	4,946,356	Employee Costs	5,502,640	0	5,502,640
180,373	0	180,373	Premises Related Costs	219,244	0	219,244
460,864	0	460,864	Supplies and Services	608,452	0	608,452
226,045	0	226,045	Support Costs	223,849	0	223,849
8,511	0	8,511	Transfer Payments	17,128	0	17,128
9,330	0	9,330	Transport Costs	44,891	0	44,891
2,841	0	2,841	Capital Charges	13,226	0	13,226
0	(1,509,051)	(1,509,051)	Income from Projects	0	(2,011,784)	(2,011,784)
0	(437,100)	(437,100)	Government Grants	0	(243,349)	(243,349)
0	(83,790)	(83,790)	Other Income	0	(179,636)	(179,636)
5,834,320	(2,029,941)	3,804,379	Cost of Services	6,629,430	(2,434,769)	4,194,661
			Financing and Investment Income and Expenditure			
0	(4,203)	(4,203)	Interest receivable	0	(4,203)	(4,203)
50,000	0	50,000	Pension interest cost	99,000	0	99,000
			Taxation and Non-Specific Grant Income			
0	(3,390,126)	(3,390,126)	Requisitions from Member Authorities 15	0	(3,553,900)	(3,553,900)
0	(94,074)	(94,074)	Capital Grants and Contributions	0	0	0
5,884,320	(5,518,344)	365,976	Deficit on the provision of services	6,728,430	(5,992,872)	735,558
			Other Comprehensive Income and Expenditure			
		1,403,000	Actuarial (Gains) or losses on pension assets and liabilities 16			(2,478,000)
		1,768,976	Total Comprehensive Income and Expenditure			(1,742,442)

Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the Joint Committee, analysed into usable reserves (that is, those reserves that can be applied to fund expenditure) and unusable reserves. The surplus or deficit on the provision of services line shows the true economic cost of providing the Joint Committee's services, more details of which are shown in the Comprehensive Income and Expenditure Statement.

Movement in reserves during the year	Note	Usable Reserves £	Unusable Reserves £	Total Reserves £
Balance at 1 April 2019		(878,065)	3,595,358	2,717,293
Total Comprehensive Income and Expenditure		735,558	(2,478,000)	(1,742,442)
Adjustments between accounting basis and funding basis under regulations	7	(855,787)	855,787	0
Increase or (decrease) in year		(120,229)	(1,622,213)	(1,742,442)
Balance at 31 March 2020		(998,294)	1,973,145	974,851

Comparative movements in 2018/19	Note	Usable Reserves £	Unusable Reserves £	Total Reserves £
Balance at 1 April 2018		(556,152)	1,504,469	948,317
Total Comprehensive Income and Expenditure		365,976	1,403,000	1,768,976
Adjustments between accounting basis and funding basis under regulations	7	(687,889)	687,889	0
Increase or (decrease) in year		(321,913)	2,090,889	1,768,976
Balance at 31 March 2019		(878,065)	3,595,358	2,717,293

Balance Sheet

The balance sheet shows the value as at 31 March 2020 of the assets and liabilities recognised by the Joint Committee. The net assets of the Joint Committee (assets less liabilities) are matched by the reserves held. Reserves are reported in two categories. The first category comprises usable reserves, which are those reserves that the Joint Committee may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use. The second category of reserves comprises those that the Joint Committee is not able to use to provide services. This category includes reserves that hold unrealised gains and losses in the value of assets.

2018/19 £		Note	2019/20 £
84,300	Intangible Assets	8	121,230
15,456	Plant and Equipment	9	10,660
99,756	Long-term Assets		131,890
1,187,725	Funds held by Renfrewshire Council		1,195,994
254,852	Short-term Debtors and Prepayments	11	328,602
150	Cash in Hand		150
1,442,727	Current Assets		1,524,746
(636,022)	Creditors And Accruals	12	(526,452)
0	Short-term Provisions	13	(54,035)
(636,022)	Current Liabilities		(580,487)
(2,754)	Long-term Creditors	12	0
(3,621,000)	Pension (liability)/Asset	16	(2,051,000)
(3,623,754)	Long Term Liabilities		(2,051,000)
(2,717,293)	Net Assets / (Liabilities)		(974,851)
(878,065)	Usable Reserves	5	(998,294)
3,595,358	Unusable Reserves	6	1,973,145
2,717,293	Total Reserves		974,851

The audited accounts were issued on the 19 June 2020.

Alan Russell CPFA

Treasurer

19 June 2020

Note 1: Expenditure Funding Analysis

This statement shows how annual expenditure is used and funded from resources and provides a reconciliation of the statutory adjustments between the Joint Committee's financial performance on a funding basis and the (surplus) or deficit on the provision of service in the Comprehensive Income and Expenditure Statement.

2019/20	Net Expenditure chargeable to Scotland Excel £	Adjustments for capital £	Adjustments for pensions £	Other adjustments £	Net Expenditure in the CIES £
Employee Costs	4,556,042		809,000	137,598	5,502,640
Premises Related Costs	219,244				219,244
Supplies and Services	647,630	(45,360)		6,182	608,452
Support Costs	223,849				223,849
Supported Living / Care at Home	165,872			(165,872)	0
Transfer Payments	16,515			613	17,128
Transport Costs	43,491			1,400	44,891
Capital Charges	0	13,226			13,226
Income from Projects	(2,011,784)				(2,011,784)
Government Grants	0			(243,349)	(243,349)
Other Income	(427,188)			247,552	(179,636)
Cost of Services	3,433,671	(32,134)	809,000	(15,876)	4,194,661
Other income and expenditure	(3,553,900)	0	99,000	(4,203)	(3,459,103)
(Surplus) or deficit on the provision of service	(120,229)	(32,134)	908,000	(20,079)	735,558

2018/19	Net Expenditure chargeable to Scotland Excel £	Adjustments for capital £	Adjustments for pensions £	Other adjustments £	Net Expenditure in the CIES £
Employee Costs	4,217,234		727,000	2,122	4,946,356
Premises Related Costs	180,373				180,373
Supplies & Services	460,864				460,864
Support Costs	226,045				226,045
Transfer Payments	8,511				8,511
Transport Costs	9,330				9,330
Capital Charges	0	2,841			2,841
Income from Projects	(1,509,051)				(1,509,051)
Government Grants	(437,100)				(437,100)
Other Income	(83,790)				(83,790)
Cost of Services	3,072,416	2,841	727,000	2,122	3,804,379
Other income and expenditure	(3,390,126)	(94,074)	50,000	0	(3,438,403)
(Surplus) or deficit on the provision of service	(317,710)	(91,233)	777,000	2,122	365,976

'Other adjustments' in 2019/20 includes £165,872 classified as Supported Living / Care at Home in the budgetary outturn, but reported in the proper subjective analysis within the CIES: Employee Costs, Supplies and Services, Transfer Payments and Transport Costs, along with other presentational reclassifications. The net total of this column equates to the Statutory Accumulated Compensated Absences (Employee Benefit) figure.

Note 2: Accounting Standards Issued not Adopted

The Code requires the disclosure of information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted. The following new or amended standards are adopted within the 2020/21 Code:

- Amendments to IAS 28 Investments in Associates and Joint Ventures: Long-term Interests in Associates and Joint Ventures;
- Annual Improvements to IFRS Standards 2015–2017 Cycle;
- Amendments to IAS 19 Employee Benefits: Plan Amendment, Curtailment or Settlement.

The Code requires implementation from 1 April 2020 and there is therefore no impact on the 2019/20

accounts. There is no material impact anticipated in future years from the implementation of these standards.

Note 3: Assumptions made about the future

The Annual Accounts contain estimated figures that are based on assumptions made by the Joint Committee about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from assumptions and estimates.

The items in the Balance Sheet at 31 March 2020 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if Results differ from Assumption
Pensions Liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Joint Committee with expert advice about the assumptions to be applied.	The effects on the net pensions liability of changes in individual assumptions can be measured. For instance, a 0.5% decrease in the real discount rate assumption would result in an increase in the pension liability of £2.480m, equating to a 14% increase.

Note 4: Events after the balance sheet date

The unaudited accounts are issued to the Joint Committee on 19 June 2020. Where events taking place before this date provided information about conditions existing at 31 March 2020, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

Events taking place after this date are not reflected in the financial statements or notes.

Note 5: Transfers to / from Earmarked Reserves

This note sets out the amounts transferred to and from Revenue and Project balances to meet expenditure in 2020/21 and beyond.

	Balance at 1 April 2019 £	Transfers out £	Transfers in £	Balance at 31 March 2020 £
Revenue Reserve - uncommitted balance	(241,141)	6,139	0	(235,002)
Aberdeen Project	(37,158)	32,220	0	(4,938)
The Academy	(32,623)	22,774	0	(9,849)
Affordable Housing Supply Programme	(141,303)	138,409	0	(2,894)
Digital Transformation	(122)	0	(18,821)	(18,943)
Early Learning and Childcare	(13,017)	0	(20,242)	(33,259)
East Lothian Project	0	0	(26,188)	(26,188)
East Renfrewshire Project	0	0	(26,349)	(26,349)
Fife Project	(75,498)	0	(181,972)	(257,470)
National Care Home Contract	(93,290)	0	(12,316)	(105,606)
New Build Project	(53,707)	52,959	0	(748)
SEEMiS	(9,083)	7,429	0	(1,654)
Small Value Procurement	(187,656)	0	(47,572)	(235,228)
Tayside Project	6,533	0	(46,700)	(40,167)
Total Usable Reserves	(878,065)	259,930	(380,160)	(998,294)

	Balance at 31 March 2020 £	Committed £	Uncommitted Balance £	Note
Revenue Reserve - uncommitted balance	(235,002)	0	(235,002)	(a)
Aberdeen Project	(4,938)	(4,938)	0	(b)
The Academy	(9,849)	(9,849)	0	(b)
Affordable Housing Supply Programme	(2,894)	(2,894)	0	(b)
Digital Transformation	(18,943)	(18,943)	0	(b)
Early Learning and Childcare	(33,259)	(33,259)	0	(b)
East Lothian Project	(26,188)	(26,188)	0	(b)
East Renfrewshire Project	(26,349)	(26,349)	0	(b)
Fife Project	(257,470)	(257,470)	0	(b)
National Care Home Contract	(105,606)	(105,606)	0	(b)
New Build Project	(748)	(748)	0	(b)
SEEMiS	(1,654)	(1,654)	0	(b)
Small Value Procurement	(235,228)	(235,228)	0	(c)
Tayside Project	(40,167)	(40,167)	0	(b)
Total Usable Reserves	(998,294)	(763,292)	(235,002)	

Notes

- The balance on the Revenue Reserve represents 6% of the Cost of Services in 2019/20;
- Balances are ring-fenced for continuing 2020/21 Project delivery;
- £120,000 of this balance will be drawn down in 2020/21 to fund Core activity, per the approved Revenue Estimates 2020/21.

Note 6: Unusable Reserves

Pension Reserve

The Pension Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions.

The Joint Committee accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs.

However, statutory arrangements require benefits earned to be financed, as the Joint Committee makes employer's contributions to pension funds. The debit balance on the Pension Reserve shows a shortfall in the Joint Committee's share of Strathclyde Pension Fund resources available to meet the cost of benefits earned by past and current employees. Statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

2018/19 £	Pension Reserve	2019/20 £
1,441,000	Balance as at 1 April	3,621,000
1,403,000	Actuarial (gains) and losses on pension assets and liabilities	(2,478,000)
777,000	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the CIES	908,000
3,621,000	Balance as at 31 March	2,051,000

Employee Statutory Adjustment Account

The Employee Statutory Adjustment Account absorbs the differences that would otherwise arise on revenue balances from accruing for compensated absences earned, but not taken at the end of the financial year.

However, statutory arrangements, or regulations, require that the impact of such accrued expenditure on revenue balances is neutralised by transfers to or from this Account.

2018/19 £	Employee Statutory Adjustment Account	2019/20 £
71,992	Balance as at 1 April	74,114
(71,992)	Reversal of prior year accrual for short-term accumulating compensated absences	(74,114)
74,114	Accrual for short-term accumulating compensating absences at 31 March	54,035
74,114	Balance as at 31 March	54,035

Capital Adjustment Account

The Capital Adjustment Account absorbs timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. It is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the CIES and credited with the amounts set aside as finance for these costs.

2018/19 £	Capital Adjustment Account	2019/20 £
(8,523)	Balance as at 1 April	(99,756)
2,841	Charges for depreciation of non-current assets	13,226
0	Capital expenditure charged against Revenue balances	(45,360)
(94,074)	Capital grants credited to the CIES that have been applied to capital financing	0
(99,756)	Balance as at 31 March	(131,890)

Note 7: Adjustments between Accounting Basis and Funding Basis under Regulations

The surplus for the year on the Revenue Reserve was £855,787 more than the deficit shown in the Comprehensive Income and Expenditure Statement. The table below gives a breakdown of the differences between the income and expenditure included in the CIES in accordance with the Code and the amounts that statute and non-statutory proper practice require the Joint Committee to debit and credit the Revenue Reserve Balance.

2019/20	Usable Reserves £	Unusable Reserves £
Adjustments primarily involving the Capital Adjustment Account:		
Charges for depreciation of non-current assets	(13,226)	13,226
Capital expenditure charged against Revenue balances	45,360	(45,360)
Adjustments primarily involving the Pension Reserve:		
Net charges made for retirement benefits in accordance with IAS19	(1,566,000)	1,566,000
Employers contributions payable to the Strathclyde Pension Fund	658,000	(658,000)
Adjustments primarily involving the Employee Statutory Adjustment Account:		
Net charges for employment short-term accumulating absences	20,079	(20,079)
Total adjustments	(855,787)	855,787

2018/19	Usable Reserves £	Unusable Reserves £
Adjustments primarily involving the Capital Adjustment Account:		
Charges for depreciation of non-current assets	(2,841)	2,841
Capital grants and contributions applied	94,074	(94,074)
Adjustments primarily involving the Pension Reserve:		
Net charges made for retirement benefits in accordance with IAS19	(1,323,000)	1,323,000
Employers contributions payable to the Strathclyde Pension Fund	546,000	(546,000)
Adjustments primarily involving the Employee Statutory Adjustment Account:		
Net charges for employment short-term accumulating absences	(2,122)	2,122
Total adjustments	(687,889)	687,889

Note 8: Intangible Assets

2018/19 £		2019/20 £
	Opening balance	
0	Gross carrying amounts	84,300
0	Accumulated amortisation	0
0	Net carrying amount at 1 April	84,300
84,300	Additions	45,360
0	Amortisation for the year	(8,430)
84,300	Net carrying amount at 31 March	36,930
	Comprising:	
84,300	Gross carrying amounts	129,660
0	Accumulated amortisation	(8,430)
84,300		121,230

Note 9: Plant and Equipment

2018/19 £	Plant and Equipment	2019/20 £
	Cost or Valuation	
14,205	Opening balance at 1 April	23,979
9,774	Additions	0
23,979	Gross Book Value at 31 March	23,979
	Depreciation and Impairment	
(5,682)	Accumulated depreciation at 1 April	(8,523)
(2,841)	Depreciation charge for year	(4,796)
(8,523)	Accumulated depreciation at 31 March	(13,319)
8,523	Opening Net Book Value	15,456
15,456	Closing Net Book Value	10,660

Note 10: External audit costs

2018/19 £		2019/20 £
5,880	Fees payable to Audit Scotland in respect of external audit services	6,010

Note 11: Debtors

2018/19 £	Short-term debtors	2019/20 £
35,633	Prepayments	82,559
219,219	Other receivable amounts	246,043
254,852	Total	328,602

'Other receivable amounts' comprises amounts due, but not yet received, as at 31 March. Of this, only £3,803 is considered to be doubtful debt and a payment plan is in place for its recovery.

Note 12: Creditors

2018/19 £	Short-term creditors	2019/20 £
0	Trade payables	(47,093)
(636,022)	Other payables	(479,359)
(636,022)	Total	(526,452)

2018/19 £	Long-term creditors	2019/20 £
(2,754)	Income received in advance	0
(2,754)	Total	0

Note 13: Provisions

Provisions are made where an event has taken place that gives the Joint Committee a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation.

The accrual associated with short-term accumulating compensated absence represents the amount that Scotland Excel would notionally owe employees for leave due by, but untaken at 31 March. It is matched by the Employee Statutory Adjustment Account (an unusable reserve). In prior years, this has been accounted for as a Creditor balance.

Provision for Accrued Employee Benefits	2019/20 £
Balance at 1 April 2019	0
Transferred from Creditors	(74,114)
Amounts used in year	74,114
Additional Provision made in year	(54,035)
Balance at 31 March 2020	(54,035)

Note 14: Operating Leases

The operating lease for accommodation at Renfrewshire House has been extended until 2024, with a three-year break point in 2022.

Lease expenditure charged in year to the CIES was £70,320 (2018/19 £72,562).

2018/19 £	Future Minimum Lease Payments	2019/20 £
97,007	Not later than one year	96,984
379,699	Between one and five years	282,715
476,706	Total	379,699

Note 15: Related parties

Related parties are those bodies or individuals that have the potential to control or significantly influence the Joint Committee, or to be controlled or significantly influenced by the Joint Committee.

The Joint Committee is required to disclose the amount of any material sums due to or from related parties.

Related party relationships require to be disclosed where control exists, irrespective of whether there have been transactions between the related parties.

The Joint Committee pays Renfrewshire Council for support services. For 2019/20 the amount paid, excluding insurance, was £159,250 (2018/19 £165,005).

The member authorities of the Joint Committee contribute requisitions to enable it to carry out its objectives in the following proportions. In accordance with Scotland Excel's terms and conditions, member requisitions are adjusted to reflect any changes in population numbers within member authority areas.

2018/19 £	Council	%	2019/20 £
140,311	Aberdeen City	4.0%	142,125
156,995	Aberdeenshire	4.5%	159,420
81,869	Angus	2.3%	83,153
66,712	Argyll and Bute	1.9%	67,709
48,259	Clackmannanshire	1.4%	49,176
98,888	Dumfries and Galloway	2.8%	100,407
98,243	Dundee City	2.8%	100,150
84,798	East Ayrshire	2.4%	86,120
77,238	East Dunbartonshire	2.2%	78,882
75,458	East Lothian	2.2%	77,158
70,157	East Renfrewshire	2.0%	71,874
283,339	Edinburgh City	8.2%	291,182
35,649	Eilean Siar	1.0%	36,335
103,973	Falkirk	3.0%	106,135
212,766	Fife	6.1%	216,865
338,987	Glasgow City	9.8%	347,684
142,854	Highland	4.1%	145,468
62,600	Inverclyde	1.8%	63,489
67,475	Midlothian	2.0%	69,427
71,322	Moray	2.0%	72,409
91,859	North Ayrshire	2.6%	93,378
196,810	North Lanarkshire	5.6%	200,383
33,045	Orkney Islands	0.9%	33,742
99,486	Perth and Kinross	2.9%	101,402
112,508	Renfrewshire	3.2%	114,911
80,843	Scottish Borders	2.3%	82,493
33,741	Shetland Islands	1.0%	34,308
79,780	South Ayrshire	2.3%	81,266
185,314	South Lanarkshire	5.3%	188,962
70,126	Stirling	2.0%	71,477
68,120	West Dunbartonshire	1.9%	69,175
114,675	West Lothian	3.3%	117,235
3,484,200	Total	100%	3,553,900

Note 16: Retirement Benefits

As part of the terms and conditions of employment of its employees, the Joint Committee offers retirement benefits. Although these benefits will not actually be payable until employees retire, the Joint Committee has a commitment to make the payments that need to be disclosed at the time that employees earn their future entitlement. The scheme for employees is Strathclyde Pension Fund, which is administered by Glasgow City Council. This is a funded defined benefit final salary scheme, meaning that the Joint Committee and its employees pay contributions into a fund, calculated at a level intended to balance the pension liability with investment assets.

16a: Transactions relating to retirement benefits

The cost of retirement benefits is recognised in Gross Expenditure when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge that is statutorily required to be made in the accounts is based upon pension contributions payable by the Joint Committee in the year, and an adjustment is made within the Movement in Reserves Statement to replace the cost of retirement benefits with employers' contributions.

The following transactions have been made in the accounting statements in 2019/20:

2018/19 £		2019/20 £
	Comprehensive Income & Expenditure Statement (CIES)	
1,050,000	Current service cost	1,467,000
223,000	Past service cost/(gain)	0
1,273,000		1,467,000
	Financing & Investment Income & Expenditure	
50,000	Net Interest	99,000
1,323,000	Total post employment benefit charged to the Surplus or Deficit on the Provision of Services	1,566,000
	Other post employment benefit charged to the CIES	
(486,000)	Return on assets excluding amounts included in net interest	1,097,000
1,889,000	Actuarial (gains) and losses arising on changes in financial assumptions	(3,575,000)
1,403,000	Total Actuarial (gains) and losses	(2,478,000)
2,726,000	Total post employment benefit charged to the CIES	(912,000)
	Movement in Reserves Statement	
(2,180,000)	Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post employment benefits according with the Code	1,570,000
546,000	Employers Contributions paid to Strathclyde Pension Fund	658,000

Current service cost is the cost of future entitlements to pension payments to current employees

Net Interest is an actuarial adjustment to the inflation element in the cost of funding current and future pension obligations. This is the expected increase during the year in the present value of the Joint Committee's share of Strathclyde Pension Fund's liabilities because they are one year closer to settlement.

The net change in the pension liability is recognised in the Movement in Reserves Statement for pension payments made by the Joint Committee to the Strathclyde Pension Fund during the year.

The Joint Committee is also responsible for all pension payments relating to added years benefits it has awarded, together with related increases. In 2019/20 these amounted to £21,711 (2018/19 £21,202).

16b: Assets and liabilities in relation to retirement benefits

A reconciliation of the Joint Committee's share of the present value of Strathclyde Pension Fund's liabilities is as follows:

2018/19 £000		2019/20 £000
16,187	Opening present value	19,788
1,050	Current service cost	1,467
223	Past service cost	0
455	Interest Cost	495
194	Contributions from employees	236
(210)	Benefits Paid	(208)
	Remeasurement (gains)/losses:	
1,889	Actuarial (gains)/losses arising from changes in financial assumptions	(3,575)
19,788	Balance as at 31 March	18,203

A reconciliation of the Joint Committee's share of the fair value of Strathclyde Pension Fund's assets is as follows:

2018/19 £000		2019/20 £000
14,746	Opening Fair Value	16,167
405	Interest Income	396
546	Contributions from employer	658
194	Contributions from employees	236
(210)	Benefits Paid	(208)
	Remeasurement gain/(loss):	
486	Return on assets excluding amounts included in net interest	(1,097)
16,167	Closing fair value of scheme assets	16,152

16c: Fund history

	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Present Value of Liabilities	(12,980)	(18,493)	(16,187)	(19,788)	(18,203)
Fair value of assets	10,785	13,820	14,746	16,167	16,152
Surplus/(deficit) in the Fund	(2,195)	(4,673)	(1,441)	(3,621)	(2,051)

The main fund (Fund 1) of Strathclyde Pension Fund does not have an asset and liability matching (ALM) strategy.

The total liability of £2.051m has a significant impact on the net worth of the Joint Committee, as recorded in the Balance Sheet.

However, any deficit on Strathclyde Pension Fund will be made good by increased contributions over the remaining working life of employees, as assessed by the Fund actuary.

16d: Impact on cashflows

An objective of the fund is to keep employer's contributions at as constant a rate as possible. The fund has agreed a strategy to achieve a funding rate of 100% in the longer term. Employers' and employees' contributions have been determined so that rates are standard across all participating employers. The rate for employer contributions has been set at 19.3% for 2018/19 and 2019/20.

The total contributions expected to be made by the Joint Committee to the Strathclyde Pension Fund in the forthcoming year to 31 March 2021 is £0.658m.

16e: Basis for estimating assets and liabilities

The Joint Committee's share of the liabilities of Strathclyde Pension Fund have been assessed on an actuarial basis using the projected unit method, which estimates the pensions that will be payable in future years dependent upon assumptions about mortality rates, salary levels and so on. The Scheme's liabilities have been assessed by Hymans Robertson, an independent firm of actuaries, and the estimates are based on the latest full valuation of the Fund at 31 March 2017. The principal assumptions used by the actuary have been:

2018/19	Mortality assumptions	2019/20
Longevity at 65 for current pensioners (years)		
21.4	Men	20.7
23.7	Women	22.9
Longevity at 65 for Future pensioners (years)		
23.4	Men	22.2
25.8	Women	24.6
Other assumptions		
3.7%	Rate of increase in salaries	3.0%
2.5%	Rate of increase in pensions	1.9%
2.4%	Rate for discounting scheme liabilities	2.3%
Take-up of option to convert annual pension into retirement lump sum:		
50.0%	Pre-April 2009 service	50.0%
75.0%	Post-April 2009 service	75.0%

The pension scheme's assets consist of the following categories, by proportion of the total assets held:

2018/19 £000		%	2019/20 £000
5,671	Equity instruments	35.1%	5,666
507	Debt instruments (bonds)	3.1%	507
1,464	Real Estate	9.1%	1,462
6,891	Investment Funds and Unit Trusts	42.6%	6,884
1,634	Cash and Cash Equivalents	10.1%	1,633
16,167	Total	100.0%	16,152

Note 17: Contingent Liabilities

Guaranteed Minimum Pension (GMP) was accrued by members of the Local Government Pension Scheme between 6 April 1978 and 5 April 1997. The value of GMP is inherently unequal between males and females for a number of reasons, including a higher retirement age for men and GMP accruing at a faster rate for women; however overall equality of benefits was achieved for public service schemes through the interaction between scheme pensions and the Second State Pension.

The introduction of the new Single State Pension in April 2016 disrupted this arrangement and brought uncertainty over the ongoing indexation of GMPs, which could lead to inequalities between men's and women's benefits.

Strathclyde Pension Fund's actuary has carried out calculations and estimates that the potential impact of GMP indexation would be an increase in the pension liability of approximately £0.095m for Scotland Excel. This estimate is not reflected in the Primary Financial Statements because the trigger event that would require recognition has not yet occurred.

Note 18: Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in Note 19, the Joint Committee has had to make certain judgements about complex transactions or those involving uncertainty about future events.

Where a critical judgement has been made, this is referred to in the relevant note to the core financial statements; however, a summary of those with the most significant effect is detailed below.

Leases	An analysis of the terms of the lease for the office accommodation at Renfrewshire House has concluded that it is an operating lease.
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Note 19: Summary of Significant Accounting Policies

A General Principles

The Annual Accounts summarise the Joint Committee's transactions for the 2019/20 financial year and its financial position as at 31 March 2020. The Joint Committee is required to prepare Annual Accounts by the Local Authority (Scotland) Regulations 2014 and section 12 of the Local Government in Scotland Act 2003 requires these accounts to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom (the Code), supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under section 12 of the 2003 Act.

The Code is issued jointly by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Local Authority (Scotland) Accounts Advisory Committee (LASAAC) and is designed to give a true and fair view of the financial performance of the Joint Committee.

The accounting convention adopted in the Annual Accounts is principally historical cost, modified by the valuation of pension assets and liabilities where appropriate. The Annual Accounts have been prepared on a going concern basis.

B Accruals of Expenditure and Income

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- revenue from the sale of goods is recognised when the Joint Committee transfers the significant risks and rewards of ownership to the purchaser, and it is probable that the economic benefits or service potential associated with the transaction will flow to the Joint Committee;
- revenue from the provision of services is recognised when the Joint Committee can reliably measure the percentage of completion of the transaction and it is probable that the economic benefits or service potential associated with the transaction will flow to the Joint Committee;
- expenditure in relation to services received (including services provided by employees) is recorded when the service is received rather than when payment is made;
- supplies are recorded as expenditure when they are consumed. Where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet;
- where income and expenditure have been recognised, but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where there is evidence that debts are unlikely to be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

C Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are made only when required by proper accounting practices, or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Joint Committee's financial position or financial performance. Where a change is made, it is applied retrospectively (unless otherwise stated) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material misstatement or omission discovered in prior period figures are corrected retrospectively (unless otherwise stated) by adjusting opening balances and comparative amounts for the prior period.

D Employee Benefits

Benefits payable during employment

All salaries and wages earned up to the Balance Sheet date are included in the accounts irrespective of when payment was made. An accrual is made for the cost of holiday entitlements earned, but not taken before the year end that employees may carry forward into the next financial year.

Post-employment benefits

The Joint Committee participates in the Local Government Pension Scheme (LGPS), administered by Strathclyde Pension Fund. The LGPS is accounted for as a defined benefit scheme and in accordance with

International Accounting Standard 19 (IAS19) the Joint Committee has disclosed certain information concerning the assets, liabilities, income and expenditure relating to the pension scheme. IAS19 requires that an organisation must account for retirement benefits when it is committed to giving them, even if the payment will be many years into the future.

This involves the recognition in the Balance Sheet of the Joint Committee's share of the net pension asset or liability in Strathclyde Pension Fund and a pension reserve.

The liabilities of the Strathclyde Pension Fund attributable to the Joint Committee are included in the Balance Sheet on an actuarial basis using the projected unit method, i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates and projections of earnings for current employees.

Liabilities are discounted to their value at current prices using a discount rate based on the indicative rate of return on high quality corporate bonds.

The assets of the Strathclyde Pension Fund attributable to the Joint Committee are included in the Balance Sheet at their fair value, principally the bid price for quoted securities, and estimated fair value for unquoted securities.

The Comprehensive Income and Expenditure Statement (CIES) also recognises changes during the year in the pension asset or liability. Service expenditure includes pension costs based on employers' pension contributions payable and payments to pensioners in the year.

The change in the net pension liability is analysed into the following components:

- **current service cost** – the increase in liabilities as a result of years of service earned this year,

allocated in the CIES to the services for which the employees worked;

- **past service cost** – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years, which is debited to the Surplus or Deficit on the Provision of Services in the CIES;
- **net interest cost on the defined benefit liability** – the change during the period in the net defined benefit liability that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the CIES. This is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability at the beginning of the period, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments;
- **return on scheme assets** – excluding amounts included in net interest on the net defined benefit liability which are charged to the Pensions Reserve as Other Comprehensive Income and Expenditure;
- **actuarial gains and losses** – changes in the net pension liability that arise because events have not coincided with assumptions made at the last actuarial valuation, or because the actuaries have updated their assumptions, which is charged to the Pensions Reserve. Actuarial gains and losses are shown within Other Comprehensive Income and Expenditure within the CIES; and
- **contributions paid to the pension fund** – cash paid as employer’s contributions to the pension fund in settlement of liabilities which are not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the amount payable by the Joint Committee to be amount paid directly to pensioners in the year, not the amount calculated according to the relevant accounting standards in the CIES.

In the Movement in Reserves Statement this means that there are transfers to and from the Pensions Reserve to remove the notional debits and credits for

retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

E Events after the Balance Sheet date

Events after the balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the accounts are authorised for issue.

There are two types of events:

- **Adjusting events** – those that provide evidence of conditions that existed at the end of the reporting period and the accounts are adjusted to reflect such events; and
- **Non-adjusting events** – those that are indicative of conditions that arose after the reporting period and the accounts are not adjusted. Where a category of events would have a material effect, disclosure is made in the notes of the nature of the event and its estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the accounts.

F Government Grants and other Contributions

Whether paid on account, by instalments or in arrears, government grants and third-party contributions and donations are recognised as due to the Joint Committee when there is reasonable assurance that:

- the Joint Committee will comply with the conditions attached to the payments; and
- the grants or contributions will be received.

Amounts recognised as due to the Joint Committee are not credited to the CIES until conditions attaching to the grant or contribution have been satisfied.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in

the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the CIES.

G Leases

Operating Leases: Joint Committee as Lessee

Rentals paid under operating leases are charged to the CIES as an expense of the services benefiting from use of the leased property, plant or equipment. Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a rent-free period at the commencement of the lease). The risks and rewards of ownership remain with the lessors along with the title of the property.

H Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as plant and equipment.

Recognition

Expenditure on the acquisition, creation or enhancement of Plant and Equipment is capitalised on an accruals basis. Expenditure that merely maintains the condition of an asset (i.e. repairs and maintenance) is charged as an expense when it is incurred.

Measurement

Assets are initially measured at cost, comprising:

- the purchase price;
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating.

Plant, furniture and computer equipment costing less than £9,000 are not treated as fixed assets. This de minimis level does not apply where certain categories

of these assets are grouped together and form part of an approved capital programme.

Assets are then carried in the Balance Sheet using the depreciated replacement cost.

Impairment

Assets are assessed at each year-end to determine whether there is any indication that an asset may be impaired.

Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated, an impairment loss is recognised for the shortfall and the carrying amount of the asset is written down in the CIES.

Where an impairment loss is subsequently reversed, the reversal is credited to the CIES, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Disposals

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet is written off to the CIES as part of the gain or loss on disposal. Any receipts from disposals are credited to the CIES, also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal).

Depreciation

Depreciation is provided for on all Plant and Equipment assets by the allocation of their depreciable amounts over their useful lives. For ICT equipment, this is calculated on a straight-line basis over 5 years.

I Intangible Assets

Expenditure on non-monetary assets that do not have physical substance, but are controlled by the Joint Committee as a result of past events (e.g. software licences) is capitalised when it is expected that future

economic benefits or service potential will flow from the intangible asset to the Joint Committee.

Intangible assets are measured initially at cost. Amounts are revalued where the fair value of the assets held can be determined by reference to an active market. The depreciable amount of an intangible asset is amortised over its useful life on a straight-line basis in the CIES.

An asset is tested for impairment whenever there is an indication that the asset might be impaired and any losses recognised are posted in the CIES. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the CIES.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the Revenue Reserve.

The gains and losses are therefore reversed out of the Revenue Reserve in the Movement in Reserves Statement and posted to the Capital Adjustment Account and a Capital Receipts Reserve.

All capital expenditure is charged to the constituent authorities, meaning that the Joint Committee has no requirement to borrow. A notional capital grant is applied to the CIES in the year of spend and removed from affecting the Revenue Reserve through the Movement in Reserves Statement.

Software costing less than £9,000 is not treated as an intangible asset and is charged to the CIES. This de minimis does not apply where certain categories of assets are grouped together.

J Reserves

Reserves are classified under accounting regulations into two categories: usable reserves, which are available to spend; and unusable reserves, which are

unrealised net gains or losses that have a deferred impact on the Joint Committee.

Usable Reserves

The Revenue Reserve represents surplus funds held by the Joint Committee, which are ultimately repayable to the member authorities in the same allocation proportions as the requisitions. Balances accumulated from Project activity are distributable only to participating authorities.

Unusable Reserves

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, retirement and employee benefits and do not represent usable resources for the Council; these reserves are explained in the Unusable Reserves note.

K Value Added Tax (VAT)

Income and expenditure exclude any amount relating to VAT, as all VAT collected is payable to HM Revenue & Customs (HMRC) and all VAT paid is recoverable from them.

Scotland Excel**To: Joint Committee****On: 19 June 2020****Report by:
Chief Auditor****Internal Audit Report Summary – Contract Strategy Arrangements****1. Summary**

- 1.1 In line with the Public Sector Internal Audit Standards, Internal Audit must communicate the results of each engagement to the Board.
- 1.2 Internal Audit undertook a review of the arrangements in place to award contracts. This report provides a summary of the work undertaken, the audit findings and the action being taken by management to address the recommendations made.
- 1.3 Appendix 1 provides a summary of the overall assurance rating for the engagement and the number of recommendation in each category, the Committee summary for the engagement is also attached.

2. Recommendations

- 2.1 Members are invited to note the Internal Audit Summary for the Internal Audit review of Contract Strategy Arrangements.
-

Appendix 1

Scotland Excel

Internal Audit Service

Summary of Internal Audit Reports issued

Category	Engagement	Assurance Rating	Recommendation Ratings			
			Critical	Important	Good Practice	Service Improvement
Assurance	Contract Strategy Arrangements	Substantial	0	0	0	0

Assurance Level	
Substantial Assurance	<ul style="list-style-type: none"> There is a sound system of internal control designed to achieve the objectives of the area being reviewed. The control processes tested are being consistently applied.
Reasonable Assurance	<ul style="list-style-type: none"> The internal control processes are generally satisfactory with some areas of weakness being identified that could put some objectives of the area being reviewed at risk There is evidence that the level of non-compliance with some of the control processes may put some of the objectives of the area being reviewed at risk.
Limited Assurance	<ul style="list-style-type: none"> Weaknesses in the system of internal controls are such as to put the objectives of the area being reviewed at risk. The level of non-compliance puts the objectives of the area being reviewed at risk.
No Assurance	<ul style="list-style-type: none"> Control processes are generally weak with significant risk to the achievement of the objectives of the area being reviewed. Significant non-compliance with control processes leaves the processes/systems open to error or abuse.

Recommendation Rating	
Service Improvement	Implementation will improve the efficiency / housekeeping of the area under review.
Good Practice	Implementation will contribute to the general effectiveness of control.
Important	Implementation will raise the level of assurance provided by the control system to acceptable levels.
Critical	Addresses a significant risk, impacting on the objectives of the area under review.

SE - Contract Strategy Arrangements (A0008/2020/010)

Date: November 2019

COMMITTEE SUMMARY

Audit Objectives

The objectives of the audit were to ensure that:

- There was engagement with local authority services/other clients to identify service requirements which may benefit from a collaborative procurement contract;
- An in-depth commodity/service strategy which is proportionate to risk, value and strategic importance of the commodity/service to the organisation had been developed for each contract and was being followed per the guidance outlined in the Procurement Journal;
- Commodity/service strategies were in line with Scotland's Excel Corporate Strategy;
- The necessary documentation relating to specification, exclusion, selection and award criteria, ESPD and invitation to tender had been created prior to preparation of the contract notice;
- Where appropriate, contract notices had been used to advertise procedures to be followed and had been published to provide suppliers with access to contract opportunities;
- A sufficient number of competent, financially sound suppliers with adequate capacity to undertake the work had been identified;
- Bidders were assessed based on business probity, technical and professional ability and economic and financial standing.

Audit Scope

1. Interviewed the appropriate staff, evaluated the system in place for contract strategy arrangements and associated procedures.
2. Prepared a series of tests to ensure the contract strategy arrangements and associated procedures as outlined in the above objectives, were operating effectively and as described.

Internal Audit Report
Scotland Excel
SE - Contract Strategy Arrangements
(A0008/2020/010)

Date: November 2019

Key Audit Assurances

1. Sufficient engagement with local authority services/other clients to identify service requirements which may benefit from a collaborative procurement contract were carried out for all contracts.
2. An in-depth commodity/service strategy which is proportionate to risk, value and strategic importance of the commodity/service to the organisation was developed for each contract and is being followed per the guidance outlined in the Procurement Journey.
3. Commodity/service strategies are in line with Scotland's Excel Corporate Strategy.
4. The necessary documentation relating to specification, exclusion, selection and award criteria, ESPD and invitation to tender is being created prior to preparation of the contract notice.
5. Contract notices have been used to advertise procedures to be followed and have been published to provide suppliers with access to contract opportunities.
6. A sufficient number of competent, financially sound suppliers with adequate capacity to undertake the work are being identified for each contract.
7. Bidders are assessed based on business probity, technical and professional ability and economic and financial standing.

Key Risks

There were no key risks identified.

Overall Audit Opinion

The audit has identified that satisfactory measures are in place for contract strategy arrangements for the contracts tested. The auditor has made a provision of substantial assurance in relation to the area under review.

Scotland Excel**To: Joint Committee****On: 19 June 2020****Report by:
Chief Auditor****Internal Audit Annual Report 2019/20****1. Summary**

- 1.1 The Public Sector Internal Audit Standards require the Chief Auditor to prepare a report, at least annually, to senior management and the Board on the internal audit activity's purpose, authority, and responsibility, as well as performance relative to its plan.
- 1.2 The annual report must also provide an annual audit opinion on the overall adequacy and effectiveness of Scotland Excel's internal control environment.
- 1.3 The Annual Report for Scotland Excel is attached at Appendix 1 and outlines the role of Internal Audit, the performance of the Internal Audit Team, the main findings from the internal audit work undertaken in 2019/20 and contains an audit assurance statement.

2. Recommendations

- 2.1 Members are invited to consider and note the contents of the Annual Report.

Scotland Excel Internal Audit Annual Report 2019-2020

**Renfrewshire Council
Internal Audit**

June 2020

Scotland Excel

Internal Audit Annual Report 2019/2020

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Scotland Excel

Internal Audit Annual Report

1 April 2019 – 31 March 2020

1. Introduction

1.1 As host Authority, Renfrewshire Council provides an internal audit service to Scotland Excel. This includes:

- The compilation of an annual audit plan following consideration and evaluation of those areas of greatest risk in the organisation's operation, and consultation with the Director;
- Delivery of the planned audit assignments;
- Follow up of previous audit recommendations;
- Provision of any ongoing advice and support on audit and risk management related matters;
- Provision of an Annual Report and Assurance Statement, and presentation to elected members of Scotland Excel.

1.2 The Service operates in accordance with the Public Sector Internal Audit Standards (PSIAS) which defines Internal Audit's role as:

".....an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes."

1.3 In line with the Standards, the purpose of this Annual Report is to report on:

- The outcome of the planned Internal Audit reviews 2019/20 relating to Scotland Excel;
- The outcome of Internal Audit reviews of supporting Renfrewshire Council corporate systems;
- Internal audit performance;
- Planned audit work for 2020/21;
- The annual assurance statement which provides an opinion on the overall adequacy and effectiveness of the organisation's internal control environment.

2. Responsibilities of Management and Internal Audit

- 2.1 It is the responsibility of management to ensure that for the areas under their control there is an adequate and effective system of internal control which facilitates the effective exercise of the organisation's functions and which includes arrangements for the management of risk.
- 2.2 Internal Audit is not a substitute for effective control exercised by management as part of their responsibilities. Internal Audit's role is to independently assess the adequacy of the risk management, internal controls and governance arrangements put in place by management and to undertake sufficient work to evaluate and conclude on the adequacy of those controls for the period under review.

3. Internal Audit Activity during 2019/2020

- 3.1 One specific engagement was undertaken during 2019/20, which related to the internal controls in operation over contract management (contract award arrangements). The main findings in relation to this review is summarised in table 1 below:

Table 1

Audit Area	Conclusion
Contract Strategy Arrangements	<ul style="list-style-type: none">• Substantial Assurance• The audit has identified that satisfactory measures are in place for contract strategy arrangements for the contracts tested. There were no recommendations arising from the review.

- 3.2 The Annual Report for 2018/2019 was submitted to the Joint Committee on 21 June 2019.
- 3.3 The implementation rate of audit recommendations is a measure of operational culture and effectiveness. During 2019/20, 6 recommendations were followed up. Of these 5 (83%) have been implemented and 1 (17%) has been part implemented. There are no critical recommendations outstanding.
- 3.4 Internal Audit also carried out reviews of the main corporate systems operating within Renfrewshire Council which support Scotland Excel's activity. The main findings in relation to these are summarised in Table 2 below, and Renfrewshire Council management have agreed to implement the audit recommendations made in relation to each review:

Table 2

Audit Area	Conclusion
General Ledger	<ul style="list-style-type: none"> • Reasonable Assurance • The audit highlighted that the guidance available to staff was satisfactory. Recommendations were made to strengthen the controls surrounding password access, transaction coding and journal entry authorisation.
Procurement – Quick Quote process	<ul style="list-style-type: none"> • Reasonable Assurance • The audit has identified that small number of improvements are required to the execution of the council’s quick quote processes surrounding retaining evidence, approval of successful quotes and analysing spend to ensure the quick quote process is used when required.
Cloud Services	<ul style="list-style-type: none"> • Limited Assurance • The review identified that there was scope to improve the cloud security control environment, a number the areas identified were already known to management and work was underway to address. Recommendations were made in relation to formal Cloud Security Assessments for all contractors. We also identified processes that would benefit from completion and implementation of a formal framework for supplier assurance and performance.

4. Review of Internal Audit Performance

4.1 Internal Audit produces regular reports on its performance during the year to the Renfrewshire Council, Audit, Risk and Scrutiny Board, against a range of measures set annually by the Director of Finance and Resources. These targets are set for all internal audit engagements and include Renfrewshire Council and other associated bodies, for which the team provides internal

audit services. Table 3 shows the actual performance against targeted performance for the year.

Table 3

Internal Audit Performance 2019/20		
Performance measure	Target 2019/20	Actual 2019/20
% of audit assignments completed by target date	95%	95.4%
% of audit assignments completed within time budget	95%	96.9%
% completion of audit plan for the year*	95%	98.5%

* this measures the completion percentage as at 31 March. 100% of the plan is ultimately delivered through the finalisation of the outstanding elements in the new financial year.

4.2 Actual performance for the year, is above the target performance level. All Scotland Excel specific audit engagements have been completed.

4.3 The Chief Auditor is required to develop and maintain a quality assurance and improvement programme that covers all aspects of internal audit including conformance with the PSIAS. The review did not identify any areas of non-conformance that require to be addressed.

4.4 External Audit

External Audit's review of the internal audit service concluded that overall the service operates in accordance with the PSIAS.

4.5 Risk Management

The internal audit service through the Risk Manager, provides advice and support to Scotland Excel officers, as required.

5. Planned Audit Work for 2020/21

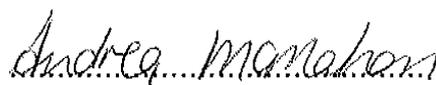
5.1 Following a risk based assessment of the activities of Scotland Excel and consultation with the Chief Executive, the following internal audit work has been agreed for 2020/21:

- A review of financial sustainability;
- Follow up of previous audit work;
- Ad-hoc internal audit and risk management advice.

6. Audit Assurance Statement

- 6.1 Internal Audit has performed its work in accordance with the role defined in paragraph 1.2. The audit work performed has been reported to the Chief Executive, and to the Joint Committee. Where areas for improvement in internal control have been identified appropriate recommendations have been made and accepted for action by management.
- 6.2 In view of the continued challenges common to all public bodies, there will be a requirement for the council and the bodies for which it is host authority to exercise very close scrutiny over revenue spending, and this will continue to receive due internal audit attention.
- 6.3 It is not feasible for the system of internal control to be without any weakness. It is important to balance the risks involved in accepting systems limitations with the consequences if a problem emerges. Internal Audit recognises this and assesses this in its reporting mechanism.
- 6.4 In this context, it is considered that a reasonable level of assurance can be placed upon the adequacy and effectiveness of Scotland Excel's internal control, risk management and governance arrangements, as evidenced by:-
- The results of the audit work in 2019/20 in relation to the corporate systems which supported Scotland Excel's activities, and to specific work carried out in relation to those activities.
 - Management action in response to audit recommendations.
 - Management of self-assessment of internal control, risk management and governance arrangements.
 - The regular review and updating of the Local Code of Corporate Governance by the Council in accordance with the Chartered Institute of Public Finance and Accountancy and Society of Local Authority Chief Executives framework for corporate governance requirements, and of the corporate governance arrangements within Scotland Excel.

Signed.


Chief Auditor

Date

19 June 2019

Scotland Excel

To: Joint Committee

On: 19 June 2020

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

Review of Scotland Excel Governance

1. Summary

- 1.1 The purpose of this report is to seek approval from the Joint Committee to delegate authority to the Executive Sub-Committee to approve the Internal Audit Annual Report and any other scheduled annual Internal Audit Report and for the Scheme of Delegations to be amended accordingly.

2. Recommendations

- 2.1 The Joint Committee is recommended to agree:
- a) That the approval of Internal Audit Annual Report and any other scheduled annual Internal Audit Report be delegated to the Executive Sub-Committee.
 - b) That the Scheme of Delegates be amended by the insertion of a new paragraph 4.3 (i) in the following terms:-

“i) to consider and approve the Internal Audit Annual Report and any other scheduled annual Internal Audit Report”

3. Background

- 3.1 In terms of the Standing Orders of the Scotland Excel Joint Committee, the Committee can delegate authority on certain matters to the Executive Sub-committee. Those delegations are set out in the Scotland Excel Scheme of Delegations. Examples of existing delegations are the approval for signature of the Audited Accounts, approval of the annual business plan and approval of External Audit Reports.
- 3.2 The Internal Audit Annual Report is usually considered each year at the June meeting of the Joint Committee. Similarly, each year the Internal Auditor selects one area of Scotland Excel’s work for a specific examination and report. For example, this year a report has been prepared on the Contract Working Arrangements. The timing of preparation of those reports and content of them would be better aligned to the Executive Sub-committee, as this usually meets every month outwith recess periods, and regularly considers matters such

as the risk register. This would also remove the current inconsistency between approval of external and internal audit reports.

- 3.3 Therefore, authority is sought from the Joint Committee to delegate consideration and approval of these reports to the Executive Subcommittee and to amend the Scheme of Delegations accordingly.



Scotland Excel

To: Joint Committee

On: 19 June 2020

Report by:

Chief Executive of Scotland Excel

Financial Impact of COVID-19 Pandemic on Scotland Excel

1. Summary

- 1.1 As a result of the impact of the COVID-19 pandemic, the associated lockdown period and its impact on local government services and the wider economy, Scotland Excel faces significant financial challenges during financial year 2020/21.
- 1.2 This paper identifies the specific financial challenges facing Scotland Excel in this financial year and details actions already taken and planned by the organisation to mitigate these challenges.

2. Recommendations

- 2.1 It is recommended that members note the financial challenges faced by Scotland Excel and the associated actions being taken by the organisation to mitigate these challenges.

3. Background

- 3.1 In December 2019, the Joint Committee approved the Scotland Excel Core Operating budget for financial year 2020/21. This budget contained revenue estimates for the year based on previous and planned expenditure along with income estimates which included targets for the 5 new income streams contained within the approved Scotland Excel Funding Model.
- 3.2 Section 4 identified areas of Core expenditure which will present financial challenges during 2020/21. In addition, section 5 identifies new income streams and the challenges associated with each. Planned mitigating actions aimed at minimising the overall impact on Scotland Excel's financial position are also shown.

4. **Core Expenditure**

- 4.1 In common with local authorities, the Scotland Excel staffing budget is subject to a 5% reduction against the projected actual to reflect anticipated savings in relation to staff turnover. For financial year 2020/21 this reduction totals circa £185k. In normal circumstances it would be anticipated that savings generated through staff turnover during the financial year would accrue this saving.
- 4.2 During the lockdown period recruitment activity across all sectors has reduced significantly. This has been mirrored within Scotland Excel resulting in a lower than anticipated turnover of staff.
- 4.3 In order to generate the required savings in relation to the staffing budget, Scotland Excel has implemented a recruitment freeze across the organisation leaving a number of posts unfilled. Savings accrued from not filling these posts will correct the projected budget shortfall in Employee Costs by the end of the financial year.
- 4.4 Scotland Excel is also carrying out a comprehensive review of the staffing complement across the organisation to ensure the organisation operates as efficiently and effectively as possible while still delivering excellent standards of service.

5. **Core Income**

- 5.1 The Core operating budget for 2020/21 included income targets for the 5 new income streams contained within the approved Scotland Excel Funding Model. The anticipated impact of the COVID-19 pandemic on these income targets is detailed below.
- 5.2 An income target of £217k for Consultancy services is included within the core operating budget for 2020/21. This figure was based on fees and charges from continuing consultancy projects and on income generated from new projects developed and started during 2020/21.
- 5.3 Existing consultancy projects continue to be delivered to a high standard by Scotland Excel however, due to the impact of COVID-19, new project development has been limited.
- 5.4 Currently, Scotland Excel is anticipating the income target for consultancy in 2020/21 will be achieved. However, the pause in project development caused by COVID-19 is likely to have an adverse impact on income generated from consultancy services in the next financial year.
- 5.5 The Scotland Excel Academy performed well during 2019/20 engaging students from all local authorities and 17 other public and third sector organisations. The income target from Learning and Development for 2020/21 is £53k.

- 5.6 Initially, learning through the Academy was delivered through a blend of online learning, face to face workshops and master classes with knowledge gained through these mediums being applied directly in the workplace.
- 5.7 Implementation of the lockdown period due to COVID-19 initially caused a suspension of all training being delivered by the Academy. This impacted income levels and necessitated a comprehensive change in course delivery options, an appraisal of the learning topics being provided and a comprehensive review of the Academy business plan.
- 5.8 The Scotland Excel Academy is now delivering a growing programme of on-line learning opportunities for its customers and this is anticipated to grow throughout 2020/21.
- 5.9 Currently, Scotland Excel is anticipating that the Academy will generate income sufficient to cover it's running costs during 2020/21. However, it will not achieve its target income figure, and performance of the Academy will be closely monitored throughout the financial year.
- 5.10 The income target for Associate members during 2020/21 is £210k. Income from Associates during 2019/20 totalled £160k.
- 5.11 Due to the success and take up of temporary associate membership of Scotland Excel during the COVID-19 pandemic; the introduction of the New Build Housing framework and its attractiveness to Housing Associations and, the dedicated Associates Team within Scotland Excel the general outlook for new associates is positive.
- 5.12 However, the economic uncertainty of a post COVID-19 world will undoubtedly place increased pressure on the retention of existing associate members. Retention of existing associate members will be a priority area for the Scotland Excel associates team.
- 5.13 Currently, Scotland Excel is anticipating that the income target from Associate members will be achieved for 2020/21.
- 5.14 Income in relation to the New Build Housing project is generated via a rebate paid to Scotland Excel by contractors delivering new build projects for participants. The income contribution from the New Build Housing Project towards core operating costs during 2020/21 is £30K.
- 5.15 Due to lockdown and the subsequent cessation of all construction activity, there were no new contracts agreed under the New Build framework for the first quarter of 2020/21. This is anticipated to have a major impact on the level of rebate achieved from the project during 2020/21. However, it is anticipated that the total level of rebate projected for the project as a whole will be achieved and will be budgeted for in future years.
- 5.16 Currently, Scotland Excel is anticipating that the income target from the New Build Project will not be achieved for 2020/21.

5.17 The budgeted income target in relation to contract rebates for 2020/21 is £66k. Total expenditure across all Scotland Excel frameworks is anticipated to reduce during 2020/21 due to the COVID-19 pandemic. Those from which a rebate was planned during 2020/21 have been less affected.

5.18 Currently, Scotland Excel is anticipating that the income target from Contract Rebates will be achieved for 2020/21.

6. Summary

6.1 The table below gives a summary of the anticipated financial impact of the COVID-19 pandemic on Scotland Excel and the projected outturn after mitigating actions.

Budgetary Impact of COVID-19 – 2020/21			
Budget Line	Budget for Year (£)	Potential COVID-19 Impact (£)	Projected Variance after Mitigating Actions
Expenditure			
Employee Costs	3,591,300	-185,000	0
Income			
Consultancy	-217,000	0	0
Learning and Development	-53,000	23,000	23,000
Associates	-210,000	0	0
New Build	-30,000	30,000	30,000
Rebates	-66,000	0	0
Total			53,000

6.2 As can be seen from the above table, the anticipated financial impact of the COVID-19 pandemic on Scotland Excel, subject to mitigation is currently a deficit of £53k.

6.3 However, Scotland Excel will continue to monitor all expenditure lines and income streams across the organisation and will be targeting a break-even position at year end. Regular budget monitoring reports will continue to be presented to the Executive Sub Committee ensuring members are kept fully aware of the financial position on an on-going basis.

Scotland Excel

To: Joint Committee

On: 19 June 2020

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

Annual Procurement Report

1 Introduction

Where a public organisation is required to prepare a procurement strategy or review an existing one, for example, it has an estimated total value of regulated procurement spend of £5 million or more (excluding VAT) in a financial year, it must also publish an annual procurement report. The Procurement Reform (Scotland) Act 2014 sets out what, as a minimum, each annual procurement report must contain.

The annual procurement report should be relevant and proportionate, providing transparency of its purchasing activities. The statutory guidance states that an annual procurement report must address all the matters contained in an organisations procurement strategy.

The annual procurement report must be published as soon as reasonably practicable after the end of the financial year. Scotland Excel's third annual procurement report to be published will be based on the 2019-2020 financial year (for Scotland Excel this is 1 April 2019 – 31 March 2020).

2 Annual Report on Procurement in Scotland

The 2014 Act also requires Scottish Ministers to publish an annual report on procurement activity in Scotland. It provides an overview of public procurement activity and is informed by the individual annual procurement reports published by contracting authorities in Scotland. This report does not touch on all areas where public procurement can have an impact, but it does support increased transparency and visibility of public procurements.

The timing of the publication of individual annual procurement reports is an important consideration in the preparation of the Scottish Ministers' annual report on procurement activity in Scotland. This is because the Ministers' report will be based on information contained within annual procurement reports published by individual contracting authorities.

Based upon experience of reports published by contracting authorities in previous years, annual procurement reports are expected to be to be published no later than

five months following the end of the authority's financial year. For Scotland Excel this means the its annual procurement report for the 2018-2019 financial year will be published no later than the end of August.

3 Legislative Requirements

The Procurement Reform (Scotland) Act 2014 lists the minimum requirements that the annual procurement report must contain, as follows:

- (a) a summary of the regulated procurements that have been completed during the year covered by the report,
- (b) a review of whether those procurements complied with the authority's procurement strategy,
- (c) the extent that any regulated procurements did not comply, a statement of how the authority intends to ensure that future regulated procurements do comply,
- (d) a summary of any community benefit requirements imposed as part of a regulated procurement that were fulfilled during the year covered by the report,
- (e) a summary of any steps taken to facilitate the involvement of supported businesses in regulated procurements during the year covered by the report,
- (f) a summary of the regulated procurements the authority expects to commence in the next two financial years,
- (g) such other information as the Scottish Ministers may by order specify

4 Scotland Excel's Annual Procurement Report

The report that Scotland Excel has prepared in order to meet the requirements of the Procurement Reform (Scotland) Act 2014 is given at Annex A.

5 Conclusion/Recommendation

Committee members are requested to note the content of this report and approve publication, on the Scotland Excel Website, of the Annual Procurement Report as given at Annex A.

Scotland Excel
Annual Procurement Report
(1 Apr 2019 – 31 March 2020)

June 2020

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Section 2: Review of Regulated Procurement Compliance

Section 3: Community Benefits Summary

Section 4: Supported Business Summary

Section 5: Future Regulated Procurements Summary

Section 6: Other content for consideration

Appendix 1: Procurements Completed

Appendix 2: Governance (Procurement Process) Gateways

Appendix 3: Performance against our Strategy

Appendix 4: Planned Procurement

Scotland Excel Annual Procurement Report 2019/20

Introduction

Scotland Excel is the Centre of Procurement Expertise for the local government sector. Established in 2008, we are a leading non-profit shared service funded by Scotland's 32 local authorities.

Our contract portfolio, the value of which now exceeds £1.5bn, supports the delivery of social care, construction, roads, transport, environment, corporate, education and ICT services. A strategic approach ensures contracts are designed to encourage innovation, facilitate policy, support local economies and generate social value for communities.

Scotland Excel strictly adhere to their duties as laid down by the Procurement Reform (Scotland) Act 2014 ("the Act"). Section 18 of the Act mandates any public organisation who is required to publish a procurement strategy to prepare an annual procurement report.

This annual procurement report will review the latest Procurement Strategy published by Scotland Excel in July 2018 and evaluate the organisations procurement activity. The report further supports Scotland Excel's commitment to transparency within its procurement activity and documents our performance against our objectives and strategic targets.

Scotland Excel's current Procurement Strategy sets out the strategic direction for its procurement activity and details the context in which Scotland Excel will work to ensure that its procurement delivers value for money and directly contributes to the achievement of its aims and objectives. Together with its Sustainable Procurement Strategy and respective Category Strategies it reflects the Scottish Model of Procurement. It also demonstrates how Scotland Excel ensures it has considered the wider social, economic and environmental aims of procurement in a consistent manner as required by the sustainable procurement duty under the Act. Scotland Excel's Procurement Strategy is also clear on how it will contribute to meeting the general duties in the Act.

Scotland Excel has published its Annual Procurement Report on its website <http://www.scotland-excel.org.uk/>.

Section 1 Summary of Regulated Procurements Completed

Section 18(2) of the Procurement Reform (Scotland) Act 2014 requires organisations to include: "a summary of the regulated Procurements that have been completed during the year covered by the report".

A regulated procurement is completed when the award notice is published or where the procurement process otherwise comes to an end. This includes contracts and framework agreements.

The principle of transparency requires an organisation to approach its public procurements in an open and inclusive manner. Scotland Excel has at present seventy-four live framework agreements. These frameworks are aligned to Councils' requirements and are established on their behalf. Appendix 1- Part 1 provides a high-level summary of the regulated procurements Scotland Excel has completed between 1 Apr 2019 and 31 March 2020. As required Appendix 1 includes:

- The date of award
- The name of the supplier
- The subject matter
- Estimated value of the framework
- The start date
- The end date

In addition, Appendix 1 – Part 2 shows suppliers appointed to the dynamic purchasing system (DPS) established in 2018/19 for the Treatment and Disposal of Recyclable and Residual Waste.

Section 2 Review of Regulated Procurement Compliance

Section 17 of the Act requires all regulated procurements to be carried out in line with the organisations procurement strategy. Section 18(2) states that an annual procurement report must include “a review of whether those procurements complied with the authority’s procurement strategy” and “the extent to which any regulated procurements did not comply, and a statement detailing how the organisation will ensure that future regulated procurements do comply”.

Prior to the commencement of any procurement exercise a commodity strategy is developed. Commodity strategies are reviewed as part of Scotland Excel’s established governance procedures. This involves review at contract steering groups, by various members of management to ensure commodity strategies reflect and adhere to the values and principles set out in the overall Procurement Strategy. Throughout the Procurement Journey individual commodity exercises are reviewed, evaluated and monitored at contract steering groups before proceeding to the next stage in the procurement process. Commodity strategies reflect the Scotland Excel Procurement Strategy and ensure that procurement exercises follow a journey that embeds our organisations principles, values and objectives.

The Contract Steering Group is responsible for governance of each appointed milestone of the procurement process from contract initiation through to contract termination/expiration in line with the Governance Gateways (outlined in bold in Appendix 2).

These Governance Gateways are designed to accommodate the EU Open and Restricted Procedures and Regulated Procurements as defined by the Act.

This methodology represents and ultimately ensures that all regulated procurements align with the Procurement Strategy. Furthermore, our approach to strategic procurement in this way maximises the added value potential in each and every procurement exercise.

Scotland Excel have reviewed the commodity strategy template to incorporate best practice. We continually strive to strengthen and develop our internal governance structures and recognise that the strategy development stage is crucial in the creation of our framework agreements. It is at this stage that we conduct extensive market consultation and stakeholder engagement to promote involvement and undertake comprehensive market analysis.

Key success factors are established in consultation with our members. Financial savings targets for each procurement exercise are projected at the strategy stage and suppliers are obliged to provide detailed spend information. Through effective contract management quantitative and qualitative aspects are monitored and reviewed. Performance against our strategy and objectives for 2019/20 is given at Appendix 3.

Section 3 – Community Benefits Summary

Section 18(2) of the Act states that it is mandatory for an annual procurement report to include “a summary of any community benefit requirements imposed as part of a regulated procurement that were fulfilled during the year covered by the report”.

Community benefit clauses provide a means of achieving sustainability in public contracts. They include targeted recruitment and training, small business and social enterprise development and community engagement. The requirement to include community benefits in the delivery of goods and services is an integral element within Scotland Excel frameworks.

Scotland Excel incorporate community benefits in its procurement activities to promote and encourage sustainability. It is widely recognised that in doing so we contribute to the delivery of social and environmental benefits. Tenderers are required to make a community benefits submission in respect of the spend they will receive through access to the relevant framework and this is monitored throughout the duration of the framework agreement. The system used to capture and record community benefits has been reviewed and fully addresses the requirements of the statutory guidance made under the Procurement Reform (Scotland) Act 2014, and supports the ongoing drive to deliver sustainable procurement.

Community benefits information is collected from suppliers on a six-monthly basis. Scotland Excel’s process requires suppliers who receive spend, in excess, of £50,000 over the preceding two quarters to produce a detailed breakdown of the community benefits they provide. The information provided for the period April – Sept 19 has been collated and is as follows:

No. of Apprentices	21
No. of New Jobs	192
No. of Work Placements	27
Hours of Volunteering	601
Hours of Work Experience	5879
Value of other Community Benefits	£560,090

This return is vital for the reporting of social and environmental benefits resulting from the procurement activity conducted by Scotland Excel. Our methodology provides a platform for suppliers to demonstrate the commitment they make at the tender stage and to realise their full economic potential. 'Other Community Benefits' encompass a range of benefits including donations and sponsorships of various clubs and community organisations. From our most recent community benefit return results continue to be extremely positive and demonstrates Scotland Excel's commitment to maximising community benefits from frameworks for works, goods and services in which Scotland Excel members have an interest. This approach evidences fulfilment of community benefits and recognises community benefits should improve the economic, social or environmental wellbeing of specific local authority areas.

Additionally, community benefits are reviewed with suppliers at contract management review meetings and routinely reported to local authority procurement managers.

Section 4 – Supported Businesses Summary

Section 18(2) of the Act requires organisations to summarise steps taken to facilitate the involvement of supported businesses in regulated procurement. Scotland Excel recognises that supported businesses provide a crucial contribution to the Scottish economy.

Supported businesses are defined as: *“an economic operator whose main aim is the social and professional integration of disabled or disadvantaged persons where at least 30% of the employees are disabled or disadvantaged”*. Contracts may be reserved for those businesses meeting these criteria

At Scotland Excel the involvement of supported businesses in regulated procurements is considered at the strategy development stage. As commodity strategies are mandatory for all regulated procurements undertaken by Scotland Excel, the involvement of supported businesses is therefore considered in all regulated procurements.

Within the portfolio of contracts reviewed in 2019/20 no contracts were reserved for supported businesses in 2019/20 However in line with our sustainable procurement duty and procurement strategy all procurement exercises undertake a sustainability assessment. Due diligence in this way means evaluations are conducted to determine ways in which sustainability, including the use of supported businesses can be maximised.

We are always looking for appropriate ways to include supported businesses in our frameworks as demonstrated by the appointment Scotland's Bravest Manufacturing Company within our Roads Signage Materials Framework.

With a view to creating opportunities specifically for supported businesses within the furniture and furnishings market as part of our latest generation domestic furniture and furniture framework marked we engaged with the British Association of Supported Employment (BASE) and this resulted in substantial sub-contracting opportunities within the supply chain.

A number of framework suppliers have partnership relationships with supported businesses.

Scotland Excel firmly believe that supported businesses can make a key contribution to local impact, are vital to the Scottish economy and that they provide essential job opportunities for disabled and disadvantaged people within our communities which enable them to become more independent, while also delivering a range of excellent goods and services.

Scotland Excel will continue to work with councils and suppliers to promote working relationships with their local supported business.

Section 5 – Future Regulated Procurements Summary

Section 18(2) of the Act states it is mandatory that an annual procurement report must include “a summary of the regulated procurements the authority expects to commence in the next two financial years.”

Scotland Excel uphold the values of transparency and proportionality to encourage competition and to achieve better value for money. Scotland Excel will continue to engage and communicate appropriately, to give suppliers advance notice of future opportunities.

Scotland Excel has forty-seven regulated procurements due for renewal (or subject to contract extension) over the next two financial years. In addition, Scotland Excel plans to complete regulated procurements for six new contract areas in financial year 2020/21. Details of these anticipated contract requirements are shown in Appendix 4.

Section 6 – Other Content for Consideration

At Scotland Excel, we are leaders of change. Over the past twelve years, we have helped to raise the profile of procurement in local authorities by championing its potential to shape markets, support policy priorities and, ultimately, ensure the sustainable delivery of the services that every community needs.

Our services are designed to help councils meet the twin challenges of reducing budgets at a time of growing demand. Collaborative procurement increases efficiency and ensures money is saved to protect front line services. By working together through Scotland Excel, councils can realise a host of social, economic and environmental benefits from their spend.

Scotland Excel also offers an award-winning learning and development programme, and provides assessment, consultancy and improvement services to help councils transform their procurement capability. We represent the sector at a national level on all matters relating to public procurement and provide procurement support for a range of national sector initiatives including the Scottish Government’s Affordable Housing Supply Programme (AHSP).

Our vision is: To provide innovative, transformative solutions for local and national public services across Scotland.

Our Mission is: To make the most of our strategic procurement expertise and our experience of developing collaborative solutions which support better outcomes for Scotland’s people and communities through early intervention and the delivery of

sustainable public services

The following principles, which were developed by staff from across the organisation, guide our approach to our work.

- Professional - We establish goals and objectives to achieve excellence and demonstrate leadership in everything we do.
- Courageous - We listen with an open mind and respond honestly and constructively.
- Respectful - We achieve the best possible outcomes through our determination, resilience and innovation.
- Integrity - We are transparent and fair in all our actions securing trust and building confidence.

At Scotland Excel, we are committed to demonstrating innovation and continuous improvement in everything we do. We are delighted to have won a number of awards for our work. We also hold a number of accreditations which reflect our commitment to best practice in procurement, organisational development and workforce matters.

CIPS Corporate Certification Standard - This award signifies that we have all the procurement governance mechanisms in place for effective supply assurance and compliance.

Investors in People (IIP) - IIP is a UK government initiative, providing a best practice people management standard, and is regarded as an indication that Scotland Excel is a great employer, an outperforming place to work and has a clear commitment to sustainability.

Chartered Management Institute Approved Centre- Scotland Excel is an approved centre for the delivery and assessment of CMI leadership and management qualifications.

Living Wage - Scotland Excel is proud to be a Living Wage employer. Living wage is a voluntary hourly rate of £9.30 (2019/20) an hour set independently and updated annually, calculated according to the basic cost of living in the UK.

Appendix 1
Procurements Completed

Procurements completed (by start date) 01 Apr 2019 - 31 Mar 2020

Award Date	Short Contract Title	Total Contract Value	Contract Start Date	Contract End Date	Supplier Name	Schedule Number
19/02/19	Audio Visual	£30,000,000	01/04/19	31/03/23	Dunfermline Repair Centre Ltd	0618
					Irruptus Limited (t/a Efficient Infrastructure Solutions)	0618
					Learning Space Belfast Ltd	0618
					Xma Limited	0618
					SSUK Ltd	0618
					Avm Impact Ltd	0618
					Insight Direct (uk) Ltd	0618
07/06/19	Building & Timber	£60,000,000	01/04/19	31/03/22	The Symphony Group plc	0318
					Rixonway Kitchens Ltd	0318
					Rowan Timber Supplies (Scotland) Ltd	0318
					Travis Perkins Trading Company Ltd	0318
					Scotia Roofing Supplies Ltd	0318
					Hall & Tawse Joinery Ltd	0318
					St Andrews Timber Supplies Ltd	0318
					Fibo Uk Ltd	0318
					Sig Trading Ltd	0318
					Nordan UK Ltd	0318
					Rembrand Timber Ltd	0318
					D McNair Builders Merchant Ltd	0318
					Jewsons (May Trade Under Other Name for Each Contract)	0318
					Scotdor	0318
					Thornbridge Sawmills Ltd	0318
					M & J Timber Ltd t/a M & J Builders Merchants	0318
					Joinery & Timber Creations (65) Ltd	0318
					Dumfries Timber Company Ltd	0318
					Innes Building & Timber (Merchants) Ltd	0318
					Nu-Style Products Ltd	0318
Grafton Merchating GB Ltd	0318					
Rearo Laminates Ltd	0318					
MGM Timber (Scotland) Ltd	0318					
10/04/19	Cleaning Equipment	£9,000,000	01/05/19	30/04/22	Mr. Pat Mckay T/a Machines2clean	1818
					Arrow County Supplies Limited	1818
					Dmg Floorcare Ltd	1818
					Nilfisk Ltd	1818
					Truvox International Ltd	1818
					Unico Ltd	1818
					Gt Cleaning Machines Ltd	1818
					Alliance Disposables Ltd	1818
					Diversey Ltd	1818
					Powerwasher Services Ltd	1818
29/03/19	Vending Machines	£5,000,000	01/05/19	30/04/22	Templeman Retailing & Vending Ltd	2118
					Abercromby Vending Ltd	2118
					Centravend Ltd	2118
					Eden Springs Uk Ltd	2118
					Norscott Vending Services Limited	2118
					Early Bird Catering Ltd	2118
					Excel Vending Ltd	2118
Ideal Services Ltd	2118					
12/08/19	Asbestos	£48,000,000	01/07/19	30/06/21	Selecta U.k. Ltd	2118
					Specialist Building & Asbestos Services Ltd	2418
					Aspect Contracts Ltd	2418
					Lucion Environmental Ltd	2418
					Askams Compliance Services Ltd	2418
					PCS Asbestos Consultants Ltd	2418
					Asbestos Analytical Services	2418
William Munro Construction (Highland) Ltd	2418					
Enviraz (Scotland) Ltd	2418					

					Omega Asbestos Consulting Ltd	2418
					Acron Asbestos Ltd	2418
					Shield On-Site Services Ltd	2418
					A&C Asbestos Consultants Inc Ltd	2418
					Not One Iota Ltd	2418
					Clyde Environmental Ltd	2418
					Henderson Environment Services Ltd	2418
					Strada Environmental Ltd	2418
					Greenair Environmental Ltd	2418
					Element Materials Technology Environmental UK Ltd	2418
					Erith Contractors Ltd	2418
					Rhodar Ltd	2418
					E.D.P. Health, Safety And Environment Consultants Ltd	2418
					Asbestos Building Surveys Ltd	2418
					Asbestos Specialists (UK) Ltd	2418
					WSP UK Ltd	2418
					Chamic Industrial Services Ltd	2418
					Northern Asbestos Services Ltd	2418
					Damada Asbestos Removals Ltd t/a Damada Group	2418
					Resource And Environmental Consultants Ltd	2418
					Vega Environmental Consultants Ltd	2418
					Carymar Construction Services Ltd	2418
					Clarkes Environmental Ltd	2418
					Gowrie Contracts (Scotland) Ltd	2418
					DNKA Ltd	2418
					Socotec Asbestos Ltd	2418
					Environmental Essentials Ltd	2418
					Wood Group Industrial Services Ltd	2418
					Intona Ltd	2418
					Envirotec Ltd	2418
					MDS Environmental Services Ltd	2418
					Life Environmental	2418
					Plansafe Solutions Ltd	2418
					Enviraz (Surveys) Ltd	2418
					Franks Portlock Consulting Ltd	2418
12/07/19	Alcoholic Beverages	£5,000,000	01/08/19	31/07/22	Tennent Caledonian Breweries Wholesale Limited	0119
26/06/19	Bikeability Scotland Training Providers	£1,200,000	01/08/19	31/07/23	Soulriders (scio)	0319
					Skinny Tyres Ltd	0319
					Glasgow Bike Shed Ltd (trading As Bike For Good)	0319
					Angus Cycle Hub Cic	0319
					West Lothian Bike Library Cic	0319
					Fallin Community Enterprises T/a Recyke-a-bike	0319
					Outfit Moray	0319
					Rural & Urban Training Scheme Limited	0319
					Healthy N Happy	0319
					Cycle Experience Limited	0319
22/08/19	New Build Residential	£1,500,000,000	26/08/19	31/07/21	Mctaggart Construction Ltd	1518
					Andrew Shepherd Construction Ltd	1518
					Central Building Contractors (Glasgow) Ltd	1518
					Cruden Investments Ltd	1518
					CCG (Scotland) Ltd	1518
					Urban Union Ltd	1518
					Ashleigh (Scotland) Ltd	1518
					Jr Construction (Scotland) Ltd	1518
					Engie Regeneration Ltd	1518
					Bancon Construction Ltd	1518
					Chap Group (Aberdeen) Ltd	1518
					Mm Miller (Wick) Ltd	1518
					Springfield Properties PLC	1518
					Clark Contracts Ltd	1518
					Hadden Construction Ltd	1518

					Mears Ltd	1518
					City Building (Contracts) LLP	1518
					Stewart & Shields Ltd	1518
					D. McLaughlin & Sons Ltd	1518
12/09/19	Community Meals	£16,000,000	01/09/19	31/08/22	Apetito Limited	2018
					ICare (GB) Limited	2018
	Security Services and Cash Collection					
09/12/19		£50,000,000	16/09/19	15/09/23	Confida Fm Limited	0719
					G4s Cash Solutions (uk) Limited	0719
					Dcl Security International Limited	0719
					Mitie Security Ltd	0719
					G4s Secure Solutions Uk Ltd	0719
					Croma Vigilant	0719
					Security Plus Limited	0719
					Allander Security Ltd	0719
					Kingdom Services Group Limited	0719
					Atalian Servest Limited	0719
					Securitay Ltd	0719
					Profile Security Services Ltd	0719
					Corporate Service Management Ltd	0719
					Securigroup Limited	0719
	Fresh Bread, Rolls & Bakery Products					
28/08/19		£6,000,000	01/10/19	30/09/22	Black Of Dunoon (bakers) Limited	0419
					D McGhee and Sons Ltd	0419
					Fergusons Bakers Limited	0419
					George Anderson & Sons	0419
					Tower Bakery	0419
	Care Homes For Adults LD Inc Autism					
14/10/19		£106,000,000	11/10/19	15/09/23	Camphill Blair Drummond Trust Ltd	1918
					Caring Homes Healthcare Group Ltd	1918
					The Richmond Fellowship Scotland Limited	1918
					Enhance Healthcare Ltd	1918
					Deanston House Limited	1918
					Sanctuary Care (combined) Limited	1918
					Consensus Support Services Limited	1918
					Orems Care Services Limited	1918
					Capability Scotland	1918
					Ark Housing Association Ltd	1918
					Scottish Autism	1918
					Garvald West Linton Ltd.	1918
					Archway (Respite Care & Housing) Limited	1918
					Swanton Care And Community (southfields House Care Services) Limited	1918
					Cygnnet Health Care Limited	1918
					Voyage 1 Ltd t/a Voyage Care	1918
					Community Integrated Care	1918
					Phew (scotland)	1918
					Parkcare Homes (No.2) Ltd	1918
					Anne Reynolds T/a Denovan Care	1918
					Enable Glasgow Branch	1918
					The Mungo Foundation	1918
					Stoneywood Care Services Ltd	1918
					Real Life Options	1918
	Plumbing And Heating Materials					
09/12/19		£90,000,000	01/12/19	30/11/22	Wolseley UK Ltd	2318
					William Wilson Ltd	2318
					Travis Perkins Trading Company Ltd	2318
					Coram Uk Holding Limited	2318
					Pro Care Shower & Bathroom Centre Limited	2318
					City Plumbing Supplies Holdings Limited	2318
					Jewsons (May Trade Under Other Name for Each Contract)	2318
					AKW Medicare Ltd	2318
					Grafton Merchanting GB Ltd	2318

18/11/19	Sheriff Officers	£4,400,000	01/12/19	30/11/22	Scott & Co (scotland) Llp	0619
					Michael Clark T/a Clarks Messengers At Arms And Sheriff Officers	0619
					Killean & Co, A Partnership	0619
					George Walker & Co T/a Walker Love	0619
					Alex M Adamson Llp	0619
					Stirling Park Llp	0619

Appendix 1 – Part 2
Appointments to DPS
for

Treatment and Disposal of Recyclable and Residual Waste

New Entrants

Service Provider Name	Lots Approved	Effective Date
Blythwood Care	Lots 9 and 11	21st March 2019
UPM Kymmene (UK) Limited	Lots 1-2 and 10	22nd March 2019
URM (UK) Limited	Lot 3	25th March 2019
Robertson Metals Recycling Ltd	Lots 4 and 7	5th April 2019
Dalton Demolition Recycling Ltd	Lot 7	10th April 2019
EIS Waste Services Ltd	Lots 1-17 and 19-22	25th April 2019
Oakbank Waste Management Limited	Lots 1-10	17th May 2019
WasteCare Ltd	Lots 14,16 and 20	8th July 2019
Hamilton Waste Recycling Limited	Lots 1, 2, 7, 8, 10, 11, 12, 13 and 22	18th July 2019
Aire Valley Gas Ltd	Lot 14	29th July 2019
Diverse Investments Scotland Ltd t/a Newtown Skips	Lots 4, 7 and 11	31st July 2019
Teprac Fuels Limited	Lots 9 and 11	22nd August 2019
Veolia ES (UK) Ltd	Lots 14, 16, 18 and 19	8th October 2019
Total Homes Cooperative Ltd	Lots 1, 2, 3, 4, 5, 6, 7, 8, 9 and 10	10th March 2020
M McKenzie Waste Ltd	Lot 8	25th March 2020
Brewster Brothers Limited	Lot 13	11th May 2020

New Offers

Service Provider Name	Additional Lots Approved
A&M Smith Skip Hire Ltd	11-13, 15 and 21
Avondale Environmental Ltd	11,13 and 17

Appendix 2

Governance (Procurement Process) Gateways

Contract Steering Group – Process Gateways	
	Process Stage
1	Contract Initiation
2	Market Research and Analysis
3	Communicate Strategy Pack to UIG for Review
4	Strategy Approved
	4a Initial Approval
	4b. Alignment with overall corporate objectives
	4c Approach for Participation & Benchmarking
	4d. Sustainable Procurement Duty
	4e. Authorise release to UIG & CPM's for information with benchmarking requests
5	Draft PQQ
6 -17	PQQ Approved (sub -stages subject to use of Restricted Process)
18	Tender Documents Approved
	18a Overall Tender Approved
	18b Approved that Strategy Requirements met
	18c Evaluation Methodology and Weightings Approved
19	ITT Issued via PCS and benchmarking templates to Councils
20	Tender Period (Incl Clarifications)
21	Tender Return Date - Any Extension?
22	Tenders Opened and Recorded
23	Tender Analysis Evaluation
24	Tender Evaluation Approved (includes sub stages 24a-24e)
25	Prepare Sub Executive Committee Report
26	PTN Approved
27	Conduct PTN
28	Executive Sub-Committee Report Approved
29	Executive Sub-Committee Authorisation to Award
30	Prepare and Issue Standstill Letters
31	Standstill Period
32	De-brief Unsuccessful Tenderers
33	Standstill Period Expired
34	Prepare Contract Award Letters
35	Contract Award Letters Issued
36	Contract Award Notice Approved
37	Contract Award Notice Published
38	Mobilisation Implementation Plan
39	Contract Start Date
40	Contract Management Annual Review
	40a Overall CM Report Approved
	40b Approved Strategy Requirements/Agreed Variations met
	40c Next Steps Plans Approved
41	Extension Reports subject to terms of F/work (incl Approval Requests)

Appendix 3

Performance against our strategy, operating plan and objectives for 2019/20



Operating Plan

2019 – 2020

Q4 Progress Report

Goa1 1: Shaping the delivery of innovative public services

Strategic Objective	Commitment	RAG status	Progress summary
1.1 Deliver a programme of collaborative procurement to support early intervention and the delivery of public services	<ul style="list-style-type: none"> Continue to engage directly with local authority services to identify new collaborative procurement opportunities 		<ul style="list-style-type: none"> A range of new opportunities were identified and delivered over the course of 2019 – 2020.
	<ul style="list-style-type: none"> Complete the tender process for a new build residential housing framework on behalf of participating local authorities and market this effectively to local authorities and housing associations 		<ul style="list-style-type: none"> The framework for new build housing was completed and awarded in Aug 2019. As part of the launch and mobilisation of the framework a contract management strategy has been implemented. On-going marketing and engagement activity is continuing to promote uptake of the framework by councils and housing associations.
	<ul style="list-style-type: none"> Embed ownership for the National Care Home Contract (NCHC) within Scotland Excel and refresh the approach to this contract based on the implementation of the NCHC Cost Model © 		<ul style="list-style-type: none"> A contract review is underway with key local authority partners and COSLA. Figures produced by the NCHC Cost Model were used in negotiations with care provider representatives to set care home rates for 2020-21.
	<ul style="list-style-type: none"> Complete the delivery of a framework for adult care and support services and secure sustainable funding for ongoing management of this contract 		<ul style="list-style-type: none"> The adult care and support framework tender closed in November 2019, and attracted significant interest from providers. This went live on 1 April 2020, and discussions are underway with early adopters to start using the framework
	<ul style="list-style-type: none"> Complete the Scottish Government funded project to deliver guidance, procurement templates, and terms and conditions to support the expansion of early learning and childcare provision 		<ul style="list-style-type: none"> The procurement templates and model terms and conditions produced by Scotland Excel to help local authorities purchase early learning and childcare services have now been completed, and have already been used by nine councils. Scotland Excel is continuing to support councils with using this documentation, and discussions are ongoing with Scottish Government on further support that could be delivered through the programme.

	<ul style="list-style-type: none"> Continue to develop and deliver contract and supplier management (CSM) and key supplier management (KSM) programmes which monitor and enhance the performance of Scotland Excel contracts 		<ul style="list-style-type: none"> Annual key supplier meetings are being incorporated into CSM plans for relevant Scotland Excel frameworks with identified key suppliers invited to meet with procurement leads to address strategic priorities. This commenced with a key food supplier in quarter 3, and will continue throughout 2020/21
	<ul style="list-style-type: none"> Continue to identify opportunities to lead and/or participate in national cross-sector procurement opportunities and initiatives with partners in health, further and higher education, and central government 		<ul style="list-style-type: none"> The Scottish Government have set up a new portfolio team to manage cross-sector construction procurement opportunities. Scotland Excel is actively involved in working groups for this portfolio to represent the needs of the local government sector and ensure there is no duplication with Scotland Excel's construction portfolio.
	<ul style="list-style-type: none"> Continue to inform and support national procurement policy in consultation with the local government procurement community 		<ul style="list-style-type: none"> Regular engagement continues to take place with the Scottish Government to inform their decisions on Brexit preparations. In December 2019, Scotland Excel participated in a Health & Sport Committee round table at the Scottish Parliament, and will continue to be involved in providing evidence for their Social Care Inquiry.
1.2 Deliver programmes which lead and develop professional, organisational and commercial capability	<ul style="list-style-type: none"> Complete the second cycle of Procurement & Commercial Improvement Programme (PCIP) assessments for all local authorities 		<ul style="list-style-type: none"> Procurement & Commercial Improvement Programme (PCIP) assessments have now been completed for all councils.
	<ul style="list-style-type: none"> Develop and deliver a targeted programme of sector-wide change projects based on development needs identified by the second cycle of PCIP assessments 		<ul style="list-style-type: none"> Four of the six sector-wide change programmes targeted for this year are in progress, covering contract and supplier management, demand management, developing councils, and local suppliers. Two projects were impacted by vacancies within the team. Further projects will be discussed with the Procurement Improvement Programme (PIP) steering group in 2020-21.

	<ul style="list-style-type: none"> Continue to deliver the chargeable consultancy projects and transformation programmes for Fife Council, East Renfrewshire Council and the Tayside councils, and respond to any further requests for these types of services 		<ul style="list-style-type: none"> The consultancy programmes and projects for Fife Council, East Renfrewshire Council and the Tayside councils are all progressing in line with plans. A new project has commenced for East Lothian Council. Preparation for a procurement programme for Dumfries & Galloway Council for a number of work packages/procurement exercises began in early 2020.
	<ul style="list-style-type: none"> Continue to develop and deliver accredited work-based learning programmes through the Scotland Excel Academy 		<ul style="list-style-type: none"> The Academy currently has 161 active learners across 15 accredited programme cohorts, and a further 1 cohort is planned at this stage.
	<ul style="list-style-type: none"> Develop and deliver a programme of non-accredited practice workshops through the Scotland Excel Academy 		<ul style="list-style-type: none"> After consultation, The Academy transitioned to a demand-led model for practitioner workshops and thought leadership masterclasses
	<ul style="list-style-type: none"> Continue to develop Scotland Excel Academy online resources to support learning programmes and create a community platform for sharing best practice 		<ul style="list-style-type: none"> Following the refresh of the Academy online platform in August, the operating system was upgraded in December 2019 to boost its functionality. Content is continually evolving as new programmes and cohorts are introduced, and information from events and practitioner workshops is shared with the wider procurement community.
<p>1.3 Harness the potential of digital technology and data insight to support the delivery of public services</p>	<ul style="list-style-type: none"> Continue to provide ICT procurement services for the Digital Office for Scottish Local Government, engaging proactively with stakeholders to accelerate a collaborative approach to the adoption of digital technologies 		<ul style="list-style-type: none"> As part of the National Telecare Steering Group, work continues to develop a framework for digital telecare equipment. A national framework for social work care case management will be redeveloped following the decision to abandon the previous procurement exercise. Despite numerous attempts to gather ICT contract data from 32 councils, this data set remains incomplete, hampering the collaborative opportunity.

	<ul style="list-style-type: none"> • Continue to develop data analytic tools and resources to support the expansion of the contract portfolio and provide management information to the sector 		<ul style="list-style-type: none"> • Scotland Excel's project to develop spend data resources continues with a number of additional online tools provided to member councils.
	<ul style="list-style-type: none"> • Complete negotiations with providers on rates of return to enable implementation of the NCHC Cost Model © which supports the delivery of affordable and sustainable social care services 		<ul style="list-style-type: none"> • Scotland Excel is continuing to lead negotiations with Scottish Care, the representative body for independent care home providers. Agreement has not yet been reached on using the NCHC Cost Model for setting care home rates, with providers requesting further movement on a number of commercial aspects. COSLA is continuing to support negotiations.
	<ul style="list-style-type: none"> • Continue to develop and share access to Indexation Modelling to track market influences on costs 		<ul style="list-style-type: none"> • Scotland Excel is continuing to use Indexation Modelling across its contract portfolio and is delivering indexation workshops for councils on request.
	<ul style="list-style-type: none"> • Develop plans to roll out data analytic tools to staff across the organisation 		<ul style="list-style-type: none"> • Power BI data analytics tools will be rolled out to staff once the development of data resources has been completed in 2020-21.
1.4 Use our insight and experience to shape policy and meet the challenges of future public service delivery	<ul style="list-style-type: none"> • Continue to work with the Scottish Government, COSLA and other partners to support the development and/or delivery of national policy in social care 		<ul style="list-style-type: none"> • Scotland Excel is continuing to participate as a member of the Scottish Government's Leadership Alliance for the reform of adult social care, and has established a Social Care Steering Group for local government stakeholders to provide a platform for the sector to influence the review.
	<ul style="list-style-type: none"> • Continue to work with the Scottish Government and other partners to support the development and/or delivery of education policies such as early learning provision, pupil attainment funding, and food procurement for school meals 		<ul style="list-style-type: none"> • Scotland Excel continue to support activities in relation to Educational policies. Following on from the meeting In November 2019, hosted by the Deputy First Minister, John Swinney, an announcement has been made to delay the implementation of the new nutritional requirements for schools from August 2020 to April 2021.

	<ul style="list-style-type: none"> • Continue to work with the Scottish Government, Association of Local Authority Chief Housing Officers (ALACHO) and other partners to support the development and/or delivery of national policy in affordable housing 		<ul style="list-style-type: none"> • Discussions are continuing with the Scottish Government, Scottish Federation of Housing Associations (SFHA) and West of Scotland Housing Association on options for embedding procurement policy within the affordable housing sector.
	<ul style="list-style-type: none"> • Continue to work with the Scottish Government, Zero Waste Scotland and other partners to support the development and/or delivery of national environmental policy 		<ul style="list-style-type: none"> • In Q4 dialogue with Zero Waste Scotland resulted in agreement to develop and deliver a contract for waste stream analytical services to measure performance against residual waste reduction targets.
	<ul style="list-style-type: none"> • Develop and deliver a calendar of communications activities which promotes our knowledge and experience in support of our policy and public affairs goals 		<ul style="list-style-type: none"> • The Scotland Excel Conference took place in February 2020. The conference theme was Inclusive Growth and covered a wide range of key policy topics from expert speakers.
	<ul style="list-style-type: none"> • Explore the feasibility of becoming a Scottish Credit & Qualifications Framework (SCQF) Credit Rating Body to support the expansion of the Scotland Excel Academy and position it as a future provider of Graduate Apprenticeships 		<ul style="list-style-type: none"> • The Academy team submitted a proposal to the Scottish Credit & Qualifications Framework Partnership (SCQFP) to become a credit rating body in November 2019. Additional evidence was submitted on the 31 January 2020 and the SCQFP proposed to run a development workshop and requested The Academy visit an existing credit rating body. Both of these activities are on hold as a consequence of the COVID-19 lockdown. These will be progressed as soon as possible,

Goal 2: Being sustainable in everything we do

Strategic Objective	Commitment	RAG status	Progress summary
2.1 Deliver positive and measurable social value through our contracts and services	<ul style="list-style-type: none"> Continue to monitor the proportion of Scotland Excel suppliers paying their staff the Real Living Wage and identify any opportunities to increase this 		<ul style="list-style-type: none"> Information is captured in all tenders and monitored through contract management. Around 80% of Scotland Excel's suppliers have confirmed payment of the Real Living Wage. Figures are provided to the Scottish Government for inclusion in Minister's annual report on procurement. An ongoing activity has been identified to publish the details of those living wage accredited suppliers to the Scotland Excel website.
	<ul style="list-style-type: none"> Continue to embed community benefit models which enable councils to achieve direct benefits for their areas 		<ul style="list-style-type: none"> Data has been gathered on community benefits for the six month period to the end of September 2019, and the figures were reported to the Joint Committee in December.
	<ul style="list-style-type: none"> Continue to support opportunities for disabled/disadvantaged workers through community benefits and/or the participation of supported businesses and the third sector within our supply chain 		<ul style="list-style-type: none"> Scotland Excel continue to look at opportunities to embed supported businesses' within the portfolio. Previous reports have made reference to supported businesses' and Social Enterprises such as " Hey Girls " and " Scotland's Bravest Manufacturing Company " Scotland Excel made reference to our commitment to supported businesses' in recent newsletters to councils.
2.2 Deliver positive and measurable local economic impact through SME and third sector participation in our contracts	<ul style="list-style-type: none"> Continue to work with the Supplier Development Programme (SDP) to raise awareness of public procurement opportunities and encourage participation among Scottish SMEs 		<ul style="list-style-type: none"> In February 2020 SXL attended the Tayside Meet the Buyer event. SXL were due to attend the Lanarkshire Meet the Real Buyer event in March however this was cancelled due to the Coronavirus pandemic.

	<ul style="list-style-type: none"> Continue to increase direct and supply chain opportunities for Scottish SMEs and contractors within Scotland Excel contracts, particularly within the construction portfolio 		<ul style="list-style-type: none"> Opportunities to encourage Scottish SMEs participation continue to be considered during strategy development for all contracts. 76% of Scotland Excel suppliers are SMEs
	<ul style="list-style-type: none"> Continue to encourage housing associations to consider the local economic impact they can deliver through the use of Scotland Excel contracts 		<ul style="list-style-type: none"> Housing associations which become associate members of Scotland Excel are being encouraged to use Scotland Excel contracts to access community benefits for their area.
2.3 Deliver positive and measurable environmental benefits through our contracts	<ul style="list-style-type: none"> Continue to encourage suppliers to Scotland Excel contracts to consider opportunities to increase recycling of their products and packaging and/or reduce their carbon footprint 		<ul style="list-style-type: none"> All Scotland Excel tender documents incorporate environmental considerations including, where appropriate, the weighting and scoring of emissions. Scotland Excel has previously published a report on the opportunities and challenges of reducing plastic waste within the supply chain, which has been shared with stakeholders.
	<ul style="list-style-type: none"> Continue to consider 'whole life' costing within tender evaluations 		<ul style="list-style-type: none"> All Scotland Excel tender documents include appropriate cost evaluation to ensure that overall value is assessed. For example our audio visual framework previously considered energy costs.
	<ul style="list-style-type: none"> Develop plans for assessing and mitigating the environmental impact of Scotland Excel's activities 		<ul style="list-style-type: none"> Scotland Excel continues to follow environmentally friendly office practices across the organisation including recycling and agile working.
2.4 Lead and develop sustainable procurement knowledge and practice	<ul style="list-style-type: none"> Produce an annual report on 2018-19 procurement activity in line with the requirements of the Procurement Reform (Scotland) Act 2014 		<ul style="list-style-type: none"> An Annual Procurement Report for 2018-19 has been published in line with the requirements of the Procurement Reform (Scotland) Act 2014.
	<ul style="list-style-type: none"> Monitor the progress and publication of annual procurement reports within the local government sector, providing support and guidance to councils as required 		<ul style="list-style-type: none"> Annual Procurement Reports are now established as a fundamental reporting requirement for all Councils. Scotland Excel is continuing to liaise with the Scottish Government and councils to support the publication of Annual Procurement Reports

	<ul style="list-style-type: none"> • Continue to work with national partners on the development of sustainable procurement guidance and tools 		<ul style="list-style-type: none"> • Scotland Excel is continuing to engage with national partners to ensure the effective delivery of best practice. The current focus on developing practical, proportional guidance for sustainable procurement has resulted in the development and launch of improved Sustainable Procurement Tools.
	<ul style="list-style-type: none"> • Continue to develop opportunities to increase the local government sector's sustainable procurement knowledge and capability through the Scotland Excel Academy 		<ul style="list-style-type: none"> • Sustainable procurement principles and practices are embedded throughout the Chartered Institute of Procurement & Supply (CIPS) accredited programmes offered by the Scotland Excel Academy, and are incorporated into procurement practitioner workshops. Sustainable procurement was a key theme at this year's Scotland Excel Annual Conference.
	<ul style="list-style-type: none"> • Develop and implement plans to promote sustainable procurement to elected members and senior officers to support a 'whole organisation' approach 		<ul style="list-style-type: none"> • Sustainable procurement is built into all framework strategies, and this is also included in contract authorisation reports. • Additional reports related to sustainability have been produced

Goa1 3: Placing people at the heart of our business

Strategic Objective	Commitment	RAG status	Progress summary
3.1 Ensure our customers continue to receive maximum value from our services	<ul style="list-style-type: none"> Continue to develop Scotland Excel's account management services to ensure they deliver value to local authority procurement teams and support a positive customer experience for councils 		<ul style="list-style-type: none"> Scotland Excel's Project and Account Managers continue to provide a wide range of support to council procurement teams including quarterly business reviews, change projects, PCIP assessments and workshops.
	<ul style="list-style-type: none"> Continue to explore further opportunities to use digital technologies to engage with and/or provide online 'self-service' to customers, incorporating the findings into Scotland Excel's ICT strategy and roadmap 		<ul style="list-style-type: none"> A new report detailing spend with local suppliers has been launched for customers. A further report is in development which will provide corporate procurement staff with the ability to carry out more detailed analysis of their own council's spend.
	<ul style="list-style-type: none"> Explore the feasibility of providing additional services requested by customers, incorporating the findings into future operational plans 		<ul style="list-style-type: none"> Scotland Excel's Senior Management Team has identified a range of new business opportunities which will be assessed during the first six months of 2020. Customer feedback will also be used to inform new opportunities, and an internal innovation forum is being established to support the development of new services.
	<ul style="list-style-type: none"> Embed the outputs of Scotland Excel's stakeholder engagement project into all engagement plans and activities, ensuring that these reflect the organisation's expanding customer base 		<ul style="list-style-type: none"> Work to expand and refresh customer and stakeholder mapping across the organisation was completed in Q2. The outputs have been reviewed to inform the development of senior stakeholder engagement plans. Meetings were due to be scheduled during Q4. This has been delayed due to other priorities, but is now underway.
3.2 Engage stakeholders in the delivery of effective local solutions	<ul style="list-style-type: none"> Continue to incorporate community engagement, where appropriate, into the development of procurement strategies 		<ul style="list-style-type: none"> Scotland Excel's sustainable procurement strategy has been updated with an enhanced focus on community engagement. Opportunities for stakeholder participation, including wider community engagement, are considered within all procurement strategies.

			<ul style="list-style-type: none"> Scotland Excel has been engaging with COSLA to align council procurement activities with participatory budgeting goals.
	<ul style="list-style-type: none"> Continue to engage directly with service users, where appropriate, to ensure their needs are considered within service design 		<ul style="list-style-type: none"> Adults and young people with lived experience of the care system were involved during the development of the new secure care framework which was awarded in February 2020.
	<ul style="list-style-type: none"> Continue to work with educational partners and/or suppliers to promote the benefits of procurement to pupils 		<ul style="list-style-type: none"> Scotland Excel is continuing to work with educational charity, Founders4Schools by attending career fairs and holding mock interviews for pupils. Discussions are underway with Glasgow Caledonian University with a view to offering placements for students with autism.
3.3 Represent the collective views of stakeholders at a national level	<ul style="list-style-type: none"> Review Scotland Excel's representation activities to ensure that these are targeted where they can have the greatest impact 		<ul style="list-style-type: none"> An updated map of Scotland Excel's wider public sector stakeholder landscape has been completed, and further in-depth workshops assessing the impact of external stakeholder relationships on the care and construction portfolios are taking place.
	<ul style="list-style-type: none"> Establish a model for undertaking representation activities, including a clear feedback loop for customers and/or communities 		<ul style="list-style-type: none"> The model will be developed on completion of the review of national engagement activity. Outputs will be discussed with key stakeholders including the Scottish Local Government Procurement Forum (SLGPF).
	<ul style="list-style-type: none"> Continue to build on relationships with the Convention of Scottish Local Authorities (COSLA) and/or elected members to represent customers and communities in appropriate policy and political matters 		<ul style="list-style-type: none"> Scotland Excel is continuing to liaise with COSLA in key strategic areas such as social care. The recent stakeholder mapping exercise has identified a number of opportunities to strengthen operational level relationships with COSLA.

3.4 Implement policies which develop, empower, value and engage our workforce	<ul style="list-style-type: none"> • Refresh Scotland Excel's organisational development strategy to incorporate feedback from Investors in People, involving staff in the development of plans, policies and initiatives where appropriate 		<ul style="list-style-type: none"> • A project to refresh Scotland Excel's organisational development strategy began in December. The strategy will be informed by the recent Investors in People report and will incorporate working groups for staff development and innovation. • Although this work continues, progress has been slow.
	<ul style="list-style-type: none"> • Develop and implement talent management initiatives to inspire and develop staff, increase Scotland Excel's capability, and support succession planning 		<ul style="list-style-type: none"> • Scotland Excel is continuing to identify and develop new approaches to support staff development, workforce planning, organisational development, succession planning and talent management.
	<ul style="list-style-type: none"> • Complete and embed plans for agile working to create a productive working environment that benefits staff, Scotland Excel, and customers 		<ul style="list-style-type: none"> • Scotland Excel now supports a fully agile workforce where employees can work remotely with full access to email and files held centrally. Scotland Excel staff have been working effectively from home since March 2020 as a result of COVID-19

Goa1 4: Delivering sustainable and scalable growth

Strategic Objective	Commitment	RAG status	Progress summary
4.1 Implement a new governance model which supports scalable business growth	<ul style="list-style-type: none"> Continue to implement appropriate funding models to support the delivery of new and existing services, monitoring income and providing regular reports to the joint committee 		<ul style="list-style-type: none"> Income is being accrued through Academy programmes, consultancy revenue and associate membership fees. The new build residential housing framework is expected to accrue income from 2020-21, and all new frameworks are now being reviewed for rebate potential. An income board meets on a monthly basis to monitor revenue against targets, and indications suggest that the overall income target for 2019-20 will be met.
4.2 Continue to maintain a robust business infrastructure to support our growth ambitions	<ul style="list-style-type: none"> Continue to monitor Scotland Excel's business infrastructure to ensure it can support the organisation's growth ambitions, developing plans for continuous improvement and to address any gaps in capacity and/or capability 		<ul style="list-style-type: none"> Scotland Excel's Senior Management Team has agreed priority ICT projects for the forthcoming 18 months and an implementation plan is in development.
	<ul style="list-style-type: none"> Develop a risk model for evaluating new business opportunities to assess their impact on internal resources and/or existing customers 		<ul style="list-style-type: none"> Scotland Excel undertakes appropriate risk evaluation and management for all projects, but a formal model is not yet in place.
	<ul style="list-style-type: none"> Continue to implement technology solutions which increase efficiency, support agile working and offer scalability for business growth 		<ul style="list-style-type: none"> Work is to assess and strengthen the organisation's cyber resilience has been completed, including awareness training for all staff. Work is continuing on the development of business apps which increase staff communication and/or efficiency
4.3 Use our knowledge and insight to identify new services and/or sectors which provide growth opportunities	<ul style="list-style-type: none"> Review collaborative procurement and leading change solutions available in other public sector markets to identify potential business opportunities, reporting on the findings to inform future operational plans 		<ul style="list-style-type: none"> Scotland Excel is currently evaluating new growth opportunities through regular horizon scanning meetings and will undertake a competitive review of the markets for existing and potential new products during 2020-21.

	<ul style="list-style-type: none"> Continue to deliver procurement support to housing associations and implement plans to market additional services to this sector 		<ul style="list-style-type: none"> Scotland Excel is continuing to provide procurement support to housing associations on request. The Scottish Government has indicated that they will fund a further programme of work for the housing sector, but agreement on the content and start date has not yet been reached.
	<ul style="list-style-type: none"> Continue to develop and market Scotland Excel's associate membership programme to maximise its commercial potential for the organisation and the benefits it provides to members 		<ul style="list-style-type: none"> Eleven new associate members joined Scotland Excel in Q4, generating £17k in annual membership fees. Income is also being generated through chargeable projects for associate members. A Scotland Excel staff member was appointed to a business development role for six months with a remit to increase associate membership.
	<ul style="list-style-type: none"> Continue to market Scotland Excel through traditional and social media, targeted communications activity and political engagement to support new business opportunities 		<ul style="list-style-type: none"> The Scotland Excel marketing team has ensured that Scotland Excel has reasonable profile on all social media platforms.
	<ul style="list-style-type: none"> Continue to identify opportunities arising for staff development through new business opportunities, fostering an understanding of commercial and entrepreneurial approaches across the organisation 		<ul style="list-style-type: none"> A number of staff are working on external consultancy projects as full-time team members while others are providing support for projects in specific areas. Staff are being encouraged to get involved in projects during Performance Review & Development (PRD) discussions.
4.4 Explore opportunities to work with partners on the development and delivery of new business opportunities	<ul style="list-style-type: none"> Continue to explore opportunities to work in partnership with other public sector bodies to increase internal efficiency and/or improve service delivery for customers, reporting on the findings to inform future operational plans 		<ul style="list-style-type: none"> Scotland Excel's partnership with the Improvement Service to deliver a qualification in project management was recognised with a Public Service Award in December 2019. This partnership is now expanded to co-deliver a Business Analysis and Innovation programme. Scotland Excel is continuing to pursue a meeting with Skills Development Scotland to discuss partnership

			opportunities, and is considering other partnerships as part of the stakeholder engagement project.
	<ul style="list-style-type: none"> Continue to manage Scotland Excel's partnership with Crown Commercial Service (CCS) to ensure it is delivering against customer expectations, and explore opportunities to extend this partnership 		<ul style="list-style-type: none"> Scotland Excel's partnership with CCS is continuing to progress well. Recent partnership activities include the co-development of a fleet category strategy. Further collaborative opportunities are being discussed, including the delivery of eAuctions.
	<ul style="list-style-type: none"> Continue to provide procurement support to SEEMiS in line with the partnership agreement 		<ul style="list-style-type: none"> Work continues to support the development of the Next Generation management information system for schools, Scotland Excel is working on a tender to procure a solution for booking supply teachers, and is exploring procurement options for SMS messaging and cybersecurity.

Key Performance Indicators

Outcomes	Key Performance Indicators	Q3 Status
Our services shape the effective and efficient delivery of public services	<ul style="list-style-type: none"> • Number of contracts delivered v plan¹ • Value of contract portfolio v target 	<ul style="list-style-type: none"> • 38 of 38 contracts delivered • £1,980 million against £1,900 million target
Our expertise leads continuous improvement in commercial performance	<ul style="list-style-type: none"> • Number of PCIP assessments delivered v plan • Number of Scotland Excel Academy courses v plan² 	<ul style="list-style-type: none"> • 7 of 7 assessments delivered • 84 of 88 courses delivered
Our services facilitate the delivery of national and local policy priorities	<ul style="list-style-type: none"> • Tonnes of waste diverted from landfill through Scotland Excel contracts • Number of Scottish suppliers & percentage SMEs 	<ul style="list-style-type: none"> • 76,685 tonnes (Jul-Sep 2019) • 546 Scottish suppliers of which 76% are SMEs
Our services enable positive and sustainable outcomes for people and communities	<ul style="list-style-type: none"> • Number of community benefits realised to date • Number of Scottish suppliers & percentage SMEs 	<ul style="list-style-type: none"> • 821 jobs • 275 apprenticeships • 192 work placements • 67,184 hours work experience • 6,362 hours volunteering/mentoring • £1,462m value of other initiatives
Our insight and knowledge underpins innovative solutions for our customers	<ul style="list-style-type: none"> • Number of business change initiatives delivered v plan 	<ul style="list-style-type: none"> • 4 of 6 initiatives in progress
Our activities are recognised as leading the way in public procurement	<ul style="list-style-type: none"> • Media coverage v target • Number of speaking engagements v target 	<ul style="list-style-type: none"> • 61 of 60 media items published • 19 of 20 speaking engagements
Our customers receive a measurable return on investment through savings	<ul style="list-style-type: none"> • Percentage savings achieved across the portfolio v target³ • Savings achieved in the last quarter 	<ul style="list-style-type: none"> • 2.5% against 2.5% savings target • £3m (Oct-Dec 2019)
Our customers are satisfied with our services and how we deliver them	<ul style="list-style-type: none"> • Customer satisfaction scores v target⁴ 	<ul style="list-style-type: none"> • 80% of respondents

¹ Contracts developed, renewed or extended

² Programmes, workshops and masterclasses

³ Average savings during the strategy period (2018-23) excluding social care contracts

⁴ Percentage of respondents reporting 'good' or 'very good' overall satisfaction in the most recent customer satisfaction survey (currently 2017)

Appendix 4
Planned Procurement to 31/03/2022

Frameworks due for renewal (or subject to contract extension) by 31 Mar 2022

Short Contract Title	Schedule Number	End Date of Current Framework
Fire Safety Products	1617	15/04/2020
Customer Service Platform	0415	31/05/2020
Street Lighting Bulk Renewal of Luminaires	1013	30/06/2020
Catering Sundries	0915	31/07/2020
Demolition	1115	31/07/2020
Boiler Maintenance	2217	13/09/2020
Recycle And Refuse Containers	0117	02/11/2020
Repair of Catering Machines	2117	07/01/2021
Domestic Furniture and Furnishings	0815	31/01/2021
Power Tools	0218	16/02/2021
Trade Materials	0717	16/02/2021
Bitumen Products	0516	28/02/2021
Milk	1917	28/02/2021
Outdoor Play Equipment and Artificial Surfaces	0215	12/03/2021
Engineering Consultancy	0616	17/03/2021
Vehicle Parts	0116	31/03/2021
Organic Waste	0816	31/03/2021
Energy Efficiency Contractors	0913	30/04/2021
Education And Office Furniture	0216	31/05/2021
Fostering	1015	24/06/2021
Frozen Foods	1016	30/06/2021
Asbestos	2418	30/06/2021
New Build Residential	1518	31/07/2021
Street Lighting Materials	2617	31/07/2021
Personal Protective Equipment	0416	31/08/2021
Fresh Meat, Cooked Meats & Fresh Fish	0118	30/09/2021
First Aid Materials	1018	30/09/2021
Vehicle & Plant Hire	0217	31/10/2021
Tyres for Vehicles & Plant	0417	31/10/2021
Commercial Catering Equipment	1118	31/10/2021
Bottled Gas	0817	05/11/2021
Laundry Equipment	0917	05/11/2021
Steeplejack Services	1017	30/11/2021
Pest Control Services	1217	30/11/2021
Road Signage Materials	1418	30/11/2021
Heavy Vehicles	0317	31/12/2021
Water Coolers	1317	07/01/2022
Swimming Pool Chemicals	1517	07/01/2022
Hot Beverages	1618	13/01/2022
Energy Advice	1718	13/01/2022
Library Books & Textbooks	0617	31/01/2022
Digital Publications and Services	2517	31/01/2022
Grounds Maintenance Equipment	0918	28/02/2022
Secure Care	0219	31/03/2022

Building & Timber	0318	31/03/2022
Electrical Materials	0919	31/03/2022
Fresh Fruit & Veg	1019	31/03/2022

New Contract Areas

Contract Title	Forecast Delivery date
Social Care Case Management Solutions	Nov 20
Swimming Pool Contractors	Mar 21
Electric Vehicle Charging Points	Mar 21
Lift Maintenance	Mar 21
Digital Telecare	Apr 21
Construction & Building Consultancy	Apr 21

Scotland Excel

To: Joint Committee

On: 19 June 2020

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

Operating Plan Update 2019-20

1. Summary

- 1.1 In June 2018, Scotland Excel's Joint Committee approved a new five-year corporate strategy which is supported by annual operating plans. This report presents an update on the progress that the organisation has made towards delivering this five-year strategy, with specific reference to the commitments contained within the Operating Plan 2019-20.

2. Recommendations

- 2.1 The members of the Executive Subcommittee are invited to note Scotland Excel's progress in delivering the commitments contained within the Operating Plan 2019-20.
- 2.2 49 of the 64 activities in the operating plan are progressing in line with plans and are indicated as green within the report.
- 2.3 3 activities are progressing more slowly than anticipated, mainly due to external factors, and these are indicated as amber within the report. Scotland Excel is undertaking actions to mitigate these issues. 4 activities are significantly behind schedule. These are identified as red within the report.
- 2.4 6 activities were completed by the end of the financial year and are indicated as black within the report.
- 2.5 2 activities indicated as white will commence during 2020-21. Most of these activities have dependencies on the outcome of other actions that are still in progress.

3. Background

- 3.1 Progress reports are produced quarterly to track Scotland Excel’s activity against operating plan commitments. Reports are produced at the end of each quarter and submitted to Executive Sub-Committee meetings. Half yearly and annual reports are also submitted to Joint Committee meetings.
- 3.2 The reports summarise the progress made against operating plan commitments and uses a ‘traffic light’ symbol to provide a guide to the status of each activity. This guide has been revised to include symbols to indicate projects or activities which have not yet started, and projects or activities which have been completed:

	Project or activity not yet started
	Project or activity is currently stalled or significantly behind schedule
	Project or activity is progressing at a slower pace than anticipated and/or results have been weaker than expected
	Project or activity is progressing in line with expected/agreed timelines and results
	Project or activity completed

- 3.3 The report also tracks performance against fourteen key performance indicators (KPIs) linked to strategic outcomes. A guide to the indicators is included below:

KPI	Description
Number of contracts delivered v plan	Number of contracts in the delivery plan that have been awarded to date against the total number set at the beginning of the financial year. The number due for delivery can vary from quarter to quarter.
Value of contract portfolio v target	Total awarded value of all live contracts in the portfolio against the target portfolio value set at the beginning of each year.
Number of PCIP assessments delivered v plan	Number of assessments delivered against those due to be delivered in the financial year as part of the current cycle of the national Procurement & Commercial Improvement Programme.
Number of Scotland Excel Academy courses v plan	Number of accredited programme modules, practitioner workshops and masterclasses delivered to date against the target set at the beginning of the financial year.
Tonnes of waste diverted from landfill	Tonnes of organic waste collected through the Scotland Excel framework in the last recorded quarter. There is

through Scotland Excel contracts	no target for this KPI as tonnage is generated by councils using the framework.
Number of community benefits realised to date	Number of community benefits realised to date. Updates to this information is collected twice each year and is also included in a more detailed report submitted to each Joint Committee. There is no target for this KPI as the benefits are generated by council spend on frameworks.
Number of Scottish suppliers & percentage SMEs	Number of suppliers located in Scotland and the percentage of these that fall into the UK definition of an SME (fewer than 250 employees). While there is no target for this KPI, it monitors Scotland Excel's efforts to encourage SME participation in tenders.
Number of business change initiatives delivered v plan	Number of change initiatives agreed with council procurement representatives that are in progress or have been delivered against the target set at the beginning of the financial year.
Media coverage v target	Number of positive media articles generated as a direct result of Scotland Excel marketing and communications efforts against the target set at the beginning of the financial year. This KPI provides an indication of the level of awareness of Scotland Excel.
Number of speaking engagements v target	Number of occasions when Scotland Excel is asked to share expertise at an external conference, seminar, workshop or event. This KPI provides an indication of the level of influence of Scotland Excel.
Percentage savings achieved across the portfolio v target	Rolling percentage savings figure currently being achieved across the portfolio against the target set within the five-year corporate strategy.
Savings achieved in the last quarter	Total estimated savings made by councils in the last reported quarter. These are calculated using spend figures from suppliers and the forecast savings percentage agreed with councils when each framework is awarded. Social care frameworks are excluded from this calculation.
Customer satisfaction scores v target	Overall customer satisfaction figure reported in Scotland's most recent customer survey. Surveys currently take place every three years.

3.4 In response to feedback from Executive Sub-Committee members, Scotland Excel is currently working on a new approach to reporting progress against its corporate strategy and operating plan commitments, and proposals will be brought to the committee in due course.



Operating Plan

2019 – 2020

Q4 Progress Report

Goal 1: Shaping the delivery of innovative public services

Strategic Objective	Commitment	RAG status	Progress summary
1.1 Deliver a programme of collaborative procurement to support early intervention and the delivery of public services	<ul style="list-style-type: none"> Continue to engage directly with local authority services to identify new collaborative procurement opportunities 		<ul style="list-style-type: none"> A range of new opportunities were identified and delivered over the course of 2019 – 2020.
	<ul style="list-style-type: none"> Complete the tender process for a new build residential housing framework on behalf of participating local authorities and market this effectively to local authorities and housing associations 		<ul style="list-style-type: none"> The framework for new build housing was completed and awarded in Aug 2019. As part of the launch and mobilisation of the framework a contract management strategy has been implemented. On-going marketing and engagement activity is continuing to promote uptake of the framework by councils and housing associations.
	<ul style="list-style-type: none"> Embed ownership for the National Care Home Contract (NCHC) within Scotland Excel and refresh the approach to this contract based on the implementation of the NCHC Cost Model © 		<ul style="list-style-type: none"> A contract review is underway with key local authority partners and COSLA. Figures produced by the NCHC Cost Model were used in negotiations with care provider representatives to set care home rates for 2020-21.
	<ul style="list-style-type: none"> Complete the delivery of a framework for adult care and support services and secure sustainable funding for ongoing management of this contract 		<ul style="list-style-type: none"> The adult care and support framework tender closed in November 2019, and attracted significant interest from providers. This went live on 1 April 2020, and discussions are underway with early adopters to start using the framework
	<ul style="list-style-type: none"> Complete the Scottish Government funded project to deliver guidance, procurement templates, and terms and conditions to support the expansion of early learning and childcare provision 		<ul style="list-style-type: none"> The procurement templates and model terms and conditions produced by Scotland Excel to help local authorities purchase early learning and childcare services have now been completed, and have already been used by nine councils. Scotland Excel is continuing to support councils with using this documentation, and discussions are ongoing with Scottish Government on further support that could be delivered through the programme.

	<ul style="list-style-type: none"> Continue to develop and deliver contract and supplier management (CSM) and key supplier management (KSM) programmes which monitor and enhance the performance of Scotland Excel contracts 		<ul style="list-style-type: none"> Annual key supplier meetings are being incorporated into CSM plans for relevant Scotland Excel frameworks with identified key suppliers invited to meet with procurement leads to address strategic priorities. This commenced with a key food supplier in quarter 3, and will continue throughout 2020/21
	<ul style="list-style-type: none"> Continue to identify opportunities to lead and/or participate in national cross-sector procurement opportunities and initiatives with partners in health, further and higher education, and central government 		<ul style="list-style-type: none"> The Scottish Government have set up a new portfolio team to manage cross-sector construction procurement opportunities. Scotland Excel is actively involved in working groups for this portfolio to represent the needs of the local government sector and ensure there is no duplication with Scotland Excel's construction portfolio.
	<ul style="list-style-type: none"> Continue to inform and support national procurement policy in consultation with the local government procurement community 		<ul style="list-style-type: none"> Regular engagement continues to take place with the Scottish Government to inform their decisions on Brexit preparations. In December 2019, Scotland Excel participated in a Health & Sport Committee round table at the Scottish Parliament, and will continue to be involved in providing evidence for their Social Care Inquiry.
1.2 Deliver programmes which lead and develop professional, organisational and commercial capability	<ul style="list-style-type: none"> Complete the second cycle of Procurement & Commercial Improvement Programme (PCIP) assessments for all local authorities 		<ul style="list-style-type: none"> Procurement & Commercial Improvement Programme (PCIP) assessments have now been completed for all councils.
	<ul style="list-style-type: none"> Develop and deliver a targeted programme of sector-wide change projects based on development needs identified by the second cycle of PCIP assessments 		<ul style="list-style-type: none"> Four of the six sector-wide change programmes targeted for this year are in progress, covering contract and supplier management, demand management, developing councils, and local suppliers. Two projects were impacted by vacancies within the team. Further projects will be discussed with the Procurement Improvement Programme (PIP) steering group in 2020-21.

	<ul style="list-style-type: none"> • Continue to deliver the chargeable consultancy projects and transformation programmes for Fife Council, East Renfrewshire Council and the Tayside councils, and respond to any further requests for these types of services 		<ul style="list-style-type: none"> • The consultancy programmes and projects for Fife Council, East Renfrewshire Council and the Tayside councils are all progressing in line with plans. A new project has commenced for East Lothian Council. • Preparation for a procurement programme for Dumfries & Galloway Council for a number of work packages/procurement exercises began in early 2020.
	<ul style="list-style-type: none"> • Continue to develop and deliver accredited work-based learning programmes through the Scotland Excel Academy 		<ul style="list-style-type: none"> • The Academy currently has 161 active learners across 15 accredited programme cohorts, and a further 1 cohort is planned at this stage.
	<ul style="list-style-type: none"> • Develop and deliver a programme of non-accredited practice workshops through the Scotland Excel Academy 		<ul style="list-style-type: none"> • After consultation, The Academy transitioned to a demand-led model for practitioner workshops and thought leadership masterclasses
	<ul style="list-style-type: none"> • Continue to develop Scotland Excel Academy online resources to support learning programmes and create a community platform for sharing best practice 		<ul style="list-style-type: none"> • Following the refresh of the Academy online platform in August, the operating system was upgraded in December 2019 to boost its functionality. Content is continually evolving as new programmes and cohorts are introduced, and information from events and practitioner workshops is shared with the wider procurement community.
<p>1.3 Harness the potential of digital technology and data insight to support the delivery of public services</p>	<ul style="list-style-type: none"> • Continue to provide ICT procurement services for the Digital Office for Scottish Local Government, engaging proactively with stakeholders to accelerate a collaborative approach to the adoption of digital technologies 		<ul style="list-style-type: none"> • As part of the National Telecare Steering Group, work continues to develop a framework for digital telecare equipment. • A national framework for social work care case management will be redeveloped following the decision to abandon the previous procurement exercise. • Despite numerous attempts to gather ICT contract data from 32 councils, this data set remains incomplete, hampering the collaborative opportunity.

	<ul style="list-style-type: none"> Continue to develop data analytic tools and resources to support the expansion of the contract portfolio and provide management information to the sector 		<ul style="list-style-type: none"> Scotland Excel's project to develop spend data resources continues with a number of additional online tools provided to member councils.
	<ul style="list-style-type: none"> Complete negotiations with providers on rates of return to enable implementation of the NCHC Cost Model © which supports the delivery of affordable and sustainable social care services 		<ul style="list-style-type: none"> Scotland Excel is continuing to lead negotiations with Scottish Care, the representative body for independent care home providers. Agreement has not yet been reached on using the NCHC Cost Model for setting care home rates, with providers requesting further movement on a number of commercial aspects. COSLA is continuing to support negotiations.
	<ul style="list-style-type: none"> Continue to develop and share access to Indexation Modelling to track market influences on costs 		<ul style="list-style-type: none"> Scotland Excel is continuing to use Indexation Modelling across its contract portfolio and is delivering indexation workshops for councils on request.
	<ul style="list-style-type: none"> Develop plans to roll out data analytic tools to staff across the organisation 		<ul style="list-style-type: none"> Power BI data analytics tools will be rolled out to staff once the development of data resources has been completed in 2020-21.
1.4 Use our insight and experience to shape policy and meet the challenges of future public service delivery	<ul style="list-style-type: none"> Continue to work with the Scottish Government, COSLA and other partners to support the development and/or delivery of national policy in social care 		<ul style="list-style-type: none"> Scotland Excel is continuing to participate as a member of the Scottish Government's Leadership Alliance for the reform of adult social care, and has established a Social Care Steering Group for local government stakeholders to provide a platform for the sector to influence the review.
	<ul style="list-style-type: none"> Continue to work with the Scottish Government and other partners to support the development and/or delivery of education policies such as early learning provision, pupil attainment funding, and food procurement for school meals 		<ul style="list-style-type: none"> Scotland Excel continue to support activities in relation to Educational policies. Following on from the meeting In November 2019, hosted by the Deputy First Minister, John Swinney, an announcement has been made to delay the implementation of the new nutritional requirements for schools from August 2020 to April 2021.

	<ul style="list-style-type: none"> Continue to work with the Scottish Government, Association of Local Authority Chief Housing Officers (ALACHO) and other partners to support the development and/or delivery of national policy in affordable housing 		<ul style="list-style-type: none"> Discussions are continuing with the Scottish Government, Scottish Federation of Housing Associations (SFHA) and West of Scotland Housing Association on options for embedding procurement policy within the affordable housing sector.
	<ul style="list-style-type: none"> Continue to work with the Scottish Government, Zero Waste Scotland and other partners to support the development and/or delivery of national environmental policy 		<ul style="list-style-type: none"> In Q4 dialogue with Zero Waste Scotland resulted in agreement to develop and deliver a contract for waste stream analytical services to measure performance against residual waste reduction targets.
	<ul style="list-style-type: none"> Develop and deliver a calendar of communications activities which promotes our knowledge and experience in support of our policy and public affairs goals 		<ul style="list-style-type: none"> The Scotland Excel Conference took place in February 2020. The conference theme was Inclusive Growth and covered a wide range of key policy topics from expert speakers.
	<ul style="list-style-type: none"> Explore the feasibility of becoming a Scottish Credit & Qualifications Framework (SCQF) Credit Rating Body to support the expansion of the Scotland Excel Academy and position it as a future provider of Graduate Apprenticeships 		<ul style="list-style-type: none"> The Academy team submitted a proposal to the Scottish Credit & Qualifications Framework Partnership (SCQFP) to become a credit rating body in November 2019. Additional evidence was submitted on the 31 January 2020 and the SCQFP proposed to run a development workshop and requested The Academy visit an existing credit rating body. Both of these activities are on hold as a consequence of the COVID-19 lockdown. These will be progressed as soon as possible,

Goal 2: Being sustainable in everything we do

Strategic Objective	Commitment	RAG status	Progress summary
2.1 Deliver positive and measurable social value through our contracts and services	<ul style="list-style-type: none"> Continue to monitor the proportion of Scotland Excel suppliers paying their staff the Real Living Wage and identify any opportunities to increase this 		<ul style="list-style-type: none"> Information is captured in all tenders and monitored through contract management. Around 80% of Scotland Excel's suppliers have confirmed payment of the Real Living Wage. Figures are provided to the Scottish Government for inclusion in Minister's annual report on procurement. An ongoing activity has been identified to publish the details of those living wage accredited suppliers to the Scotland Excel website.
	<ul style="list-style-type: none"> Continue to embed community benefit models which enable councils to achieve direct benefits for their areas 		<ul style="list-style-type: none"> Data has been gathered on community benefits for the six month period to the end of September 2019, and the figures were reported to the Joint Committee in December.
	<ul style="list-style-type: none"> Continue to support opportunities for disabled/disadvantaged workers through community benefits and/or the participation of supported businesses and the third sector within our supply chain 		<ul style="list-style-type: none"> Scotland Excel continue to look at opportunities to embed supported businesses' within the portfolio. Previous reports have made reference to supported businesses' and Social Enterprises such as " Hey Girls " and " Scotland's Bravest Manufacturing Company " Scotland Excel made reference to our commitment to supported businesses' in recent newsletters to councils.
2.2 Deliver positive and measurable local economic impact through SME and third sector participation in our contracts	<ul style="list-style-type: none"> Continue to work with the Supplier Development Programme (SDP) to raise awareness of public procurement opportunities and encourage participation among Scottish SMEs 		<ul style="list-style-type: none"> In February 2020 SXL attended the Tayside Meet the Buyer event. SXL were due to attend the Lanarkshire Meet the Real Buyer event in March however this was cancelled due to the Coronavirus pandemic.

	<ul style="list-style-type: none"> Continue to increase direct and supply chain opportunities for Scottish SMEs and contractors within Scotland Excel contracts, particularly within the construction portfolio 		<ul style="list-style-type: none"> Opportunities to encourage Scottish SMEs participation continue to be considered during strategy development for all contracts. 76% of Scotland Excel suppliers are SMEs
	<ul style="list-style-type: none"> Continue to encourage housing associations to consider the local economic impact they can deliver through the use of Scotland Excel contracts 		<ul style="list-style-type: none"> Housing associations which become associate members of Scotland Excel are being encouraged to use Scotland Excel contracts to access community benefits for their area.
2.3 Deliver positive and measurable environmental benefits through our contracts	<ul style="list-style-type: none"> Continue to encourage suppliers to Scotland Excel contracts to consider opportunities to increase recycling of their products and packaging and/or reduce their carbon footprint 		<ul style="list-style-type: none"> All Scotland Excel tender documents incorporate environmental considerations including, where appropriate, the weighting and scoring of emissions. Scotland Excel has previously published a report on the opportunities and challenges of reducing plastic waste within the supply chain, which has been shared with stakeholders.
	<ul style="list-style-type: none"> Continue to consider 'whole life' costing within tender evaluations 		<ul style="list-style-type: none"> All Scotland Excel tender documents include appropriate cost evaluation to ensure that overall value is assessed. For example our audio visual framework previously considered energy costs.
	<ul style="list-style-type: none"> Develop plans for assessing and mitigating the environmental impact of Scotland Excel's activities 		<ul style="list-style-type: none"> Scotland Excel continues to follow environmentally friendly office practices across the organisation including recycling and agile working.
2.4 Lead and develop sustainable procurement knowledge and practice	<ul style="list-style-type: none"> Produce an annual report on 2018-19 procurement activity in line with the requirements of the Procurement Reform (Scotland) Act 2014 		<ul style="list-style-type: none"> An Annual Procurement Report for 2018-19 has been published in line with the requirements of the Procurement Reform (Scotland) Act 2014.
	<ul style="list-style-type: none"> Monitor the progress and publication of annual procurement reports within the local government sector, providing support and guidance to councils as required 		<ul style="list-style-type: none"> Annual Procurement Reports are now established as a fundamental reporting requirement for all Councils. Scotland Excel is continuing to liaise with the Scottish Government and councils to support the publication of Annual Procurement Reports

	<ul style="list-style-type: none"> • Continue to work with national partners on the development of sustainable procurement guidance and tools 		<ul style="list-style-type: none"> • Scotland Excel is continuing to engage with national partners to ensure the effective delivery of best practice. The current focus on developing practical, proportional guidance for sustainable procurement has resulted in the development and launch of improved Sustainable Procurement Tools.
	<ul style="list-style-type: none"> • Continue to develop opportunities to increase the local government sector's sustainable procurement knowledge and capability through the Scotland Excel Academy 		<ul style="list-style-type: none"> • Sustainable procurement principles and practices are embedded throughout the Chartered Institute of Procurement & Supply (CIPS) accredited programmes offered by the Scotland Excel Academy, and are incorporated into procurement practitioner workshops. Sustainable procurement was a key theme at this year's Scotland Excel Annual Conference.
	<ul style="list-style-type: none"> • Develop and implement plans to promote sustainable procurement to elected members and senior officers to support a 'whole organisation' approach 		<ul style="list-style-type: none"> • Sustainable procurement is built into all framework strategies, and this is also included in contract authorisation reports. • Additional reports related to sustainability have been produced

Goal 3: Placing people at the heart of our business

Strategic Objective	Commitment	RAG status	Progress summary
3.1 Ensure our customers continue to receive maximum value from our services	<ul style="list-style-type: none"> Continue to develop Scotland Excel's account management services to ensure they deliver value to local authority procurement teams and support a positive customer experience for councils 		<ul style="list-style-type: none"> Scotland Excel's Project and Account Managers continue to provide a wide range of support to council procurement teams including quarterly business reviews, change projects, PCIP assessments and workshops.
	<ul style="list-style-type: none"> Continue to explore further opportunities to use digital technologies to engage with and/or provide online 'self-service' to customers, incorporating the findings into Scotland Excel's ICT strategy and roadmap 		<ul style="list-style-type: none"> A new report detailing spend with local suppliers has been launched for customers. A further report is in development which will provide corporate procurement staff with the ability to carry out more detailed analysis of their own council's spend.
	<ul style="list-style-type: none"> Explore the feasibility of providing additional services requested by customers, incorporating the findings into future operational plans 		<ul style="list-style-type: none"> Scotland Excel's Senior Management Team has identified a range of new business opportunities which will be assessed during the first six months of 2020. Customer feedback will also be used to inform new opportunities, and an internal innovation forum is being established to support the development of new services.
	<ul style="list-style-type: none"> Embed the outputs of Scotland Excel's stakeholder engagement project into all engagement plans and activities, ensuring that these reflect the organisation's expanding customer base 		<ul style="list-style-type: none"> Work to expand and refresh customer and stakeholder mapping across the organisation was completed in Q2. The outputs have been reviewed to inform the development of senior stakeholder engagement plans. Meetings were due to be scheduled during Q4. This has been delayed due to other priorities, but is now underway.
3.2 Engage stakeholders in the delivery of effective local solutions	<ul style="list-style-type: none"> Continue to incorporate community engagement, where appropriate, into the development of procurement strategies 		<ul style="list-style-type: none"> Scotland Excel's sustainable procurement strategy has been updated with an enhanced focus on community engagement. Opportunities for stakeholder participation, including wider community engagement, are considered within all procurement strategies.

			<ul style="list-style-type: none"> Scotland Excel has been engaging with COSLA to align council procurement activities with participatory budgeting goals.
	<ul style="list-style-type: none"> Continue to engage directly with service users, where appropriate, to ensure their needs are considered within service design 		<ul style="list-style-type: none"> Adults and young people with lived experience of the care system were involved during the development of the new secure care framework which was awarded in February 2020.
	<ul style="list-style-type: none"> Continue to work with educational partners and/or suppliers to promote the benefits of procurement to pupils 		<ul style="list-style-type: none"> Scotland Excel is continuing to work with educational charity, Founders4Schools by attending career fairs and holding mock interviews for pupils. Discussions are underway with Glasgow Caledonian University with a view to offering placements for students with autism.
3.3 Represent the collective views of stakeholders at a national level	<ul style="list-style-type: none"> Review Scotland Excel's representation activities to ensure that these are targeted where they can have the greatest impact 		<ul style="list-style-type: none"> An updated map of Scotland Excel's wider public sector stakeholder landscape has been completed, and further in-depth workshops assessing the impact of external stakeholder relationships on the care and construction portfolios are taking place.
	<ul style="list-style-type: none"> Establish a model for undertaking representation activities, including a clear feedback loop for customers and/or communities 		<ul style="list-style-type: none"> The model will be developed on completion of the review of national engagement activity. Outputs will be discussed with key stakeholders including the Scottish Local Government Procurement Forum (SLGPF).
	<ul style="list-style-type: none"> Continue to build on relationships with the Convention of Scottish Local Authorities (COSLA) and/or elected members to represent customers and communities in appropriate policy and political matters 		<ul style="list-style-type: none"> Scotland Excel is continuing to liaise with COSLA in key strategic areas such as social care. The recent stakeholder mapping exercise has identified a number of opportunities to strengthen operational level relationships with COSLA.

3.4 Implement policies which develop, empower, value and engage our workforce	<ul style="list-style-type: none"> • Refresh Scotland Excel's organisational development strategy to incorporate feedback from Investors in People, involving staff in the development of plans, policies and initiatives where appropriate 		<ul style="list-style-type: none"> • A project to refresh Scotland Excel's organisational development strategy began in December. The strategy will be informed by the recent Investors in People report and will incorporate working groups for staff development and innovation. • Although this work continues, progress has been slow.
	<ul style="list-style-type: none"> • Develop and implement talent management initiatives to inspire and develop staff, increase Scotland Excel's capability, and support succession planning 		<ul style="list-style-type: none"> • Scotland Excel is continuing to identify and develop new approaches to support staff development, workforce planning, organisational development, succession planning and talent management.
	<ul style="list-style-type: none"> • Complete and embed plans for agile working to create a productive working environment that benefits staff, Scotland Excel, and customers 		<ul style="list-style-type: none"> • Scotland Excel now supports a fully agile workforce where employees can work remotely with full access to email and files held centrally. Scotland Excel staff have been working effectively from home since March 2020 as a result of COVID-19

Goa1 4: Delivering sustainable and scalable growth

Strategic Objective	Commitment	RAG status	Progress summary
4.1 Implement a new governance model which supports scalable business growth	<ul style="list-style-type: none"> Continue to implement appropriate funding models to support the delivery of new and existing services, monitoring income and providing regular reports to the joint committee 		<ul style="list-style-type: none"> Income is being accrued through Academy programmes, consultancy revenue and associate membership fees. The new build residential housing framework is expected to accrue income from 2020-21, and all new frameworks are now being reviewed for rebate potential. An income board meets on a monthly basis to monitor revenue against targets, and indications suggest that the overall income target for 2019-20 will be met.
4.2 Continue to maintain a robust business infrastructure to support our growth ambitions	<ul style="list-style-type: none"> Continue to monitor Scotland Excel's business infrastructure to ensure it can support the organisation's growth ambitions, developing plans for continuous improvement and to address any gaps in capacity and/or capability 		<ul style="list-style-type: none"> Scotland Excel's Senior Management Team has agreed priority ICT projects for the forthcoming 18 months and an implementation plan is in development.
	<ul style="list-style-type: none"> Develop a risk model for evaluating new business opportunities to assess their impact on internal resources and/or existing customers 		<ul style="list-style-type: none"> Scotland Excel undertakes appropriate risk evaluation and management for all projects, but a formal model is not yet in place.
	<ul style="list-style-type: none"> Continue to implement technology solutions which increase efficiency, support agile working and offer scalability for business growth 		<ul style="list-style-type: none"> Work is to assess and strengthen the organisation's cyber resilience has been completed, including awareness training for all staff. Work is continuing on the development of business apps which increase staff communication and/or efficiency
4.3 Use our knowledge and insight to identify new services and/or sectors which provide growth opportunities	<ul style="list-style-type: none"> Review collaborative procurement and leading change solutions available in other public sector markets to identify potential business opportunities, reporting on the findings to inform future operational plans 		<ul style="list-style-type: none"> Scotland Excel is currently evaluating new growth opportunities through regular horizon scanning meetings and will undertake a competitive review of the markets for existing and potential new products during 2020-21.

	<ul style="list-style-type: none"> Continue to deliver procurement support to housing associations and implement plans to market additional services to this sector 		<ul style="list-style-type: none"> Scotland Excel is continuing to provide procurement support to housing associations on request. The Scottish Government has indicated that they will fund a further programme of work for the housing sector, but agreement on the content and start date has not yet been reached.
	<ul style="list-style-type: none"> Continue to develop and market Scotland Excel's associate membership programme to maximise its commercial potential for the organisation and the benefits it provides to members 		<ul style="list-style-type: none"> Eleven new associate members joined Scotland Excel in Q4, generating £17k in annual membership fees. Income is also being generated through chargeable projects for associate members. A Scotland Excel staff member was appointed to a business development role for six months with a remit to increase associate membership.
	<ul style="list-style-type: none"> Continue to market Scotland Excel through traditional and social media, targeted communications activity and political engagement to support new business opportunities 		<ul style="list-style-type: none"> The Scotland Excel marketing team has ensured that Scotland Excel has reasonable profile on all social media platforms.
	<ul style="list-style-type: none"> Continue to identify opportunities arising for staff development through new business opportunities, fostering an understanding of commercial and entrepreneurial approaches across the organisation 		<ul style="list-style-type: none"> A number of staff are working on external consultancy projects as full-time team members while others are providing support for projects in specific areas. Staff are being encouraged to get involved in projects during Performance Review & Development (PRD) discussions.
4.4 Explore opportunities to work with partners on the development and delivery of new business opportunities	<ul style="list-style-type: none"> Continue to explore opportunities to work in partnership with other public sector bodies to increase internal efficiency and/or improve service delivery for customers, reporting on the findings to inform future operational plans 		<ul style="list-style-type: none"> Scotland Excel's partnership with the Improvement Service to deliver a qualification in project management was recognised with a Public Service Award in December 2019. This partnership is now expanded to co-deliver a Business Analysis and Innovation programme. Scotland Excel is continuing to pursue a meeting with Skills Development Scotland to discuss partnership

			opportunities, and is considering other partnerships as part of the stakeholder engagement project.
	<ul style="list-style-type: none"> Continue to manage Scotland Excel's partnership with Crown Commercial Service (CCS) to ensure it is delivering against customer expectations, and explore opportunities to extend this partnership 		<ul style="list-style-type: none"> Scotland Excel's partnership with CCS is continuing to progress well. Recent partnership activities include the co-development of a fleet category strategy. Further collaborative opportunities are being discussed, including the delivery of eAuctions.
	<ul style="list-style-type: none"> Continue to provide procurement support to SEEMiS in line with the partnership agreement 		<ul style="list-style-type: none"> Work continues to support the development of the Next Generation management information system for schools, Scotland Excel is working on a tender to procure a solution for booking supply teachers, and is exploring procurement options for SMS messaging and cybersecurity.

Key Performance Indicators

Outcomes	Key Performance Indicators	Q3 Status
Our services shape the effective and efficient delivery of public services	<ul style="list-style-type: none"> Number of contracts delivered v plan¹ Value of contract portfolio v target 	<ul style="list-style-type: none"> 38 of 38 contracts delivered £1,980 million against £1,900 million target
Our expertise leads continuous improvement in commercial performance	<ul style="list-style-type: none"> Number of PCIP assessments delivered v plan Number of Scotland Excel Academy courses v plan² 	<ul style="list-style-type: none"> 7 of 7 assessments delivered 84 of 88 courses delivered
Our services facilitate the delivery of national and local policy priorities	<ul style="list-style-type: none"> Tonnes of waste diverted from landfill through Scotland Excel contracts Number of Scottish suppliers & percentage SMEs 	<ul style="list-style-type: none"> 76,685 tonnes (Jul-Sep 2019) 546 Scottish suppliers of which 76% are SMEs
Our services enable positive and sustainable outcomes for people and communities	<ul style="list-style-type: none"> Number of community benefits realised to date Number of Scottish suppliers & percentage SMEs 	<ul style="list-style-type: none"> 821 jobs 275 apprenticeships 192 work placements 67,184 hours work experience 6,362 hours volunteering/mentoring £1,462m value of other initiatives
Our insight and knowledge underpins innovative solutions for our customers	<ul style="list-style-type: none"> Number of business change initiatives delivered v plan 	<ul style="list-style-type: none"> 4 of 6 initiatives in progress
Our activities are recognised as leading the way in public procurement	<ul style="list-style-type: none"> Media coverage v target Number of speaking engagements v target 	<ul style="list-style-type: none"> 61 of 60 media items published 19 of 20 speaking engagements
Our customers receive a measurable return on investment through savings	<ul style="list-style-type: none"> Percentage savings achieved across the portfolio v target³ Savings achieved in the last quarter 	<ul style="list-style-type: none"> 2.5% against 2.5% savings target £3m (Oct-Dec 2019)
Our customers are satisfied with our services and how we deliver them	<ul style="list-style-type: none"> Customer satisfaction scores v target⁴ 	<ul style="list-style-type: none"> 80% of respondents

¹ Contracts developed, renewed or extended

² Programmes, workshops and masterclasses

³ Average savings during the strategy period (2018-23) excluding social care contracts

⁴ Percentage of respondents reporting 'good' or 'very good' overall satisfaction in the most recent customer satisfaction survey (currently 2017)



Scotland Excel

To: Joint Committee

On: 19 June 2020

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

Special Leave and Hospitality

1. Introduction

As part of the governance process, members of the Joint Committee are advised on an annual basis of staff absence rates, special leave given to staff and hospitality granted by the organisation. The information for the 2019/20 financial year is detailed below.

2. Scotland Excel Staff Absence

The Joint Committee has previously agreed that Scotland Excel should work to an absence rate of below 4%. This target aligns Scotland Excel with partner organisations, supports good practice in this area and demonstrates the ongoing commitment to absence management as a key efficiency target.

During 2019/20, the average sickness absence rate per full time equivalent member of staff has been 4.1 days. In total, 392.5 days sickness leave days were reported across all staff during 2019/20 representing a Sickness Absence Rate of 2.0%. The organisation will continue to monitor this and ensure that, where required, staff are given appropriate support to maintain their attendance.

3. Special Leave

Under item 6.2(w) of the Scheme of Delegation, the Director has the authority to permit any member of staff to absent themselves occasionally and temporarily during business hours to attend to duties or services of a civic honour, charitable, academic or social nature provided that these do not interfere with the efficient discharge of the functions of Scotland Excel and to grant special leave, in accordance with the lead authority's special leave policy.

Scotland Excel follows the HR policies and procedures of the lead authority, Renfrewshire Council. When approving requests for special leave, consideration is always given to the operational requirements of Scotland Excel together with requests that may have been previously granted and outstanding annual leave. Categories of special leave include some medical appointments, illness of family dependants, bereavements, civic duties and exam / study leave. A total of 116 days are recorded, 106.5 days paid leave and 9.5 days unpaid leave, against the undernoted categories.

Reason	Paid or Unpaid	Days
Support family dependants	Paid	16.5
Support family dependants	Unpaid	2
Bereavement	Paid	52
Exam / Study leave	Paid	17.5
Jury Duty	Unpaid	7.5
Hospital	Paid	17.5
Election Duties	Paid	3

4. Hospitality

Under Item 6.2(e) of the Scheme of Delegation, the Director has the authority to approve the provision of reasonable hospitality to a maximum of £1,000 in relation to one occasion where this is thought to be in the interests of Scotland Excel.

In the last financial year there was no spend.

5. Recommendation

The Joint Committee is requested to note the contents of report.

Scotland Excel

To: Joint Committee

On: 19 June 2020

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

COVID-19 Update

1 Introduction

This report provides an update to members of the impact of COVID-19 on the operational activity within Scotland Excel, including where emerging opportunities have been pursued to provide additional support within and out with the sector.

2 Background

2.1 In March 2020, The United Kingdom Government 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 are seen as being at greater risk from infection.

2.2 On March 29, a report was agreed by the Executive Subcommittee which:

- delegated the 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 29th May 2020 and any subsequent meeting;
- Further delegated to the Director in consultation with the Chair and/or Vice Chair 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.
- Agreed to temporary associate membership at no fee to any public body or third sector organisation that the Director feels will benefit efforts to tackle the current crisis.

- 2.3 Scotland Excel is currently operating a full service via remote working for all employees in line with government guidance. Our specific focus is working with our suppliers to do everything we can to ensure that the goods and services required to support essential frontline services continue to be available to councils. Our teams are providing regular updates to councils in relation to supplier stock levels for essential items and advice on alternative sources of supply where possible. This is an ever-changing picture and our teams are doing everything they can to make sure council procurement teams have access to all information available at the time.

3 Account Management

- 3.1 The account management team was established to work with Scotland Excel member organisations to:
- understand their needs and help optimise the use of the suite of contracts that are available
 - address any key concerns and issues in terms of contract use and development
 - identify any opportunities for growth and / or areas creativity and innovation
- 3.2 While the response to Covid-19 has brought about significant challenges in operating arrangements, account management activity has been adapted to respond to stakeholder needs. Much of the direct activity and relationship building has been adapted to online platforms. However, the basis of the support and relationship development activity remains the same.
- 3.3 Business review meetings continue on a regular basis, with council corporate procurement teams and the account management team increasingly using virtual meetings to conduct business. These meetings provide a collaborative platform to discuss the areas highlighted above, as well as a review of detailed spend and savings reporting from Scotland Excel contracts.
- 3.4 Current areas of collaborative work extends to working with councils to secure critical products in response to the Covid-19 pandemic. This has created some new challenges as the requirements and sourcing activity continue to align and evolve with scientific and medical advice. This will continue as the route map develops through its response phases.

4. Support of PPE provision

- 4.1 The Covid-19 pandemic has resulted in a worldwide surge in demand for PPE and this has had a significant impact on global supply chains. This in turn has led to a challenging position for councils to secure and maintain stock levels of key equipment.

- 4.2 Scotland Excel's PPE service for councils began on Monday 4 May. A dedicated PPE team has been set up to work with councils in the forecasting and collation of their PPE demand, and to then liaise directly with suppliers to fulfil a consolidated demand plan. This excludes requirements for adult social care, which is supported by National Shared services (NSS), which is part of NHS Scotland.
- 4.3 The role of Scotland Excel in developing and delivering this service is endorsed by COSLA and SOLACE. To date, fourteen councils have purchased items through this system and those councils not currently participating can join the service at any time. Associate members also have access to the PPE framework suppliers.
- 4.4 Current requirements are being coordinated through the Scotland Excel PPE framework, which went live on 1 May 2017. All suppliers participating in the PPE framework are UK based, several of which are Scottish. Key products include: masks, goggles, visors, gloves, disinfectant and sanitiser, hand soap and hand sanitiser, aprons and overalls, surface wipes.
- 4.5 For service mobilisation during lockdown, Scotland Excel communicated the new PPE sourcing approach directly to councils and associate members. This was supported by updates issued via Scotland Excel's Covid-19 response newsroom and on appropriate social media channels.
- 4.6 Supplier engagement has remained a key priority, and weekly calls are undertaken with suppliers and, where appropriate, manufacturers of products. Health and Safety expertise and advice has been made available by member councils to ensure that product offerings comply with relevant specifications.
- 4.7 The phased approach to ease restrictions released by the Scottish Government, will see several council services resume; for example recycling centres will re-open and additional key community support services will resume. There will be greater direct contact for social work and support services with at-risk groups, and the construction sector will also restart. As restrictions ease, it is crucial that Scotland Excel remain engaged and in communication with both councils and the supply base to ensure the evolving PPE needs of council services are met.
- 4.8 Scotland Excel is currently liaising with councils and wider trade organisations across the public sector to ensure that solutions can be tailored appropriately in line with recovery plans for return to school or wider workplace. Emerging risk and opportunities include hand sanitisers for classrooms, marking tape, signage and high visibility garments for staff.

4.9 As lockdown restrictions ease, Scotland Excel will continue to work with councils to ensure our PPE offering includes some of the wider in-scope items to support effective service delivery across the sector.

5. Contract category updates

5.1 Corporate & Education

5.1.1 Facilities Management Recovery Plan

On Thursday 28th May, the Scottish Government published guidance to support implementation of a phased return to schools. This guidance outlines two key considerations that will affect how schools operate; these are increased separation and decreased interaction. More widely, additional infection prevention and control is required which will change hygiene measures within schools, both in terms of type of products used and frequency of cleaning schedules.

A review of this guidance is underway and, supported by a detailed analysis across the wider contract portfolio, a facilities management recovery plan will be developed that supports councils to reopen safely.

5.1.2 Catering in Schools

It is likely that the reopening of schools will affect catering operations within schools. Reasons for this include:

- Social distancing being observed in kitchens, affecting the types of food that can be prepared;
- Space within school settings being used for teaching, including dining halls/canteens;
- Social distancing being observed during lunchtime, affecting how food is served to children and where this is eaten. For example, packed lunch options being made available.

Scotland Excel will work with councils and food suppliers, sharing school opening schedules and supply constraints, to optimise deliveries and product availability. It may be necessary to consider short term changes to school menus, and ongoing support will be made available to ensure that this is effectively communicated and managed.

5.1.3 Cleaning in Schools

Additional hygiene measures in schools will affect both the frequency of cleaning and type of cleaning that is undertaken. Scotland Excel will work with suppliers and councils to understand the product requirements and availability. In addition, supply lines will be expanded to include signage and other materials to remind pupils of social distancing.

5.1.4 Educational Provisions

Due to changes in class sizes, teaching methods, online learning and curriculum choices, it is possible that the types of educational products purchased for schools will change for next academic year. For example, items may no longer be shared between classes or pupils, meaning additional products need to be purchased. In addition, home learning may require different products. Scotland Excel will continue to support councils to purchase the required products through the Education Materials framework.

5.2 Environmental Services

5.2.1 Waste management workstreams have faced some of the largest challenges for Councils during the course of recent weeks, including the vital continuation of key frontline services such as household kerbside waste collections. This, combined with the need to temporarily close recycling centres has seen the sector face constraints in keeping the vital services available to the public. Throughout this period, the framework arrangements available within the Scotland Excel Environment Category have remained live and largely unaffected.

5.2.2 The UK Government granted waste industry workers “key-worker” status, and to date councils across Scotland have refined operational practices to ensure the safety of crews whilst maintaining an acceptable level of service. Whilst several councils have been successful in maintaining a ‘business as usual’ service, others have been forced to temporarily suspend less vital collections. Many suspended services have now been reinstated, whilst plans are being formulated to resume full services, including the introduction of bulk waste collections and organised reopening of recycling centres.

5.2.3 Scotland Excel has not received direct reports from service providers or suppliers of significant delay for delivery of goods or inability to service awarded contracts in line with agreed terms and conditions. Some waste streams are particularly at risk under the current constraints, particularly those that generate an income for councils. Scotland Excel regularly monitors common material market indices, and this will continue and be shared with councils.

5.2.4 Scotland Excel continues to support partner organisations including Zero Waste Scotland, with whom recent dialogue prompted the development of a set of guidance and contract documents which will support councils to engage and contract directly with external providers. Scotland Excel has been in discussion with Zero Waste Scotland to develop a framework for the provision of waste composition analysis. This enables councils to understand the content of waste streams in order to measure progress against policy objectives. This dialogue will resume later in the year.

5.2.5 The industry has reacted to this crisis and a number of policy interventions and support networks are assisting councils with maintaining continuity of service. For examples, the Scottish Government has delayed its planned

Deposit Return Scheme by one year and will now go live in July 2022. Scotland Excel will continue to keep abreast of related policy and support, disseminating to User Intelligence Group (UIG) members and influence where appropriate on behalf of the procurement community.

5.3 Construction Services

- 5.3.1 Within the construction category Scotland Excel has continued to progress ongoing tendering/contract award activity. In some cases, short extensions have been proposed taking cognisance of the current market conditions and the impact this continues to have on suppliers and councils. Where extensions are to be exercised Scotland Excel will continue to communicate regularly with councils.
- 5.3.2 A number of Scottish Procurement Policy Notes (SPPN) have recently been issued as a consequence of the current COVID-19 outbreak. SPPN 4/2020 raises awareness on handling some procurement related issues, and SPPN 5/2020 sets out guidance for contracting authorities on payment to their suppliers to ensure service continuity. Construction Procurement Notice (CPN) 1/2020 relates to the impact of COVID-19 on Construction Contracts and CPN 2/2020 more specifically relates to Project Bank Accounts (PBAs). Most recently CPN 3/2020 sets out matters for contracting authorities to consider when making preparations in readiness to implement procurement procedures for new projects and reopen public construction sites which are currently closed due to restrictions for mitigating COVID-19 and CPN 4/2020 sets out information regarding the management of disputes and cashflow.
- 5.3.3 The Scottish Government has also published Coronavirus - construction sector guidance, which provides specific guidance on the operations of sites and associated works. Within this area Scotland Excel aims to help ensure framework processes take a responsible approach to the containment of COVID-19, while being in a position to respond to both critical and longer-term recovery requirements. This will help ensure that the construction sector retains the capability and capacity necessary to effectively recommence work and deliver current and future construction project pipeline.
- 5.3.4 Bodies representing construction and property professionals in Scotland have called for a gradual re-opening of non-essential building sites - within the parameters of health and safety requirements - as soon as possible.
- 5.3.5 The Royal Institution of Chartered Surveyors (RICS), Royal Incorporation of Architects Scotland (RIAS) and Chartered Institute of Building (CIOB) point out that urgent action is needed to avoid a long term, detrimental impact on the construction sector and the economy. They also state:

- that stasis is already taking hold of the sector in Scotland with many projects at significant risk and that unless measures are put in place now, outcomes will include long-term skills shortages, cost increases and reduced productivity.
- one of the biggest impacts of closed construction sites is that supply chains are now engaging in a comprehensive furlough of staff to the point that a state of paralysis is setting into the construction industry.
- many projects are in jeopardy, even at pre-construction phase, because the supply chain cannot submit quotes and prices.
- any delay in project planning and procurement will cause projects to be cancelled, and it could prolong the recovery.

5.3.6 All three professional bodies are members of the Construction Industry Coronavirus (CICV) Forum and Scotland Excel have joined the Clients/Commercial Subgroup to collaborate with the industry on recovery. Ongoing dialogue with councils will continue to help ensure that Scotland, both locally and nationally, retains a viable construction sector through these unprecedented times and that businesses emerge ready to resume work on existing projects and new opportunities.

5.4 Social Care

5.4.1 The cost profile of social care services has continued to rise in recent years, and it is anticipated that the COVID-19 crisis will drive further cost increases. All of the services provided through Scotland Excel's social care frameworks have been challenged by the pandemic, particularly in relation to staff shortages, access to affordable PPE and the need to manage the associated risks to vulnerable people.

5.4.2 Scotland Excel is a member of the National Covid-19 Contingency Planning Group for care services, working with key partners to share information and guidance across the public sector. Recent work has included collaboration with COSLA to develop the Guidance for Commissioning Services COVID-19, as well as provision of market analysis and cost data to inform the recent national pay rise for social care staff.

5.4.3 The national Flexible Care and Support Services framework went live on 1st April with 78 providers offering 316 services. This framework offers care at home and supported living services. It was developed in consultation with key stakeholders and it reflects the Scottish Government's updated Health and Social Care Standards. Current pressures on both the local authority and care sector workforce have halted framework mobilisation, but this is expected to recommence shortly.

5.4.4 Over the past three years, Scotland Excel has worked with local authorities, COSLA and Scottish Care to develop a cost model to produce national rates

for council funded places in nursing and residential care homes. Although work is not yet complete on the 2020/21 model, negotiations around direct care costs were expedited so that care homes could meet the cost of annual increases in wages and salaries, property and supplies with effect from 6th April. This ensures that care workers and nursing staff looking after vulnerable older people during the Covid-19 crisis are put on a much surer financial footing.

- 5.4.5 The flexible framework for children's residential care supports councils to make placements within independent children's residential care, care and education, residential short breaks and day education services. Residential schools report that care and education services have continued as normal, although home schooling has replaced day education in some cases. There has been a significant reduction in demand for respite services.
- 5.4.6 With secure care services, the four specialist centres report to the Scottish Government COVID-19 Secure Care Resilience Group on a weekly basis. This group comprises senior representatives from each centre along with relevant senior staff from Scottish Government, Scotland Excel, the Care Inspectorate and Education Scotland. All secure care centres have robust service continuity and contingency plans in place, and these are updated when new information and guidance becomes available.
- 5.4.7 Through the fostering and continuing care framework, local authorities purchase fostering placements and continuing care placements from independent and voluntary providers as a supplement to their internal provision. The recent Scotland National Association of Fostering Providers Coronavirus Update report is very positive and states that children are coping well, and some are described as 'thriving'. In addition to this, their members have seen an increase in people applying to foster and are undertaking virtual interviews.
- 5.4.8 The Community Meals framework provides an efficient means for local authorities to arrange delivery of pre-prepared meals to people in their homes, as well as to community venues and council premises. Providers have confirmed that they have contingency plans in place to ensure continuity of supply to this vulnerable customer base.
- 5.4.7 The procurement of technology enabled care and ancillary monitoring services to maintain, promote, and support independent living is facilitated by the current framework. In partnership with the Digital Office, scoping of the provision of telecare supplies and services is underway, as demand for technology enabled care solutions is likely to increase in the coming months. In addition, the procurement activity to support the migration to digital telecare solutions will be accelerated.

6. The Academy

- 6.1 When lockdown occurred and face-face teaching was no longer possible, The Academy team quickly consulted its learners to understand which online platforms each local authority organisation could access. All development programmes and workshops were then transitioned to online delivery, across thirteen active cohorts. Recognising an opportunity to sustain engagement across our national customer base, seventeen “Stay Connected” online workshops were launched, teaching specific topics online over a one hour duration. These workshops are delivered free to learners.
- 6.2 As online activity scaled, significant IT connectivity issues were experienced across our council organisations, resulting in the testing of five web conferencing/teaching software packages. The incompatibilities across our customers resulted in pausing the online delivery on the 01 May 2020. The team then evaluated some systems in detail and invested in Big Blue Button software to facilitate online delivery, video communication, screen sharing and online group work, using a dedicated server. The delivery of online programmes resumed on the 19 May 2020.
- 6.3 The Academy now has sixteen active cohorts being delivered online nationally. Similarly, 339 learners have signed up for the online Stay Connected workshops, across 38 organisations including 19 councils. These are being delivered throughout May – August 2020.
- 6.4 Some IT connectivity issues remain across council organisations, so platforms are alternated to accommodate as many learners as possible. However, delivery of an increased quantity of planned workshops is underway to include as many learners as possible.
- 6.5 As The Academy prepares to thrive in a post COVID-19 environment, collaborating on a national scale, sharing expertise and resources, will be crucial and therefore collaborative working will be sustained. Current examples include:
- Working with the Scottish Government, APUC and SEPA as a member of the Procurement and Climate Change Forum- People and Capability Work Stream
 - Co-chair the Scottish Government’s Professional Practice and Development working group, working with multiple national bodies on the development of our people
 - Continue to collaborate with the Improvement Service, co-creating and co-delivering the project management programme and the business analysis, decision making and innovation programme

- Continue to develop the Scottish graduate apprenticeship programme as a member of the Glasgow Caledonian University programme board
- Participate in the CIPD's Scottish Policy Forum

7. Project activity

- 7.1 Generally, when lockdown occurred, and team members for all projects were required to work from home at short notice. The technology and ways of working were tested and additional focus was required to making sure the projects were still delivering. The effectiveness of the technology has provided the ability for the project teams to continue to work with partner organisations.
- 7.2 The Fife Programme has managed to continue to deliver, and for the most part remains on track to deliver. There has been a reduction in engagement with some areas as frontline teams have been diverted to essential and critical service delivery. As of 1st June, three of the sub-projects are completed and formally closed, with a further three entering their final tasks before completion. Daily contact with Fife Council colleagues continues to ensure full delivery of the programme.
- 7.3 It is recognised that Covid19 will change how organisations address improvement in coming months and years. Forecasting how global market conditions and the business environment will change has been a keen consideration for the Tayside Programme Board. The recommendations to the most recent meeting of the Board focused on how the programme should evolve to ensure key deliverable are achieved under the new conditions.
- 7.4 The East Renfrewshire programme has been able to continue the implementation of the majority of its projects during this period. A new benefits tracking process has been rolled out a number of tangible savings opportunities for the Council have been identified. A new business plan for Corporate Procurement has been drafted, work is well underway in the area of procurement training and communications across the Council, and proposals for Contract and Supplier Management are being developed for consideration.
- 7.5 The East Lothian improvement project has taken lower priority over the last couple of months as the procurement team has been attending to critical service delivery and Covid19 related emergencies such as supplier relief program and school hub supplies. The delay is recoverable over the duration of the programme, and related activities such as benefit tracking, savings generation as well as contract optimisation are gaining considerable momentum.

As the Council enters the recovery and renewal phase, much emphasis is given to digital transformation and digital service delivery. Recently increased engagement with the procurement plan is driving new ideas and a more collaborative approach to delivering these. The need to re-evaluate what good outcomes look like has also emerged with focus on value creation, local economy as well as ensuring a more resilient, flexible supply chain.

8. Conclusion

Members are invited to note the content of this report and support the measures taken to continue operations during the COVID-19 pandemic.

