

Minute of Meeting Scotland Excel Executive Sub-Committee

Date	Time	Venue
Friday, 13 May 2016	10:45	Scotland Excel Meeting Room 1, Renfrewshire House, Cotton Street, Paisley

PRESENT

Councillors A Craik (Fife Council); B Fernie (Highland Council); M Holmes (Renfrewshire Council); A Westlake (Shetland Islands Council); and Provost E Logan (South Lanarkshire Council).

CHAIR

Councillor Holmes, Convener, presided.

VIDEO LINK

Councillors C Shand (Aberdeenshire Council) and I Whyte (City of Edinburgh Council).

APOLOGIES

Councillors P Valentine (Angus Council); N Macdonald (Comhairle Nan Eilean Siar); M McElroy (Glasgow City Council) and G McLean (North Ayrshire Council).

IN ATTENDANCE

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

DECLARATIONS OF INTEREST

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

1 REVENUE BUDGET MONITORING REPORT

There was submitted a joint revenue budget monitoring report by the Treasurer and the Director of Scotland Excel for the period 1 April 2015 to 4 March 2016.

DECIDED: That the report be noted.

2 ASSOCIATE MEMBERS UPDATE REPORT

There was submitted a report by the Director of Scotland Excel relative to the work undertaken to support and develop associate membership of Scotland Excel.

The report intimated that a review of the associate member fee structure had been undertaken with a move towards new fee levels based upon the spend on contracts made by member organisations.

The report provided information in relation to the first stage of the associate membership project to review the existing membership base and mitigate the potential negative impact of the fee structure changes; the sector focused approach taken by Scotland Excel with Scottish housing associations being identified as the first sector; and the production of an associate membership strategy covering the approach Scotland Excel would undertake to promote the benefits of associate membership to appropriate groups, to raise awareness of potential savings, share best practice and generate income from membership fees.

DECIDED: That the report be noted.

3 OPERATING PLAN UPDATE 2015/16 AND OPERATING PLAN 2016/17

There was submitted a report by the Director of Scotland Excel relative to the projects and activities undertaken by the organisation in 2015/16 and the draft 2016/17 operating plan.

The report intimated that the rolling operating plan recorded the high level activities and commitments that would be delivered to achieve the organisations four strategic goals and would be used to set annual priorities and detailed performance objectives for the organisation and employees. A review of progress would be undertaken in April each year and the plan updated to ensure it remained closely aligned with the goals of the three year strategy and respond to any changes in the external environment. The operating plan 2015/16 year-end report formed Appendix 1 to the report.

The draft operating plan 2016/17, which formed Appendix 2 to the report, outlined the high level of activities and commitments for the second year of the strategy delivery. Scotland Excel's Performance Review and Development (PRD) programme for staff was underway to assess their performance against assigned objectives in 2015/16 and cascade new objectives for delivering the priorities identified for 2016/17. Members were requested to provide any comments on the draft operating plan 2016/17 to the Director of Scotland Excel.

It was noted that, from April 2016, reports on progress against the activities in the operating plan would be produced at the end of each quarter and submitted to the Executive Sub-committee at the next scheduled meeting.

The Director of Scotland Excel undertook to provide information to members in relation to the shared services strategy aligned to customer requirements when available.

DECIDED:

- (a) That the approach taken by Scotland Excel to update the operating plan and the progress made by Scotland Excel in delivering its corporate strategy be noted;
- (b) That members provide any comments on the draft operating plan 2016/17 to the Director of Scotland Excel; and
- (c) That the Director of Scotland Excel provide information to members in relation to the shared services strategy aligned to customer requirements when available.

4 RISK REGISTER UPDATE

Under reference to item 7 of the Minute of the meeting of the Joint Committee held on 27 November 2015 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 the actions identified to mitigate such risks.

DECIDED:

- (a) That members provide any feedback on the risk register and actions identified to manage risks to the Director of Scotland Excel; and
- (b) That the report be noted.

5 CONTRACT FOR APPROVAL - CUSTOMER SERVICE PLATFORM

There was submitted a report by the Director of Scotland Excel relative to a new collaborative framework for the provision of a Customer Service Platform solution for councils which would operate from 1 June 2016 to 31 May 2019, with an option to extend for up to 12 months until 31 May 2020.

The report intimated that the framework would provide councils with a software solution that staff could use to input and process customer service requests, along with an online portal that allowed customers to input these service requests personally, without the need to interact with staff. Scotland's councils delivered a diverse range of customer services and a key goal for all councils was to ensure each citizen had a positive customer experience. Delivering services to customers was vital to ensure councils fulfilled their duty of care to the public.

The framework had been split into two lots as detailed in table 1 in the report. This lotting structure recognised the current structure of the supply market and had been designed to more closely align with requirements of councils and continued to maximise opportunities for small and medium-sized enterprises (SMEs) and the SME status for each bidder was detailed in Appendix 1 to the report. Sixteen councils had expressed an interest in actively participating in the framework to date. Several councils had contracts in place for this year and therefore did not currently intend to utilise the framework until these arrangements expired. Highland, Scottish Borders, Edinburgh and Argyll and Bute Councils had all recently tendered or awarded a contract for similar software packages and therefore did not intend to utilise the framework. The NHS boards and NHS National Shared Services were named in the contract advert so might use the framework at a later date.

The framework had been advertised at a value of £15 million over the four year period, £3.75 million per annum and 10 tender responses had been received. Based on the criteria and scoring methodology set out within the tender document, a full evaluation of the 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 a multi-supplier framework be awarded to two suppliers in Lot 1 and three suppliers in Lot 2 as detailed in Appendix 2 to the report.

DECIDED: That the award of the framework agreement, as detailed in Appendix 2 to the report, be approved.

6 CARE HOME SERVICES FOR OLDER PEOPLE

Under reference to item 6 of the Minute of the meeting of this Executive Sub-committee held on 28 August 2015 there was submitted a report by the Director of Scotland Excel providing an update on the project considering the future procurement of care home services for older people.

The report intimated that since the meeting on 28 August 2015, 24 councils had provided funding to take forward the contract management service and develop the procurement strategy; three forums had been held with nominated lead contacts from the 24 councils to refine the contract management service to better align with local requirements and to start shaping the procurement strategy; and Scotland Excel had maintained regular dialogue with CoSLA, Scottish Local Government Partnership, providers and other key stakeholders.

In parallel to this work, CoSLA had completed fee negotiations with providers for 2016/17. CoSLA and providers had established a group to consider reforming the National Care Home Contract (NCHC). The remit of the group would be to consider whether the current NCHC was fit for purpose in light of policy, demographic and financial drivers as outlined in the Future of Residential Care for Older People in Scotland report published in March 2014.

The report provided information in relation to market intelligence; a procurement strategy; the NCHC fee negotiations and the reform of the NCHC project.

It was noted that continued significant stakeholder involvement was required in order to ensure that the procurement strategy was successfully delivered and to ensure that this Scotland Excel led activity was both recognised and made a significant contribution to the work of the NCHC Project Group. Without building on existing support there was a significant risk that the market would not engage with any recommended procurement option and/or the recommended option would not be politically acceptable. The report detailed a programme of activity to develop the procurement strategy which would be discussed and agreed with stakeholders and regular update reports would be submitted to the Executive Sub-committee.

DECIDED:

- (a) That the progress made in developing and implementing Scotland Excel's new contract management service role be noted;
- (b) That the procurement strategy development work undertaken be noted;
- (c) That the outcome from the National Care Home Contract (NCHC) fee negotiations for 2016/17 be noted; and
- (d) That the establishment of the project group to consider NCHC reform be noted.

7 LOCAL AUTHORITY LIVING WAGE COMMITMENT - BRIEFING PAPER

There was submitted a briefing paper providing an overview of the new local authority living wage commitment agreed in the local government settlement for 2016/17 and highlighting the impact of this commitment for Scotland Excel contracts.

The briefing paper intimated that payment of a living wage and other fair work practices were widely regarded as important tools to help improve the quality of social care services. The 2016/17 local government settlement included a requirement for local authorities to pay the living wage of £8.25 per hour to all care workers in adult social care from 1 October 2016. This requirement extended to purchased care services as well as in-house provision impacting care homes, care at home and housing support services.

The briefing paper provided information in relation to the practical procurement issues in terms of both existing and new contracts; matters concerning the award of unlawful state aid to providers being raised with the Scottish Government State Aid Policy Team; the financial impact of this requirement; the guidance document being produced by CoSLA in collaboration with the Scottish Government and others; and the impact on Scotland Excel contracts in the areas of care home services for older people, social and care agency workers and care homes for adults with learning disabilities.

It was noted that Scotland Excel would produce a strategy to review and manage necessary changes to the framework for care homes with adults with learning difficulties.

DECIDED: That the update provided be noted and that the development of a Scotland Excel strategy to support applicable existing arrangements be supported.

8(a) **REQUEST FOR ASSOCIATE MEMBERSHIP OF SCOTLAND EXCEL BY LIVE BORDERS**

There was submitted a report by the Director of Scotland Excel indicating that Live Borders had submitted an application to become an associate member of Scotland Excel.

DECIDED: That the application by Live Borders to become an associate member of Scotland Excel, at no fee, subject to completion and signing of the agreement document, be approved.

8(b) **REQUEST FOR ASSOCIATE MEMBERSHIP OF SCOTLAND EXCEL BY LOCHALSH AND SKYE HOUSING ASSOCIATION**

There was submitted a report by the Director of Scotland Excel indicating that Lochalsh & Skye Housing Association had submitted an application to become an associate member of Scotland Excel.

DECIDED: That the application by Lochalsh & Skye Housing Association to become an associate member of Scotland Excel, at a fee of £500, subject to completion and signing of the agreement document, be approved.

8(c) **REQUEST FOR ASSOCIATE MEMBERSHIP BY ANGUS ALIVE**

There was submitted a report by the Director of Scotland Excel indicating that Angus Alive had submitted an application to become an associate member of Scotland Excel.Â
DECIDED:Â Â Â That the application by Angus Alive to become an associate member of Scotland Excel, at no fee, subject to completion and signing of the agreement document, be approved.

9 **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 Friday 17 June 2016 in the City Chambers, Glasgow City Council.