

# Public Document Pack



To: Councillor Wheeler, Convener; Councillor Grant, Vice-Convener; and Councillors Allard, Copland, Laing, MacKenzie, Mason, McRae and Yuill.

Town House,  
ABERDEEN, 17 February 2022

## **STRATEGIC COMMISSIONING COMMITTEE**

The Members of the **STRATEGIC COMMISSIONING COMMITTEE** are requested to meet in **Council Chamber - Town House on FRIDAY, 25 FEBRUARY 2022 at 2.00 pm**. This is a hybrid meeting and Members may also attend remotely.

Members of the press and public are not permitted to enter the Town House at this time. The meeting will be webcast and a live stream can be viewed on the Council's website. <https://aberdeen.public-i.tv/core/portal/home>

FRASER BELL  
CHIEF OFFICER - GOVERNANCE

### **B U S I N E S S**

#### **NOTIFICATION OF URGENT BUSINESS**

1.1. There are no items at this time

#### **DETERMINATION OF EXEMPT BUSINESS**

2.1. Members are requested to determine that any exempt business be considered with the press and public excluded

#### **DECLARATIONS OF INTEREST**

3.1. Members are requested to declare any interests

#### **DEPUTATIONS**

4.1. There are no deputations at this time

## **MINUTE OF PREVIOUS MEETING**

- 5.1. Minute of Previous Meeting of 8 December 2021 - for approval (Pages 5 - 10)

## **COMMITTEE PLANNER**

- 6.1. Committee Business Planner (Pages 11 - 12)

## **NOTICES OF MOTION**

- 7.1. There are no notices of motion at this time

## **REFERRALS FROM COUNCIL, COMMITTEES AND SUB COMMITTEES**

- 8.1. There are no referrals at this time

## **RISK AND PERFORMANCE**

- 9.1. Commercial and Procurement Performance Report - CUS/22/044 (Pages 13 - 22)
- 9.2. Scotland Excel Annual Report - COM/22/055 (Pages 23 - 46)

## **WORKPLANS AND BUSINESS CASES**

- 10.1. Workplans and Business Cases - Revenue - COM/22/056 (Pages 47 - 60)

## **EXEMPT / CONFIDENTIAL BUSINESS**

- 11.1. Workplans and Business Cases - Revenue - Exempt Appendices (Pages 61 - 130)

IAs related to reports on this agenda can be viewed [here](#)

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Should you require any further information about this agenda, please contact Stephanie Dunsmuir, [sdunsmuir@aberdeencity.gov.uk](mailto:sdunsmuir@aberdeencity.gov.uk)

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## STRATEGIC COMMISSIONING COMMITTEE

ABERDEEN, 8 December 2021. Minute of Meeting of the STRATEGIC COMMISSIONING COMMITTEE. Present:- Councillor Wheeler, Convener; Councillor Grant, Vice-Convener; and Councillors Allard, Copland, Laing, MacKenzie, Mason, McRae and Yuill.

The agenda and reports associated with this minute can be found [here](#).

Please note that if any changes are made to this minute at the point of approval, these will be outlined in the subsequent minute and this document will not be retrospectively altered.

### DETERMINATION OF EXEMPT BUSINESS

1. The Convener proposed that the Committee consider item 12.1 (Workplans and Business Cases – Exempt Appendices) with the press and public excluded.

**The Committee resolved:-**

in terms of Section 50(A)(4) of the Local Government (Scotland) Act 1973, to exclude the press and public from the meeting during consideration of item 12.1 on the agenda so as to avoid disclosure of exempt information of the class described in paragraph 8 of Schedule 7(A) of the Act.

### DECLARATIONS OF INTEREST

2. There were no declarations of interest.

### MINUTE OF PREVIOUS MEETING OF 6 OCTOBER 2021

3. The Committee had before it the minute of its previous meeting of 6 October 2021 for approval.

**The Committee resolved:-**

to approve the minute as a correct record.

### COMMITTEE BUSINESS PLANNER

4. The Committee had before it the committee business planner as prepared by the Chief Officer – Governance.

**The Committee resolved:-**

to note the planner.

**STRATEGIC COMMISSIONING COMMITTEE**

8 December 2021

**BON ACCORD CARE ANNUAL REPORT - COM/21/311**

5. With reference to article 6 of the minute of its meeting of 12 November 2020, the Committee had before it a report by the Director of Commissioning which presented the Bon Accord Care annual review report covering financial year 2020/21 in order to provide Committee with an overview of performance of service delivery.

Ms Pamela MacKenzie and Mr Neil Gault, Bon Accord Care, were in attendance and answered questions from Members.

**The report recommended:-**

that the Committee note the Bon Accord Care Business Plan Annual Report appended to the committee report for the Council's interests.

**The Committee resolved:-**

- (i) to request that if possible, Appendix 2 to the annual report be presented in a format that could be annotated for future years;
- (ii) to commend the management, staff and volunteers of Bon Accord Care for their tremendous efforts and work undertaken throughout the pandemic; and
- (iii) to otherwise note the report.

**At this juncture, the Convener advised that he had a connection with the following item due to his role as a Director of Aberdeen Sports Village however he did not consider the connection amounted to an interest and therefore he would not withdraw from the meeting during consideration of the item.**

**ABERDEEN SPORTS VILLAGE ANNUAL REPORT - COM/21/236**

6. With reference to article 6 of the minute of its meeting of 11 February 2021, the Committee had before it a report by the Director of Commissioning which presented the Aberdeen Sports Village (ASV) annual review report with an overview of performance of service delivery by ASV during the financial year 2020/2021 (1 August 2020 to 31 July 2021).

Mr Duncan Sinclair, ASV, was in attendance and answered questions from Members.

**The report recommended:-**

that the Committee note the Aberdeen Sports Village ALEO Annual Report appended to the report for the Council's interests.

## **STRATEGIC COMMISSIONING COMMITTEE**

8 December 2021

### **The Committee resolved:-**

- (i) to commend the management and staff of Aberdeen Sports Village for their efforts and additional work undertaken throughout the pandemic including ensuring that opportunities were still available even when facilities had to close; and
- (ii) to otherwise note the report.

### **STRATEGIC COMMISSIONING COMMITTEE ANNUAL EFFECTIVENESS REPORT - COM/21/305**

7. The Committee had before it the annual committee effectiveness report by the Director of Commissioning for consideration. The annual effectiveness reports had been introduced in 2018/19 following a recommendation from the Chartered Institute of Public Finance and Accountancy (CIPFA) as part of the Council's work towards securing that organisation's accreditation in governance excellence.

### **The report recommended:-**

that the Committee –

- (a) provide comments and observations on the data contained within the annual report; and
- (b) note the annual report of the Strategic Commissioning Committee.

### **The Committee resolved:-**

- (i) to thank officers for the work that had gone into the preparation of the report and the additional explanatory detail included; and
- (ii) to note the report.

### **COMMERCIAL AND PROCUREMENT PERFORMANCE REPORT - CUS/21/303**

8. The Committee had before it a report by the Director of Customer Services which presented the status of key performance measures relating to the Commercial and Procurement cluster.

### **The report recommended:-**

that Committee note the report and provide comments and observations on the performance information contained in the report appendix.

### **The Committee resolved:-**

to note the report.

**STRATEGIC COMMISSIONING COMMITTEE**  
8 December 2021

**CLUSTER RISK REGISTERS AND ASSURANCE MAPS - COM/21/306**

9. The Committee had before it a report by the Director of Commissioning which presented the Cluster Risk Register and Assurance Map in accordance with Strategic Commissioning Committee Terms of Reference to provide assurance that risks were being managed effectively within the Commercial and Procurement Cluster.

Member asked a number of questions around the risks, particularly the EU exit risk, any supply chain issues, and the control actions that were in place, and were given assurances by the Head of Commercial and Procurement around the ongoing work on the control actions as well as the monthly performance reports provided by Scotland Excel which allowed for further monitoring of any risks.

**The report recommended:-**

that the Committee note the Cluster Risk Register and Assurance Map set out in Appendices A and B to the report.

**The Committee resolved:-**

to note the report.

**WORKPLANS AND BUSINESS CASES - REVENUE - COM/21/307**

10. The Committee had before it a report by the Director of Commissioning which (1) presented procurement workplans where revenue expenditure was included for the Commissioning, Customer and Operations functions to Committee for review; and (2) sought approval of each of the procurement business cases listed below, including the total estimated revenue expenditure for each proposed contract, as contained at item 12.1 of the agenda.

The list of procurement business cases was as follows:-

Business Case	Cluster
Production Partner business case	City Growth
Disabled Persons Housing Service	Early Intervention and Community Empowerment
Tenants Home Contents Insurance Scheme	Early Intervention and Community Empowerment
Boiler Mechanical Heating and Controls	Operations and Protective Services
Specialist Maintenance and Repairs	Operations and Protective Services



**STRATEGIC COMMISSIONING COMMITTEE**  
8 December 2021

Renewal of Waste Services Contract – Outline Business Case	Operations and Protective Services
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**The report recommended:-**

that the Committee –

- (a) review the workplans as detailed in the Appendices;
- (b) approve the procurement business cases, including the total estimated expenditure for the proposed contracts;
- (c) approve the outline business case for the renewal of the Waste Services Contract and note that a procurement business case on the preferred option would be brought before Committee in due course; and
- (d) note the content of Appendix 3 – Summary of 3.10 Memos (Contract Awards due to Urgency) and Appendix 4 – Summary of 4.1.3 Forms (Technical Exemption).

**The Committee resolved:-**

to approve the recommendations.

**In accordance with the decision taken under article 1 above, the following item was considered with the press and public excluded.**

**WORKPLANS AND BUSINESS CASES - REVENUE - COM/21/307 - EXEMPT APPENDICES**

11. The Committee had before it exempt appendices relating to the Workplans and Business Cases Revenue report on the agenda (article 10 of this minute refers).

**The Committee resolved:-**

to note the exempt appendices.

- **COUNCILLOR JOHN WHEELER, Convener**

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	A	B	C	D	E	F	G	H	I
1	<b>STRATEGIC COMMISSIONING BUSINESS PLANNER</b> The Business Planner details the reports which have been instructed by the Committee as well as reports which the Functions expect to be submitting for the calendar year.								
2	<b>Report Title</b>	<b>Minute Reference/Committee Decision or Purpose of Report</b>	<b>Update</b>	<b>Report Author</b>	<b>Chief Officer</b>	<b>Directorate</b>	<b>Terms of Reference</b>	<b>Delayed or Recommended for removal or transfer, enter either D, R, or T</b>	<b>Explanation if delayed, removed or transferred</b>
3	<b>25 February 2022</b>								
4	Scotland Excel Annual Report	To consider the annual Scotland Excel report		Craig Innes	Commercial and Procurement	Commissioning	1.3		
5	Performance Report - Commercial and Procurement	To present the performance report for the Commercial and Procurement cluster		Louise Fox	Data and Insights	Customer	5.1.3		
6	Procurement Workplans and Business Cases	To seek approval of the estimated expenditure on the procurement business cases.		Craig Innes	Commercial and Procurement	Commissioning	3.1.1		
7	<b>23 June 2022</b>								
8	Climate Friendly Weighting for Contracts	Council Budget 03/03/20 - to instruct the Head of Commercial and Procurement to introduce a climate friendly weighting for contracts the Council procures and report back to the Strategic Commissioning Committee on the outcomes achieved annually		Craig Innes	Commercial and Procurement	Commissioning	3.1		
9	Commissioning Risk Register	To present the risk register.		Craig Innes	Commercial and Procurement	Commissioning	GD 8.4		
10	Performance Report - Commercial and Procurement	To present the performance report for the Commercial and Procurement cluster		Louise Fox	Data and Insights	Customer	5.1.3		
11	Procurement Workplans and Business Cases	To seek approval of the estimated expenditure on the procurement business cases.		Craig Innes	Commercial and Procurement	Commissioning	3.1.1		
12	Performance Management Framework	To present a revised Performance Management Framework reflecting the LOIP and the Council's commissioning outcomes and intentions as set out within the Council Delivery Plan		Martin Murchie	Data and Insights	Customer	4.1		
13	Annual Procurement Performance Report	To present the annual procurement performance report which will also incorporate the following instruction:- Council Budget 10/03/21 - to instruct the Head of Commercial and Procurement to incorporate community benefit clauses into new contracts so far as possible with a view to increasing the contribution of the Council to the Local Outcome Improvement Plan (LOIP) outcomes, and submit a year-end report to the Strategic Commissioning Committee		Craig Innes	Commercial and Procurement	Commissioning	4.5		
14	<b>1 September 2022</b>								
15	Performance Report - Commercial and Procurement	To present the performance report for the Commercial and Procurement cluster		Louise Fox	Data and Insights	Customer	5.1.3		

	A	B	C	D	E	F	G	H	I
	Report Title	Minute Reference/Committee Decision or Purpose of Report	Update	Report Author	Chief Officer	Directorate	Terms of Reference	Delayed or Recommended for removal or transfer, enter either D, R, or T	Explanation if delayed, removed or transferred
2	Procurement Workplans and Business Cases	To seek approval of the estimated expenditure on the procurement business cases.		Craig Innes	Commercial and Procurement	Commissioning	3.1.1		
16									
17	Council Delivery Plan Annual Report	To present the annual report 2020/21 in respect of progress against the Council Delivery Plan		Alex Paterson	Data and Insights	Customer	4.3		
18	Locality Plans Annual Reports	To present the annual reports		Neil Carnegie	Early Intervention & Community Empowerment	Customer	4.2		
19	Aberdeen Performing Arts Annual Report	To present the Aberdeen Performing Arts Annual Report for review.		Craig Innes	Commercial and Procurement	Commissioning	4.4		
20	Bon Accord Care Annual Report	To present the Bon Accord Care Annual Report for review.		Craig Innes	Commercial and Procurement	Commissioning	4.4		
21	Sport Aberdeen Annual Report	To present the Sport Aberdeen Annual Report for review.		Craig Innes	Commercial and Procurement	Commissioning	4.4		
22	CPA Annual Outcome Improvement Report 2021/22	To present the annual report for the Local Outcome Improvement Plan		Allison Swanson / Michelle Cochlan	Data and Insights	Customer	4.2		
23	<b>17 November 2022</b>								
24	Performance Report - Commercial and Procurement	To present the performance report for the Commercial and Procurement cluster		Louise Fox	Data and Insights	Customer	5.1.3		
25	Aberdeen Sports Village Annual Report	To present the Aberdeen Sports Village Annual Report for review.		Craig Innes	Commercial and Procurement	Commissioning	4.4		
26	Commissioning Risk Register	To present the risk register.		Craig Innes	Commercial and Procurement	Commissioning	5.1.4		
27	Procurement Workplans and Business Cases	To seek approval of the estimated expenditure on the procurement business cases.		Craig Innes	Commercial and Procurement	Commissioning	3.1.1		
28	<b>2023</b>								
29	Population Needs	To present the Population Needs Assessment every		Martin Murchie	Data and Insights	Customer	1.1		
30	Aberdeen Sports Village Annual Report	To present the Aberdeen Sports Village Annual Report for review.	February 2023	Craig Innes	Commercial and Procurement	Commissioning	4.4		
31	<b>REPORTING DATE TO BE CONFIRMED</b>								
32	Annual Committee Effectiveness Report	To present the annual effectiveness report for the Committee.		Gale Beattie	Commissioning	Commissioning	GD 8.5		

## ABERDEEN CITY COUNCIL

<b>COMMITTEE</b>	Strategic Commissioning Committee
<b>DATE</b>	24 February 2021
<b>EXEMPT</b>	No
<b>CONFIDENTIAL</b>	No
<b>REPORT TITLE</b>	Commercial and Procurement Performance Report
<b>REPORT NUMBER</b>	CUS/22/044
<b>DIRECTOR</b>	Andy MacDonald
<b>CHIEF OFFICER</b>	Martin Murchie
<b>REPORT AUTHOR</b>	Louise Fox
<b>TERMS OF REFERENCE</b>	5.1.3

### 1. PURPOSE OF REPORT

- 1.1 To present Committee with the status of key performance measures relating to the Commercial and Procurement cluster.

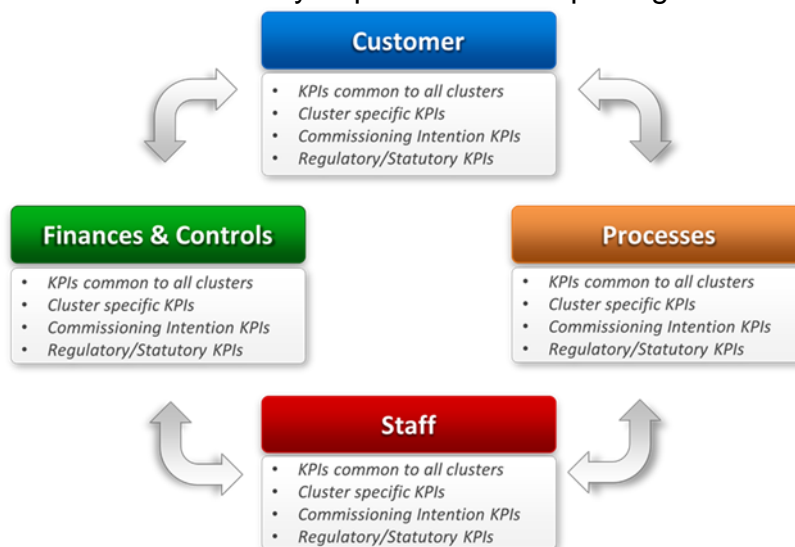
### 2. RECOMMENDATION

- 2.1 That the Committee note the report and provide comments and observations on the performance information contained in the report Appendix.

### 3. BACKGROUND

- 3.1 This report is to provide members with key performance measures in relation to the Commercial and Procurement cluster as expressed within the 2021/22 Council Delivery Plan.
- 3.2 Performance Framework Reporting was introduced in 2019/20, initially against in-house delivery directly contributing to the City's Local Outcome Improvement Plan (LOIP) to the Operational Delivery and City Growth and Resources Committees, and has informed the 2021/22 Council Delivery Plan (the Plan) that was agreed by Council on the 10th March 2021.
- 3.3 The 'Performance Management' section of the Plan explains how the commitments and deliverables will be supported and scrutinised through the Council's Performance Management Framework, which establishes robust performance management of service delivery. This section also outlines the systematic approach that will be taken during 2021/22 to identify, plan and deliver improvement.
- 3.4 The Plan also reflects on the identification of Service Standards against each function/cluster, that builds on the original Framework which offers insight into the effectiveness, and accessibility of core service provision to the Council's stakeholders and City communities.
- 3.5 Where appropriate, data captured against these Standards is now directly incorporated within the suite of metrics contained within Appendix A and will be reported against on either a monthly, quarterly, or annual basis.

3.6 The Performance Management Framework provides for a consistent approach within which performance will be reported to Committees. This presents performance data and analysis within four core perspectives, as shown below, which provides for uniformity of performance reporting across Committees.



3.6 This report, as far as possible, reports performance up to the end of December 2021 or Quarter 3 2021/22, as appropriate.

3.7 Appendix A provides an overview of current performance across the Commercial and Procurement cluster, with reference to recent trends and performance against target. There is also, at appropriate points in the Appendix, narrative analysis of progress against new Service Standards with a RAG status, allocated by Officers of the Commercial and Procurement cluster. These are defined as follows:

#### RAG Status


- **GREEN** – Actions are on track with no delays/issues emerging
- **AMBER** – Actions are experiencing small delays/issues emerging and are being closely monitored
- **RED** - Actions are experiencing significant delays/issues with improvement measures being put in place

3.8 Within the summary dashboard the following symbols are also used:

#### Performance Measures

##### Traffic Light Icon

- 🟢 On target or within 5% of target
- 🟡 Within 5% and 20% of target and being monitored

 Below 20% of target and being actively pursued

 Data only – target not appropriate

#### 4. FINANCIAL IMPLICATIONS

There are no direct financial implications arising out of this report.

#### 5. LEGAL IMPLICATIONS

There are no direct legal implications arising out of this report.

#### 6. MANAGEMENT OF RISK

Category	Risk	Low (L) Medium (M) High (H)	Mitigation
<b>Strategic Risk</b>	None		
<b>Compliance</b>	No significant related legal risks.	L	Publication of service performance information in the public domain ensures that the Council is meeting its legal obligations in the context of Best value reporting.
<b>Operational</b>	No significant related employee risks.	L	Oversight by Elected Members of core employee health and safety data supports the Council's obligations as an employer
<b>Financial</b>	No significant related financial risks.	L	N/A
<b>Reputational</b>	Lack of sufficient access to information for citizens	L	Placing of information in the public domain contributed to by this report. Reporting of service performance serves to enhance the Council's reputation for transparency and accountability.
<b>Environment / Climate</b>	No significant related environmental risks.	L	N/A

#### 7. OUTCOMES

<b><u>COUNCIL DELIVERY PLAN</u></b>	
	<b>Impact of Report</b>
<b>Aberdeen City Council Policy Statement</b>	<u>None</u>

<b>Aberdeen City Local Outcome Improvement Plan</b>	
Prosperous Economy Stretch Outcomes	The Council aims to support improvement in the local economy to ensure a high quality of life for all people in Aberdeen. This report monitors indicators which reflect current economic activity within the City and actions taken by the Council to support such activity.
Prosperous People Stretch Outcomes	The Council is committed to improving the key life outcomes of all people in Aberdeen. This report monitors key indicators impacting on the lives of all citizens of Aberdeen. Thus, Committee will be enabled to assess the effectiveness of measures already implemented, as well as allowing an evaluation of future actions which may be required to ensure an improvement in such outcomes.
Prosperous Place Stretch Outcomes	The Council is committed to ensuring that Aberdeen is a welcoming place to invest, live and visit, operating to the highest environmental standards. This report provides essential information in relation to environmental issues allowing the Committee to measure the impact of any current action.
<b>Regional and City Strategies</b>	None
<b>UK and Scottish Legislative and Policy Programmes</b>	None

## 8. IMPACT ASSESSMENTS

<b>Assessment</b>	<b>Outcome</b>
<b>Impact Assessment</b>	The recommendation arising from this report does not require that a full Assessment is completed.
<b>Data Protection Impact Assessment</b>	Not required

## 9. BACKGROUND PAPERS

[Local Outcome Improvement Plan](#)

Council Delivery Plan 21/22 – COM/21/054



## **10. APPENDICES**

Appendix A – Performance Summary Dashboard

## **11. REPORT AUTHOR CONTACT DETAILS**




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## Strategic Commissioning Committee Performance Report Appendix A



## Commercial and Procurement

## 1. Customer – Commercial and Procurement

Performance Indicator	Q1 2021/22		Q2 2021/22		Q3 2021/22		2021/22 Target
	Value	Status	Value	Status	Value	Status	
Total No. complaints received (stage 1 and 2) – Procurement and Commercial	0		0		0		
% of complaints resolved within timescale stage 1 and 2) – Procurement and Commercial	No complaints in period						75%
% of complaints with at least one point upheld (stage 1 and 2) – Procurement and Commercial							
*Total No. of lessons learnt identified (stage 1 and 2) – Procurement and Commercial							

\*Lessons learnt referred to in this Appendix are lasting actions taken/changes made to resolve an issue and to prevent future re-occurrence for example amending an existing procedure or revising training processes. When a complaint has been upheld, action would be taken in the form of an apology or staff discussion/advice, but these actions are not classified as lessons learnt.

## 2. Processes – Commercial and Procurement

Performance Indicator	Current Status	2021/22 Target
<b>We will enable access to all internal procedural procurement information online.</b>		100%
All procurement guidance/template documents are available via the Intranet.		
<b>We will publish annual contract pipelines for each financial year online after the Council Budget is set.</b>		100%
Annual procurement report published on ACC External Website, which includes a 24-month view of future procurement.		

Performance Indicator	Current Status	2021/22 Target
<b>We will ensure that all contracts above £50K have standard clauses to require providers to demonstrate commitments towards carbon reduction and efficiency.</b>		100%
Specific evaluation criteria have been built into procurement templates for use by all procurers and would be used to evaluate commitment and proposed outcomes for Carbon Reduction and Efficiency, which would then be incorporated into contracts. Work is underway to develop a system for gathering data and reporting quarterly.		

**3. Staff – Commercial and Procurement**

Performance Indicator	Oct 2021		Nov 2021		Dec 2021		2021/22 Target
	Value	Status	Value	Status	Value	Status	
*Sickness Absence - Average Number of Days Lost – Commercial and Procurement	0.3		0.2		0.3		5
Establishment actual FTE	40.32		41.99		44.27		
Staff Costs - % Spend to Date (FYB)	52.9%		67.4%		70.6%		100%

\*Sickness absence data contained in this Appendix now reflects the 12-month rolling average of days lost per FTE

Performance Indicator	Q1 2021/22		Q2 2021/22		Q3 2021/22		2021/22 Target
	Value	Status	Value	Status	Value	Status	
Accidents - Reportable - Employees (No in Month – Commercial and Procurement)	0		0		0		
Accidents - Non-Reportable - Employees (No in Month – Commercial and Procurement)	0		0		0		

#### 4. Finance & Controls – Commercial and Procurement

Performance Indicator	Current Status	2021/22 Target
<b>The annual Audits on internal control systems for procurement processes and systems, including delegated procurement and financial authority do not identify major rated issues.</b>		100%
There are no outstanding audit recommendations relating to procurement.		
<b>Demand management is embedded for all contracts above £50K contracts at strategy stage and throughout life of contract to ensure that the quantity and specification of goods and services match, but do not exceed, the actual needs of the Council.</b>		100%
Demand Management Control Board reviews strategy documents pre-procurement at strategy stage. Review of contract management guidance and templates underway to ensure Demand Management is embedded across the life of all contracts.		
<b>We will ensure that all contracts above £50K in value can be tracked to show community, local economic and environmental benefits.</b>		100%
Data on outcomes from procurement activity (Community Benefits, Local Economic and Environmental Benefits) is gathered and reported on quarterly.		

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## ABERDEEN CITY COUNCIL

<b>COMMITTEE</b>	Strategic Commissioning Committee
<b>DATE</b>	24 February 2021
<b>EXEMPT</b>	No
<b>CONFIDENTIAL</b>	No
<b>REPORT TITLE</b>	Scotland Excel Annual Report 20-21
<b>REPORT NUMBER</b>	COM/22/055
<b>CHIEF OFFICER</b>	Craig Innes
<b>REPORT AUTHOR</b>	Melanie Mackenzie
<b>TERMS OF REFERENCE</b>	1.3

### 1. PURPOSE OF REPORT

- 1.1 To present the Scotland Excel Annual Report for period 01 April 2020 to 31 March 2021 in accordance with committee terms of reference, to provide assurance on value achieved through the membership agreement.

### 2. RECOMMENDATION

- 2.1 That the Committee notes the Scotland Excel Annual Report as set out in Appendix A.

### 3. BACKGROUND

- 3.1 Scotland Excel is the Centre of Procurement Expertise for the local government sector in Scotland. Scotland Excel was established in 2008, and is a leading non-profit shared service funded by the 32 Scottish Local Authorities.

- 3.2 The Scotland Excel Annual Report appended to this report provides details of the value derived from membership of Scotland Excel for Aberdeen City Council, and provides updates as detailed below:

- Scotland Excel Overview
- Aberdeen City Council at Q4 20-21
- Scotland Excel Value Proposition
- Local Suppliers
- Community Benefits
- Living Wage and Fair Work Practices
- Scotland Excel Academy
- Scotland Excel Annual Conference 2021
- Procurement & Consultancy Services
- Value of Membership
- What Next
- Framework Participation and Utilisation

- 3.3 During the reporting period the Strategic Procurement and Strategic Commercial Manager within the Commercial and Procurement Shared Service have met with the Scotland Excel Account Manager fortnightly, to review contract spend, participation and identify areas for improvement to ensure that Aberdeen City Council maximises the membership value.
- 3.4 The Director of Scotland Excel is a member of the shared Strategic Procurement Board chaired by the Council's Chief Executive. The board meets on a quarterly basis. The Director provides support and awareness of activity and initiatives across all other local authorities. The performance of Scotland Excel is also monitored through this Board.
- 3.5 Through the partnership approach adopted, a key focus has been identified as local supplier participation on Scotland Excel Frameworks. Further work is planned within 22-23 with both Scotland Excel and the Supplier Development Programme to further stimulate engagement with the local supply base.
- 3.6 At the end of Q4 20/21 Aberdeen City Council
- Had 28 unique local suppliers on 31 framework agreements
  - Aberdeen City Council spend with local framework suppliers was £3.3m (14.9% Total ACC Framework Spend)
  - A further £19.2m spend with the local suppliers came from other Local Authorities/Associate members of Scotland Excel bringing the total spend across the 28 suppliers to £22.5M
- 3.7 The Commercial & Procurement Service will continue to work in partnership with Scotland Excel to ensure that the maximum value from membership is derived and to ensure achievement of financial, social, economic and environmental benefits.

#### **4. FINANCIAL IMPLICATIONS**

- 4.1 There are no direct financial implications from the recommendations of this report. The savings figures listed within the Scotland Excel Annual Report are not intended to represent cashable savings but are an estimate of the benefits including cost avoidance/savings in costs of tendering. Any opportunity for cashable savings will be verified by the Commercial and Procurement Shared Service/relevant service areas at the outset of any new framework agreement.

#### **5. LEGAL IMPLICATIONS**

- 5.1 There are no direct legal implications arising from the recommendations of this report.



## 6. MANAGEMENT OF RISK

<u>Category</u>	<u>Risk</u>	<u>Low (L)</u> <u>Medium (M)</u> <u>High (H)</u>	<u>Mitigation</u>
<b>Strategic Risk</b>	The ability of Scotland Excel to deliver against their objectives in relation to Financial Savings/Delivery of Community Benefits & Sustainable Procurement on behalf of the Shared Service Partner Authorities	L	<p>Continuing focus on added Core Value delivered for all member councils.</p> <p>On-going development of projects offering new services and increasing benefits to stakeholders.</p> <p>Identification of new opportunities to provide additional chargeable services based on customer demand.</p> <p>Ongoing robust business model is in place for all new services (cost to serve, funding/uptake forecasts).</p>
<b>Compliance</b>	N/A	N/A	N/A
<b>Operational</b>	N/A	N/A	N/A
<b>Financial</b>	Assisting the council to meet budget savings targets	M	Ongoing robust market testing in relation to existing FWA's and also of all new shared service propositions.
<b>Reputational</b>	Lack of awareness of Scotland Excel Services/Value	M	<p>Regular engagement with Chief Execs, Finance Directors, Corporate Procurement Leads and Elected Members demonstrating the value added by Scotland Excel</p> <p>SXL represented at Strategic Procurement Board to provide regular updates at Senior Management level and demonstrate value on a regular basis.</p>
<b>Environment/Climate</b>	N/A	N/A	N/A

## 7. OUTCOMES

<u>COUNCIL DELIVERY PLAN</u>	
<b>Impact of Report</b>	
<b>Aberdeen City Council Policy Statement</b>	The ability to have an overview of contract activity/expenditure is aligned to Core Outcomes of the LOIP and the whole systems commissioning cycle approach.
<b>Aberdeen City Local Outcome Improvement Plan</b>	
Stretch Outcomes (Prosperous Economy/People/Place)	Community Benefits requirements are incorporated into all Scotland Excel Framework agreements, aligned to national outcomes.
<b>Regional and City Strategies</b>	Scotland Excel Activity will not be conducted with Regional or City Strategies in mind, however the Council may make use of available frameworks in procuring to support strategies (where appropriate).
<b>UK and Scottish Legislative and Policy Programmes</b>	All Scotland Excel activity gives due consideration to UK and Scottish Legislative and Policy Programmes.

## 8. IMPACT ASSESSMENTS

Assessment	Outcome
<b>Integrated Impact Assessment</b>	Full IIA not required
<b>Data Protection Impact Assessment</b>	Not required

## 9. BACKGROUND PAPERS

None.

## 10. APPENDICES

Appendix A – Scotland Excel Annual Report

## 11. REPORT AUTHOR CONTACT DETAILS

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# SCOTLAND EXCEL



## ABERDEEN CITY COUNCIL ANNUAL VALUE REPORT

November 2021



Five compelling reasons to use our New Build Residential Construction Framework

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## Introduction

Welcome to the second annual value report detailing the savings and benefits that Scotland Excel delivers to your council. We were delighted with the positive response last year to our very first report and again welcome your ongoing feedback.

Scotland Excel is a leader of change. Since 2008 we have helped to establish public procurement as an effective driver for local and national economic growth and wellbeing. Our services are designed to help our members deliver sustainable services that every community needs and realise a host of social, economic and environmental benefits from their spend.

The worldwide pandemic has had a profound effect on public services throughout Scotland. It has also demonstrated how the sector plays a key role within our communities. Our contracts are designed to help our members deliver better public services in the face of significant challenges and ongoing budget pressures. Embracing a sustainable procurement approach, our contracts act as a powerful driver of community wealth building.

We use our expertise and experience to help our members enhance their procurement skills and get the most from their spend. Our services allow organisations to flex their procurement resources during busy periods. The past year has seen Scotland Excel offer additional services to support your aims including long-term strategic procurement partnerships.

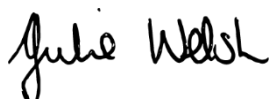
This report is designed to provide a detailed view on the value derived from membership of Scotland Excel by your council. Value manifests itself in many forms and this report provides a range of measures relevant to your organisation.

The report starts with an infographic summarising several key national value measures across the 32 councils. It then moves on to provide a number of specific financial value indicators for your council.

Recognising that value is not purely financial, the report provides updates on areas such as community benefit, local spend and support for local economies. The Scotland Excel Academy provides a range of people development services to your organisation and your level of participation in this is provided.

Scotland Excel has recently introduced a range of procurement and consultancy services that can help you make the most out of your council's spend and harness the power of procurement. These services are detailed in section 9 of this report.

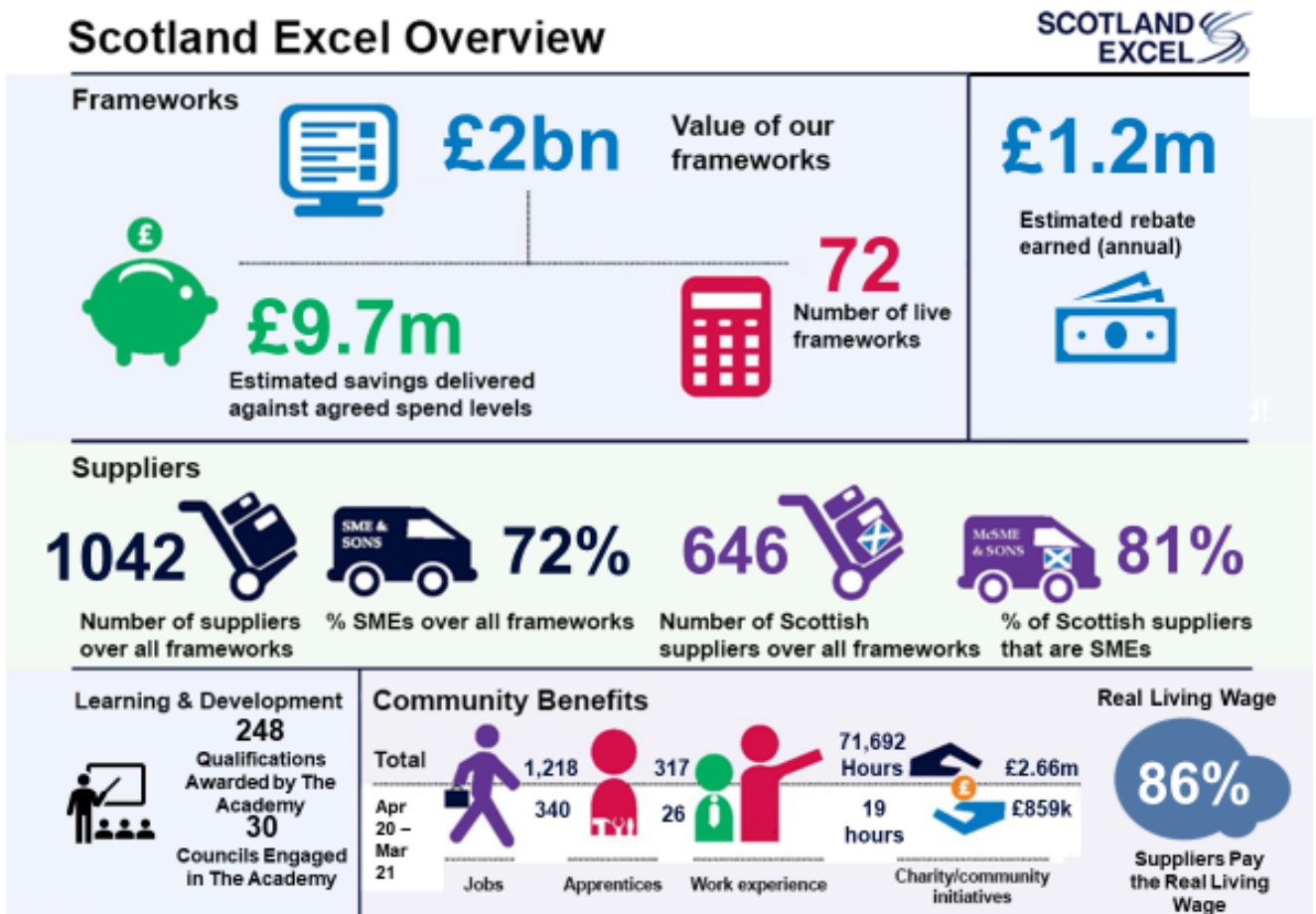
We hope you find the report interesting, and this demonstrates the value Scotland Excel provides to your council.

A handwritten signature in black ink that reads "Julie Welsh".

Chief Executive  
Scotland Excel

# 1 Scotland Excel Overview

The following infographic provides an overview of services provided to all Scotland Excel members for the period 1<sup>st</sup> April 2020 to 31<sup>st</sup> March 2021.



Scotland Excel’s methodology for calculating and recording savings is in line with the Best Practice Indicators (BPI’s) for Public Procurement Guidance and was approved by the Joint Committee.

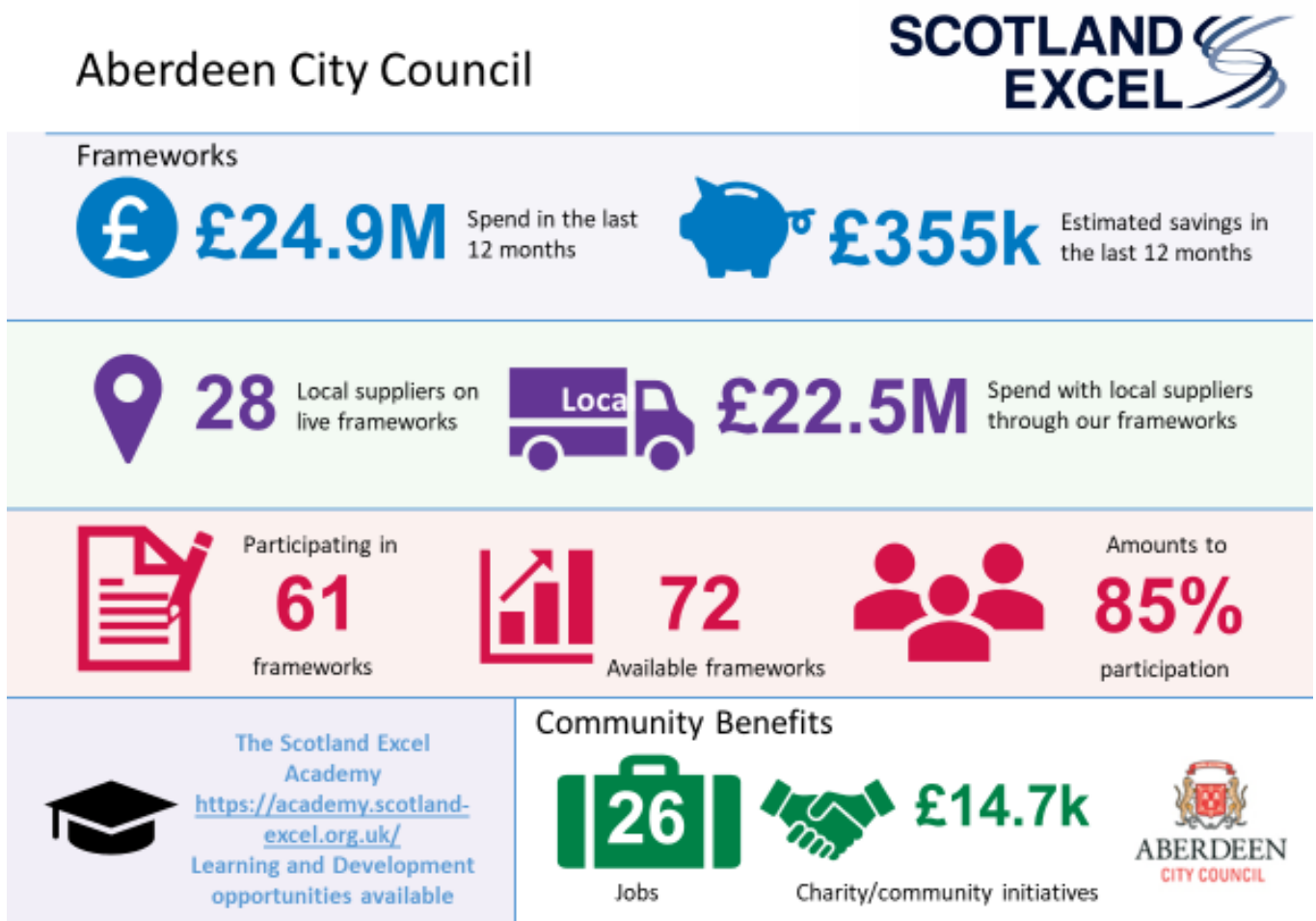
## 2 Aberdeen City Council at Q4 2020/21

### 2.1 Aberdeen City Council Overview

The following infographic provides an overview of services provided to Aberdeen City Council for the period 1<sup>st</sup> April 2020 to 31<sup>st</sup> March 2021.

It's important to note that whilst Aberdeen City Council has committed to participate in 61 out of 72 frameworks available to the council (85%), actual spend has only been reported against 51 frameworks (71%) which has impacted on the resulting savings. Further details of this can be found in section 3.4.

The savings figures listed below are not intended to represent cashable/bankable customer savings, but an estimate of the benefits that may be accrued through use of the contract. Responsibility for calculating a precise measure of cash savings achieved lies with each individual local authority with support from Scotland Excel.



\*Framework information at Q4 2020/21; estimated savings figure does not include social care service frameworks; community benefits for 2020/21

## 2.2 Arms-Length Organisations and Associate Members in Aberdeen City Council Area

Scotland Excel operates an associate membership programme to allow a wide range of other Scottish public service orientated organisations access to its frameworks and services. Applications can be made for associate membership by organisations such as council arm's length organisations, community groups, charities, housing associations and voluntary organisations that engage in activities of a public nature.

Although associate members have access to frameworks, they do not have the opportunity to influence the future contract delivery schedule which is reserved for the full local authority members.

Associate membership supports the wider aims of Scotland Excel by increasing overall spend against frameworks, providing additional income and supporting the goals of promoting excellent public procurement across Scottish organisations.

Table 1 below highlights the associate members based in the Aberdeen City Council area that also benefit from being a member of Scotland Excel.

**Table 1: Associate Members based in Aberdeen City Council Area**

Associate Members Based in Aberdeen City Council Area
Sport Aberdeen
Grampian Housing Association Ltd
Bon Accord Care
University of Aberdeen
North East Transport Partnership (NESTRANS)



### **3 Scotland Excel Value Proposition**

#### **3.1 Savings**

Aberdeen City Council had a spend of £24,917,227 on Scotland Excel frameworks in 2020/21, with estimated savings of £355,459 based upon spend across 51 frameworks (71%).

The spend information reported above is actual spend on Scotland Excel contracts, based on invoice date as reported by suppliers. The percentage saving that is applied is the savings figure that is agreed at the time of contract award.

#### **3.2 Rebates**

During 2019/20, seven of Scotland Excel frameworks offered customer rebates either through retrospective accumulative spend, sole supply or non-core rebates. During this period Aberdeen City Council accrued £53,991 in rebates from six frameworks.

#### **3.3 New Opportunities 2021/22**

Over the course of 2021/22 it is expected that four new frameworks will be delivered. Two of these frameworks, building consultancy and electric vehicle charging infrastructure, are of strategic importance to councils in addressing the climate emergency and supporting Scotland's Green Recovery.

In addition, 26 frameworks will be renewed before December 2022 including energy efficiency contractors which provides our members with an effective and efficient method of upgrading existing housing stock by providing innovative energy efficiency measures to reduce carbon output and help eradicate fuel poverty.

The estimated forecast value of the Scotland Excel framework portfolio by 31<sup>st</sup> March 2022 will be approximately £2bn.

Overall, savings efficiencies delivered to date in 2021/ 22 are 3.1%, slightly above the forecast range.

Within social care children's services, there are likely to be significant changes in commissioning and procurement as a result of a policy change programme called The Promise, which focuses on improving practice with looked after children and young people. It is anticipated that this will change the nature and scope of local authority commissioning and procurement, although the exact nature or timescale for this is not yet known.

Scotland Excel is engaging with key stakeholders, including The Promise team, COSLA and Scottish Government, to understand the exact nature of these changes and ensure Scotland Excel is best placed to support implementation through national contracts and wider commissioning activities.

The renewal framework for fostering and continuing care has been live since July 2021, with two new providers being awarded a place on the framework within Lot 2, Enhanced Services.

The care and support flexible framework went live on 1<sup>st</sup> April 2020 and now has 119 providers offering over 460 services. The framework re-opened in October 2021 enabling new providers to apply to join the framework from April 2022.

A new category manager has been recruited to review the national care home contract (NCHC) and develop the next generation contract which will adapt to the challenges faced by the older people's care home sector in the medium and long term.

Work has been undertaken to modernise the current NCHC model to encapsulate current legislative and practice expectations. Once agreed, this will form the basis for a collaborative approach by stakeholders including from COSLA, Scotland Excel, Health and Social Care Partnership (HSPC) Chief Officers and Chief Finance Officers Groups, representatives from provider organisations, unions and service users/carers/relatives to redesign the contract, including the cost of care calculator. This work will involve careful consideration of the expectations of the proposed National Care Service.

The new build residential construction framework has seen a substantial increase in activity following delays due to COVID-19 restrictions over the past year. To date, the framework has 14 awarded projects which together are delivering over 550 homes and a care facility. 12 projects are live on site and are already delivering substantial local benefits, with over £32m being awarded to local contractors and subcontractors. It is anticipated that in total 22 projects with a combined value of c£230m will be awarded through the framework by the end of 2021/22.

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

Details of the Contract Delivery Plan for 2021/22 will be presented to the Scotland Excel Joint Committee in December 2021.

### 3.4 Participation

At the end of Q4 2020/21, Aberdeen City Council confirmed participation in 61 out of 72 frameworks (85%) and spend has been reported on 51 frameworks (71%). Further detail can be found in Appendix A.

Table 2 below highlights the council's participation and utilisation of the frameworks over the last five years:

**Table 2: Council's participation and utilisation of frameworks**

Year (at Q4)	Contract Availability	Contract Participation	Participation %	Contract Utilisation	Utilisation %
2016/17	51	47	92%	42	82%
2017/18	59	53	90%	44	75%
2018/19	65	60	92%	48	74%
2019/20	71	69	97%	48	68%
2020/21	72	61	85%	51	71%

Note: Utilisation includes any framework with council spend over the life of the framework.

The Scotland Excel Account Manager meets every two weeks with the CPSS Strategic Procurement Manager to review contract spend and participation and identify areas for improvement to ensure the council maximises the benefits of the frameworks.

### 3.5 Cost Avoidance

The Scottish Government estimate that each public procurement exercise costs on average £12,000 to complete. Therefore, through participation in Scotland Excel frameworks, cost avoidance can be achieved.

Cost avoidance\* for the last five years for Aberdeen City Council is outlined in table 3 below. These figures represent the average efficiency saving in the financial year through participation in Scotland Excel frameworks instead of running individual tendering exercises.

COVID-19 had a significant impact on the contract delivery plan for 2020/21 with many suppliers either closed or on furlough and not in a position to tender. Tendering activity has since increased with a full contract delivery plan due to be delivered for 2021/22.

**Table 3: Cost Avoidance**

Financial Year	16-17	17-18	18-19	19-20	20-21	Total
<b>Cost Avoidance Per Council</b>	£169,075	£228,491	£250,038	£157,574	£127,800	£932,978

\*Cost Avoidance calculation - the number of new and renewed Scotland Excel frameworks that went live in the financial year is multiplied by the average number of councils participating in those frameworks then multiplied by £12,000. This sectoral figure is then allocated evenly across the 32 local authorities.

At Scotland Excel we use our insight and experience to shape policy and meet the challenges of future public service delivery by providing innovative and transformative solutions. The Scottish Government's estimate of £12,000 to complete a procurement exercise does not accurately reflect the development costs of some of our more strategic frameworks, particularly in the areas of social care and construction. These can be extremely complex requiring extensive stakeholder and supplier engagement, in-depth market research, technical input, documentation, contract management etc. resulting in a longer process that requires additional procurement and technical resource.

### 3.6 Contract and Supplier Management

At Scotland Excel we work closely with our framework suppliers to manage performance, review products and pricing, minimise any risks and make sure the contract remains aligned to council needs. We have a well-established contract and supplier management programme which is based on the level of risk and spend. During the current market conditions Scotland Excel continues to engage with suppliers on a regular basis to manage the response to the pandemic and ensure continuity of supply.

In 2017, Scotland Excel introduced an indexation model to track and understand how contract pricing compares with market movement. It ensures we access intelligence effectively and underpins the due diligence required to support the high level of local government expenditure through our frameworks. It also enables our teams to successfully apply commercial acumen in price negotiations with framework suppliers, making sure councils continue to receive the best prices, while maintaining productive relationships with suppliers.

Indexation is utilised as part of our established price variance process and our category teams work extensively to negotiate requests submitted by suppliers. Over the course of the last year the volume and impact of the proposed increase has risen significantly owing to the ongoing supply chain disruption caused by the pandemic and exacerbated by Brexit. Any price variance submission from suppliers must be substantiated and be accompanied by independently verifiable evidence. By using the commercial and market intelligence gathered through indexation modelling, we have been able to reject millions of pounds worth of proposed price increase requests from suppliers which have not related to market conditions.

As part of contract and supplier management, category teams also support our members to optimise the best value delivered when adopting frameworks. Analysis of line level management information reports, in collaboration with council service departments, can monitor correct schedule pricing, categorisation of core lines and validate call offs to ensure appropriate baseline data for the reporting of spend levels for sustainable benefits and council rebates.

## 4 Local Suppliers

Scotland Excel recognises the importance of local businesses to individual council areas and the wider Scottish economic recovery. Where possible, all frameworks are structured to remove barriers that might prevent local SMEs from bidding for Scotland Excel frameworks. This can include lotting structures that are aligned to marketplace structures, geographical lotting and supply only lots that allow purchasing from small local suppliers via a larger distributor. Suppliers can select which council area(s) they can service without penalty or detriment to their tender score. A local supplier being awarded onto a Scotland Excel framework allows them access to potential spend from 31 other local authorities and associate members across Scotland.

Scotland Excel recognises the importance of community wealth building and the role this plays in Scotland's economic recovery post COVID-19.

At the end of Q4 2020/21 Aberdeen City Council:

- Had 28 unique local suppliers on 31 Scotland Excel frameworks
- £22.5m spend was reported with the local suppliers during 2020/21
- Aberdeen City Council spend with the local suppliers was £3.3m with a further £19.2m inward investment coming from outside of the Aberdeen City Council area

This is summarised in table 4 below:

**Table 4: Suppliers based in Aberdeen City Council Area on Scotland Excel Frameworks**

Year (at Q4)	No of Local Suppliers	Total Spend with Local Suppliers	Aberdeen City Spend with Local Suppliers	%Aberdeen City Spend with Local Suppliers
2016/17	20	£25,422,979	£4,090,352	16.1%
2017/18	26	£26,327,675	£5,143,111	19.5%
2018/19	30	£29,848,546	£4,624,270	15.5%
2019/20	29	£26,526,917	£4,526,930	17.1%
2020/21	28	£22,548,855	£3,349,243	14.9%

Examples of suppliers that are based in Aberdeen City on Scotland Excel frameworks:

- Instock Disposables has been successfully awarded on to 3 Scotland Excel frameworks; janitorial products, catering sundries and commercial catering equipment and reported spend of £5.7m during 2020/21. Aberdeen City Council spend accounts for 9.5% with the remaining spend coming from 24 other councils and associate members.
- Aberdeen Association of Social Services (trading as VSA) is one of the providers on both the children's residential framework and the care and support framework. They currently provide services to Aberdeen City Council and 5 other councils including Orkney Islands Council with reported spend of £5.5m during 2020/21.
- The Compost Bag Scotland Ltd, a small business based in Aberdeen City, is a supplier on the recycle and refuse containers framework. They currently supply 10 councils with almost £170k spend reported during 2020/21.

## 5 Community Benefits

Scotland Excel continually strives to be innovative in its approach to community benefits. We recognise that community benefits have a considerable social, environmental and economic impact within local communities and we continue to encourage and grow awareness in this regard.

Our approach to community benefit has been developed to advance the commitments made by suppliers and to facilitate a robust process for the collection of data. When embarking on new procurement exercises, Scotland Excel use a points and menu approach which encourages suppliers and providers to deliver community benefits within the awarding local authority area.

The following community benefits have been delivered to Aberdeen City Council through the Scotland Excel frameworks. This is summarised in table 5 below:

**Table 5: Community Benefits Delivered for Aberdeen City Council**

Year	Community Benefit Type					
	Number of New Apprentices	Number of New Employees	Number of Work Placements	Hours of Volunteering	Hours of Work Experience	Monetary Value of Other Community Benefits
2016/17	1	7		2030	1676	£12,527
2017/18	0.5	5.3	0.3		177	£3,475
2018/19	0.15	6.5	4.2			£13,301
2019/20	0.4	21.7	1.6	27		£18,875
2020/21		26	1	7		£14,727

For example, for the period 2020/21 this includes:

- Archway (Respite Care & Housing) Ltd reported 13 new jobs created to support the services they provide on Scotland Excel's framework for children's residential care and the framework for care homes for adults with learning disabilities.
- James Boylan Safety Ltd are a supplier on the personal protective equipment framework and during 2020/21 donated office chairs, desks, filing cabinets and general office equipment valued at £9k to charity in Aberdeen to help micro/new businesses start up.
- 392 books were donated by Scholastic on the library books and textbooks framework to Aberdeen City Council valued at almost £4k.

As part of the Scotland Excel framework for groceries and provisions Brakes offered councils a community benefits rebate of 0.7% of councils spend which can be used on community benefits in the council area. From 1st May 2020 when the framework went live to 31st March 2021 Aberdeen City Council earned £2,415 as a community benefit rebate. Aberdeen City Council has donated this to SCARF Heat and Eat Programme for the exclusive benefit of Aberdeen City residents.

## 6 Living Wage and Fair Work Practices

Scotland Excel commenced formal consideration of Fair Work Practices (including the Real Living Wage) within tenders in early 2015. Of the 1051 suppliers appointed since formal consideration, 899 (85.5%) notified that they pay the Real Living Wage as at December 2020. This is summarised in table 6 below.

**Table 6: Real Living Wage Status**

Living Wage Status	No. of Suppliers at Dec 2019	% of Suppliers at Dec 2019	No. of Suppliers at Dec 2020	% of Suppliers at Dec 2020
Accredited	170	18.4%	200	19.0%
Progress towards accreditation	42	4.5%	49	4.7%
Committed to gaining accreditation over the first 2 years of the framework	87	9.4%	97	9.2%
Not accredited but paying the Real Living Wage	469	50.7%	553	52.6%
Not accredited or paying the Real Living Wage but committed to doing so within 2 years	36	3.9%	33	3.1%
Neither accredited nor paying the Real Living Wage	122	13.1%	119	11.3%

57% of the suppliers that are based in Aberdeen City and are on Scotland Excel frameworks are either Living Wage accredited, committed to gaining accreditation or pay the Real Living Wage.

The Real Living Wage policy for commissioned social care services in the third and independent sector for adults is funded by Scottish Government. All adult social care providers awarded to the care and support flexible framework, care homes for adults with learning disability framework and the national care home contract are therefore required pay the Real Living Wage. Going forward, Scotland Excel annual uplift process will be guided by the Scottish Government policy review which is anticipated to be announced in the Programme for Government 2021.

Scotland Excel continues to monitor and encourage the implementation of fair working practices and to work closely with suppliers to review their progress in this area.

## **7 Scotland Excel Academy**

Scotland Excel delivers accredited and non-accredited programmes through a blend of face-face workshops, online and self-directed learning through The Academy. This suite of learning and development includes courses on:

- Procurement
- Management and Leadership
- Coaching and Mentoring
- Project Management
- Business Analysis and Innovation

The work-based-learning programmes are accredited by the Chartered Institute of Procurement and Supply (CIPS), the Chartered Management Institute (CMI) and the Scottish Qualifications Authority (SQA); along with licensed content from the Association of Project Management (APM).

Aberdeen City Council currently has 3 active learners on the CIPs Practitioner course and one learner has completed the Project Management course. A programme of training has been agreed and will be delivered over the coming months for the Commercial and Procurement Shared Service covering a range of key procurement and leadership skills.



## 8 Scotland Excel Annual Conference 2021

Scotland Excel's Annual Conference, titled 'Scotland Excel Procurement Week at The Academy', took place online over the w/c 7<sup>th</sup> June 2021. This year's event focussed on underpinning a sustainable post-COVID-19 recovery for Scotland and its communities, with a range of sessions themed under five key priority areas for the local government sector:

- the climate emergency and sustainability
- community wealth building
- social care
- leadership in a post COVID-19 world
- the people of tomorrow

Speakers delivered the latest thinking on these key themes and shared their experience of translating policy into practice. These included; Councillor Mark Flynn delivering a keynote address to share Dundee City Council's approach to tackling the climate emergency through the council's Climate Action Plan, Miriam Brett Director of Research and Advocacy at Common Wealth, delivering a new community wealth building vision for the British economy after COVID-19, Nick Ford, Director of Procurement and Property at Scottish Government discussing turning public procurement group priorities into reality and a senior panel considering the future policy direction of social care in Scotland.

Angela Scott, Chief Executive from Aberdeen City Council delivered a session on 'H2 Aberdeen – a Pioneering Hydrogen City' as part of the climate emergency and sustainability workstream on the 7<sup>th</sup> June 2021.

The format and topics this year were well received, with delegates attending from across local authorities, HSCPs and ALEOs. 371 delegates from across 83 organisations attended the event throughout the week. 16 delegates from Aberdeen City Council attended the event. The sessions were recorded and are now available to access via [The Academy](#).

## 9 Procurement and Consultancy Services

In June 2018, the Joint Committee approved a new funding model to reduce reliance on council requisitions and increase revenue generated by associate fees, rebates and project income. Work continues to deliver new, relevant, and cost-effective services with the overall goal of minimising the level of member requisitions.

More than halfway through our initial five-year plan for additional income streams, the organisation is making good progress in income generation whilst also using tools, lessons, and exemplars to further benefit the wider local government sector.

Scotland Excel is developing its range of services around three main areas: procurement services, consultancy services and The Academy. Each has several facets that offer members and associates a range of specific services of which a number are also provided at no additional charge and as part of members requisition.

- **Procurement Services**
  - Collaborative Contracts
  - Framework Efficiency Review
  - Further Competition
  - Flexible Procurement
  - Community Wealth Building
  
- **Consultancy Services**
  - Transformational Programmes
  - Organisational Development
  - Early Learning and Childcare
  
- **The Academy**
  - CIPS
  - CMI
  - SQA

Details on each of the above can be found on Scotland Excel's new website. Further information can also be obtained directly from your dedicated account manager.

It is the goal of Scotland Excel to continue to seek new ways to harness the power of procurement with our members and associates to achieve our common goals. We are keen to discuss with members on how the above services and any additional services can support this aim.

## 10 Value of Membership

This report provides an overview of the range of services provided by Scotland Excel and the benefits realised by being a member.

In summary, table 7 below shows the spend and savings figures for Aberdeen City Council for the last five years together with the requisition fees and cost avoidance. The figures below are the most up to date figures and include late returns and adjustments for previous years.

**Table 7: Return on Investment**

Year	Actual Spend	Estimated Savings	Requisition Fee	*Savings ROI	Cost Avoidance	**Total ROI	NOTES
<b>2016/17</b>	£27,363,341	£946,127	£140,607	6.73	£169,075	7.93	
<b>2017/18</b>	£26,335,407	£696,484	£140,607	4.95	£228,491	6.58	
<b>2018/19</b>	£27,724,390	£626,662	£140,311	4.47	£250,038	6.25	Estimated savings figure does not include social care service frameworks
<b>2019/20</b>	£28,000,981	£702,991	£142,125	4.95	£157,574	6.05	Estimated savings figure does not include social care service frameworks
<b>2020/21</b>	£24,917,227	£355,459	£146,388	2.43	£127,800	3.30	Estimated savings figure does not include social care service frameworks

\*Savings ROI (Return on Investment) represents savings vs requisition fees

\*\*Total ROI (Return on Investment) represents savings and cost avoidance vs requisition fees

## 11 What Next

Scotland Excel is committed to delivering continued value to its members. Should you have questions or require further details on the information enclosed within this report, we are happy to provide this. We are particularly keen to hear of any new ways that you feel Scotland Excel could deliver value.

We will publish a sector wide version of this report which can be used to compare how your council is performing in relation to the wider local government sector.

Every council has a dedicated Account Manager who meets with your procurement team on a regular basis to share the enclosed information and identify opportunities to deliver more for your organisation.

Scotland Excel would be delighted to present a summarised version of this reports in person to council members, committees and colleagues at your convenience.

You can contact us or find out more online via the following routes:

Email: [Contactus@Scotland-Excel.org.uk](mailto:Contactus@Scotland-Excel.org.uk)

Web: [www.Scotland-Excel.org.uk](http://www.Scotland-Excel.org.uk)

LinkedIn: <https://www.linkedin.com/company/scotland-excel/>

Twitter: @ScotlandExcel

## Appendix A Framework Participation and Utilisation

Frameworks Not Participating In	Rationale
Bikeability	No requirement, parent provision in the City
Care and Support	Own arrangement in place
Cleaning Equipment	Own contract in place
Commercial Catering Equipment	Shown as not participating but has spend on contract. Participation to be amended to Y.
Energy Advice	Use SCARF, collaborative contract with Aberdeenshire
Fire Safety Products	Covered by local contract
Fresh Bread and Rolls	Not currently using but may in future
Laundry Equipment	No requirements
Organic Waste	Own contract with Suez Recycling until 2025
Sheriff Officers	Own contract in place
Waste Disposal Equipment	Own contract with Suez Recycling until 2025

Frameworks With No Spend To Date	Rationale
Alcoholic Beverages	Delayed due to COVID. Will be reviewed once Beach Ballroom re-opens.
Asbestos	Running a mini-comp with 3 councils and Moray for surveys
Boiler Maintenance	Recently awarded using SXL framework
Bottled Gas	Assessment underway
Hot Beverages	Plan to award contract
New Build Residential	ACC has a major Housing Programme. Will use SXL framework for sites where council owns the land. 5 sites approx 1500 properties. Anticipate mini-comp later this year.
Pest Control	May use in future for chemical purposes
Recyclable and Residual Waste	Own contract with Suez Recycling until 2025 however the council might use the framework for skips for Building Services
Repair of Catering Machines	Not using at present but may be an option in future
Social Care Case Management	Have their own contract in place
Vending Machines	Not using at present but may be an option in future

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## ABERDEEN CITY COUNCIL

<b>COMMITTEE</b>	Strategic Commissioning Committee
<b>DATE</b>	24 February 2022
<b>EXEMPT</b>	<p>Not exempt:</p> <ul style="list-style-type: none"> <li>- Covering Report</li> <li>- Appendix 1 – Workplan Public</li> <li>- Appendix 3 – Summary of 4.1.3 Forms</li> </ul> <p>Exempt: Yes – Paragraph 8</p> <ul style="list-style-type: none"> <li>- Appendix 2 – Workplan Private</li> <li>- Appendix 5 – 12 Business Cases</li> </ul> <p>The exempt appendices refer to the amount of expenditure proposed to be incurred under contract for the supply of goods or provision of services, disclosure to the public of the amount referred to would likely give an advantage to a person or organisation entering, or seeking to enter, into a contract with the Council.</p>
<b>CONFIDENTIAL</b>	No
<b>REPORT TITLE</b>	Work Plan & Business Cases – Revenue
<b>REPORT NUMBER</b>	COM/22/056
<b>DIRECTOR</b>	Gale Beattie
<b>CHIEF OFFICER</b>	Craig Innes
<b>REPORT AUTHOR</b>	Melanie Mackenzie
<b>TERMS OF REFERENCE</b>	3.1.1

### 1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to present procurement workplans where expenditure is included for the Customer, Operations and Resources Functions to committee for review and to seek approval of the total estimated expenditure for the proposed contracts as contained in the Procurement Business Cases appended to the report.

### 2. RECOMMENDATIONS

It is recommended that the Committee: -

- 2.1 reviews the workplans as detailed in the Appendices;
- 2.2 approves the procurement business cases, including the total estimated expenditure for the proposed contracts; and
- 2.3 notes the content of Appendix 3 –Summary of 4.1.3 Forms (Technical Exemption).

### 3. BACKGROUND

- 3.1 The ACC Procurement Regulations 2021 require that authority to incur expenditure must be sought prior to any invitation to tender or contract entered

into. The method of authorising depends upon the contract value, with contracts above £50,000 (supplies/services) or £250,000 (works) to be listed on a workplan with an associated Procurement Business Case and submitted by the relevant Chief Officer to the Strategic Commissioning Committee (Revenue budget only), and/or to City Growth and Resources Committee (Capital and Capital with Revenue implications). The approval of the applicable Committee is required prior to the procurement being undertaken.

3.2 The ACC Procurement Regulations 2021 also require that if aggregated expenditure via framework agreements will exceed £50,000 (supplies/services) or £250,000 (works), then the authority of the Strategic Commissioning Committee to incur the expenditure must be obtained in advance of the applicable thresholds being exceeded. Aggregate expenditure via framework agreements will be reported annually by the Commercial & Procurement Shared Service where expenditure is recurring, though expenditure will be cross council in many cases.

3.3 Committee is asked to review the Customer, Operations and Resources Functions work plans and to approve the expenditure detailed in the Procurement Business Cases appended to the report.

#### 4. FINANCIAL IMPLICATIONS

4.1 The indicative value of the proposed contracts is shown within the workplan in the Appendices. The ability to have an overview of contract expenditure is aligned to Core Outcomes of the LOIP and the whole systems commissioning cycle approach. The refreshed approach to governance ensures that all contracts are aligned to the approved budget provision for each financial year with controls in place for flexibility if required. This also assists the Council in meeting its statutory duty to keep a Contracts Register.

#### 5. LEGAL IMPLICATIONS

5.1 The contracts shall be procured in accordance with procurement legislation and the Commercial Legal Team within C&PS shall provide legal advice where necessary.

#### 6. MANAGEMENT OF RISK

Category	Risk	Low (L) Medium (M) High (H)	Mitigation
Strategic Risk	Contract expectations not being monitored/managed	M	Employees involved in Procurement Activity are required to complete online training modules in Contract Management.



<b>Compliance</b>	Failure to comply with internal procurement regulations and procurement legislation	L	Engagement with the Commercial Legal Team within the Commissioning Function.
<b>Operational</b>	Unable to control demand	M	Ongoing focus on demand reduction strategies, contract terms developed to be more flexible
<b>Financial</b>	Escalation of costs	L	A strong focus on value for money in all commissioning activities.
	Differing market conditions depending on commodity/service	M	Use of Business Intelligence to help predict market changes and trends.
<b>Reputational</b>	Insufficient information provided by officers, lack of transparency	M	A scrutiny process has been established to ensure sufficient/relevant information is provided.
<b>Environment/Climate</b>	Failure to consider sustainable options.	L	Ensure all contracts consider environmental considerations.

## 7. OUTCOMES

<b><u>COUNCIL DELIVERY PLAN</u></b>	
	<b>Impact of Report</b>
<b>Aberdeen City Council Policy Statement</b>	The ability to have an overview of contract expenditure is aligned to Core Outcomes of the LOIP and the whole systems commissioning cycle approach.
<b>Aberdeen City Local Outcome Improvement Plan</b>	
Stretch Outcomes (Prosperous Economy/People/Place)	Community Benefits requirements are incorporated into all ACC Procurement Activity, consideration is given to the Stretch Outcomes within the LOIP at the development phase.

<b>Regional and City Strategies</b>	The proposals within the business cases appended to this report support Key Regional and City Strategies, details of anticipated outcomes are contained within each the business cases.
<b>UK and Scottish Legislative and Policy Programmes</b>	Each of the business cases appended to the report contains details of the legislative and policy programmes to be complied with.

## 8. IMPACT ASSESSMENTS

<b>Assessment</b>	<b>Outcome</b>
<b>Impact Assessment</b>	Not required
<b>Data Protection Impact Assessment</b>	Not required

## 9. BACKGROUND PAPERS

None.

## 10. APPENDICES

### **Public**

Appendix 1 – Workplan Public

Appendix 3 – Summary of 4.1.3 Forms

### **Private**

Appendix 2 – Workplan Private

Appendix 4 – Business Case Priority Families Service

Appendix 5 – Business Case Cashless Catering System

Appendix 6 – Business Case Additional Supports Needs Advisory Project

Appendix 7 – Business Case Childminder Support Service

Appendix 8 – Business Case Intensive Support Service for Children

Appendix 9 – Business Case Early Help to Children, Young People & Families

Appendix 10 – Business Case Children’s Residential Care Framework

Appendix 11 – Business Case Wi-Fi Hardware and Services for Cults Academy

Appendix 12 – Business Case – AD Plant Feedstock Supply

## 11. REPORT AUTHOR CONTACT DETAILS

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Customer Work Plan	Committee: Strategic Commissioning Committee	Date of Committee: 24 February 2021
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Reference	Function	Cluster	Description of Requirement	Type of Budget	Estimated Start date of Contract or Extension	Estimated End date of Contract (Excluding extension)	Maximum Extension Period (months)	Estimated End date of Contract (Including extension)	Summary
000-JJFA6839	Customer	Early Intervention & Community Empowerment	Priority Families Service	Revenue	01/04/2022	31/03/2023	0	31/03/2023	The Priority Families Service provides targeted support to families who are affected by complex and multiple difficulties which often manifest in anti-social behaviour, affecting their own and their children's' life outcomes. The recommendation is to extend this contract for a period of 12 months whilst a widescale review of all early intervention contracts is carried out.

Operations Procurement Work Plan	Committee: Strategic Commissioning Committee	Date of Committee: 24 February 2022							
Reference	Function	Cluster	Description of Requirement	Type of Budget	Estimated Start date of Contract or Extension	Estimated End date of Contract (Excluding extension)	Maximum Extension Period (months)	Estimated End date of Contract (Including extension)	Summary
000-VFXT5847	Operations	Operations & Protective Services (FM Catering Service)	Cashless Catering, Kitchen Management and Nutritional Analysis Systems	Revenue	01/08/2022	31/07/2025	12	31/07/2026	Contract is for the provision of Cashless Catering, Kitchen Management & Nutritional Analysis Systems which will ensure the Council can meet its statutory duty to deliver school meals (both free and paid), meeting the requirements of the Nutritional Requirement for Food and Drink in Schools (Scotland) Regulations 2020, protecting the identity of 'free school meals entitled' young people and ensuring compliance with 'Natasha's Law' which aims to ensure no harm can come to customers by controlling allergen information effectively.
000-KVAL6278	Operations	Integrated Children's and Families Services	Additional Supports Needs Advisory Project (ASNAP)	Revenue	01/04/2022	31/03/2024	0	31/03/2024	Contract for the provision of an Additional Support Needs Advisory Project (ASNAP) to support local Funded Early Learning and Childcare providers and Out of School Care services to facilitate the inclusion of children with additional support needs, in Early Learning and Childcare settings and in Out of School Care settings throughout Aberdeen.

000-EVEX3131	Operations	Integrated Children's and Families Services	Provision of Childminding Support Service in Aberdeen City	Revenue	01/04/2022	31/03/2024	0	31/03/2024	Contract for the provision of a Childminding Support Service in the city including recruitment services, community childminding (providing early intervention support to families) and start up grants.
000-CTMK4331	Operations	Integrated Children's and Families Services	Intensive Support Service for Children, Young People and Families	Revenue	02/10/2022	01/10/2025	24	01/10/2027	This contract is for the provision of an Intensive Support Service for Children, Young People and Families, approval is sought to recommission the existing service.
000-NMJJ5176	Operations	Integrated Children's and Families Services	Early Help to children, young people and families	Revenue	01/04/2023	31/03/2026	24	31/03/2028	This contract is for the provision of an Early Help Service for Children, Young People and Families, combining the Together for Children in Aberdeen contract and Mental Wellbeing hubs.
000-KVLU2775	Operations	Integrated Children's and Families Services	Together for Children in Aberdeen	Revenue	01/09/2022	31/03/2023	0	31/03/2023	Contract for the provision of the Together for Children in Aberdeen Service, recommendation is to extend this contract for a period of 7 months to allow for development of the Early Help Service contract which will replace this contract and Mental Wellbeing Hubs contract.

000-NDNJ3819	Operations	Integrated Children's and Families Services	Mental Wellbeing Hubs	Revenue	01/11/2022	31/03/2023	0	31/03/2023	Contract for the provision of the Mental Wellbeing Hubs, recommendation is to extend this contract for a period of 5months to allow for development of the Early Help Service contract which will replace this contract and Together for Children in Aberdeen Service.
000-NPMQ3114	Operations	Integrated Children's and Families Services	Children's Residential Care and Education Services including Short Breaks Flexible Framework Agreement (Scotland Excel 0517)	Revenue	01/05/2022	31/07/2022	0	31/07/2022	Scotland Excel intend to extend the Children's Residential Care and Education Services including Short Breaks Flexible Framework Agreement for a period of three months, the recommendation is to approve the expenditure for a further year period.
000-RCDG2313	Operations	Integrated Children's and Families Services	Wi-Fi Hardware and Services for Cults Academy	Revenue	28/02/2022	27/02/2027	0	27/02/2027	Improvements to Wi-Fi infrastructure at Cults Academy are required to support the increased use of digital learning within the school - the contract will be a call off under the Crown Commercial Services Framework Technology Products & Associated Services RM6068



Resources Work Plan	Committee: Strategic Commissioning Committee	Date of Committee: 24 February 2022
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Reference	Function	Cluster	Description of Requirement	Type of Budget	Estimated Start date of Contract or Extension	Estimated End date of Contract (Excluding extension)	Maximum Extension Period (months)	Estimated End date of Contract (Including extension)	Summary
000-EUQQ3295	Resources	Corporate Landlord	AD Plant - Feedstock Contract	Revenue	01/07/2022	30/06/2032	0	30/06/2022	The contract recommended for approval will allow for the appointment of a feedstock supplier for the AD Plant. The AD Plant is an anaerobic digestion plant based at the TECA site, which will utilise feedstocks and food wastes to generate gas through a biological process.

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Function	Cluster	Description of Contract	Estimated Start date of Contract or Extension	Estimated End date of Contract	Total Estimated Contract Value £	SUMMARY OF EXPLANATION OF WHY THE CONTRACT IS AWARDED AS COMPETITION IS ABSENT FOR TECHNICAL REASONS OR BECAUSE THE OPERATOR HAS AN EXCLUSIVE RIGHT AND NO REASONABLE ALTERNATIVE EXISTS
Resources	Finance	5 Year maintenance agreement with Advanced commencing Dec 2021.	01/12/2021	01/11/2026	174,000	<p>S33 (1) (b) (ii) of the Public Contracts (Scotland) Regulations 2015 allows for the award of a contract without prior publication of a contract notice where competition is absent for technical reasons but only where no reasonable alternative or substitute exists. The service have advised by way of the business case that the current software has been in place for a number of years and is integrated across the financial systems of the council. Due to the exclusive rights associated with the software in question only the provider has the ability to maintain it.</p> <p>This appears to fit within the exemption above, as the contractos are the only supplier with the technical capabilities to provide this service.</p>

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