

ABERDEEN CITY COUNCIL

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| COMMITTEE | Strategic Commissioning Committee |
| DATE | 11 February 2021 |
| EXEMPT | No |
| CONFIDENTIAL | No |
| REPORT TITLE | Scotland Excel Annual Report 19-20 |
| REPORT NUMBER | COM/21/033 |
| CHIEF OFFICER | Craig Innes |
| REPORT AUTHOR | Melanie Mackenzie |
| TERMS OF REFERENCE | 1.3 |

1. PURPOSE OF REPORT

- 1.1 To present the Scotland Excel Annual Report 19-20 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 19-20 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 19-20 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 19-20
- Scotland Excel Value Proposition
- Local Suppliers
- Community Benefits
- Living Wage and Fair Work Practices
- Covid-19 Support
- Scotland Excel Academy (People Development)
- Future Funding
- Value of Membership
- What Next
- Framework Participation and Utilisation

- 3.3 During the reporting period the Strategic Procurement Manager within the Commercial and Procurement Shared Service has 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 six weekly 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 21-22 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 19/20 Aberdeen City Council
- Had 29 unique local suppliers on 32 framework agreements
 - £26.5M spend was reported with local suppliers in 19/20
 - ACC spend with local framework suppliers was £4.5M, equating to 17% framework spend
- 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 19-20 are not intended to represent cashable savings but are an estimate of the benefits. 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> |
|-----------------------|--|--|---|
| Strategic Risk | The ability of Scotland Excel to deliver against | L | Continuing focus on added Core Value delivered for all member councils. |

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| | their objectives in relation to Financial Savings/Delivery of Community Benefits & Sustainable Procurement on behalf of the Shared Service Partner Authorities | | On-going development of projects offering new services and increasing benefits to stakeholders. Identification of new opportunities to provide additional chargeable services based on customer demand. Ongoing robust business model is in place for all new services (cost to serve, funding/uptake forecasts). |
| Compliance | N/A | N/A | N/A |
| Operational | N/A | N/A | N/A |
| Financial | 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. |
| Reputational | Lack of awareness of Scotland Excel Services/Value | M | Regular engagement with Chief Execs, Finance Directors, Corporate Procurement Leads and Elected Members demonstrating the value added by Scotland Excel SXL represented at Strategic Procurement Board to provide regular updates at Senior Management level and demonstrate value on a regular basis. |
| Environment/Climate | N/A | N/A | N/A |

7. OUTCOMES

| <u>COUNCIL DELIVERY PLAN</u> | |
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| Impact of Report | |
| Aberdeen City Council Policy Statement | 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. |

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| Aberdeen City Local Outcome Improvement Plan | |
| Stretch Outcomes (Prosperous Economy/People/Place) | Community Benefits requirements are incorporated into all Scotland Excel Framework agreements, aligned to national outcomes. |
| Regional and City Strategies | 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). |
| UK and Scottish Legislative and Policy Programmes | All Scotland Excel activity gives due consideration to UK and Scottish Legislative and Policy Programmes. |

8. IMPACT ASSESSMENTS

| Assessment | Outcome |
|--|-------------------------|
| Equality & Human Rights Impact Assessment | Full EHRIA not required |
| Data Protection Impact Assessment | Not required |

9. BACKGROUND PAPERS

None.

10. APPENDICES

Appendix A – Scotland Excel Annual Report 2019-2020

11. REPORT AUTHOR CONTACT DETAILS

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