

ABERDEEN CITY COUNCIL

COMMITTEE	Finance and Resources
DATE	01 February 2023
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Scotland Excel (ACC) Annual Value Report
REPORT NUMBER	COM/23/040
DIRECTOR	Gale Beattie
CHIEF OFFICER	Craig Innes
REPORT AUTHOR	Mel Mackenzie
TERMS OF REFERENCE	2.1.3

1. PURPOSE OF REPORT

- 1.1 To present the Scotland Excel Annual Value Report for Aberdeen City Council covering period 01 April 2021 to 31 March 2022 in accordance with committee terms of reference, to provide assurance on value achieved through the membership agreement.

2. RECOMMENDATIONS

That the Committee: -

- 2.1 notes the Scotland Excel Annual Report as set out in Appendix 1.

3. CURRENT SITUATION

- 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 21-22
 - 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 Strategic Commercial Managers within the Commercial and Procurement Shared Service 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 23-24 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 2021/22 Aberdeen City Council:
- Had 27 unique local suppliers on 28 Scotland Excel frameworks
 - £28m spend was reported with the local suppliers during 2021/22
 - Aberdeen City Council spend with the local suppliers was £4,984,026 with a further £22,927,252 in spend coming from outside of the Aberdeen City Council area
- 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.

It should be noted that the savings figures listed within the Scotland Excel Annual Report are not intended to represent cashable savings but are an estimate of the benefits of membership 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 area(s) in the development of a call off under any Scotland Excel framework agreement.

5. LEGAL IMPLICATIONS

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

6. ENVIRONMENTAL IMPLICATIONS

6.1 There are no direct environmental implications arising from the recommendations of this report.

7. RISK

Category	Risks	Primary Controls/Control Actions to achieve Target Risk Level	*Target Risk Level (L, M or H) *taking into account controls/control actions	*Does Target Risk Level Match Appetite Set?
Strategic Risk	The ability of Scotland Excel to deliver against their objectives in relation to Financial Savings/Delivery of Community Benefits & Sustainable Procurement on behalf of local authorities.	Continuing focus on added Core Value delivered for all member councils. 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).	M	Yes
Compliance	N/A	N/A		
Operational	Engagement with officers with technical knowledge in development of Scotland Excel Frameworks.	Working closely with Procurement teams to identify relevant officers and engage with them at an early stage.	L	Yes

Financial	Escalation of costs on frameworks. Differing market conditions depending on commodity or service	A strong focus on value for money in all commissioning activities and market engagement or use of Business Intelligence to engage with market / ascertain changes/trends.	M	Yes
Reputational	Lack of awareness of Scotland Excel Services/Value	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.	L	Yes
Environment/ Climate	Failure to consider sustainable options in framework development.	Environmental consideration in development of frameworks, involving officers in both services/procurement in local authorities.	L	Yes

8. OUTCOMES

<u>COUNCIL DELIVERY PLAN</u>	
	Impact of Report
Aberdeen City Council Policy Statement	The ability to have an overview of contract expenditure including the benefits in utilising framework agreements is aligned to Core Outcomes of the LOIP and the whole systems commissioning cycle approach.
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.

9. IMPACT ASSESSMENTS

Assessment	Outcome
Integrated Impact Assessment	Not required
Data Protection Impact Assessment	Not required
Other	Not required

10. BACKGROUND PAPERS

None

11. APPENDICES

11. REPORT AUTHOR CONTACT DETAILS

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