

Scotland Excel

To: Executive Sub-Committee

On: 18 August 2023

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

Operating Plan Update 2023-24

1. Summary






- 1.1 In December 2022, Scotland Excel's Joint Committee approved a new five-year corporate strategy outlining the organisation's business goals and priorities from 2023-2028.
- 1.2 The strategy was developed around five corporate goals, agreed with stakeholders, which influence all aspects of Scotland Excel's work:
 - Journey towards a net zero Scotland.
 - Drive for efficiency to support the financial sustainability of local public service.
 - Community wellbeing with equal access to services, economic development and fair work jobs.
 - Resilient supply chains that maximise opportunities for Scottish businesses and the third sector.
 - Advancement of skills to deliver Scotland's economic transformation.
- 1.3 The strategy is supported by annual operating plans. A plan covering the period from 01 April 2023 to 31 March 2024 was also approved at December's Joint Committee meeting. This paper presents an update on operating plan activity that has taken place between 01 April and 30 June 2023.
- 1.4 Since the operating plan was approved, further discussions with senior local authority stakeholders have indicated that one of the five corporate goals – the drive for efficiency to support the financial sustainability of local public service – should be prioritised during 2023-24.
- 1.5 In response, during the first quarter of 2023-24, Scotland Excel has been working to understand how it can grow and accelerate deliverables against

this key goal. Initial work has focused on implementing plans to increase savings and deliver other financial opportunities for local authorities. A dedicated team has been established to manage this work.

- 1.6 As a result, some of the other actions within the plan have not yet been scheduled and are likely to begin later in the financial year. This is being considered alongside the development of the operating plan for 2024-25. A paper will be presented at a future committee on this matter.

2. Background

- 2.1 Progress reports are produced quarterly to track Scotland Excel's activity against operating plan commitments. Reports are produced at the end of each quarter and submitted to Executive Sub-Committee meetings. The most recent quarterly report is also submitted to Joint Committee meetings with updates noted.
- 2.2 The reports summarise the progress made against operating plan commitments and uses a 'traffic light' symbol to provide a guide to the status of each activity.

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

3. Recommendations

- 3.1 The members of the Executive Sub-Committee are invited to note Scotland Excel's progress in delivering the actions contained within the operating plan for 2023-24.













Operating Plan

2022 – 2023






Q1 Progress Report

Value delivery: procurement & commissioning






Action	RAG status	Progress summary
<ul style="list-style-type: none"> Implement refreshed category strategies to inform the development of contract delivery plans and market shaping activities. 		<ul style="list-style-type: none"> Updated category strategies for construction, transport and environment frameworks have been completed and are now being refined around strategic savings and net zero actions. Scotland Excel's facilities and education strategies have been combined to produce a refreshed strategy reflecting the current market and political landscape.
<ul style="list-style-type: none"> Review and refresh Scotland Excel's approach to contract delivery planning, extending the visibility of the decision-making and delivery process over a longer timeframe to support contract utilisation. 		<ul style="list-style-type: none"> A new post of Governance and Performance Manager has been created to oversee all aspects of contract development, policy and compliance. Contract delivery planning is one of the areas being considered by the new manager, and work is underway to review current processes.
<ul style="list-style-type: none"> Review and refresh Scotland Excel's approach to key supplier management (KSM) and contract and supplier management (CSM) to identify further savings and efficiency opportunities for members. 		<ul style="list-style-type: none"> Scotland Excel is liaising with several key suppliers as part of the drive to deliver further savings and efficiencies for members. The outputs of these initiatives will inform the development of a refreshed approach to contract and supplier management which will begin later in the financial year. In the interim, existing contract management activities are ongoing across the portfolio.
<ul style="list-style-type: none"> Continue to develop and deliver savings projects to maximise the commercial value returned to members through optimal use of our frameworks. 		<ul style="list-style-type: none"> Following discussions with senior stakeholders, the drive for commercial value has been established as the priority goal for 2023-24. A dedicated team has been created to identify and deliver opportunities for savings, increased rebates and income generation. Early opportunities are already being progressed around a range of measures including price negotiations, demand management, financial transactions and delivery logistics.

<ul style="list-style-type: none"> • Develop and deliver a methodology for assessing and presenting the total value of membership including framework savings, rebates, community benefits, service delivery, skills development, and other benefits. 		<ul style="list-style-type: none"> • Initiatives to deliver savings and commercial value for local authorities have been prioritised under this work stream. Changes to the measurement of value of frameworks were approved in April 2023.
<ul style="list-style-type: none"> • Continue to support local economic development through identifying and promoting supply chain opportunities for Scottish businesses. 		<ul style="list-style-type: none"> • Scotland Excel presented and exhibited at the National Meet the Buyer event in May 2023, and continues to work closely with Supplier Development Programme (SDP) to promote opportunities for Scottish businesses. Following a series of joint webinars to encourage participation in the new property maintenance framework, 86 of the 88 awarded suppliers were Scottish businesses.
<ul style="list-style-type: none"> • Develop and deliver an action plan to monitor payment of the Real Living Wage by suppliers, providing reports to members which enable them to evaluate and select suppliers on this basis. 		<ul style="list-style-type: none"> • Scotland Excel is continuing to monitor payment of the Real Living Wage by suppliers, and an action plan to provide reports to members will be developed later in the financial year.
<ul style="list-style-type: none"> • Implement actions from Scotland Excel's net zero strategy, via a whole organisation approach, to support our members' net zero journey. 		<ul style="list-style-type: none"> • An action plan has been developed to deliver the net zero strategy approved by the Executive Sub-Committee in March 2023. A delivery group is being established to oversee implementation, and all staff have completed the Scottish Government's sustainable procurement eLearning modules.
<ul style="list-style-type: none"> • Continue to work with cross-sector partners to develop positive carbon impact initiatives linked to procurement activities. 		<ul style="list-style-type: none"> • Scotland Excel is continuing to work closely with partners on carbon reduction initiatives. Work is continuing with the Scottish Government and Scottish Enterprise on the development of a framework to support Local Heat and Energy Efficiency Strategies (LHEES), heat network zoning, and Local Area Energy Planning (LAEP).
<ul style="list-style-type: none"> • Monitor, respond to, and report on national policy changes that affect Scotland Excel's procurement portfolio, including the National Care Service, contributing to policy discussions where appropriate. 		<ul style="list-style-type: none"> • Scotland Excel is continuing to work closely with the Scottish Government on relevant areas of national policy. Participation in the National Care Service (NCS) Key Stakeholder Reference Group continues, but it is not yet clear where commissioning and procurement will sit within the NCS structure.







Value delivery: services









Action	RAG status	Progress summary
<ul style="list-style-type: none"> Explore alternative business models to support sustainable growth and reduce reliance on membership fees. 		<ul style="list-style-type: none"> Scotland Excel will explore alternative business models to support sustainable growth later in the financial year. Existing revenue generating activities continue to be closely monitored to ensure they meet budget targets.
<ul style="list-style-type: none"> Continue to grow and develop procurement capability projects, initiative and services for members including support for the next tranche of Procurement & Commercial Capability Services (PCIPs). 		<ul style="list-style-type: none"> Council consultancy projects have been progressing well, and demand for flexible procurement services continues to grow. Twenty-three councils are expected to take part in Procurement & Commercial Capability (PCIP) assessments which will take place between October 2023 and March 2024. There has been significant interest in the procurement assessment programme for housing associations, with 23 enquiries in the pipeline and three assessments already been completed.
<ul style="list-style-type: none"> Implement Scotland Excel's business development strategy to increase demand for services and grow associate membership. 		<ul style="list-style-type: none"> Scotland Excel continues to grow its associate membership. In Q1, four new member applications were approved, contributing a total of £1,065 in annual fee income. In addition to fees, associate members are generating significant income through chargeable services and rebates.
<ul style="list-style-type: none"> Develop and implement plans to deliver Scotland Excel's new Academy strategy, based on a sector training needs analysis and recognising member requirements for affordable training options. 		<ul style="list-style-type: none"> Public-sector and customer priorities continue to influence the Academy strategy agreed in March 2023. New lower-cost, shorter-duration leadership and management development programmes have been developed, and delivery will begin in Q2.
<ul style="list-style-type: none"> Continue to explore the development of progressive, sustainable learning pathways, working with educational and/or cross-sector partners to address skills gaps, support career development, and attract new entrants to procurement 		<ul style="list-style-type: none"> The new Academy strategy supports learning pathways for procurement professionals at all stages of their career. Demand for short courses delivered through the Scottish Government's procurement and commercial training framework has been particularly strong. To date, 1,064 delegates have attended 74 workshops.

Value delivery: partnerships

Action	RAG status	Progress summary
<ul style="list-style-type: none"> Develop and implement a Scotland Excel partnership strategy which sets out objectives and plans for key partner relationships, assigns ownership, and prioritises activities that support the delivery of our five-year strategy. 		<ul style="list-style-type: none"> The development of Scotland Excel's partnership strategy will begin later in the financial year. In the meantime, all strategically important partnership relationships continue to be managed effectively by relevant staff.
<ul style="list-style-type: none"> Continue to build and develop relationships with the Scottish Government and Centres of Expertise to support the delivery of cross-sector procurement projects and programmes. 		<ul style="list-style-type: none"> Scotland Excel is continuing to work closely with the Scottish Government and other Centres of Expertise on a range of initiatives including social care, net zero, supply chain opportunities, and training and development.
<ul style="list-style-type: none"> Continue to develop and deliver projects and activities with local government partners including COSLA, CIPFA Local Government Finance Directors, Solace, the Improvement Service, and the Digital Office for Scottish Local Government that benefit our mutual stakeholders. 		<ul style="list-style-type: none"> Scotland Excel is continuing to work closely with local government partners. Recent fee negotiation for the National Care Home Contract were conducted in partnership with COSLA, and several projects are currently being implemented with the Improvement Service and the Digital Office for Scottish Local Government.
<ul style="list-style-type: none"> Implement Scotland Excel's third sector engagement strategy in support of local community wealth-building, helping them to reduce costs through associate membership where appropriate. 		<ul style="list-style-type: none"> Scotland Excel continues to encourage third sector organisations to join as associate members, and Right There, a homelessness and social support charity, became members in April. Plans are being developed for a supported business event in Q3.
<ul style="list-style-type: none"> Continue to build relationships with education and academic partners to support the delivery of Scotland Excel's new Academy strategy. 		<ul style="list-style-type: none"> The Scotland Excel Academy is liaising with the Scottish Procurement and Property Directorate and Glasgow Caledonian University to scope a graduate apprenticeship in business management with procurement. The Academy is also partnering with the Scottish Qualifications Authority (SQA) to implement lower-cost, shorter duration leadership and management programmes

Strategic enablers

Business Area	Commitment	RAG status	Progress summary
Corporate, Finance & ICT	<ul style="list-style-type: none"> Provide legal and financial support for exploring new business model options. 		<ul style="list-style-type: none"> Options for implementing new business models will be explored later in the financial year.
	<ul style="list-style-type: none"> Develop a methodology and tool for monitoring and managing all rebates due from Scotland Excel frameworks. 		<ul style="list-style-type: none"> Methodology and tools for managing rebates will be developed further this financial year. This will be structured around, Modelling (a new tool has now been launched), Mobilising and Monitoring. Rebates are closely monitored through Income Review Board meetings.
	<ul style="list-style-type: none"> Monitor the effectiveness of Scotland Excel's hybrid working policy, proposing improvements which will benefit customers and staff. 		<ul style="list-style-type: none"> All staff have completed a remote working training module and equipment assessment. A Power BI report showing office hot desk usage by day, week and month has been developed, which will assist with assessing future office space requirements.
	<ul style="list-style-type: none"> Implement a new five-year ICT strategy to support staff efficiency and increase digital delivery for customers. 		<ul style="list-style-type: none"> A new five-year ICT strategy will be developed later in the financial year. The ICT team are currently focusing on the roll out of SharePoint to enhance information access and management.
	<ul style="list-style-type: none"> Continue to strengthen Scotland Excel's data management and reporting capability across a range of value measurements. 		<ul style="list-style-type: none"> Scotland Excel is continuing to improve data management and reporting, with a range of new Power BI reports now available for staff. Further enhancements will be led by the recommendations of the value project when completed.
	<ul style="list-style-type: none"> Consider options for a future business intelligence strategy. 		<ul style="list-style-type: none"> Options for a business intelligence strategy will be considered later in the financial year. In the meantime, Scotland Excel's business intelligence function continues to develop, with regular insight reports being published for staff.

	<ul style="list-style-type: none"> Consider options for reducing Scotland Excel's carbon footprint. 		<ul style="list-style-type: none"> Scotland Excel staff have shown a keen interest in environmental matters, and recently took part in a voluntary beach clean exercise. Actions in respect of this are set out in the Net Zero Strategy.
Organisational Development	<ul style="list-style-type: none"> Implement Scotland Excel's people strategy and Investors in People plan by embedding personal development plans that supports organisational performance and individual career goals. 		<ul style="list-style-type: none"> Personal Development Plan (PDP) meetings took place across the organisation during Q1 in line with Scotland Excel's people strategy.
	<ul style="list-style-type: none"> Develop an approach to succession planning which to support career development and create a steady pipeline of talent at all levels. 		<ul style="list-style-type: none"> Scotland Excel's approach to succession planning will be developed later in the financial year.
	<ul style="list-style-type: none"> Build on Scotland Excel's commitment to training, ensuring all staff have the opportunity to acquire the skills required for the delivery of the new five-year strategy such as commercial acumen and climate change literacy. 		<ul style="list-style-type: none"> Scotland Excel staff have access to a wide range of online and in-person training opportunities promoted via the staff intranet. Training requirements identified through Performance Development Plan (PDP) meetings will be incorporated into the training plan.
	<ul style="list-style-type: none"> Continue to develop and improve resources which support recruitment, induction and retention through a seamless and supportive employee journey. 		<ul style="list-style-type: none"> Scotland Excel employee journey continues to be improved, and recent developments include refreshed interview and selection guidance and training. A manager journey is currently in development.
	<ul style="list-style-type: none"> Research and explore options for developing an employment and training strategy that supports new entrants to public procurement. 		<ul style="list-style-type: none"> Research for a new entrants employment and training strategy will begin later in the financial year. In the meantime, Scotland Excel has developed a learning and experience pathway for its graduates during the second year of their programme.
Engagement & Communication	<ul style="list-style-type: none"> Support the development and implementation of Scotland Excel's partnership strategy, including the use of stakeholder mapping and competitor modelling tools across the organisation. 		<ul style="list-style-type: none"> Scotland Excel's partnership strategy will be developed later in the financial year.
	<ul style="list-style-type: none"> Implement the recommendations of Scotland Excel's value project to articulate and demonstrate the value of membership to customers 		<ul style="list-style-type: none"> Scotland Excel's value project is ongoing, with performance management metrics and savings taking precedence. Preparations are being

			underway to publish Annual Value Reports for each council in Q3.
	<ul style="list-style-type: none"> • Re-establish a customer satisfaction survey programme, and baseline satisfaction rates for future improvements. 	W	<ul style="list-style-type: none"> • To provide meaningful benchmarks, the new customer satisfaction survey programme will be established when changes made as part of the 2023-24 operational plan have had time to embed.

Report Key

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