

Scotland Excel

To: Executive Sub-Committee

On: 17 November 2023

Report by:

Chief Executive of Scotland Excel

Draft Operating Plan for 01 April 2024 – 31 March 2025

1. Summary

- 1.1 In December 2022, Scotland Excel's Joint Committee approved a five-year strategy covering the period from 01 April 2023 to 31 March 2028. The strategy is supported by annual operating plans which provide more detailed information on the actions and activities that Scotland Excel will undertake each year to deliver the strategy.
- 1.2 The purpose of this report is to provide the Executive Sub-Committee with an opportunity to review the proposed operating plan for 2024-25 in advance of its submission to the Joint Committee.

2. Background






- 2.1 Scotland Excel follows a robust process to develop its corporate strategy and operating plans as illustrated below.



- 2.2 The annual operating plan contains the actions and activities that Scotland Excel will undertake each year to work towards delivering the five-year strategy. These actions and activities are cascaded to all staff through an annual Personal Development Plan (PDP).
- 2.3 The annual operating plan approach provides the flexibility to respond to changes in the public sector landscape and/or member requirements. Following approval of the 2023-24 operating plan, further discussions with senior local authority stakeholders indicated that one of the five corporate goals – the drive for efficiency to support the financial sustainability of local public service – should be prioritised for the foreseeable future.
- 2.4 In response, Scotland Excel has been working to understand how it can grow and accelerate deliverables against this key goal. Activity 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.
- 2.5 As a result, a small number of actions from the 2023-24 operating plan have been rescheduled and will now form part of future operating plans. Most of these actions have been incorporated within the operating plan for 2024-25, and further details of the rescheduled actions can be found in Appendix 1.
- 2.6 Changes continue to take place within Scotland Excel to underpin the delivery of the corporate strategy and, in particular, the drive to support the financial sustainability of public services. These include organisational restructuring and consideration of additional projects which benefit members. It is therefore possible that there may be some minor amendments to the draft operating plan for 2024-25 presented to the Joint Committee in December.

3. Reporting methodology

- 3.1 Progress reports are produced quarterly to track Scotland Excel's performance against operating plan commitments. Reports are produced at the end of each quarter and submitted to Executive Sub-Committee meetings. Half yearly and annual reports are also submitted to Joint Committee meetings.
- 3.2 The reports summarise the progress made against operating plan actions and use 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 |
|  | Project or activity is progressing in line with expected/agreed timelines and results |
|  | Project or activity completed |

4. Recommendation

- 4,1 The members of the Executive Sub-Committee are invited to review and comment on the proposed Operating Plan 2024-25 in advance of its submission to the Joint Committee in December 2023.

Appendix 1: Rescheduled operating plan activities 2023-24

The following actions from the 2023-24 operating plan have been rescheduled to support an increased focus on a drive for efficiency to support the financial sustainability of local public services, as requested by senior stakeholders from member councils.

| Area | Action | Notes |
|--|---|--|
| Value delivery: services | <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"> Existing business model supports the delivery of current strategic priorities. This action may be revisited at a future date. |
| Value delivery: partnerships | <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"> Scotland Excel's partnership strategy has been rescheduled to form part of the 2024-25 operating plan. In the meantime, all strategically important partnership relationships continue to be managed effectively. |
| Strategic enablers: corporate, finance and ICT | <ul style="list-style-type: none"> Provide legal and financial support for exploring new business model options. | <ul style="list-style-type: none"> This strategic enabler links to the value delivery objective on business models and may be revisited alongside this at a future date. |
| | <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"> Scotland Excel's ICT strategy has been rescheduled to form part of the 2024-25 operating plan. Resources such as SharePoint are being rolled out to support the delivery of a new strategy. |
| Strategic enablers: organisational development | <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"> An approach to succession planning will now be developed as part of the 2024-25 operating plan. Organisational restructuring currently taking place will provide foundations for this approach. |
| Strategic enablers: engagement and 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"> This strategic enabler links to the value delivery objective on partnership strategy and now forms part of the 2024-25 operating plan. |
| | <ul style="list-style-type: none"> Re-establish a customer satisfaction survey programme, and baseline satisfaction rates for future improvements. | <ul style="list-style-type: none"> The delivery of a customer satisfaction programme has been rescheduled for 2024-25 to allow current operational and delivery changes to take effect. In the meantime, Scotland Excel continues to solicit and respond to customer satisfaction feedback. |



Operating Plan

01 April 2024 – 31 March 2025

Introduction

Scotland Excel was established as the centre of procurement expertise for the local government sector in 2008. We are a leading non-profit organisation serving Scotland's 32 local authorities and around 150 associate members from across the public and third sectors.

Our portfolio of over 70 frameworks has an annual value of £2bn, and provides an effective route to market for goods and services that support the delivery of public services. Adopting a sustainable procurement approach, we consider the social, economic and environmental impact of all of our frameworks.

We have a range of services which help our members strengthen their own procurement teams. Sector-wide improvement projects enhance key areas of practice, while learning and development programmes enrich the skills and knowledge of practitioners. We also offer bespoke strategic resourcing and flexible procurement services.

Scotland Excel works with a broad range of stakeholders and partners across national and local government, enterprise and industry, and education to develop frameworks, services and solutions that deliver value for our members.

In 2023, we published a new five-year corporate strategy which builds on our past achievements and sets out our future ambitions within the context of the current political and economic environment. Developed in consultation with key stakeholders, the strategy seeks to increase the value delivered by Scotland Excel and support our members with the challenges and opportunities they will face over the next five years.

The strategy map on page 3 provides an overview of the strategic commitments we have made for the delivery of procurement and commissioning activities, services and partnerships. Delivery is supported by strategic enablers – key business activities that ensure the successful implementation of the strategy.

To support the strategy, we develop annual operating plans which record the actions we will undertake to achieve our strategic commitments for procurement and commissioning, services, partnerships and strategic enablers to meet the requirements and expectations of our members. This approach allows the flexibility to evolve our plans to meet our corporate goals within a changing public sector landscape.

This document records the actions we will take from April 2024 - March 2025 to deliver the second year of our strategy. It capitalises on actions undertaken during year one, and supports a focus on financial efficiency which has been highlighted as a priority by our members. Reports are issued quarterly to record our progress against these actions.

We recommend that you read the operating plan in conjunction with the full strategy document which is available to download from our website.

Strategy Map

Vision

To provide collaborative, innovative and transformative solutions that support social, economic and environmental wellbeing.

Mission

We will make the most of our expertise and experience by leading and collaborating on solutions that support local and national aims for fairer, wealthier and greener communities.

Corporate Goals

Through our experience, expertise, innovation and collaboration, we will create and deliver solutions which provide value to our members across key strategic areas:

- 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.

Procurement & Commissioning

We will continue to develop and manage procurement solutions which provide an effective route to market for our members. Our frameworks will continue to deliver additional social, economic and environmental value for communities.

We will:

- Support our members with their drive for financial sustainability by helping them to maximise savings, efficiencies and benefits from our frameworks.
- Implement our new sustainable procurement and net zero strategies to support our members' net zero journey.
- Develop and deliver new and next generation contracts for key strategic areas including construction, digital and care.
- Respond to new policy and legislation that may impact the value delivered by our frameworks.

Services

We will continue to provide services for our members to help them strengthen their procurement capability, including through the Scotland Excel Academy.

We will:

- Develop proposals for growing our membership and expanding the market for our services.
- Identify and evaluate new service opportunities that provide value to our members.
- Explore alternative business models to support growth and reduce reliance on membership fees.
- Develop and implement new qualification and procurement training programmes based on member requirements.
- Champion public procurement talent through employment and training initiatives.

Partnerships

We will continue to work with the Scottish Government and other national public sector organisations to influence and support policies and programmes that deliver benefits for our members.

We will:

- Develop a partnership strategy to plan and prioritise engagement activity which maximises the value of our relationships.
- We will strengthen our relationships with other local government bodies to provide a unified connection between policy, finance and procurement.
- Develop mutually beneficial relationships with care and other third sector organisations.
- Explore opportunities to provide additional value for members through working in partnership with UK organisations.

Strategic Enablers: Corporate, Finance & ICT

We will continue to develop robust and cost-effective corporate, finance and ICT services which support all business operations and underpin the delivery of our five-year strategy.

We will:

- Explore the opportunities, benefits and risks of alternative business models.
- Enhance our income forecasting and rebate monitoring tools.
- Explore office and facilities solutions appropriate for hybrid and remote working.
- Develop and implement a new business intelligence strategy and plan.
- Develop and deliver a new five-year ICT strategy and plan to enhance business efficiency.
- Explore methods to reduce the carbon footprint of our business operations.

Strategic Enablers: Organisational Development

We will continue to implement our People Strategy and the recommendations of our Gold Standard Investors in People report to ensure that our staff fulfill their potential. A culture of performance management will support career development and underpin the delivery of effective and efficient services.

We will:

- Implement an employee journey that supports the recruitment and retention of talented staff.
- Undertake succession planning to support career development and create a steady pipeline of talent at all levels.
- Equip staff with the skills required to provide value to our customers, now and in the future.
- Support the wellbeing of our staff through flexible working, physical and mental health resources, and staff engagement platforms.

Strategic Enablers: Engagement & Communication

We will continue to develop and deliver engagement and communications plans which increase Scotland Excel's influence and ensure our members obtain maximum value from our services.

We will:

- Increase engagement with elected members and other senior stakeholders.
- Improve customer experience and increase satisfaction.
- Engage with partners and stakeholders on net zero strategies and other key policy areas.
- Provide advocacy and representation for our members within key national policy groups and programmes.

Value delivery: procurement & commissioning

Scotland Excel continues to develop, deliver and manage procurement solutions which provide an effective and efficient route to market for goods and services which support public services. In 2023-24, senior local authority stakeholders indicated that supporting the financial sustainability of local public service should be prioritised within procurement. Significant actions have been undertaken to support the delivery of this priority. A dedicated savings team has been established to identify savings opportunities for members, while refreshed category strategies focus on the specific areas of value delivered by each framework.

Social and environmental value delivered by frameworks will continue to form a core part of contract development, and this will be signposted to members to enable them to make informed decisions on contract usage aligned to their financial, net zero and/or community wealth-building policies.

Actions

- Continue to review and refresh Scotland Excel's approach to contract delivery planning to maximise the efficiency of collaboration, meet customer expectations, and signpost different aspects of value to support contract utilisation.
- Continue to develop Scotland Excel's approach to key supplier management (KSM) and contract and supplier management (CSM) to identify further savings and efficiency opportunities for members.
- Continue to identify and deliver savings opportunities to maximise the commercial value returned to members through optimal use of our frameworks.
- Continue to develop a methodology for assessing and presenting the total value of membership including framework savings, rebates, community benefits, service delivery, skills development, and other benefits.
- Continue to support local economic development through identifying and promoting supply chain opportunities for Scottish businesses.
- Continue 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.
- Continue to implement actions from Scotland Excel's net zero strategy, via a whole organisation approach, to support our members' net zero journey.
- Continue to work with cross-sector partners to develop positive carbon impact initiatives linked to procurement activities.
- Monitor, respond to, and report on national policy changes that affect Scotland Excel's procurement portfolio, including the National Care Service, seeking opportunities to contribute to policy discussions where appropriate.

Value delivery: services

Scotland Excel will continue to provide a range of services which support procurement capability and capacity across our member organisations. As well as sector-wide improvement projects to enhance key areas of practice, Scotland Excel will continue to meet growing demand for strategic resourcing and flexible procurement services.

The Scotland Excel Academy will continue to implement its strategy of delivering affordable options for developing and upskilling procurement practitioners including accredited learning programmes, support for professional study, short courses, and free workshops and seminars.

| Action |
|---|
| <ul style="list-style-type: none">• Provide support to councils to help them respond to improvement opportunities identified through the 2023-24 Procurement & Commercial Capability improvement Programme (PCIPs) assessments. |
| <ul style="list-style-type: none">• Continue to deliver a range of services for councils and associate members which strengthen their procurement capability and resources. |
| <ul style="list-style-type: none">• Continue to develop Scotland Excel's Academy strategy to provide affordable training options for members. |
| <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">• Continue to build business intelligence services for members based on their requirements and the first-year actions of the Business Intelligence strategy. |

Value delivery: partnerships

Throughout 2023-24, Scotland Excel has continued to build successful working relationships with partners across the local government and wider public sector to deliver additional value for members. Examples include exploring supply chain opportunities from low carbon heating and energy efficiency procurement solutions with the Scottish Government and Scottish Enterprise, and working with the Scottish Government and academic partners to develop a Graduate Apprenticeship in business management with procurement.

In 2024-25, these activities will be formalised in a partnership strategy to ensure relationships are prioritised and managed effectively.

| Action |
|---|
| <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">Continue to 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">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">Continue to work with partners, suppliers and the third sector to increase the procurement opportunities available to Scottish businesses, and support councils with their community wealth-building plans. |
| <ul style="list-style-type: none">Continue to work with education and academic partners to support the delivery of Scotland Excel's Academy strategy and provide opportunities for all levels of procurement professional to develop their skills throughout their careers. |

Strategic enablers

Strategic enablers consider what we need to develop, implement or improve within our business to ensure we can deliver our commitments across procurement and commissioning, services and partnerships. As such, many are intrinsically tied to other actions and any changes of focus or timing of these actions affect the delivery of the enablers.

Due to an increased focus on financial efficiency agreed with stakeholders in 2023-24, some of the actions below have been carried forward from the operating plan for that year. Nevertheless, significant progress was made on a number of key enablers during 2023-24 including rebate management, business intelligence, and employment and training.

| Business Area | Action |
|-------------------------------|---|
| Corporate, Finance & ICT | <ul style="list-style-type: none">• Manage, monitor and report on all rebates due from Scotland Excel frameworks using the methodology and tool developed for this purpose. |
| | <ul style="list-style-type: none">• Develop a future facilities strategy based on data and feedback gathered from staff and customers in response to the operation of Scotland Excel's hybrid working policy. |
| | <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">• Implement the first-year actions from Scotland Excel's business intelligence strategy. |
| | <ul style="list-style-type: none">• Continue to strengthen Scotland Excel's data management and reporting capability in support of the business intelligence strategy, ensuring staff have the tools and skills to access data, information, insight, and intelligence in support of their decision making. |
| | <ul style="list-style-type: none">• Continue to consider options for reducing Scotland Excel's carbon footprint as part of the delivery of the organisation's net zero action plan. |
| Organisational Development | <ul style="list-style-type: none">• Continue to implement Scotland Excel's people strategy and Investors in People plan to support organisational performance and individual career goals. |
| | <ul style="list-style-type: none">• Develop an approach to succession planning to support career development and create a steady pipeline of talent at all levels. |
| | <ul style="list-style-type: none">• Continue to deliver training plans which ensure staff can acquire the skills required for the delivery of the strategy within a continually changing public sector landscape. |
| | <ul style="list-style-type: none">• Continue to implement an employment and training approach that supports new entrants to public procurement, including with partners on sector-wide qualifications and pathways. |

**Engagement &
Communication**

- Support the development and implementation of Scotland Excel's partnership strategy, including the use of stakeholder mapping and competitor modelling tools across the organisation.
- Implement the recommendations of Scotland Excel's value project to articulate and demonstrate the value of membership to customers
- Re-establish a customer satisfaction survey programme, and baseline satisfaction rates for future improvements.