

Scotland Excel

To: Executive Sub-Committee

On: 20 October 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 July and 30 September 2023.
- 1.4 Since approval, 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 and for the foreseeable future.
- 1.5 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.

- 1.6 As a result, a small number of actions within the plan will begin later in the financial year rescheduled within a future operating plan. These adjustments are being considered alongside the development of the operating plan for 2024-25 and, will be presented to the Executive Sub-Committee in November 2023.

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
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	Project or activity is progressing in line with expected/agreed timelines and results
	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

2023 – 2024



Q2 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"> Scotland Excel has refined category strategies to prioritise one of three aspects of value that can be achieved by each framework. Each contract strategy will now prioritise value according to savings, social outcomes or environmental improvements.
<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"> Improvements to Scotland Excel's contract delivery planning process are underway which will increase the predictability of framework delivery timelines.
<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 evolving a new approach to KSM/CSM informed by recent negotiations with key suppliers as part of the drive to deliver further savings and efficiencies for members. Contract and supplier management continues across the portfolio, with ongoing improvements being integrated into these activities.
<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"> Scotland Excel continues to focus on the drive for commercial value as the priority goal required by members during 2023-24. A dedicated savings team is now fully up and running, with robust planning, delivery and communications processes in place. A number of savings have been delivered, particularly within the food portfolio, and other opportunities being explored include purchase card rebates and occupational health.
<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. Work has commenced on aligning contract segmentation with value type – economic, social, environmental. This will establish baseline metrics for performance management.

<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 exhibited at the Meet the Buyer North event in September 2023, and continues to work closely with Supplier Development Programme (SDP) to promote opportunities for Scottish businesses. Scotland Excel has been working with Scottish Enterprise and the Scottish Government to explore future procurement solutions for low carbon heating and energy efficiency with the potential to drive new supply chain opportunities by seeding investment in 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"> A multi-disciplinary delivery group has been established to oversee the implementation of Scotland Excel's net zero action plan. The group is also establishing methods for reporting progress on the delivery of the strategy.
<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 continues to work closely with partners on carbon reduction initiatives. Exploration of three opportunities is underway for district heat networks, electric vehicle charging concession models, and rural mobility. Scotland Excel is also delivering cross-sector training initiatives including 'Sustainable Procurement Tools Peer-2-Peer Learning' sessions. A 'Procuring a More Sustainable Future for People and Planet' masterclass session is being developed in partnership with the Improvement Service and Scottish Government.
<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 has responded to a 'call for views' from the Scottish Parliament's Economy and Fair Work Committee on the performance of Procurement Reform Act. Participation in National Care Service (NCS) forums and meetings is ongoing, and Scotland Excel is contributing to a workstream which will help to shape procurement and commissioning within the NCS.







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 scheduled to take part in Procurement & Commercial Capability (PCIP) assessments which will take place between October 2023 and March 2024. A series of workshops has been launched to help councils prepare for their assessment.
<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 Q2, six new member applications were approved, including four housing associations, which contributes a total of £8,355 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"> The implementation of the Scotland Excel Academy strategy is progressing well. New lower-cost, shorter-duration leadership and management programmes were launched in the summer, and a new tranche of short courses delivered through the Scottish Government's procurement and commercial training framework has been announced for 2024.
<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 Academy and the Scottish Procurement & Property Directorate have initiated discussions with City of Glasgow College and Glasgow Caledonian University to establish a life-long procurement learning pathway across modern apprenticeships, vocational qualifications, higher national certificates and diplomas, and graduate apprenticeships.




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 exhibited at the CIPFA Scotland Conference in September, and met with their local government finance group to discuss funding proposals for 2024-25. Scotland Excel has also been working closely with Solace and the Improvement Service on collaborative procurement opportunities arising from transformation plans which were launched at the Solace Conference in September.
<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. Discussions have been taking place with social care providers following distribution of a leaflet on the benefits of membership to this sector. Plans are underway for a supported business event in November which will be attended by the Minister for Community Wealth and Public Finance.
<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 & Property Directorate and Glasgow Caledonian University to scope a graduate apprenticeship in business management with procurement. This partnership is also exploring the development of a life-long procurement learning pathway which recognises prior learning.






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"> • Policy and procedure are being updated to underpin the development of a rebate modelling, mobilisation and management tool. This will focus on centralised, automated spend validation to inform rebate and contract management activities.
	<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"> • Scotland Excel's hybrid and flexible working policies continue to work well. Staff recently took part in a survey to measure the effectiveness of an optional 'nine-day fortnight' working pattern introduced in January 2023. 98% of respondents reported that this had benefited their work-life balance.
	<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, including looking at ways to optimise the data lifecycle for both tender and contract management. A financial sustainability monitoring report for the care home sector is being developed with input from key stakeholders.
	<ul style="list-style-type: none"> • Consider options for a future business intelligence strategy. 		<ul style="list-style-type: none"> • Work is underway to develop a business intelligence strategy, including research on the strategies adopted by peer organisations. The structure and content of the strategy have been agreed, and early drafts are being considered with a view to presenting the final document to the Executive Sub-Committee in January 2024.

	<ul style="list-style-type: none"> Consider options for reducing Scotland Excel's carbon footprint. 		<ul style="list-style-type: none"> Options are being considered as part of the net zero action plan which involves staff from across the organisation.
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 Plans (PDPs) are now in place for employees in line with Scotland Excel's people strategy. A mid-term assessment of Scotland Excel's Investors in People (IiP) accreditation will take place in Q3/4 to identify any development actions required before the full assessment in March 2025.
	<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"> An annual training plan has been developed to meet requirements identified within employee Performance Development Plans (PDPs). Scotland Excel staff have access to a wide range of online and in-person training opportunities promoted via the staff intranet.
	<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 across the four key stages of pre-employment; recruitment, selection and induction; employee experience; and leavers experience. A manager journey is being created to support their development as leaders.
	<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"> Several projects and activities are underway which will inform an employment and training strategy for new entrants. These include the implementation of a Chartered Institute of Purchasing & Supply (CIPS) self-study support programme, partnering the development of a Graduate Apprenticeship; and exploring opportunities to develop a life-long learning pathway which recognises prior learning from apprenticeships and qualifications.

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. Annual Value Reports are being prepared for each council and will be published in Q3.
	<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"> 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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