

Scotland Excel Joint Committee

To: Joint Committee

On: 12 June 2015

Report by Director

Three Year Strategic Plan and Operating Plan

1. Introduction and Purpose

Scotland Excel has developed its new three year corporate strategy to underpin the next phase of growth for the organisation, and ensure its long term sustainability as a successful local government shared service. This report provides a summary of the proposed strategic direction for the organisation, and includes an overview of the key operational activities that will be undertaken to deliver the strategy.

2. Planning Methodology

Stakeholder input has formed a key component in setting the new strategic direction for Scotland Excel. A significant stakeholder engagement programme was initiated and led by the new director and provided the basis of the three year strategy proposed.

The plan seeks to deliver our strategic outcomes which are designed to support our customers in achieving their goals.

The new Scotland Excel vision seeks to provide an ambitious future for the organisation that is underpinned by clarity in our core mission with strong values focussed on our people and our customers.

The strategy is based around 12 objectives aligned to four business goals:

- Supporting the delivery of better and more effective public services
- Being sustainable in everything we do
- Placing customers at the heart of our business
- Becoming the partner of choice for delivering shared services

Our strategic planning methodology comprises of two key documents:

Three year strategic plan (Appendix 1)

The three year strategy has been redesigned and members will note the departure from the previous traditional “business plan” style. This change is designed to be more applicable to our wider stakeholder base, provide a more contemporary view and also to improve clarity of the key messages contained within it. **Diagram 1** represents the key components of the three year strategy document and its relationship with the operating plan. Our **strategy map** contained within the document provides a one page overview of the key elements of the Scotland Excel three year strategy.

Diagram 1



Operating plan (Appendix 2)

A rolling annual operating plan has been developed to record the high level activities and commitments that will be delivered to achieve each of our four goals. This plan will be used to set detailed annual performance objectives and targets for the organisation and employees.

The operating plan will be reviewed and updated each year to ensure that activities remain closely aligned with the goals of the three year strategy, and to respond to changes in the external environment. Appendix 1 provides a **draft** of the high level activities and commitments in the first year operating plan.

A completed operating plan including targets and KPIs will be submitted to the next Executive Sub Committee on approval of the three year strategy.

3. Implementation and Measuring Performance

On approval of the three year strategic plan, Scotland Excel will complete the development of the annual operating plan. This plan will then be utilised to cascade objectives and activities throughout the organisation in order to deliver our agreed goals. Once approved the strategy and operating plan will be issued to all Joint Committee members and communicated to our wider stakeholder group.

Clear annual performance metrics will be provided and progress reported to governance bodies on a quarterly basis.

4. Conclusion

Members are asked to approve the proposed three year strategy and to approve the draft operating plan provided.



Corporate Strategy

01 April 2015 – 31 March 2018

Foreword

Scotland's public sector spend on procuring goods and services has grown substantially over the past few years and there is no sign this growth is set to decrease anytime soon. Procurement has been very successful in turning the desire – which has now turned into a necessity – to save the public sector money and to achieve best value. That necessity continues.

However I am determined that procurement is not a mechanism used to drive down quality - not quality of product and not quality of life. In my view there is something fundamentally wrong about public bodies using procurement to export cuts onto the private, the voluntary and the independent sectors. Procurement is not and should not be about securing inferior quality of services, driving down pay and lowering terms and conditions.

That is why taking a strategic approach to procurement is more important now than ever. Procurement teams across Scotland can and are helping the public sector deliver their policy priorities and I am proud of the role Scotland Excel plays in this. It is a given that because of the cuts to the public sector we need to find new and innovative ways of delivering services that people need and want and do so at an affordable cost.

At the same time we need to drive up quality, to protect those who are in low paid professions, to create apprenticeships and jobs and to leverage the maximum benefits we can from this spend. This is not a binary choice – the challenge is to do both, at one and the same time.

Scotland Excel currently saves local authorities in the region of £20million per year. That's money that can be spent in schools, in social work and in repairing our roads. We need to become better at measuring the other benefits that procurement can bring – for example the jobs supported and created and the increase in quality of service.

Scotland Excel's social care frameworks are helping to make budgets go further as demand grows. These frameworks are not about driving down price – in fact Scotland Excel will highlight when it is necessary to increase rates to ensure the sustainability of service provision. The real benefit of these frameworks is increased transparency and consistency that makes it easier for individual service users and local authorities to find the services which best meet their needs.

As a Centre of Procurement Expertise, Scotland Excel is well placed to deliver more for local authorities, both individually and collectively. It is pleasing that we are being asked to do more, and we expect the value of our procurement portfolio to increase by around 25% in the next year alone.

Our new strategy will bring a renewed focus to measuring the number of people being paid the living wage, the number of apprenticeships and jobs created and sustained, the support for small and medium sized enterprises, the advancement of the environmental agenda and other community benefits.

Scotland Excel will continue to deliver services which support procurement capability across the sector, to ensure that every council can achieve the maximum benefit from procurement at a local level. In particular, our work to attract and develop school, college and university leavers to local government procurement will help to create opportunities for our young people and strengthen the talent pool within our teams.

Scotland Excel's new corporate strategy is ambitious. To achieve our goals, we have embarked on a major change programme to transform the organisation. As demand for our services grows, we are developing new funding models to ensure we can deliver what our stakeholders want of us on a long term and sustainable basis.

Scotland Excel is a great example of a shared service. We deliver positive results for all of our customers – there is not an area in Scotland where we are not both saving money and supporting the local economy.

The next three years will be challenging but I have every confidence that Scotland Excel will seize the opportunity it has to continue to grow and provide excellence to our customers, to our suppliers and, most importantly, to our communities.

Cllr Mike Holmes
Deputy Leader of Renfrewshire Council, and
Convener of Scotland Excel's Joint Committee

Introduction

When I joined Scotland Excel on 1 September 2014, as a previous customer I thought I knew all about the organisation, the local government sector and collaborative procurement. I have since been on a voyage of discovery, both geographically and in respect of my knowledge and experience.

What I have learned over these months has recalibrated my position. I am now more fully aware of just how much the sector has achieved in the last seven years and – more importantly – the huge opportunity we all have to increase collaboration and drive further social, economic and environmental benefits from our £6.4bn spend.

Since we launched in 2008, Scotland Excel has achieved some remarkable results, not least of which was securing all 32 local authorities as members. Many attempts to establish shared services have failed, so the fact that, seven years on, all councils are continuing to work together through Scotland Excel is evidence of the value we have brought to the sector.

The contract portfolio has grown from £100m in 2008 to £648m today. We have achieved average savings in excess of 5%, worth around £55m in the last three years. And this is before you consider the other benefits of collaboration – efficiency, rebates, price negotiations, sustainable procurement, community benefits – as well as the huge increase in the commercial capability across the local authority procurement landscape.

When the Procurement Capability Assessment (PCA) was introduced to the public sector in 2009, Scotland's councils were scoring an average of 22%. By 2014, the sector average had increased to 62%. As I know from my personal experience at Renfrewshire Council, this is no mean feat. It takes years of investment, commitment and hard work. I am proud of what we have achieved as a sector, and of Scotland Excel's role in leading and supporting councils to continuously improve their performance.

So now can we all sit back and tell tales of our greatness? Definitely not! The last seven years have only been the beginning. The building blocks are in place, but things are about to get a whole lot tougher.

Financial constraints are growing, and procurement is an obvious source of savings. Not only that, the rise of public procurement as a policy driver has meant that the days of simple 'tendering' are far behind us. Contract strategies now consider areas which were virtually unheard of 5 years ago...

... Is the supplier ethical? ... Do they consider the environment? ... Do they treat their staff well? ... What about their subcontractors? ... What can they do for our local communities?

Expectations from procurement continue to increase and rightly so. Over the next year, we will see the introduction of new legislation to support the sustainability agenda. It is a positive development, but one that will place a greater burden on procurement teams.

2015 will see the introduction of a new assessment regime to replace the PCA. This is designed to ensure councils are thinking commercially across their organisations, and not just in their procurement teams.

These are just some of the reasons why there are still huge opportunities for collaboration and shared services in our sector. Scotland Excel will be the partner of choice in achieving this. I see huge potential for the sector and for this organisation; our three year strategy is the first step in delivering this.

Underpinning all that we do is a positive culture and commitment to excellence. Our values are hugely important to us; they have been developed by every member of our team, and we have all agreed to live by them. This will support better engagement with our customers, and we expect continuous improvement in everything we do.

Despite the challenges ahead, I believe that Scotland Excel can help our customers deliver better and more cost effective public services. Our sector has a track record of excellence; let's build on that to make the next 3 years the most successful yet.

Julie Welsh
Director, Scotland Excel

Context

Since 2008, Scotland Excel has proved the value of collaboration to the local government sector through national contracts and initiatives to support procurement capability within councils. But like our customers, we operate in an ever changing landscape and can never stand still. Our new strategy has been developed to meet a number of challenges in our external environment, affecting both our organisation and our sector, including some of the key issues highlighted below.

Financial challenges

In 2013/14, Scotland's 32 councils spent almost £6.4 billion on goods and services, equivalent to c. £1,192 for every person in Scotland. Current projections suggest that the population of Scotland will rise to 5.78 million by 2037, with the number of people aged 65 and over increasing by 59%, from 0.93 million to 1.47 million. These demographic changes will undoubtedly increase demand for services across the local government sector and the public sector as a whole.

Meanwhile, the past five years have brought significant cuts to public sector expenditure, and it is likely that this will continue over the next five years. Set against the context of growing demand, it is apparent that there are significant financial challenges ahead. Organisations must find new ways of working to deliver services to our communities. It has never been more important for Scotland Excel to help councils achieve as much value as possible from every penny they spend.

Legislative changes

The Procurement Reform (Scotland) Act 2014 places a number of new statutory duties on public sector organisations. The provisions of the Act, together with recent changes to EU procurement directives, will be incorporated into new procurement regulations which will come into force later this year. Scotland Excel must be ready to comply with the new regulations and to support our customers in doing the same.

The Public Bodies (Joint Working) (Scotland) Act 2014 introduced a framework for integrating health and social care, described as the most substantial reform to the NHS in a generation. Integrated Joint Boards (IJBs) have been established locally to manage almost £8bn of health and social care resources, including the ongoing implementation of self directed support. Scotland Excel must act on these changes, working with partners in health to ensure procurement services respond to the needs of the new Boards.

In June 2014 the Community Empowerment (Scotland) Bill was introduced to the Scottish Parliament. This Bill sets out to empower our communities in making decisions about their local areas, including how services are provided. Although it is too early to determine the impact this may have on the procurement of such services, Scotland Excel must keep a watching brief on proposed legislation, and ensure that we are ready to engage with Community Planning Partnerships (CPPs) when required.

Social value

The recently published Scottish Government report, *Severe Poverty in Scotland*, indicated poverty is becoming more entrenched, with one in ten of our population living in severe or extreme poverty. Households with the lowest incomes are bearing a greater burden from public spending cuts.

Scotland's local authorities are committed to tackling social inequality. As well as improving the wellbeing of their communities, it can also reduce demand for support services that are often a consequence of deprivation. There is a real focus across the public sector on prevention rather than intervention; on delivering positive outcomes for individuals, not just services to mitigate harm.

Scotland Excel must continue to do what it can to support equality and social value in communities. There are a number of ways we can help – from supporting the delivery of affordable social care services that provide positive outcomes, encouraging suppliers to pay Living Wage, to facilitating the creation of local jobs and apprenticeships through community benefits in our contracts.

Resourcing procurement

Over the past few years, it has become apparent that strategic procurement can help councils save money, create efficiencies, develop service innovations, comply with legislation, realise social value, and deliver policy priorities. As a result, procurement functions across Scottish local authorities have seen further investment that clearly has the potential to pay for itself.

However, this has created challenges in the availability and retention of qualified procurement professionals. Scotland Excel must consider what we can do to ensure that both our organisation and our members can resource plans and continue to realise the benefits of improved public procurement.

Our strategy

Scotland Excel is fully aware that the next three years will bring significant challenges for both our organisation and the sector. We are confident that we can meet these challenges and provide the support our sector needs in a rapidly changing world. Central to all of this is engagement with our customers and, indeed, the strategy that follows was developed in consultation with our members. The road ahead will not be without its twists and turns, but we are positive that we have developed a strategic map that will enable us to navigate a successful path for our organisation and our customers.

Strategy Map

Vision

To be the shared service partner of choice for the Local Government sector

Mission

To deliver **effective** and **customer-orientated** shared services which support **collaborative, innovative** and **sustainable** public services, add **measurable value** for our customers, and bring **tangible benefits** for local communities and service users.

Values

Professional • Courageous • Respectful • Integrity

Outcomes

Our services support the effective and efficient delivery of public services	Our services support the implementation of national and local policy priorities	Our customers receive relevant communication and support	Our people, policies, processes and technology optimise our value
Our expertise supports continuous improvement in our sector's procurement performance	Our services help to deliver positive and sustainable outcomes for communities and service users	Our reputation demonstrates the value of collaboration	Our customers are satisfied with our services and achieve a measurable return on their investment

Goals

<p>1: Supporting the delivery of better and more effective public services</p> <p>Strategic objectives:</p> <p>1.1 Deliver a range of collaborative procurement and supplier development services which support customers at a strategic and operational level</p> <p>1.2 Deliver a range of shared services which support customers in the development of their professional, organisational and commercial capability</p> <p>1.3 Deliver a range of new shared services which support the effectiveness and efficiency of customer operations</p>	<p>2: Being sustainable in everything we do</p> <p>Strategic objectives:</p> <p>2.1 Work with stakeholders to develop procurement strategies which support the delivery of national and local policy priorities</p> <p>2.2 Deliver positive and measurable social, economic and environmental impact to local communities</p> <p>2.3 Lead and support customers in the development and implementation of best practice in sustainable procurement</p>	<p>3: Placing customers at the heart of our business</p> <p>Strategic objectives:</p> <p>3.1 Work with customers to develop and implement bespoke plans for maximising the value of our services</p> <p>3.2 Develop robust communications strategies which support customer engagement and position Scotland Excel and its customers as leaders in public procurement /shared services</p> <p>3.3 Represent the views and needs of customers in the wider stakeholder environment</p>	<p>4: Becoming the partner of choice for delivering shared services</p> <p>Strategic objectives:</p> <p>4.1 Implement organisational development policies which support a highly skilled, motivated and engaged workforce</p> <p>4.2 Implement best practice processes and technology which support the efficient and effective delivery of services to customers</p> <p>4.3 Implement robust strategies, governance, risk management and funding models which demonstrate a measurable return on investment to customers and secure Scotland Excel's future</p>
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Goa1 1: Supporting the delivery of better and more effective public services

Strategic objectives	
1.1	Deliver a range of collaborative procurement and supplier development services which support customers at a strategic and operational level
1.2	Deliver a range of shared services which support customers in the development of their professional, organisational and commercial capability
1.3	Deliver a range of shared services which support the effectiveness and efficiency of customer operations

The strain on public services is increasing, with growing demand and declining budgets to support their delivery. Grant funding has reduced by over 8% since 2010/11, creating difficult decisions for councils. Tackling inequality is a major challenge, and councils have to balance diverse requirements for public services from a growing, and ageing, population.

In this context, it is imperative that every penny spent in the sector is spent wisely. Collaborative procurement and shared services have a key role to play in increasing efficiency and ensuring money is saved to protect front line services. A strategic approach to procurement can also support innovation in service delivery and bring wider economic, environmental and social benefits to communities.

Over the past seven years, Scotland Excel has demonstrated the value it brings to local authorities in all of the above ways. Annual savings from our contract portfolio are approaching £20m, which equates to a return of around £6 for every £1 members invest in our fees. Over and above this, councils have made further savings from rebates and price negotiations, which are delivered through our robust supplier and contract management practices.

Many of our frameworks support innovations that improve outcomes for service users. For example, our telecare and telehealth technologies framework is addressing long standing interoperability issues to provide a better choice of products for users that enables them to remain safe at home. A recent framework for online school payments systems offers security and convenience for parents and pupils, while improving efficiency for councils.

Scotland Excel has championed the use of community benefit clauses in collaborative contracts to provide additional social value from public spend. These have been incorporated into all contracts since January 2013, and have so far supported 33 apprenticeships, 108 jobs, 174 work experience placements and a range of local charity and community initiatives.

As public sector funding reduces, it is imperative that we continue to deliver the best possible value across our sector. Our key areas of growth are led by sector priorities and include social care, construction and ICT. However, as local authorities explore alternative delivery models, we must be able to adapt to a rapidly changing landscape.

We need to ensure a comprehensive knowledge and understanding of our markets to deliver the right specification at the right price. This will be supported by improvements to our contract and supplier management programme to drive value throughout our supply chains.

To truly achieve best value for our sector, we must continue to support our customers with their efforts to improve their procurement and commercial capability at a local level. Our award-winning learning and development programme and change projects delivered by our reform team have helped the sector to realise a measurable improvement in procurement performance.

Average PCA scores have increased three-fold over five years, demonstrating the exceptional level of commitment that exists among local authorities. Many are now ready to move to new stage of development, and we must adapt to their demands by refreshing our learning and development offering and ensuring the long term sustainability of services which lead and support change.

Our commitments

Contract delivery

Our rolling contract delivery plan is developed and agreed in partnership with our customers. Growth areas are social care, construction and ICT, and this is where most of the new contract opportunities have been identified. However, we also build time for the renewal of existing contracts into our plans.

There are currently 12 new contracts in development which are scheduled for completion by March 2016. This will bring the number of contracts in our portfolio to 57, with an annual value of c. £860m. We are also pursuing potential opportunities arising from the Local Government ICT Strategy, and are in discussions with COSLA to manage the National Care Home Contract from 2016 which would bring the annual value of our portfolio to c. £1.5bn.

Further new contract opportunities will be identified and added to the plan over the coming three years in consultation with stakeholders. In response to recent feedback, this will include some low value contracts that deliver efficiencies for council procurement teams although the potential for savings is limited. We will also

look at opportunities to develop cluster contracts that meet the needs of groups of local authorities.

To ensure that focus can be maintained on key priorities within the contract delivery plan, we will review our internal processes to streamline the delivery of renewed contracts where we already have a robust understanding of the market and stakeholder requirements. Options include a more flexible approach to stakeholder engagement to shorten contract development timescales, a lighter touch for internal governance requirements, and merging frameworks which have common suppliers.

We will also develop a flexible workforce model to enable us to respond to emerging opportunities at a time when demand for procurement professionals remains high. A structured approach to attracting and developing new entrants will enable us to resource low value/low risk contracts while providing the right environment for staff to gain experience and confidence before moving into more complex areas.

Contract and supplier management

Scotland Excel will continue to review and enhance its contract and supplier management (CSM) programme to ensure that our frameworks are providing best value and delivering the social, economic and environmental commitments made by suppliers as part of their tender.

A new sampling methodology will ensure better targeting of CSM surveys by linking selection of respondents to spend value. Questionnaires are being reviewed to ensure that they are more closely aligned to the priorities of each category, and the scheduling of surveys will reflect the buying patterns for commodities and services.

The reporting capabilities of the system which underpins CSM will be enhanced to provide more detailed information to help contract owners manage supplier performance effectively. Reports will be shared with customers to increase transparency, highlight trends, and provide insight into the actions we are taking to improve performance.

Supplier development

As part of our CSM model, we will deliver a programme of supplier development activities to help suppliers understand and respond to the needs of councils. We will identify areas of innovation and good practice, ensuring that suppliers are recognised for their efforts and, where appropriate, encouraging them to share their knowledge to increase standards across the supply base.

The inaugural Supplier Excellence Awards and Development Event takes place in June 2015. This is Scotland's first public procurement awards programme aimed solely at suppliers, and has generated significant interest from our supply base and partner organisations. The event encompasses a 'Meet the Buyer' exhibition and seminar programme, which is open to all suppliers, as well as the awards ceremony for our framework suppliers. Our intention is to make the event an annual fixture in the calendar.

Looking to the future, we will explore opportunities to increase the value that key suppliers can bring to the sector. By building partnerships and involving suppliers at an early stage, we can help to shape markets and encourage the development of innovative solutions that better support the delivery of council services and lead to improved outcomes for their users.

Procurement capability

Over the past five years, councils have embraced the annual Procurement Capability Assessments (PCAs) as a tool for benchmarking performance and developing improvement plans. With strong foundations in place, it is now time to consider how they can extend their performance further.

This year, a new national capability assessment tool will replace the PCA. The Procurement and Commercial Improvement Programme (PCIP) will be rolled out to the local government sector during the first part of 2016, and will assess the commercial performance of the whole organisation.

Scotland Excel has played a key role in the development of the assessment, engaging with local authorities, other Centres of Expertise and the Scottish Government to ensure it meets the needs of our sector. Over the coming months, we will develop and implement a programme of communications and regional workshops to help councils prepare for PCIP.

During this time, we will also identify and train staff from Scotland Excel to act as assessors, and will hold a number of mock assessments to provide feedback to the sector. The first PCIP assessments will take place in mid January 2016, and will be completed for all local authorities in early June. As the new assessments will take place every two years, a second round will be scheduled for early in 2018.

Leading change

The results of PCAs have been used by councils to develop improvement initiatives including, in some cases, ambitious procurement transformation programmes. Scotland Excel has supported these initiatives and programmes through the work of

a small team of procurement and change professionals, using reserve funding for sector-wide projects and providing chargeable services to individual councils.

Consultation with stakeholders has identified a clear appetite for this support to continue. To achieve this, we must develop a sustainable funding model. We will produce a menu of change and improvement services which will clearly differentiate between those provided through core membership fees, and optional services which can be accessed at a cost.

We already have a successful track record in delivering chargeable consultancy and project management services at competitive rates. This approach retains intellectual property within the sector, and spend will be reinvested in Scotland Excel to provide greater value for our customers. Examples of previous chargeable projects include short term consultancy for East Dunbartonshire and Highland Councils, and embedded project management at Aberdeen and Aberdeenshire Councils.

Procurement Academy

Scotland Excel's learning and development programme has long been recognised as a leader in its field. More than 5,000 delegates from 118 organisations have attended our courses since we launched these services in 2009. Over the years, we have updated the programme to include new topics and reflect changes in the procurement landscape. Now, as public procurement matures, it is time to make a step change in what we can offer to customers.

From discussions with stakeholders, we have identified an opportunity to extend our range of learning and development services to include accredited training, eLearning resources and support for new entrants to the profession. All of these have been brought together under the concept of a local authority 'procurement academy'.

We will collaborate with an established qualification body to design and deliver an accredited qualification tailored to the needs of local authority procurement professionals. This will capitalise on our previous experience of creating a Professional Development Award (PDA) for commissioning care services, and we will partner with universities and colleges to ensure that a range of professional courses are available to study at locations across Scotland.

These partnerships will also support the delivery of training events including master-classes, good practice workshops and commercial excellence seminars. Foundation courses will be delivered through e-learning modules on a platform that will also support online assessments, webinars, training videos and toolkits. Resources

will be developed in partnership with other Centres of Expertise to share experience and knowledge across the public sector.

Scotland Excel will also explore opportunities to deliver a range of services that support new entrants to public procurement, capitalising on our graduate trainee programme and our success in developing modern apprentices and interns. Services being considered include recruitment assessment centres, induction training, placements and providing SVQ assessors for the Procurement Modern Apprenticeship launched in 2014.

Shared services

Scotland Excel may be best known for procurement, but it is also one of the Scottish public sector's most successful shared services. From speaking to customers, we have identified that there is a real opportunity to capitalise on our strengths and explore opportunities for new shared services we can provide to the sector.

Some of these have already been covered in the strategy – cluster contracts, change consultancy, the procurement academy – and delivery models are being developed to realise their potential. We are also developing plans for a rebate management service which we expect to launch in 2016.

Other opportunities that will be explored over the next three years include short term resourcing, business and market intelligence, third sector engagement, and supplier development services. All new services will have a clear value proposition, and will be developed around effective and sustainable delivery models. Any surpluses generated through chargeable services will be reinvested in Scotland Excel to enhance the value we provide for our stakeholders.

Goal1: Outcomes supported	
Our services support the effective and efficient delivery of public services	Our services support the implementation of national and local policy priorities
Our expertise supports continuous improvement in our sector's procurement performance	Our services help to deliver positive and sustainable outcomes for communities and service users
Our people, policies, processes and technology optimise our value	Our customers are satisfied with our services and achieve a measurable return on their investment

Goal 2: Being sustainable in everything we do

Strategic objectives	
2.1	Work with stakeholders to develop procurement strategies which support the delivery of national and local policy priorities
2.2	Deliver positive and measurable social, economic and environmental impact to local communities
2.3	Lead and support customers in the development and implementation of best practice in sustainable procurement

When the Public Procurement Reform Programme (PPRP) was launched in 2006, the focus was on savings, capability and efficiency. It was soon recognised that these were not the only benefits that could be driven by procurement. In recent years, Scotland has embraced the concept of sustainable procurement to achieve social, economic and environmental value from the money spent by the public sector.

Over the past five years, Scotland Excel has championed sustainable procurement across local government and the wider public sector. In 2010, Scotland Excel introduced Marrakech Task Force (MTF) training, based on a sustainable public procurement approach developed by the United Nations. Since then, we have hosted MTF workshops for nearly 200 local authority and public sector delegates.

The same year, we led the development of the Flexible Framework self-assessment tool for sustainable procurement which was rolled out across the Scottish public sector. Three years later, Scotland Excel became one of first organisations to reach Level 4 of the framework, an achievement that was externally validated by a sustainable procurement expert, and the knowledge we have gained has been shared with local authorities.

But there still much to do. The Procurement Reform (Scotland) Act 2014 places statutory duties for sustainable procurement on public sector bodies. The Act will come into force later this year as part of new procurement regulations which will also incorporate changes to EU procurement directives. Scotland Excel must be ready to comply with these new rules, and to lead the development of methodologies, tools and best practice which help our customers meet their new obligations.

We must also consider other areas of legislation and policy that may affect our work or impact our sector. We need to anticipate the opportunities and risks associated with emerging legislation such as the Public Bodies (Joint Working) Act 2014 and Community Empowerment (Scotland) Bill, and ensure we are able to respond quickly and appropriately. We must capitalise on our existing track record of supporting statutory obligations and policy priorities through our frameworks.

Community benefits clauses, which encourage suppliers to consider social value as an integral part of their tender offering, are beginning to have a real and measurable impact at a local level. In particular, our domestic furniture framework, which won the National GO Award for Sustainability Initiative of the Year, exemplifies just how much can be achieved through sustainable procurement.

As well as supporting the delivery of services to vulnerable members of our communities, the framework has delivered c.113 jobs and apprenticeships, supported 8,860 hours of work experience, and diverted c.150 tonnes of waste from landfill through recycling initiatives with third sector partners. We must now capitalise on what we have learned, ensure that the impact of community benefits is being felt across Scotland, and report regularly to our stakeholders on the value they bring.

We must also intensify our support for local economies. Around 70% of suppliers to our contracts are SMEs, and almost two-thirds of these are based in Scotland. The proportion of Scottish SMEs in our supply base has risen steadily over the past three years from 38% to 44%, reflecting our efforts to engage through local Meet the Buyer events and pre-tender briefings. We must now consider how we target our efforts more directly by working in partnership with local authorities.

Our commitments

Legislation

We will review and adapt procurement procedures, systems and processes to meet the provisions of the new procurement regulations, and will identify and implement training requirements for staff. We will develop and publish procurement strategies and annual reports in line with new legislative requirements, and support our customers to do the same. We will provide information about our collaborative frameworks to councils to enable them to report their compliance with sustainable procurement duties, particularly in respect of community benefits.

In response to the Public Bodies (Joint Working) Act 2014, we will continue to work with NHS National Services Scotland to ensure we deliver the most effective and efficient procurement services for the newly formed Integrated Joint Boards (IJBs). An initial workshop will take place with IJB representatives in June to identify their requirements and agree ways of working.

We will continue to monitor and assess the progress of the Community Empowerment Bill. During consultation for the Bill, national procurement was identified by some respondents, particularly in the third sector, as a barrier to the provision of local services. We believe local planning and a national approach to

procurement are not mutually exclusive and will seek to develop relationships with Community Planning Partnerships (CPPs) to ensure our frameworks can accommodate their requirements.

Over the next three years, Scotland Excel will continue to monitor the legislative environment to identify any risks or opportunities for our organisation and sector. We will continue to support local authority compliance with the Waste (Scotland) Regulations 2012 through our waste procurement strategy and frameworks, and ensure that all contracts are developed around the requirements of specific legislation governing each commodity or service area.

Policy

Scotland Excel will continue to develop strategies for supporting local authority employment and workforce policies through our tenders, such as encouraging payment of the Living Wage and discouraging the use of Zero Hours contracts. We will also work to ensure our frameworks can accommodate other policies, for example by offering fairly traded or organic products.

We will continue to ensure our social care frameworks are developed around the delivery of national policy outcomes such as GIRFEC and Keys to Life. We will monitor the progress of the Review of Procurement in Construction, working with the Scottish Futures Trust (SFT) and partners to determine how our collaborative contracts can support the implementation of its recommendations.

Local economic impact

Scotland Excel will continue to encourage participation by local companies in our tender opportunities. We will strengthen our partnership with the Supplier Development Programme (SDP) to reach a wide audience and realise the benefits of a joint approach. We will engage with industry bodies, such as the Federation of Small Businesses (FSB) and Chambers of Commerce, to identify opportunities to improve access for SMEs.

We will continue to attend and host supplier events, train suppliers on our e-procurement platforms, and monitor the impact of these activities on tender participation and success. Following a pilot with Comhairle nan Eilean Siar, we will develop a model for engaging directly with local suppliers in partnership with council procurement and economic development teams.

We will continue to embed community benefits in all tenders to deliver additional social value for councils. We will monitor and report on local impact generated by our contracts – both in terms of spend with local suppliers and community benefits

delivered – to inform local authorities of the full value of collaborative procurement to their area.

Environment

Scotland Excel will continue to implement the waste procurement strategy and develop frameworks which support local authority compliance with legislation, climate change targets, and efforts to recover value from waste. We will continue to consider environmental impact within all our procurement strategies, ensuring that they incorporate actions to minimise carbon footprint and support recycling where possible.

Best practice

Scotland Excel will develop plans to support local authorities with duties arising from the new procurement regulations, and will work with partners and customers to develop tools and guidance to support sustainable procurement. We will develop and implement a process for monitoring, reviewing and reporting on macro-environmental factors affecting public procurement, sharing this intelligence with local authorities, and providing appropriate guidance.

Goal2: Outcomes supported	
Our services support the effective and efficient delivery of public services	Our services support the implementation of national and local policy priorities
Our expertise supports continuous improvement in procurement performance	Our services help to deliver positive and sustainable outcomes for communities and service users
Our people, policies, processes and technology optimise our value	Our customers are satisfied with our services and achieve a measurable return on their investment

Goal 3: Placing customers at the heart of our business

Strategic objectives	
3.1	Work with customers to develop and implement bespoke plans for maximising the value of our services
3.2	Develop robust communications strategies which support customer engagement and position Scotland Excel and its customers as leaders in public procurement / shared services
3.3	Represent the views and needs of customers in the wider stakeholder environment

As a membership organisation that supports collaboration across the local government sector, engaging with stakeholders has always been at the heart of what we do.

Our contracts portfolio has been developed in consultation with local authority procurement teams and service specialists. Our award-winning learning and development programme has been designed around training needs identified at annual Procurement Capability Assessments. And our efforts to build a local government procurement community have provided a platform for practitioners to share their experience and learn from each other as they face the challenges of procurement reform.

Over the past seven years, we have built good relationships with customers in local procurement teams and in a number of service areas. Indeed, recent focus group research has told us that our customers recognise the commitment of our staff and believe that we are professional, friendly and helpful. But they also told us that this is not always reflected in our policies, processes and systems, and we can make it difficult for them to engage with us. Their experience as customers of Scotland Excel is not as consistent, or as positive, as it should be.

We also lack visibility within local authorities beyond our key customer contacts. Although we have made significant efforts to engage Chief Executives and Senior Management Teams with the benefits of procurement reform, have we done enough to convince them of the benefits of Scotland Excel? It is a similar story with Elected Members who want to know more about what we are doing for their councils and how we are supporting their communities.

As our influence extends into new service areas, so our stakeholder map grows more complex. We must now look beyond local authorities and consider how we work with other public, private and third sector partners. We need to establish trust so that they understand how procurement can help them deliver policies and outcomes in what may seem, at first glance, to be areas far removed from our remit. As the delivery of public services becomes more integrated, and local solutions take

precedence, developing and strengthening our partnerships grows ever more important.

Over the next three years, as we seek to extend our services and ensure the sustainability of our organisation, we must also look for new opportunities to provide services to our members, partners and associates. To do this successfully, we need to ensure that our value propositions are clear, our funding and reinvestment models transparent, and that we market Scotland Excel and our services robustly in an increasingly competitive market.

In this new strategy, we are thinking bigger than ever before. Where stakeholder engagement may once have been seen as a facilitator, it must now become an inherent part of our culture. Our plans must consider the interests of a much wider customer and stakeholder landscape, and all our services and activities must add value for each individual group.

To do this effectively, we need to place a greater focus on resourcing our account management, communications and customer service teams, and ensure that we invest in the systems and processes that support them. Our engagement, relationship management and communications activities will now be brought together into a cohesive strategy which will ensure we meet the expectations of all our customers and stakeholders.

Our commitments

Account management

Feedback from local authority procurement leads has identified an opportunity to transform the services provided by our account management team and increase their value to councils. We will develop a new approach to these services based around a bespoke development plan created and agreed with each council to reflect their specific requirements.

We will increase our contract mobilisation efforts and support local authority procurement teams with engaging their colleagues within councils. We will facilitate their participation throughout the collaborative procurement process, and provide more detailed insight into all aspects of contract performance including spend, savings, supplier management and community benefits.

The account management team will continue to act as the customer champion within Scotland Excel and in the wider public sector landscape. They will help to support local authority influence on decisions at a national level in Category A contracts and procurement reform. As an integral part of the local government

procurement community, the team will engage across all our service areas to ensure we are meeting their needs.

Customer experience

We will review the processes and activities that underpin engagement with all our services to ensure that when we interact with customers they receive a first class experience. In particular, we will look at how we liaise with customers and deliver information during each stage of the Procurement Journey, the process used to develop and manage contracts.

In August 2014, we held focus groups with a cross-section of local authority representatives, from which we developed a customer experience map highlighting gaps and inconsistencies in how we interact with customers. The map shows an over-reliance on a single communications channel (email) which may not always be the most convenient way for customers to access information or contact us.

Acting on these findings, we will develop new customer service protocols, systems and processes which make it easier for customers to collaborate effectively during contract development, and facilitate access to information about contracts once they are in place. This will also improve our own efficiency by ensuring that information always reaches the right people at right time.

Communications

Scotland Excel will continue to raise its profile in the wider world. We will develop a rolling communications plan to promote how we work with councils to support public services and improve outcomes for those who use them. We will also continue to highlight examples of the social, economic and environmental benefits that are delivered to communities through our contracts.

Our communications will seek to enhance and protect our corporate reputation, ensuring that our expertise is recognised by key stakeholders across the many aspects of public services we support. A refreshed website and quarterly customer magazine will be our key platforms for delivering communications, supported by a programme of media activity, events, publications and engagement initiatives.

Business development

Scotland Excel will develop and implement a refreshed strategy and plan for recruiting and managing associate members. This will ensure that we are maximising the value of their membership while securing an appropriate reward for our services that can be reinvested for the benefit of all customers. Additional

spend by associate members on contracts can also leverage better pricing and rebates for all members.

In tandem with this, we will seek opportunities to develop and market new services to meet the demands of our customers and provide them with greater flexibility and choice. Opportunities identified as part of an initial scoping exercise include rebate management, bespoke contract development, change consultancy, and enhanced training and skills development services.

Wider engagement

Scotland Excel will continue to champion the views of local government in national programmes and initiatives relating to procurement, particularly during the third phase of the National Procurement Reform Programme. We will liaise with partners in the Scottish Government and other Centres of Expertise to ensure that this programme delivers benefits for local government.

We will continue to engage with the Scottish Government, Social Work Scotland and third sector provider representatives such as Scottish Care and the Coalition of Care and Support Providers Scotland (CCPS) to improve outcomes for local authority service users. We will work closely with NHS National Shared Services to provide procurement and commissioning support as plans for health and social care integration progress at a national and local level.

We will develop a programme for engaging with other organisations involved in the delivery or transformation of public services to ensure that they are aware of the value we can bring to their projects. Partners include the Scottish Futures Trust (SFT), the Society of Chief Officers of Transportation in Scotland (SCOTS), Zero Waste Scotland and the Improvement Service, all of which we have successfully worked with in the past. We will also seek to develop new partnerships where we can represent the interest of, or secure benefit for, our members.

Goal3: Outcomes supported	
Our customers receive relevant communication and support	Our people, policies, processes and technology optimise our value
Our reputation demonstrates the value of collaboration	Our customers are satisfied with our services and achieve a measurable return on their investment

Goal 4: Becoming the partner of choice for delivering shared services

Strategic objectives	
4.1	Implement organisational development policies which support a highly skilled, motivated and engaged workforce
4.2	Implement best practice processes and technology which support the efficient and effective delivery of services to customers
4.3	Implement robust strategies, governance, risk management and funding models which demonstrate a measurable return on investment and secure Scotland Excel's future

The local authority sector is changing. Delivery models which would have been unheard of a few years ago are now being considered. As the sector's largest shared service, Scotland Excel is keen to help our local authority customers achieve the efficiencies that will mitigate the impact of declining budgets and enable them to meet demand for better public services.

Our goal is to be the 'partner of choice' for delivering shared services to our sector. To achieve this, it is imperative that our customers value the services they receive now, and are confident that we can deliver more. Scotland Excel undoubtedly has expertise in public procurement but, at a fundamental level, our business is about facilitating collaboration and supporting change across the sector. The success of our learning and development and capability initiatives demonstrates that we can deliver value in other areas.

As a service organisation, our current and future success is dependent on our people. In addition to procurement professionals, we employ a team of highly skilled business professionals across a range of disciplines including data management, ICT, business analysis, project management, learning and development, and marketing and communications. These staff have supported our business over the last seven years, and their skills and experience can also be used to deliver new shared services to customers.

To achieve our aims, every single staff member must be at the top of their game, and we need to continue to attract the very best people to our organisation. We need to ensure that they have the technology they need to deliver the best services to customers. Our governance, policies and processes must be robust, empowering and fit for purpose, and we must have a clear methodology for identifying and managing risk.

Our customers tell us they want us to be agile and adaptable to deliver other services. We cannot do all of this within existing budgets, so we need to develop a new sustainable funding and delivery model that enables us to grow to meet

demands for additional services, while protecting the quality of our core services. Customers must have clear understanding of the services they will receive in return for their fees, and the cost of additional support that is available through other optional services.

Our commitments

Organisational development

Scotland Excel will create an organisational development strategy to ensure that we can attract, retain, develop and engage our people. We will implement rolling workforce forecasts and plans to ensure that, as we grow, we always have the right mix of people and skills to deliver the goals of our corporate strategy and the commitments within our operational plans.

The job market for public procurement professionals remains highly competitive, with a limited pool of experienced staff and growing demand. As the Centre of Expertise, we want to be able to attract the best people and help them to hone their skills and develop a fulfilling career that benefits our sector, whether they remain with us or move to posts within local authority procurement teams.

To achieve this, we will review our recruitment strategy to enhance our employer profile and streamline our application process to ensure that potential candidates receive a first class experience of the organisation from moment they get in touch. We will continue our efforts to attract and develop new talent to the profession through graduate traineeships, internships and modern apprenticeships.

We will also review all aspects of employee performance and development, including job descriptions and competency frameworks (behavioural and technical), to construct fair and consistent methods of measuring performance and reward. We will increase investment in staff training and development, and shape potential career paths for all posts. The Senior Management Team will meet regularly to review all workforce matters including resourcing, recruitment, staff development and succession planning.

Scotland Excel will continue to nurture a positive corporate culture through staff engagement. All staff have been involved in developing new core values to ensure that every member of our team has ownership for creating the culture we want for our organisation. We will be professional in our approach, courageous in our decisions, respectful of others, and we will demonstrate integrity in everything we do. Our Staff Engagement Group, whose members represent teams across the organisation, will continue to lead on activities to support our values and culture.

Efficiency and technology

In December 2014, Scotland Excel established a transformation programme to support growth and underpin the delivery of our three year corporate strategy. The programme consists of six project areas - funding, leading change, stakeholder engagement, organisational development, business intelligence, and governance, policy and process. Project objectives are embedded throughout this strategy, and we will continue to manage change through the programme to ensure that they are met.

Scotland Excel will embrace technologies which match the business needs and development priorities of the organisation. We will implement a programme of ICT systems development to meet the commitments of our three year strategy and operational plans, and support the delivery of our transformation programme.

We will establish an ICT infrastructure that supports organisational flexibility and growth, increases organisational efficiency, and improves engagement with our customers. Following a review of our ICT hosting arrangements with Renfrewshire Council, we have identified that significant benefits can be achieved by moving our systems to cloud based technologies. Plans are being developed to support the gradual migration of these systems over the next three years.

To embed a culture of continuous improvement, we will establish a Quality Assurance forum to undertake a rolling review of all business systems and processes to maximise efficiency and enable us to respond to changing demands. We will seek to identify best practice from business, industry and academic partners, and will benchmark against similar organisations to identify further opportunities for improvement.

Scotland Excel is proud of its Chartered Institute of Procurement and Supply (CIPS) accreditation and Investors in People (IiP) status, which demonstrate our commitment to excellence in our business activities. Over the next three years, we will work to retain these accreditations and evaluate routes for accrediting other key business areas.

Governance, risk and policy

Much has changed in the seven years since Scotland Excel's governance model was developed, and we must ensure that it still provides the optimum level of oversight for our organisation and our members. We will seek a model that enables us to operate flexibly and respond quickly, while providing sufficient scrutiny of our performance. We recognise the value of the support we receive from our governance committees, and will seek to engage with them more closely and ensure participation is a rewarding experience.

Effective risk management is one of the ways we can provide reassurance to our governance bodies. Scotland Excel has recently revisited its risk methodology to ensure it remains an effective tool for managing all strategic and operational risks, including those relating to each of our contracts. The top five risks will be considered each month by the Senior Management Team, and all risks will be reviewed in full and reported to governance bodies on quarterly basis.

Our approach to performance management and reporting will be reviewed to ensure that appropriate methods are in place to monitor activity and report progress for our operational plan. We will consider options for implementing a system to support performance management across the organisation and provide reports which give our governance bodies confidence that we meeting our objectives.

All of our policies will be reviewed and updated, and we will develop a rolling plan for ensuring they remain an appropriate and supportive framework for our business. In particular, we will review our procurement policies to reflect changes to the rules governing public procurement as a result of new EU directives and the introduction of the Procurement Reform (Scotland) Act 2014. We must ensure that compliance with the new rules is embedded in our policies, and that they facilitate effective and efficient procurement processes.

Business intelligence

Scotland Excel provides professional shared services based around our expertise. Procurement is no longer a 'back room' function; it is a strategic component in the development of effective and innovative public services. Data, information and knowledge is the currency of our organisation. We use a wide range of intelligence to develop our procurement strategies, including our own data captured through a Contract Information System (CIS) developed in 2010. This system also provides a suite of reports covering spend, savings, market trends, and contract and supplier performance.

But we have only just scratched the surface in how we capture, analyse, use and share our data. To maximise the value of the business intelligence that we gather in the course of our work, we will develop a knowledge management strategy covering all aspects of our activities – contracts, learning and development, best practice and more. This knowledge will be accessible to everyone within our organisation to support our business decisions.

As part of this strategy, we will seek to improve the reports we provide for customers to help them drive greater savings, increase their efficiency and manage risk. We will also assess their appetite for additional market and business intelligence and analysis services to help them develop their own procurement strategies and monitor their performance. Initial feedback has indicated an interest in this area,

and we will assess the scope for developing a sustainable delivery model to enable us to offer these services on a chargeable basis.

Funding and delivery

Our customers tell us that they want us to deliver more services without increasing our service fee. We understand this but it has been challenging to resource increasing demand for our services in recent years. We have focused our resources on delivering key priorities in procurement and reform, which has limited progress in other areas such as technology and communications. As we grow our business, it is imperative that all our business functions can gear up to support the delivery of our services.

We have explored a number of options and believe there is a solution to this dilemma through optional services that can be provided at an additional cost. We will clearly define which services are provided as part of the standard fee, and which services attract an additional charge. Examples of the latter include short term resourcing, consultancy and ‘procurement academy’ services – all areas of demand that customers have told us they would be willing to fund separately as and when required.

There are new areas of demand in procurement, for example ICT, so other funding streams must also be found. Our research suggests Scotland Excel frameworks deliver £1m of rebates per annum, and there is currently no sector-wide methodology for ensuring that rebate income is received and allocated appropriately within councils. We are proposing to take ownership of the rebate process to ensure every penny due from suppliers is paid. Our intention would be to retain a percentage of recovered monies and to return the remainder to councils.

It is clear from our engagement with local authorities that Scotland Excel is valued by the sector. We want to increase the value we bring to customers and, to achieve this, we need to ensure that our organisation is sustainable over the next three years. And we want to begin to plan how we can grow beyond this period, right up to the end of this decade and into the next. Every penny invested in Scotland Excel is money that is retained within the public sector to help protect essential frontline services through innovative procurement and shared service efficiencies.

Goal4: Outcomes supported	
Our people, policies, processes and technology optimise our value	Our customers are satisfied with our services and achieve a measurable return on their investment



Operating Plan

01 April 2015 – 31 March 2016

Introduction

Scotland Excel is the Centre of Procurement Expertise for the local government sector. Established in 2008, we have successfully delivered shared services for collaborative procurement, and have led initiatives to increase procurement capability across the sector through learning and development programmes, consultancy projects and the development of methodologies, tools and guidance to support good practice.

Our services aim to increase efficiency and ensure money is saved to protect front line public services. Our strategic approach to procurement has supported innovation in service delivery, helped to deliver national and local policies, and brought wider economic, environmental and social benefits to communities through sustainable procurement and supplier development.

We have now developed a new three year corporate strategy to underpin the next phase of growth for the organisation, and ensure our long term sustainability as a successful local government shared service. The strategy has been designed to meet current and future requirements of local authorities identified through extensive stakeholder engagement, consultation and research.

Our vision is to be the shared service partner of choice for the local government sector. We have developed a strategy map that will enable us to navigate a successful path towards this vision, by ensuring that everything we do delivers value to our customers and their communities. The map appears on page 3 of this document, and the full three year strategy is available to download from our website.

The strategy is based around four business goals which inform the direction of our objectives and activities:

- Supporting the delivery of better and more effective public services
- Being sustainable in everything we do
- Placing customers at the heart of our business
- Becoming the partner of choice for delivering shared services

This document is the first iteration of a rolling annual operating plan that records the high level activities and commitments we will deliver to achieve each of our four goals. It will be used to develop more detailed action plans and performance objectives for the organisation and employees. These will include agreed targets and KPIs against which we will measure progress against each year.

The operational plan will be reviewed and updated annually to reflect this progress against our commitments and respond to any changes in the external environment. We will also assess how well we have achieved the eight outcomes identified in the strategy map and take any action required to ensure our strategy remains on track.

Strategy Map

Vision

To be the shared service partner of choice for the Local Government sector

Mission

To deliver **effective** and **customer-orientated** shared services which support **collaborative, innovative** and **sustainable** public services, add **measurable value** for our customers, and bring **tangible benefits** for local communities and service users.

Values

Professional • Courageous • Respectful • Integrity

Outcomes

Our services support the effective and efficient delivery of public services	Our services support the implementation of national and local policy priorities	Our customers receive relevant communication and support	Our people, policies, processes and technology optimise our value
Our expertise supports continuous improvement in our sector's procurement performance	Our services help to deliver positive and sustainable outcomes for communities and service users	Our reputation demonstrates the value of collaboration	Our customers are satisfied with our services and achieve a measurable return on their investment

Goals

<p>1: Supporting the delivery of better and more effective public services</p> <p>Strategic objectives:</p> <p>1.1 Deliver a range of collaborative procurement and supplier development services which support customers at a strategic and operational level</p> <p>1.2 Deliver a range of shared services which support customers in the development of their professional, organisational and commercial capability</p> <p>1.3 Deliver a range of new shared services which support the effectiveness and efficiency of customer operations</p>	<p>2: Being sustainable in everything we do</p> <p>Strategic objectives:</p> <p>2.1 Work with stakeholders to develop procurement strategies which support the delivery of national and local policy priorities</p> <p>2.2 Deliver positive and measurable social, economic and environmental impact to local communities</p> <p>2.3 Lead and support customers in the development and implementation of best practice in sustainable procurement</p>	<p>3: Placing customers at the heart of our business</p> <p>Strategic objectives:</p> <p>3.1 Work with customers to develop and implement bespoke plans for maximising the value of our services</p> <p>3.2 Develop robust communications strategies which support customer engagement and position Scotland Excel and its customers as leaders in public procurement /shared services</p> <p>3.3 Represent the views and needs of customers in the wider stakeholder environment</p>	<p>4: Becoming the partner of choice for delivering shared services</p> <p>Strategic objectives:</p> <p>4.1 Implement organisational development policies which support a highly skilled, motivated and engaged workforce</p> <p>4.2 Implement best practice processes and technology which support the efficient and effective delivery of services to customers</p> <p>4.3 Implement robust strategies, governance, risk management and funding models which demonstrate a measurable return on investment to customers and secure Scotland Excel's future</p>
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Priorities for 2015-16

Summary of the key activities and commitments we have identified for this year:

<p>Goa1 1: Supporting the delivery of better and more effective public services</p> <ul style="list-style-type: none"> • Continue to implement the contract delivery plan agreed with local authorities to March 2016 • Agree future role for Scotland Excel in the management of the National Care Home Contract • Deliver methodology and system enhancements for the Contract and Supplier Management (CSM) programme • Deliver the Annual Supplier Excellence Awards and Supplier Development Event in June 2015 • Manage sector rollout of the national Procurement and Commercial Improvement Programme (PCIPs) • Implement a sustainable model for delivering change management services • Develop a model for a 'procurement academy' to support professional capability and capacity • Investigate new shared service offerings which provide further efficiencies for members 	<p>Goa1 2: Being sustainable in everything we do</p> <ul style="list-style-type: none"> • Support the implementation of new procurement regulations within Scotland Excel and across the sector • Develop plans with NHS National Services Scotland to meet procurement needs arising from health and social care integration • Continue to support national and local policy initiatives including workforce matters, ethical sourcing, health and nutrition and social care • Continue to deliver social value through collaborative frameworks and implement enhanced reporting of their local impact • Develop a model for working directly with councils to support local economic impact through collaborative frameworks • Ensure Scotland Excel's collaborative frameworks continue to support local government environmental duties and policies • Support councils with their sustainable procurement duties arising from new legislation
<p>Goa1 3: Placing customers at the heart of our business</p> <ul style="list-style-type: none"> • Implement a refreshed portfolio of personalised account management services for local authorities • Develop a stakeholder engagement strategy and plan that puts customers at the centre of all business activity • Specify systems and processes for managing customer relationships and enabling self service of information and support • Develop and implement a corporate communications strategy that enhances and protects our corporate reputation • Implement a new model for associate members which delivers mutual benefits for Scotland Excel and the membership base • Develop and strengthen relationships with a wide range of external stakeholders to represent and champion the views of our sector 	<p>Goa1 4: Becoming the partner of choice for delivering shared services</p> <ul style="list-style-type: none"> • Implement an organisational development strategy to support staff development, performance and engagement • Manage Scotland Excel's transformation programme to support the delivery of the corporate strategy and operational plans • Develop a rolling plan for reviewing and evaluating key business processes • Embark on a programme of ICT and systems development to support the delivery of the corporate strategy and operational plans • Review governance, risk management and policies to create a robust framework for delivering the organisation's activities • Develop a strategy for gathering, analysing and distributing business intelligence • Develop and implement a sustainable funding and delivery model for Scotland Excel

Goal 1: Supporting the delivery of better and more effective public services

Strategic objectives	
1.1	Deliver a range of collaborative procurement and supplier development services which support customers at a strategic and operational level
1.2	Deliver a range of shared services which support customers in the development of their professional, organisational and commercial capability
1.3	Deliver a range of new shared services which support the effectiveness and efficiency of customer operations

Activity	Commitment
(a) Develop and implement a contract plan aligned to the strategic priorities of member authorities	<ul style="list-style-type: none"> • Deliver a rolling schedule of new contract opportunities identified and agreed with local authority stakeholders • Ensure renewed contracts continue to focus on current strategic priorities • Develop and implement a flexible workforce model that allows the pursuit of emerging opportunities to expand the contract portfolio
(b) Develop and implement a strategy and plan for the delivery of contract and supplier management	<ul style="list-style-type: none"> • Review and enhance Scotland Excel's contract and supplier management (CSM) methodology to provide more detailed intelligence on contract and supplier performance • Develop and deliver enhancements to the technology which supports CSM to enhance reporting capabilities and improve efficiency • Deliver a rolling CSM survey and reporting schedule, aligned to the spend patterns and priority level of each contract, to measure contract and supplier performance
(c) Develop and implement a strategy and plan for improving supplier performance	<ul style="list-style-type: none"> • Deliver an integrated programme of supplier development activity as part of Scotland Excel's CSM model • Deliver the 2016 Scotland Excel Supplier Excellence Awards and development event • Identify and work with key suppliers within each category to explore the potential for developing long term partnerships which add value to the solutions they provide to councils
(d) Manage the rollout of a new national procurement capability assessment to the local government sector	<ul style="list-style-type: none"> • Develop and deliver an engagement programme to ensure that all local authorities are aware of, understand and are prepared for the new assessments • Identify and train a pool of Scotland Excel assessors to undertake the new assessments • Complete assessments for all 32 local authorities by May 2016

(e) Develop and implement a programme to lead and support the development of procurement and commercial capability	<ul style="list-style-type: none"> • Develop and implement a sustainable funding and resourcing model to support the ongoing delivery of procurement capability and change services to the sector, considering the use of external partners where appropriate • Develop and deliver a programme of procurement capability and change services, providing customers with a clear menu of inclusive and chargeable services • Deliver an annual conference which supports change and capability within the sector
(f) Develop and implement a 'procurement academy' to support professional capability and encourage new entrants to public procurement	<ul style="list-style-type: none"> • Develop and implement a strategy and model for the delivery of sector training needs, partnering with educational and professional institutes to deliver national/professional qualifications • Develop and implement a strategy to encourage and support new entrants to public procurement, including graduate trainees and modern apprentices • Develop and implement eLearning capability for the delivery of training, considering the use of external partners where appropriate
(g) Develop and implement a shared service offering for councils which meets their requirements in a changing public sector landscape	<ul style="list-style-type: none"> • Develop and implement a strategy for delivering additional shared services, aligned to customer needs, ensuring that each new service has a clear value proposition and can be delivered effectively and sustainably by Scotland Excel • Develop plans for reinvesting new streams of funding arising from the development of additional services to support the continuous growth of the organisation and infrastructure

Goal 2: Being sustainable in everything we do

Strategic objectives	
2.1	Work with stakeholders to develop procurement strategies which support the delivery of national and local policy priorities
2.2	Deliver positive and measurable social, economic and environmental impact to local communities
2.3	Lead and support customers in the development and implementation of best practice in sustainable procurement

Activity	Commitment
(a) Develop and implement strategies for responding to procurement and/or public sector legislation	<ul style="list-style-type: none"> Develop and implement plans and policies to support Scotland Excel and our customers in meeting duties arising from the introduction of new procurement legislation Develop and implement plans to mitigate risks and/or secure opportunities arising from the local planning aspects of the Community Empowerment Bill Develop and implement plans to mitigate risks and/or secure opportunities from health and social care integration arising from the Public Bodies (Joint Working) Act Continue to support councils with meeting their duties arising from the Waste (Scotland) Regulations through the development and delivery of waste services frameworks
(b) Ensure Scotland Excel's collaborative frameworks support local and national government policy priorities	<ul style="list-style-type: none"> Develop and implement guidance for including employment and workforce matters in collaborative tenders, (e.g. Living Wage, zero hours contracts) Shape markets to increase payment of the Living Wage across the Scotland Excel contract portfolio Identify and create guidance for other policy areas that can be supported through collaborative tenders, (e.g. fairly traded products, health and nutrition, organic produce) Continue to develop social care frameworks around national outcomes, (e.g. GIRFEC, Keys to Life) Develop and implement plans to mitigate risks and/or secure opportunities arising from the Construction Review
(c) Ensure Scotland Excel's collaborative frameworks support positive local economic outcomes	<ul style="list-style-type: none"> Develop and implement a plan to support participation by local companies in collaborative tenders, providing regular reports to councils on the economic impact delivered for their area Continue to incorporate community benefits in collaborative tenders to support employment, training and social inclusion at a local level Continue to develop Scotland Excel's community benefits tracking system and provide regular reports to local authorities on the impact in their local area

<p>(d) Ensure Scotland Excel's collaborative frameworks support local government environmental duties and policies</p>	<ul style="list-style-type: none"> • Continue to implement Scotland Excel's waste procurement strategy to support local authority compliance with climate change targets and efforts to recover value from waste • Develop and implement guidance for assessing and mitigating the environmental impact of collaborative contracts
<p>(e) Champion the development and dissemination of best practice in sustainable procurement</p>	<ul style="list-style-type: none"> • Develop and implement plans to support local authorities with meeting their sustainability duties arising from the introduction of new procurement legislation • Continue to work with partners to develop, deliver and promote tools and guidance which support sustainable procurement practices, (e.g. Flexible Framework) • Develop and implement a process for monitoring, reviewing and reporting on macro-environmental factors affecting public procurement, sharing intelligence and guidance with local authorities

Goal 1 3: Placing customers at the heart of our business

Strategic objectives	
3.1	Work with customers to develop and implement bespoke plans for maximising the value of our services
3.2	Develop robust communications strategies which support customer engagement and position Scotland Excel and its customers as leaders in public procurement / shared services
3.3	Represent the views and needs of customers in the wider stakeholder environment

Activity	Commitment
(a) Develop and implement a portfolio of account management services that meet the collective and individual needs of local authority customers	<ul style="list-style-type: none"> • Deliver a rolling programme of account management meetings, information and services in line with plans agreed and reviewed annually with each local authority • Identify, initiate and support engagement opportunities within local authorities to facilitate awareness, understanding and uptake of Scotland Excel services across council departments • Gather, analyse and report on customer intelligence to support Scotland Excel's business decisions and ensure services remain in line with customer requirements
(b) Develop and implement a stakeholder engagement strategy that support the delivery of first class customer experience across all of our services	<ul style="list-style-type: none"> • Develop and implement customer service principles for all aspects of our services, ensuring that they are embodied by all Scotland Excel staff • Specify and deliver a system/process for managing customer information/preferences, ensuring that all stakeholders receive relevant and timely communication/contact appropriate to their needs • Specify and deliver an online platform for managing collaboration with customers, increasing their visibility of all contract activities, facilitating interaction and enabling self-service • Specify and deliver a system/process for managing customer complaints, including regular analysis of data to identify common issues and eliminate root causes of dissatisfaction • Monitor customer feedback and satisfaction levels, identifying and responding to opportunities for improvement
(c) Develop and implement a corporate communications strategy that enhances and protects Scotland Excel's corporate reputation	<ul style="list-style-type: none"> • Deliver a rolling programme of campaigns, events and activities which market Scotland Excel's services and promote the impact of our work to a wide range of stakeholders • Maintain and enhance Scotland Excel's website as the primary source of accurate and up-to-date corporate news and information • Identify, monitor and manage all communications risks arising from Scotland Excel's collaborative contracts and/or other business activities

(d) Develop and implement a model for associate members which delivers clear business and financial benefits to Scotland Excel and the membership base	<ul style="list-style-type: none"> • Review the existing associate member model to segment the customer base and identify cost/value streams • Develop and market a segmented membership offering for existing associate members, with clear costs, benefits and transparency around contract usage • Develop and implement a strategy to identify and secure new associate members to increase contract spend, achieve better pricing/benefits for all members, and generate funding for reinvestment in Scotland Excel
(e) Develop and implement a programme for engaging with the wider public sector to ensure Scotland Excel has the right partnerships in place to support the needs of its customers	<ul style="list-style-type: none"> • Establish appropriate local authority forums to share information, reach consensus on sector views and secure a mandate to lead/influence on behalf of the sector where appropriate • Represent and champion the views and requirements of the sector within the Public Procurement Reform Programme, and strengthen positive working partnerships with other Centres of Procurement Expertise • Develop and maintain relationships with key national/local bodies or groups that can influence public policy, (e.g. COSLA, Improvement Service, Scottish Care, CCPS, FSB, Chambers of Commerce) • Develop relationships and build influence with key partners and representative bodies for public service areas supported by collaborative procurement, (e.g. SFT, SCOTS, Social Work Scotland, Zero Waste Scotland)

Goal1 4: Becoming the partner of choice for delivering shared services

Strategic objectives	
4.1	Implement organisational development policies which support a highly skilled, motivated and engaged workforce
4.2	Implement best practice processes and technology which support the efficient and effective delivery of services to customers
4.3	Implement robust strategies, governance, risk management and funding models which demonstrate a measurable return on investment and secure Scotland Excel's future

Activity	Commitment
(a) Develop and implement a strategy to support staff recruitment, retention, development, performance and engagement	<ul style="list-style-type: none"> Develop and implement rolling workforce forecasts and plans to ensure that Scotland Excel always has the right mix of people and skills to deliver its corporate strategy and operational plans Develop and implement a recruitment management strategy, including the implementation of a new careers microsite and effective candidate management processes Develop and implement an employee performance management policy and process which ensures that all job descriptions, competencies and behaviours are clearly aligned with Scotland Excel's vision, mission, values and plans Develop and implement employee development plans which are clearly aligned to identified corporate and personal training needs, offer a route to career progression, support staff retention and ensure effective succession planning Develop and implement an employee engagement and reward strategy to support staff motivation, retention, communication and wellbeing
(b) Develop and implement programmes to support the continuous improvement of business performance, systems and processes	<ul style="list-style-type: none"> Manage Scotland Excel's transformation programme to support the delivery of the 2015-18 corporate strategy and operational plans Develop and implement a programme of ICT and systems development to support the delivery of business activities identified in the 2015-18 corporate strategy, operational plans and the transformation programme Establish an information ICT infrastructure to support organisational flexibility and growth, and provide efficient and effective support for all technologies utilised Create a quality assurance forum and develop a rolling plan for reviewing and evaluating key business processes Continue to build relationships with academic, business and professional partners which support the development and sharing of innovation and best practice Retain Investors in People (IIP) and Chartered Institute of Procurement and Supply (CIPS) accreditation, and seek accreditation for other areas of the business as appropriate

(c) Ensure that Scotland Excel delivers its plans through effective governance, risk management and policies	<ul style="list-style-type: none"> • Review and update Scotland Excel's governance model to ensure that it provides the optimum level of oversight of the organisation's performance and business activities • Review and report on identified corporate and contract risks in line with Scotland Excel's risk management methodology and plan • Develop and implement a rolling plan for reviewing Scotland Excel's corporate policies to ensure they provide an appropriate and supportive framework for business activities and performance • Review Scotland Excel's performance monitoring and reporting procedures to facilitate the provision of regular reports on all aspects of business performance
(d) Develop and implement a strategy for gathering, analysing and distributing business intelligence within Scotland Excel and across the sector	<ul style="list-style-type: none"> • Complete a review of all internal and external data, information and intelligence sources used to make business decisions and/or support services to customers • Develop a plan for managing data, information and intelligence across the organisation, ensuring that all staff have access to the knowledge they require to deliver their goals • Develop a proposal for offering a business intelligence service to local authority customers, ensuring it has a clear value proposition and can be delivered effectively and sustainably by Scotland Excel
(e) Develop and implement a clear, transparent and sustainable funding and delivery model for Scotland Excel	<ul style="list-style-type: none"> • Develop and implement a transparent funding model, based around core and chargeable services, to finance the organisation between 2015 and 2018 • Review Scotland Excel's business delivery model, ensuring that all fixed and operational costs return optimal efficiency and value for money • Develop and implement a model for securing and managing rebates from collaborative contracts on behalf of councils to support reinvestment in Scotland Excel's future growth • Complete ongoing reviews of the funding and business delivery models, incorporating costs and revenues from the launch of new shared services as appropriate

Measuring performance

To ensure that we are meeting our goals and objectives, and delivering the desired outcomes from our corporate strategy, we will use a range of indicators and measures to monitor our performance and report our progress. Specific KPIs and/or targets to ensure the delivery of our activities and commitments will be set within project, team and individual performance plans.

Outcome	Indicators of success
Our services support the effective and efficient delivery of public services	<ul style="list-style-type: none"> • Spend and savings statistics • Contract and supplier management scorecards • Contract development timeframes • Council contract participation rates • Innovation case studies
Our expertise supports continuous improvement in procurement performance	<ul style="list-style-type: none"> • Procurement capability scores • Learning and development participation statistics
Our services support the implementation of national and local policy priorities	<ul style="list-style-type: none"> • Contract performance statistics • Community benefits case studies • Stakeholder feedback
Our services help to deliver positive and sustainable outcomes for communities and service users	<ul style="list-style-type: none"> • Community benefits case studies • Local economic impact statistics • SME participation in collaborative frameworks
Our customers receive relevant communication and support	<ul style="list-style-type: none"> • Account management coverage • Customer satisfaction survey results • Web usage statistics
Our reputation demonstrates the value of collaboration	<ul style="list-style-type: none"> • Media articles published • Invitations to speak at events and conferences • Web usage statistics
Our people, policies, processes and technology optimise our value	<ul style="list-style-type: none"> • Skills and qualifications of staff • Staff engagement survey results • ICT/process efficiencies • Customer satisfaction survey results • Professional accreditations
Our customers are satisfied with our services and achieve a measurable return on their investment	<ul style="list-style-type: none"> • Customer satisfaction survey results • Spend and savings statistics • Local economic impact statistics