Scotland Excel

To: **Executive Sub-Committee**

On: **9 December 2022**

Report by:
Chief Executive of Scotland Excel

Operating Plan Update 2022-23

1. Summary

1.1 In June 2018, Scotland Excel's Joint Committee approved a new five-year corporate strategy supported by annual operating plans.

1.2 In December 2021, the Joint Committee approved a new operating plan which covers the period from 01 April 2021 to 31 March 2023.

1.3 Reports are issued quarterly to track progress made towards the delivery of the commitments contained within the operating plan. This paper presents the most recent report which covers operating plan activity for the six-month period to 30 September 2022.

2. Progress since September

2.1 As of the end of September 2022, thirty-two operating plan commitments were progressing in line with plans and are indicated as green within the report.

2.2 One commitment is indicated as amber within the report. This relates to the launch of a procurement assessment and improvement service for housing associations which has been delayed by the Scottish Government.

2.4 The commitment to roll out a competitor analysis model is indicated as white within the report, as this is currently scheduled for delivery towards the end of the financial year.

2.5 The next quarterly report, covering the period from 01 October to 31 December 2022, will be published in January. Some key activities that have taken place during this period are noted below by way of an interim update for the Joint Committee.

2.6 As a result of its submission to the Scottish Parliament's 'Call for Views' on the National Care Service (Scotland) Bill, Scotland Excel was invited to give

evidence to the Health, Social Care & Sport Committee on 29 November. Scotland Excel's attended the National Care Service Forum meeting on 03 October, and is taking part in the Adult Social Care Working Group on Ethical Commissioning.

2.7 Scotland Excel held an online webinar in partnership with the Scottish Government and the Competition & Market's Authority (CMA) on 10 October which explored how serious organised crime groups and illegal anti-competitive practices can affect public procurement. The webinar attracted around 200 delegates and acted as a launch event for Scotland Excel's new online learning programme focusing on the involvement of serious and organised crime groups in procurement which began in November.

2.8 Scotland Excel had a successful evening at the GO Awards for Excellence in Public Procurement on 27 October, with wins in two categories. The energy efficiency contractors (EEC) framework won the Collaborative Procurement Initiative Award, and the recent project to improve local capability and economic growth through community wealth-building was the winner of the Supply Chain Diversity Award. This project has also been short-listed for the Scottish Public Services Awards in December.

2.9 Scotland Excel has initiated a programme to identify additional savings opportunities available to councils through optimising their use of frameworks and other commercial approaches. This programme responds to the financial challenges facing local government and will form a core part of our new corporate strategy for 2023-28.

3. **Recommendations**

3.1 The members of the Joint Committee are invited to note Scotland Excel's progress in delivering the commitments contained within the Operating Plan 2022-23.

4. **Background**

4.1 Progress reports are produced quarterly to track Scotland Excel's activity against operating plan commitments. Reports are produced at the end of each quarter and submitted to Executive Sub-Committee meetings. The most recent quarterly report is also submitted to Joint Committee meetings with recent updates noted.

4.2 The reports summarise the progress made against operating plan commitments and uses a 'traffic light' symbol to provide a guide to the status of each activity. This guide has been revised to include symbols to indicate

projects or activities which have not yet started, and projects or activities which have been completed:

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

2021 – 2022

Q2 Progress Report

Goal 1: Shaping the delivery of innovative public services

Strategic Objective	Commitment	RAG status	Progress summary
1.1 Deliver a programme of collaborative procurement to support early intervention and the delivery of public services	• Continue to engage with local authority and cross-sector partners to identify and deliver on collaborative procurement and supply chain opportunities	G	• Scotland Excel is continuing to participate in cross-sectoral initiatives including the Scottish Government-led 'Plan for the Future' procurement programme and the cross-sector Supply Chain Development Programme.
	• Continue to monitor, report on and, where possible, mitigate the impact of supply chain disruptions arising from the Covid-19 pandemic and Brexit	G	• Quarterly reports are being issued to stakeholders to keep them informed of supply chain disruptions, market trends, and mitigating actions being taken by Scotland Excel. These reports have been very favourably received and will continue to be issued during 2023.
	• Continue to drive the development of the next generation National Care Home Contract (NCHC) incorporating the use of the NCHC Cost Model © to support the delivery of affordable and sustainable social care services	G	• A collaborative re-design process for the National Care Home Contract (NCHC) is progressing with representatives from key stakeholder groups including the public sector, care providers, care workers and care service users. The redesign incorporates the Independent Adult Social Care Review recommendations, and considers all new guidance and proposed legislation.
	• Develop a strategy for the next generation new build residential framework which incorporates learnings from the current framework and findings from stakeholder engagement meetings	G	• Work to develop this strategy is progressing well, and significant engagement has taken place to ensure that the next generation framework is structured to meet the needs of stakeholders. Net zero considerations and construction skills development opportunities will be central to the development of the new strategy, and recognises changes in capital borrowing costs, inflation and construction industry costs.

	• Continue to deliver a portfolio of accredited Academy programmes based on member and wider public sector requirements	G	• The Scotland Excel Academy is continuing to deliver accredited programmes in procurement, leadership & management, project management, and business analysis and innovation. In response to member feedback, the Academy is exploring the potential to develop SQA-accredited qualifications in procurement and management which would provide cost-effective alternatives to those currently offered by professional bodies.
1.2 Deliver programmes which lead and develop professional, organisational and commercial capability	• Develop and deliver programmes of free and/or low-cost online workshops and events which support practitioner skills and best practice	G	• In the first nine months of operation, the Scotland Excel Academy delivered 23 courses to 215 delegates as part of the Scottish Government's procurement training framework. These low-cost courses are proving popular with procurement practitioners and complement the programme of free 'Stay Connected' courses delivered by Scotland Excel.
	• Develop and deliver bespoke chargeable Academy programmes requested by councils, associate members or other partners	G	• Bespoke Academy programmes are being provided for Dumfries & Galloway Council, Highland Council, five NHS health boards, and the Scottish Government.
	• Continue to deliver chargeable consultancy and transformation programmes requested by councils, associate members or other partners	G	• Chargeable consultancy projects are currently being delivered for a range of organisations including councils, the Improvement Service, the Scottish Government and the Northern Ireland Department of Health. All programmes and projects are progressing well.
	• Continue to develop and grow Scotland Excel's flexible procurement service to provide chargeable support which increases the capacity and/or capability of councils, associate members and other partners	G	• Councils and organisations using Scotland Excel's flexible procurement services include Angus, Dumfries & Galloway, Dundee City and South Lanarkshire Councils, City Property, and Cairn Housing Association. A recent marketing campaign has generated further interest and discussions are ongoing with a number of other members.

1.3 Harness the potential of digital technology and data insight to support the delivery of public services	• Continue to develop Scotland Excel's ICT procurement category, providing procurement services for the Digital Office for Scottish Local Government and other partners to accelerate a collaborative approach to the adoption of digital technologies	G	• Scotland Excel is continuing its procurement project for a national shared digital Alarm Receiving Centre (ARC). A collaborative procurement opportunity for Microsoft Office 365 is being progressed in partnership with the Digital Office for Scottish Local Government and Crown Commercial Services.
1.4 Use our insight and experience to shape policy and meet the challenges of future public service delivery	• Continue to work with the Scottish Government and other partners to support the development and/or delivery of national policy objectives across the Scotland Excel portfolio	G	• Scotland Excel continues to work with the Scottish Government and cross-sector partners across a wide range of policy areas including food, energy efficiency, education and care. In September, Scotland Excel participated in a conference hosted by the Scottish Government which explored the current and future hydrogen energy landscape in Scotland.

Goa1 2: Being sustainable in everything we do

Strategic Objective	Commitment	RAG status	Progress summary
2.1 Deliver positive and measurable social value through our contracts and services	• Continue to champion Fair Work principles as part of framework development and contract management, including payment of the Real Living Wage	G	• As detailed within Scotland Excel's recently published Annual Procurement report, 86% of suppliers across 70+ frameworks are paying the Real Living Wage. A further 4% have committed to doing so within two years.
	• Continue to develop and deliver community benefit and supply chain initiatives which enable members to achieve direct benefits for their areas	G	• Scotland Excel has revised its approach to gathering and managing community benefits data to provide better visibility to members of the benefits due to them when they reach a threshold spend with suppliers. The new process will be rolled out from Q3.
2.2 Deliver positive and measurable local economic impact through SME and third sector participation in our contracts	• Continue to engage with SME, supported business and other third sector organisations to encourage their participation in public procurement, working with partners such as the Supplier Development Programme (SDP) and Chambers of Commerce	G	• Scotland Excel held a supplier event with Dundee City Council in August to promote participation in the upcoming property maintenance and refurbishment framework. This was followed by an online event in the same topic later in the month. Scotland Excel exhibited at the Supplier Development Programme's 'Meet the Buyer North' event which took place in Elgin in September.
	• Continue to develop and deliver supply chain opportunities for SME, supported business and other third sector organisations to participate in public procurement, including joint initiatives with partners such as Scottish Enterprise	G	• Scotland Excel is continuing to work with Scottish Enterprise on initiatives to identify public sector supply chain opportunities for Scottish businesses and organisations. A supply chain opportunity is currently being explored which has the potential to increase Scottish chicken production.
2.3 Deliver positive and measurable environmental benefits through our contracts	• Refresh Scotland Excel's sustainable procurement strategy to ensure that frameworks and other business activities maximise opportunities to support carbon reduction	G	• Scotland Excel is continuing to work on a net zero strategy which considers carbon reduction opportunities arising from our procurement activities. The strategy will be published in the new year.

	• Promote member usage of the next generation energy efficiency contractors (EEC) and electric vehicle charging infrastructure (EVCI) frameworks to help members work towards their net-zero targets	G	• Following high-profile awareness events in May and June, Scotland Excel has met with stakeholders from councils and housing associations to promote uptake of the energy efficiency contractors (EEC) and electric vehicle charging infrastructure (EVCI) frameworks. One council has confirmed an EEC award of £1m, and other awards are in the pipeline.
2.4 Lead and develop sustainable procurement knowledge and practice	• Continue to explore the development of progressive, sustainable learning pathways, working with educational and/or cross-sector partners to address skills gaps, support career development, and attract new entrants to procurement	G	• Scotland Excel continues to co-chair the Scottish Government's Public Procurement Development Forum which is exploring a range of initiatives including procurement skills development, alternative professional qualifications and pathways, and Graduate Apprenticeships.

Goal 3: Placing people at the heart of our business

Strategic Objective	Commitment	RAG status	Progress summary
3.1 Ensure our customers continue to receive maximum value from our services	• Continue to deliver Scotland Excel's account management services to demonstrate value to members and support a positive customer experience	G	• Scotland Excel's Project and Account Managers continue to provide support to council procurement teams including quarterly business reviews, change projects, and workshops.
	• Continue to develop and deliver stakeholder engagement plans to assess member satisfaction and identify key priorities for Scotland Excel's new five-year strategy	G	• A comprehensive stakeholder engagement plan was implemented to support the development of the new corporate strategy, and included consultation with elected members, chief executives, finance directors, corporate procurement managers, and Scotland Excel staff.
3.2 Engage stakeholders in the delivery of effective local solutions	• Continue to develop and deliver initiatives to help members implement a progressive procurement approach which supports their community wealth-building plans	G	• Following completion of a community wealth-building (CWB) pilot programme, Scotland Excel is continuing to engage and support councils with their CWB projects. A toolkit is available to all members on the Scotland Excel Academy website.
	• Continue to engage directly with stakeholders, partners and service users to ensure that Scotland Excel's social care contracts meet the needs of all care groups, and align with national policy	G	• A wide range of stakeholders are contributing to the development of the new National Care Home Contract (NCHC) project. The recently awarded children's residential care framework was developed in consultation with stakeholders to ensure it reflected policy direction while allowing for more streamlined processes.
3.3 Represent the collective views of stakeholders at a national level	• Continue to represent the views of members, customers and communities within appropriate national and/or cross-sector fora and working groups	G	• Scotland Excel is continuing to represent the local government sector within a wide range of national initiatives, including engaging with Scottish Government on the outcomes of their local food consultation.
	• Monitor the progress of National Care Service (NCS) proposals and continue to champion Scotland Excel's delivery of national care arrangements that support local, person-centred commissioning	G	• Scotland Excel responded to a 'Call for Views' on the National Care Service (Scotland) Bill in September, and is a member of the NCS Key Stakeholder Reference Group and NCS Stakeholder Register.

3.4 Implement policies which develop, empower, value and engage our workforce	• Continue to implement Scotland Excel's organisational development strategy and Investors in People (IiP) action plan	G	• Following the award of Gold Standard Investors in People (IiP) accreditation in June, Scotland Excel is continuing to implement a new people strategy for organisational development. This includes a new approach to personal development and performance management which will be rolled out in Q3. The first in-person event for all Scotland Excel staff since the beginning of the pandemic was held in September 2022.
	• Develop and implement a refreshed recruitment and retention strategy to mitigate the impact of skills shortages and/or changing attitudes in the workforce	G	• Scotland Excel's 8 graduate trainees are now all in post following a recruitment exercise earlier in the year. The graduate programme responds to a challenging job market for experienced public procurement practitioners, and aims to fast-track new talent to the profession.

Goal 4: Delivering sustainable and scalable growth

Strategic Objective	Commitment	RAG status	Progress summary
4.1 Implement a new governance model which supports scalable business growth	• Continue to deliver Scotland Excel's approved funding model, including income from rebates, projects, Academy programmes and associate membership, and provide regular reports to the governance committees	G	• Organisational expenditure and income continue to be monitored closely, and reports are presented to the executive sub-committee on a regular basis.
4.2 Continue to maintain a robust business infrastructure to support our growth ambitions	• Continue to develop a robust business environment and infrastructure that securely and effectively supports Scotland Excel's hybrid working model	G	• Scotland Excel staff are now regularly working from the office as well as at home. All office desks have been fitted with universal docking stations, and meetings rooms have systems to facilitate hybrid meetings. An employee desk booking system will be implemented during Q3.
	• Continue to develop Scotland Excel's digital technology capability, harnessing data assets and emerging technology to benefit staff and customers	G	• Work is continuing to review Scotland Excel's data gathering and management processes in preparation for developing plans to enhance the organisation's ICT, data analysis and reporting capabilities.
4.3 Use our knowledge and insight to identify new services and/or sectors which provide growth opportunities	• Roll out a competitor analysis model across the organisation to support the successful delivery of new and existing business opportunities	W	• Plans to review and roll out Scotland Excel's competitor analysis model will be developed in Q3.
	• Continue to grow and develop Scotland Excel's associate membership programme to maximise benefits for the organisation and members	G	• Eight new associate members were approved during Q2, with a total annual income of £10,405. This brings the overall number of new members this financial year to 16, generating an annual income of almost £15k.
	• Deliver a second tranche of Procurement & Commercial Improvement Programme assessments for housing associations, highlighting the community value of enhanced procurement practices and collaboration	A	• The Scottish Government has delayed the launch of a Procurement & Commercial Improvement Programme for housing associations. Scotland Excel is ready to launch this service to the market as and when an announcement is made.

4.4 Explore opportunities to work with partners on the development and delivery of new business opportunities	• Continue to develop and implement effective marketing and communications plans to promote Scotland Excel through traditional and social media in support of financial, policy and public affairs goals	G	• Q2 activity has included a direct mail campaign and marketing materials to promote Scotland Excel's flexible procurement service, support for the organisation's response to the parliamentary 'call for views' in respect of the National Care Service (Scotland) Bill, award entries, and a Climate Week social media campaign.
	• Continue to explore and develop partnership opportunities with organisations such as Crown Commercial Services (CCS), Scottish Enterprise, Built Environment- Smarter Transformation(BE-ST), and Zero Waste Scotland (ZWS) which support the delivery of business and policy objectives	G	• Scotland Excel has been assisting Crown Commercial Services with the development of their first food framework. Work is continuing with Built Environment- Smarter Transformation (formerly the Construction Scotland Innovation Centre) and Zero Waste Scotland to inform the development of the next generation of the new build residential framework.

Report Key

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