

## **Scotland Excel**

**To: Executive Sub-Committee**

**On: 17 February 2023**

**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 to 31 December 2022.

#### **2. Progress since September**






- 2.1 As of the end of December 2022, thirty-one operating plan commitments were progressing in line with plans and are indicated as green within the report.
- 2.2 Two commitments are progressing slower than anticipated, and as such they are indicated as amber within the report.
- 2.3 One commitment is indicated as white within the report. This relates to the roll out a competitor analysis model scheduled for delivery towards the end of the financial year. This activity has now been incorporated into Scotland Excel's value project, and work will commence in Q4.

#### **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:

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













# Operating Plan

2022 – 2023

Q3 Progress Report






## Goa1 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	<ul style="list-style-type: none"> <li>Continue to engage with local authority and cross-sector partners to identify and deliver on collaborative procurement and supply chain opportunities</li> </ul>		<ul style="list-style-type: none"> <li>Scotland Excel is continuing to participate in cross-sectoral initiatives. As part of our involvement in the Scottish Government-led Supply Chain Development Programme, in December Scotland Excel coordinated a heat pumps demand planning session across the Scottish local authority and housing association network.</li> </ul>
	<ul style="list-style-type: none"> <li>Continue to monitor, report on and, where possible, mitigate the impact of supply chain disruptions arising from the Covid-19 pandemic and Brexit</li> </ul>		<ul style="list-style-type: none"> <li>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 will be issued quarterly during 2023, with the next edition due in January.</li> </ul>
	<ul style="list-style-type: none"> <li>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</li> </ul>		<ul style="list-style-type: none"> <li>Given difficult market conditions, coupled with winter pressures, the collaborative re-design process for the NCHC in conjunction with representatives from key stakeholder groups is progressing slower than anticipated. The steering group is looking at a number of areas including collaborative models of commissioning, and a review of the NCHC Cost Model © calculator.</li> </ul>
	<ul style="list-style-type: none"> <li>Develop a strategy for the next generation new build residential framework which incorporates learnings from the current framework and findings from stakeholder engagement meetings</li> </ul>		<ul style="list-style-type: none"> <li>Work to develop this strategy is continuing to progress. Net zero considerations and construction skills development will be central to the new strategy, which also recognises changes in capital borrowing costs, inflation and construction industry costs.</li> </ul>
1.2 Deliver programmes which lead and develop professional, organisational and commercial capability	<ul style="list-style-type: none"> <li>Continue to deliver a portfolio of accredited Academy programmes based on member and wider public sector requirements</li> </ul>		<ul style="list-style-type: none"> <li>The Scotland Excel Academy delivered five accredited programmes during Q3, and is continuing to explore the potential to develop SQA-accredited qualifications in procurement and management as more cost-effective alternatives to those currently offered by professional bodies.</li> </ul>

	<ul style="list-style-type: none"> <li>Develop and deliver programmes of free and/or low-cost online workshops and events which support practitioner skills and best practice</li> </ul>		<ul style="list-style-type: none"> <li>The Scotland Excel Academy delivered three open and eight closed courses as part of the Scottish Government's procurement training framework during Q3. Fourteen free 'Stay Connected' courses have been scheduled between February and June 2023.</li> </ul>
	<ul style="list-style-type: none"> <li>Develop and deliver bespoke chargeable Academy programmes requested by councils, associate members or other partners</li> </ul>		<ul style="list-style-type: none"> <li>Bespoke Academy programmes are being provided for Dumfries &amp; Galloway Council, Highland Council, five NHS health boards, and the Scottish Government.</li> </ul>
	<ul style="list-style-type: none"> <li>Continue to deliver chargeable consultancy and transformation programmes requested by councils, associate members or other partners</li> </ul>		<ul style="list-style-type: none"> <li>Chargeable consultancy projects are currently being delivered for five councils - Dumfries &amp; Galloway, Dundee City, East Renfrewshire, South Lanarkshire and Stirling. Scotland Excel has been commissioned by the Scottish Government to provide support for the development of a local heat and energy strategy. The scope of this work includes market engagement and other actions to advance the national Heat Network delivery plan.</li> </ul>
	<ul style="list-style-type: none"> <li>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</li> </ul>		<ul style="list-style-type: none"> <li>Scotland Excel's flexible procurement services are currently being used by Angus, Dumfries &amp; Galloway, Dundee City, Scottish Borders and South Lanarkshire Councils, City Property, Improvement Service and Cairn Housing Association. A marketing campaign targeting Arm's Length External Organisations (ALEOs) and partner organisations is planned for early 2023.</li> </ul>
1.3 Harness the potential of digital technology and data insight to support the delivery of public services	<ul style="list-style-type: none"> <li>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</li> </ul>		<ul style="list-style-type: none"> <li>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.</li> </ul>

<p>1.4 Use our insight and experience to shape policy and meet the challenges of future public service delivery</p>	<ul style="list-style-type: none"> <li>• 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</li> </ul>		<ul style="list-style-type: none"> <li>• Scotland Excel continues to work with the Scottish Government and cross-sector partners across a range of policy areas including food, energy efficiency, transport, education, care, and skills development. Following our response to the Scottish Government's local food consultation, Scotland Excel has been invited to join a cross-sector working group.</li> </ul>
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## 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	<ul style="list-style-type: none"> <li>Continue to champion Fair Work principles as part of framework development and contract management, including payment of the Real Living Wage</li> </ul>		<ul style="list-style-type: none"> <li>The number of Scotland Excel suppliers paying the Real Living Wage rose from 86% to 87% in December.</li> </ul>
	<ul style="list-style-type: none"> <li>Continue to develop and deliver community benefit and supply chain initiatives which enable members to achieve direct benefits for their areas</li> </ul>		<ul style="list-style-type: none"> <li>Scotland Excel has now implemented its revised approach to gathering and managing community benefits data. The new approach provides better visibility to members of the benefits due to them when they reach a threshold spend with suppliers.</li> </ul>
2.2 Deliver positive and measurable local economic impact through SME and third sector participation in our contracts	<ul style="list-style-type: none"> <li>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</li> </ul>		<ul style="list-style-type: none"> <li>Scotland Excel exhibited at the 'Meet the Buyer South' event on 04 October, and had a significant presence at Procurex on 27 October. Scotland Excel also presented a Supplier Development Programme (SDP) webinar on 5th October, and gave a presentation at a 'Meet The Buyer' event in Fife on 10 November.</li> </ul>
	<ul style="list-style-type: none"> <li>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</li> </ul>		<ul style="list-style-type: none"> <li>Scotland Excel is continuing to work with Scottish Enterprise on initiatives to identify public sector supply chain opportunities for Scottish businesses and organisations. Key areas being considered include energy, transport, food and digital.</li> </ul>
2.3 Deliver positive and measurable environmental benefits through our contracts	<ul style="list-style-type: none"> <li>Refresh Scotland Excel's sustainable procurement strategy to ensure that frameworks and other business activities maximise opportunities to support carbon reduction</li> </ul>		<ul style="list-style-type: none"> <li>Scotland Excel has completed a first draft of a net zero strategy which considers carbon reduction opportunities arising from our procurement activities. The strategy will be presented to the executive sub-committee in March 2023.</li> </ul>

	<ul style="list-style-type: none"> <li>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</li> </ul>		<ul style="list-style-type: none"> <li>Following high-profile awareness events in May and June, Scotland Excel is continuing to meet with stakeholders from councils and housing associations to promote uptake of the energy efficiency contractors (EEC) and electric vehicle charging infrastructure (EVCI) frameworks. Although the contract uptake has been slower than expected, there has been a steady increase in the number and value of projects being placed through the EEC framework, and enquiries are growing for EVCI.</li> </ul>
2.4 Lead and develop sustainable procurement knowledge and practice	<ul style="list-style-type: none"> <li>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</li> </ul>		<ul style="list-style-type: none"> <li>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.</li> </ul>











## Goa1 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	<ul style="list-style-type: none"> <li>Continue to deliver Scotland Excel's account management services to demonstrate value to members and support a positive customer experience</li> </ul>		<ul style="list-style-type: none"> <li>Scotland Excel's Project and Account Managers continue to provide support to council procurement teams. During Q3, Annual Value Reports detailing savings and benefits were produced for each council. A sector-level report has also been published.</li> </ul>
	<ul style="list-style-type: none"> <li>Continue to develop and deliver stakeholder engagement plans to assess member satisfaction and identify key priorities for Scotland Excel's new five-year strategy</li> </ul>		<ul style="list-style-type: none"> <li>A comprehensive stakeholder engagement plan was implemented to support the development of the new corporate strategy which was approved by the joint committee in December.</li> </ul>
3.2 Engage stakeholders in the delivery of effective local solutions	<ul style="list-style-type: none"> <li>Continue to develop and deliver initiatives to help members implement a progressive procurement approach which supports their community wealth-building plans</li> </ul>		<ul style="list-style-type: none"> <li>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.</li> </ul>
	<ul style="list-style-type: none"> <li>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</li> </ul>		<ul style="list-style-type: none"> <li>Scotland Excel continues to engage with a wide range of stakeholders across all social care contracts, including for the redesign of the national care home contract (NCHC).</li> </ul>
3.3 Represent the collective views of stakeholders at a national level	<ul style="list-style-type: none"> <li>Continue to represent the views of members, customers and communities within appropriate national and/or cross-sector fora and working groups</li> </ul>		<ul style="list-style-type: none"> <li>Scotland Excel is continuing to represent the local government sector across a range of national initiatives including working groups for local food, personal protective equipment sourcing, and a milk and healthy snacks scheme supporting maternal and child health.</li> </ul>
	<ul style="list-style-type: none"> <li>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</li> </ul>		<ul style="list-style-type: none"> <li>Scotland Excel gave evidence to the Health, Social Care &amp; Sport Committee on the National Care Service (Scotland) Bill in November. Scotland Excel also attended the National Care Service Forum meeting in October, and is taking part in the Adult Social Care Working Group on Ethical Commissioning.</li> </ul>

3.4 Implement policies which develop, empower, value and engage our workforce	<ul style="list-style-type: none"> <li>Continue to implement Scotland Excel's organisational development strategy and Investors in People (IiP) action plan</li> </ul>		<ul style="list-style-type: none"> <li>Following the award of Gold Standard Investors in People (IiP) accreditation in June, Scotland Excel is continuing to implement its people strategy for organisational development which includes a new approach to personal development and performance management. Five workshops were delivered on personal development planning in October and November.</li> </ul>
	<ul style="list-style-type: none"> <li>Develop and implement a refreshed recruitment and retention strategy to mitigate the impact of skills shortages and/or changing attitudes in the workforce</li> </ul>		<ul style="list-style-type: none"> <li>Scotland Excel's eight 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.</li> </ul>

## Goa1 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	<ul style="list-style-type: none"> <li>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</li> </ul>		<ul style="list-style-type: none"> <li>Organisational expenditure and income continue to be monitored closely, and reports are presented to the executive sub-committee on a regular basis. An operating budget for 2023-24 was approved by the joint committee in December.</li> </ul>
4.2 Continue to maintain a robust business infrastructure to support our growth ambitions	<ul style="list-style-type: none"> <li>Continue to develop a robust business environment and infrastructure that securely and effectively supports Scotland Excel's hybrid working model</li> </ul>		<ul style="list-style-type: none"> <li>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 a desk booking system will be operational from March 2023. A new cyber security module 'KnowB4' has been launched, with training tailored to staff knowledge and requirements.</li> </ul>
	<ul style="list-style-type: none"> <li>Continue to develop Scotland Excel's digital technology capability, harnessing data assets and emerging technology to benefit staff and customers</li> </ul>		<ul style="list-style-type: none"> <li>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.</li> </ul>
4.3 Use our knowledge and insight to identify new services and/or sectors which provide growth opportunities	<ul style="list-style-type: none"> <li>Roll out a competitor analysis model across the organisation to support the successful delivery of new and existing business opportunities</li> </ul>		<ul style="list-style-type: none"> <li>The roll out of a competitor analysis model has been incorporated into Scotland Excel's value project, and implementation will begin in Q4.</li> </ul>
	<ul style="list-style-type: none"> <li>Continue to grow and develop Scotland Excel's associate membership programme to maximise benefits for the organisation and members</li> </ul>		<ul style="list-style-type: none"> <li>Three new associate members were approved during Q2. This brings the overall number of new members this financial year to nineteen, with an annual income of almost £15k. All third sector suppliers on Scotland Excel frameworks have been contact with the opportunity to join Scotland Excel as associate members.</li> </ul>

	<ul style="list-style-type: none"> <li>• Deliver a second tranche of Procurement &amp; Commercial Improvement Programme assessments for housing associations, highlighting the community value of enhanced procurement practices and collaboration</li> </ul>		In November, the Scottish Government announced a requirement for housing associations to demonstrate their procurement capability as condition of affordable homes funding. Scotland Excel has launched a Continuous Improvement Programme for Procurement (CIPP) service to help them meet this requirement. Several meetings are in place for January 2023, and a full marketing campaign to promote this new service will be developed during Q4.
4.4 Explore opportunities to work with partners on the development and delivery of new business opportunities	<ul style="list-style-type: none"> <li>• 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</li> </ul>		<ul style="list-style-type: none"> <li>• During Q3, Scotland Excel's marketing and communications team have been focused on establishing a project to deliver Scotland Excel's Supplier Excellence Awards 2023. The programme will be launched in early January, and the awards ceremony will take place on 11 May 2023. Other activities this quarter have included press releases, an e-newsletter, social media, and a staff communications workshop.</li> </ul>
	<ul style="list-style-type: none"> <li>• 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</li> </ul>		<ul style="list-style-type: none"> <li>• Scotland Excel is continuing to work with a range of partners on initiatives which support the delivery of business and policy objectives. The importance and value of partnership working has been recognised within Scotland Excel's new corporate strategy.</li> </ul>

Report Key	
 W	Project 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
 G	Project or activity is progressing in line with expected/agreed timelines and results
 B	Project completed

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