

Scotland Excel

To: Joint Committee

On: 21 June 2024

**Report by:
Chief Executive of Scotland Excel**

Operating Plan Update 2023-24






1. Summary

- 1.1 In December 2022, Scotland Excel's Joint Committee approved a new five-year corporate strategy outlining the organisation's business goals and priorities from 2023-2028.
- 1.2 The strategy was developed around five corporate goals, agreed with stakeholders, which influence all aspects of Scotland Excel's work:
 - Journey towards a net zero Scotland.
 - Drive for efficiency to support the financial sustainability of local public service.
 - Community wellbeing with equal access to services, economic development, and fair work.
 - Resilient supply chains that maximise opportunities for Scottish businesses and the third sector.
 - Advancement of skills to deliver Scotland's economic transformation.
- 1.3 The strategy is supported by annual operating plans. A plan covering the period from 01 April 2023 to 31 March 2024 was also approved at December's Joint Committee meeting.
- 1.4 Since approval, further discussions with senior local authority stakeholders have indicated that one of the five corporate goals – the drive for efficiency to support the financial sustainability of local public service – should be prioritised during 2023-24 and for the foreseeable future. A dedicated team has been established to manage this work.
- 1.5 In December 2023, the Joint Committee agreed that a small number of actions from the 2023-24 operating plan would be rescheduled to form part of future operating plans. These actions are noted within the relevant progress summary information in the attached report.

- 1.6 This paper presents an update on activity that has taken place between 01 January and 31 March 2024, and is the final update report for the 2023-24 operating plan.
- 1.7 There are twenty-three actions are indicated as green within the report and represent projects and activities which are progressing in line with expected timelines and results. These activities form part of ongoing plans to deliver the corporate strategy and will continue as part of the 2024-25 operating plan.
- 1.8 Four actions are indicated as amber within the report due to extended timescales for delivery. Two actions – refreshed categories strategies and Real Living Wage reporting – have been impacted by changes to the organisational structure and will be completed in the coming months. The Procurement & Commercial Improvement Programme (PCIP) assessment programme was extended to May and has now been completed. Finally, work to develop options to reduce the organisation’s carbon footprint has been slower than anticipated due to a lack of benchmarking data.
- 1.9 One action is indicated as black within the report. Scotland Excel’s business intelligence strategy was approved by the Executive Sub-Committee in February.
- 1.10 Seven actions are indicated as white within the report. These represent the activities which were rescheduled from the 2023-24 operating plan to allow greater focus to be placed on delivering financial efficiencies.

2. Background

- 2.1 Progress reports are produced quarterly to track Scotland Excel’s activity against operating plan commitments. Reports are produced at the end of each quarter and submitted to Executive Sub-Committee meetings.
- 2.2 The reports summarise the progress made against operating plan commitments and uses a ‘traffic light’ symbol to provide a guide to the status of each activity.

	Project or activity not yet started
	Project or activity is currently stalled or significantly behind schedule
	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

- 2.3 Scotland Excel is working on developing Key Performance Indicators (KPIs) which will measure performance against the delivery of the five-year corporate strategy on an annual basis. The KPIs will be presented to the Joint Committee for approval in December 2024, and will be supported by a new performance management framework being introduced in 2024-25 to provide more detailed performance metrics.

3. Recommendations

- 3.1 The members of the Executive Sub-Committee are invited to note Scotland Excel's progress in delivering the actions contained within the operating plan for 2023-24.













Operating Plan

2023 – 2024






Q4 Progress Report

Value delivery: procurement & commissioning






Action	RAG status	Progress summary
<ul style="list-style-type: none"> Implement refreshed category strategies to inform the development of contract delivery plans and market shaping activities. 		<ul style="list-style-type: none"> Scotland Excel is continuing to restructure its strategic procurement and commissioning function. This will support the alignment of new category strategies, which will also benefit from the introduction of segmentation around each framework's commercial, social and/or environmental value.
<ul style="list-style-type: none"> Review and refresh Scotland Excel's approach to contract delivery planning, extending the visibility of the decision-making and delivery process over a longer timeframe to support contract utilisation. 		<ul style="list-style-type: none"> Ongoing improvements to Scotland Excel's contract delivery planning process continue to increase the predictability of framework delivery timelines. Measures already in place include training, process automation, standardisation, and changes to the review process.
<ul style="list-style-type: none"> Review and refresh Scotland Excel's approach to key supplier management (KSM) and contract and supplier management (CSM) to identify further savings and efficiency opportunities for members. 		<ul style="list-style-type: none"> Scotland Excel continues to evolve its KSM/CSM activities, supported by the ongoing restructuring of the strategic procurement and commissioning function. Savings opportunities are currently being explored with key education and facilities management suppliers.
<ul style="list-style-type: none"> Continue to develop and deliver savings projects to maximise the commercial value returned to members through optimal use of our frameworks. 		<ul style="list-style-type: none"> Since it was established in August 2023, Scotland Excel's savings team has explored 30 opportunities, 25 of which have progressed following further data analysis. Thirteen opportunities, with a value of £4.2m, have now been delivered. The team is forecasting that the value of savings opportunities will reach c. £7.6m during the first year of operation against a target of £5m.
<ul style="list-style-type: none"> Develop and deliver a methodology for assessing and presenting the total value of membership including framework savings, rebates, community benefits, service delivery, skills development, and other benefits. 		<ul style="list-style-type: none"> Work is ongoing to develop a performance management framework which will strengthen and extend the measurement of the value created by Scotland Excel for members, and support the implementation of strategic and operational Key Performance Indicators (KPIs). The framework will be introduced during 2024-25.

<ul style="list-style-type: none"> Continue to support local economic development through identifying and promoting supply chain opportunities for Scottish businesses. 		<ul style="list-style-type: none"> During Q4, Scotland Excel delivered a training session for suppliers on behalf of the Supplier Development Programme, and exhibited at Meet the Buyer Tayside event. Scotland Excel continues to take part in the Scottish Government's cross-sectoral Supplier Development Group, and is supporting a number of related workstreams.
<ul style="list-style-type: none"> Develop and deliver an action plan to monitor payment of the Real Living Wage by suppliers, providing reports to members which enable them to evaluate and select suppliers on this basis. 		<ul style="list-style-type: none"> Real Living Wage descriptors have been changed to improve the alignment of each Scotland Excel supplier to its Real Living Wage status. Work is ongoing to develop reporting capability as part of the wider refresh of Scotland Excel's procurement processes.
<ul style="list-style-type: none"> Implement actions from Scotland Excel's net zero strategy, via a whole organisation approach, to support our members' net zero journey. 		<ul style="list-style-type: none"> Scotland Excel is continuing to make progress in the delivery of its net zero strategy, supported by a multi-disciplinary delivery group which oversees the implementation of the accompanying action plan. Net zero considerations form part of ongoing improvements to contract governance and processes, and a new sustainability policy is close to completion. An annual report on progress against the strategy and action plan will be presented to the executive sub-committee in May.
<ul style="list-style-type: none"> Continue to work with cross-sector partners to develop positive carbon impact initiatives linked to procurement activities. 		<ul style="list-style-type: none"> Work is continuing with partners to develop opportunities for district heat networks, electric vehicle charging concession models, and rural mobility. Scotland Excel is also engaging with stakeholders to inform a consistent approach to monitoring, recording and reporting on net zero commitments.
<ul style="list-style-type: none"> Monitor, respond to, and report on national policy changes that affect Scotland Excel's procurement portfolio, including the National Care Service, contributing to policy discussions where appropriate. 		<ul style="list-style-type: none"> Scotland Excel gave oral evidence on the impact of the Procurement Reform Act to the Scottish Parliament's Economy and Fair Work Committee in March. Participation in National Care Service (NCS) forums and meetings continues, including the newly formed Expert Legislative Advisory Group.







Value delivery: services








Action	RAG status	Progress summary
<ul style="list-style-type: none"> Explore alternative business models to support sustainable growth and reduce reliance on membership fees. 		<ul style="list-style-type: none"> This action has been removed from current operating plan as Scotland Excel's existing business model supports the delivery of current strategic priorities.
<ul style="list-style-type: none"> Continue to grow and develop procurement capability projects, initiative and services for members including support for the next tranche of Procurement & Commercial Capability Services (PCIPs). 		<ul style="list-style-type: none"> Procurement & Commercial Improvement Programme (PCIP) assessments have been delivered for 17 councils that elected to participate in the current assessment cycle. The timeline for completing the final three assessments has been extended until May 2024 due to scheduling constraints. Once completed, a series of workshops will be held to discuss and share best practice.
<ul style="list-style-type: none"> Implement Scotland Excel's business development strategy to increase demand for services and grow associate membership. 		<ul style="list-style-type: none"> Scotland Excel continues to grow its associate membership. In Q4, membership was approved for a housing association, bringing the total number of new members during 2023-24 to 19, contributing £30,627 in annual fee income.
<ul style="list-style-type: none"> Develop and implement plans to deliver Scotland Excel's new Academy strategy, based on a sector training needs analysis and recognising member requirements for affordable training options. 		<ul style="list-style-type: none"> The Scotland Excel Academy continues to deliver a range of accredited learning programmes, practitioner skills short courses, and professional development support. A new strategy for 2024-26 will be presented to the executive sub-committee for approval in April, and will include free commercial acumen training for local government procurement practitioners.
<ul style="list-style-type: none"> Continue to explore the development of progressive, sustainable learning pathways, working with educational and/or cross-sector partners to address skills gaps, support career development, and attract new entrants to procurement 		<ul style="list-style-type: none"> The Academy and the Scottish Procurement & Property Directorate have co-designed a new Graduate Apprenticeship in Business Management with Procurement and Supply Chain Management with Glasgow Caledonian University (GCU). The university has advised that the programme is on track for a launch date of September 2024.



Value delivery: partnerships

Action	RAG status	Progress summary
<ul style="list-style-type: none"> Develop and implement a Scotland Excel partnership strategy which sets out objectives and plans for key partner relationships, assigns ownership, and prioritises activities that support the delivery of our five-year strategy. 		<ul style="list-style-type: none"> Scotland Excel's partnership strategy has been rescheduled to form part of the 2024-25 operating plan. In the meantime, all strategically important partnership relationships continue to be managed effectively.
<ul style="list-style-type: none"> Continue to build and develop relationships with the Scottish Government and Centres of Expertise to support the delivery of cross-sector procurement projects and programmes. 		<ul style="list-style-type: none"> Scotland Excel is continuing to work closely with the Scottish Government and other Centres of Expertise on a range of initiatives including social care, net zero, food, supply chain opportunities, and skills.
<ul style="list-style-type: none"> Continue to develop and deliver projects and activities with local government partners including COSLA, CIPFA Local Government Finance Directors, Solace, the Improvement Service, and the Digital Office for Scottish Local Government that benefit our mutual stakeholders. 		<ul style="list-style-type: none"> Scotland Excel continues to work closely with local government partners on a range of initiatives including providing procurement expertise for the transformation programme led by Solace/ Improvement Service. Work is continuing with the Digital Office to support implementation of the shared digital alarm receiving centre (ARC) framework, with one council now live.
<ul style="list-style-type: none"> Implement Scotland Excel's third sector engagement strategy in support of local community wealth-building, helping them to reduce costs through associate membership where appropriate. 		<ul style="list-style-type: none"> A number of supported businesses have reported increased business and engagement following the event in November to help them build relationships with the local government procurement community. Scotland Excel also held a series of meetings with supported businesses during Q4 to explain the benefits of associate membership.
<ul style="list-style-type: none"> Continue to build relationships with education and academic partners to support the delivery of Scotland Excel's new Academy strategy. 		<ul style="list-style-type: none"> The Scotland Excel Academy continues to work with academic partners on the development learning programmes including SQA, Glasgow Caledonian University, and the City of Glasgow College.






Strategic enablers

Business Area	Commitment	RAG status	Progress summary
Corporate, Finance & ICT	<ul style="list-style-type: none"> Provide legal and financial support for exploring new business model options. 		<ul style="list-style-type: none"> This strategic enabler links to the value delivery objective on business models which has been removed from the current operating plan. Scotland Excel's existing business model supports the delivery of current strategic priorities.
	<ul style="list-style-type: none"> Develop a methodology and tool for monitoring and managing all rebates due from Scotland Excel frameworks. 		<ul style="list-style-type: none"> Work to update the modelling, mobilisation and management of rebates continues, and a rebate modelling tool is now being used by all category teams. A new Income and Finance Specialist role is being established to manage rebates and other non-requisition income.
	<ul style="list-style-type: none"> Monitor the effectiveness of Scotland Excel's hybrid working policy, proposing improvements which will benefit customers and staff. 		<ul style="list-style-type: none"> Scotland Excel's hybrid and flexible working policies have worked well throughout 2023-24. Monitoring is ongoing to ensure that these policies continue to benefit customers and staff.
	<ul style="list-style-type: none"> Implement a new five-year ICT strategy to support staff efficiency and increase digital delivery for customers. 		<ul style="list-style-type: none"> Scotland Excel's ICT strategy has been rescheduled to form part of the 2024-25 operating plan. Resources such as SharePoint are being rolled out to support the delivery of a new strategy.
	<ul style="list-style-type: none"> Continue to strengthen Scotland Excel's data management and reporting capability across a range of value measurements. 		<ul style="list-style-type: none"> Scotland Excel is continuing to improve data management and reporting, with work being aligned to the new performance management framework currently in development. A new role of Lead Commercial Analyst has been established to maximise the efficiency and effectiveness of complex social care data collation and analysis.
	<ul style="list-style-type: none"> Consider options for a future business intelligence strategy. 		<ul style="list-style-type: none"> Scotland Excel's business intelligence strategy was approved by the executive sub-committee in February 2024. The strategy covers the period from 2024-26 and is accompanied by an action plan to support delivery.

	<ul style="list-style-type: none"> Consider options for reducing Scotland Excel's carbon footprint. 		<ul style="list-style-type: none"> Options continue to be considered as part of the net zero action plan which involves staff from across the organisation.
Organisational Development	<ul style="list-style-type: none"> Implement Scotland Excel's people strategy and Investors in People plan by embedding personal development plans that supports organisational performance and individual career goals. 		<ul style="list-style-type: none"> Scotland Excel's Investors in People (IiP) midterm assessment took place in Q4. Recommendations from the review will be incorporated into plans for retaining Gold Standard accreditation at the next full assessment in 2025.
	<ul style="list-style-type: none"> Develop an approach to succession planning which to support career development and create a steady pipeline of talent at all levels. 		<ul style="list-style-type: none"> An approach to succession planning will now be developed as part of the 2024-25 operating plan. Organisational restructuring currently taking place will provide foundations for this approach.
	<ul style="list-style-type: none"> Build on Scotland Excel's commitment to training, ensuring all staff have the opportunity to acquire the skills required for the delivery of the new five-year strategy such as commercial acumen and climate change literacy. 		<ul style="list-style-type: none"> Scotland Excel staff continue to have access to a wide range of online and in-person training opportunities promoted via the staff intranet. Employees will take part in the new commercial acumen training programme which will be launched in 2024-25.
	<ul style="list-style-type: none"> Continue to develop and improve resources which support recruitment, induction and retention through a seamless and supportive employee journey. 		<ul style="list-style-type: none"> As part of Scotland Excel's commitment to continuous improvement of the employee journey, a development day for all line managers took place in March. The event provided managers with a range of tools to support their role and ensure a consistent approach across the organisation. A second event is being planned for the autumn.
	<ul style="list-style-type: none"> Research and explore options for developing an employment and training strategy that supports new entrants to public procurement. 		<ul style="list-style-type: none"> Scotland Excel has launched a new cycle of its two-year graduate programme with a recruitment campaign for four graduate trainees in March. A range of training courses which support new entrants to procurement continue to be available through the Scotland Excel Academy.
Engagement & Communication	<ul style="list-style-type: none"> Support the development and implementation of Scotland Excel's partnership strategy, including the use of stakeholder mapping and competitor modelling tools across the organisation. 		<ul style="list-style-type: none"> This strategic enabler links to the value delivery objective on the partnership strategy which now forms part of the 2024-25 operating plan.

	<ul style="list-style-type: none"> Implement the recommendations of Scotland Excel's value project to articulate and demonstrate the value of membership to customers 		<ul style="list-style-type: none"> Scotland Excel continues to explore ways to maximise value for members. This activity will be supported by the new performance management framework which will be introduced in 2024-25.
	<ul style="list-style-type: none"> Re-establish a customer satisfaction survey programme, and baseline satisfaction rates for future improvements. 		<ul style="list-style-type: none"> The delivery of a customer satisfaction programme now forms part of the 2024-25 operating plan to allow current operational and delivery changes to take effect. In the meantime, Scotland Excel continues to solicit and respond to customer satisfaction feedback.

Report Key

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