Scotland Excel

To: Joint Committee

On: 08 December 2017

Report
by
Director Scotland Excel

Operating Plan Update 2017-18

1. Purpose of the report

In June 2015, Scotland Excel's Joint Committee approved a new three-year corporate strategy supported by a rolling annual operating plan. This report presents an update on our performance against the 2017-18 operating plan.

2. Reporting methodology

Progress reports are produced quarterly to track Scotland Excel's performance against operating plan activities. Reports are produced at the end of each quarter and submitted to Executive Sub-Committee meetings. Half yearly and annual reports are also submitted to Joint Committee meetings.

The reports summarise the progress made against operating plan activities and uses a 'traffic light' symbol to provide a quick guide to the status of each activity:

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 has been completed and/or is progressing in line with expected/agreed timelines and targets

3. Progress to date

The following report provides an update on activities undertaken during the first half of the 2017-18 operating plan period. At this stage in the year, the majority of activities are progressing in line with plans and are indicated by a green symbol. A small number of project-based activities are running behind schedule and are indicated as amber. The report also tracks performance against ten key performance indicators (KPIs).

4. Recommendation

The members of the Joint Committee are invited to note the progress made by Scotland Excel in the delivery of the 2017-18 operating plan.

SCOTLAND EXCEL

Operating Plan

2017 – 2018

Half Year Progress Report

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	Year 3 Priorities	RAG status	Progress summary
(a) Develop and implement a contract plan aligned to the strategic priorities of member authorities	• Resource and implement contract delivery plans including 11 'small value' contracts • Develop and implement a procurement strategy for older people's care services • Deliver an opportunity analysis for adult supported living and care at home commissioning • Provide ICT procurement services for the local government Digital Office • Support SEEMiS with the procurement of a national education MI system • Monitor CCS partnership and develop proposals for future procurement partnerships • Review and update procurement strategies for all key category areas	**G**	• The development of 'small value' contracts is progressing well. The first two contracts for bottled gas and laundry equipment will be submitted for approval in October. • Responses to a consultation on a draft strategy for older people's care services are being analysed, and the findings will be published in Q3. • User Intelligence Groups (UIGs) of local authority care professionals have been created to inform the adult supported living and care at home commissioning projects. A planning and scoping meeting was held in Stirling in July. • A senior procurement specialist has joined Scotland Excel to provide procurement support for the local government Digital Office. Initial engagement with stakeholders has identified a potential opportunity for a social work management information system. • Scotland Excel's procurement project for SEEMiS is nearing completion. Two bidders presented at the end of September. The contract award will be made in Q3 once the successful bidder is selected. • Scotland Excel is continuing to liaise with Crown Commercial Services (CCS)and local authorities to monitor performance of the light vehicles framework which went live on 01 June 2017. • Category procurement strategies are being reviewed and updates are expected to be published at the end of Q3.

Objective	Deliverables	Status	Commentary
(b) Develop and implement a strategy and plan for the delivery of contract and supplier management	• Complete the roll out of the new CSM programme across the contract portfolio	G	• The new Contract & Supplier Management (CSM) programme has been launched to customers and suppliers. CSM surveys for the first tranche of 12 contracts were issued in September.
(c) Develop and implement a strategy and plan for improving supplier performance	• Deliver the 2018 Supplier Excellence Awards • Incorporate supplier development into the 2018 Scotland Excel Conference • Pilot a KSM programme and extend to other key suppliers based on results	G	• The Supplier Excellence Awards were launched on 18 September. A microsite, direct marketing and social media campaign is being implemented to promote the awards, and initial feedback from suppliers has been very positive. • Plans for a Key Supplier Management (KSM) Programme will be developed in Q3. Benchmarks for selected suppliers will be recorded in Q4 based on CSM results, and the pilot will be rolled out from April 2018.
(d) Manage the rollout of a new national procurement capability assessment to the local government sector	• Complete the first cycle of PCIP assessments with participating councils • Consult on plans for a second cycle of PCIP assessments	G	• The results of the second phase of 15 Procurement & Commercial Improvement Programme (PCIP) assessments completed in Q1 are now being analysed. To date, 31 Scottish local authorities have participated in the programme, and the remaining council is expected to complete an assessment by the end of 2017. • Scotland Excel is continuing to hold proactive discussions with central government, the PCIP project board and stakeholders on future PCIP plans.
(e) Develop and implement a programme to lead and support the development of procurement and commercial capability	• Develop and deliver a rolling programme of procurement capability and change services for local authorities • Deliver an Annual Conference to support development in Feb 2018 • Deliver Scottish Government funded procurement improvement programme for housing associations	G	• A programme of capability and change services has been developed. Three change projects, two workshops and one masterclass were delivered during Q2. A proposal has been submitted to Fife Council to manage their procurement and commercial transformation programme. • Plans for the Scotland Excel Annual Conference are progressing well. The conference will co-locate with the Supplier Excellence Awards on 20-21 February 2018. • A total of 53 housing associations had expressed an interest in participating in the programme by the end of Q2. An assessment schedule has been developed to support the completion of 20 pre-assessment meetings and 5 assessments by the end of December.

Objective	Actions	RAG	Commentary
(f) Develop and implement a 'procurement academy' to support professional capability and encourage new entrants to public procurement	• Roll out L & D programmes in line with the strategy • Develop plans for delivering a L & D programme for social care commissioning • Develop a proposal to support the Scottish Government's PPOT initiative	G	• A programme of learning and development (L & D) workshops and masterclasses was launched in July. Two workshops and one masterclass took place in Q2. A leadership & management programme accredited by the Chartered Management Institute (CMI) will be rolled out from Q3, and a procurement programme in partnership with Chartered Institute of Procurement & Supply (CIPS) is expected to be available in January. • Scotland Excel is continuing to scope social care development needs and has facilitated discussions between Social Work Scotland and City of Glasgow College to deliver a SQA accredited Professional Development Award (PDA) in Commissioning & Procurement. • Scotland Excel continues to co-chair the Scottish Government's Professional Practice Strategic Forum which encompasses the Procurement People of Tomorrow (PPOT) initiative.
(g) Develop and implement a shared service offering for councils which meets their requirements in a changing public sector landscape	• Develop a shared services strategy to inform future service development proposals	G	• Scotland Excel continues to explore new shared service opportunities. Procurement opportunities for an electric vehicle infrastructure and district heating services were investigated during Q2.

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	Year 3 Priorities	RAG status	Progress summary
(a) Develop and implement strategies for responding to procurement and/or public sector legislation	• Develop and implement plans to comply with GDPR regulations • Monitor risks/opportunities arising from the Community Empowerment Act • Engage with IJB Chief Officers to identify HSCI procurement opportunities • Develop proposals to support councils with early learning and childcare procurement • Update waste category strategy to align with legislative landscape	G	• Requirements for complying with the new General Data Protection Regulation (GDPR) have been established following a meeting with the Information Commissioner's Office (ICO). Training sessions will be delivered for Scotland Excel staff and customers during Q3. • Participation requests from community groups under the Community Empowerment Act have been limited to date, and therefore there are currently no major risks or opportunities arising for the sector. • A second meeting of the Social Care Procurement Network has been scheduled for October, and will include a guest speaker from the Scottish Government to discuss Integration Joint Board (IJB) strategic commissioning plans. • Scotland Excel is continuing to engaged with SOLACE and the Improvement Service on procurement support for early learning and childcare services. • The waste category strategy will be updated in December 2017.
(b) Ensure Scotland Excel's collaborative frameworks support local and national government policy priorities	• Continue to support national policy outcomes in social care frameworks • Continue to support the roll out of CRDG recommendations	G	• Stakeholder consultation for the new residential children's care framework has included engagement with young people with experience of this type of care. Their feedback was used to inform the tender which has now been released. • Scotland Excel continues to participate in the Construction Review Delivery Group (CRDG) and attended a meeting in August. An informal proposal for the development of a national housebuilding contract has been submitted to the Scottish Government for comment.

Objective	Actions	Status	Progress
(c) Ensure Scotland Excel's collaborative frameworks support positive local economic outcomes	• Support SDP public procurement training for Scottish SMEs • Review options for including community benefits measures as part of the new CSM programme • Develop a strategy for supported businesses, including delivery of a business development event	G	• Scotland Excel sponsored and exhibited at the Supplier Development Programme (SDP) national 'Meet the Buyer' event in September. • Options for including community benefit measures as part of the new CSM programme will be considered in Q3. • Plans for a supported business event in February 2018 are progressing well. The event will bring together supported businesses, councillors, procurement and economic development officers to explore opportunities for working together to support local communities.
(d) Ensure Scotland Excel's collaborative frameworks support local government environmental duties and policies	• Continue work with partners to align the waste category strategy with national programmes • Include measure for environmental impact within the new CSM programme	G	• Scotland Excel is continuing to liaise with Zero Waste Scotland (ZWS) and the Scottish Government to explore how waste frameworks can be aligned to circular economy aims. • Options for including environmental measures as part of the new CSM programme will be considered in Q3.
(e) Champion the development and dissemination of best practice in sustainable procurement	• Monitor the impact of Scotland Excel's sustainable procurement strategy • Work with national partners to develop enhancements to the national sustainable toolkit • Continue to evolve Scotland Excel's horizon scanning programme	G	• Scotland Excel is continuing to monitor the impact of its sustainable procurement strategy. Specific sustainability considerations and benefits are detailed within each contract award report. • Proposals for ways in which contracting authorities can bespoke the mandatory tender question on fair work practices to meet their specific procurement requirements has been developed for the Scottish Government Best Practice Forum. • Horizon scanning meetings are continuing to take place quarterly to review the external environment and identify any new risks and opportunities.

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

Activity	Year 3 Priorities	RAG status	Progress summary
(a) Develop and implement a portfolio of account management services that meet the collective and individual needs of local authority customers	• Continue to develop and implement improvements to account management services	G	• Account managers are continuing to deliver Quarterly Business Reviews, and act as a key liaison between the organisation and customers. Further opportunities to improve account management services will be identified through these meetings.
(b) Develop and implement a stakeholder engagement strategy that support the delivery of first class customer experience across all of our services	• Complete the stakeholder engagement strategy • Develop and implement a senior stakeholder engagement plan • Initiate a customer care forum to support ongoing improvements to customer service • Publish a report on the results of the 2017 customer satisfaction survey • Develop a 'future digital' strategy to support online delivery of customer information and services	G	• The stakeholder engagement strategy will be completed in Q3, and will close off this project. Tools developed as part of this project will be used to develop new senior stakeholder engagement plans. • Engagement plans will be developed for senior stakeholder groups in Q3. A training session for Executive Sub-committee members will take place in November. • The customer care forum will be established in Q3 to oversee the implementation of the stakeholder engagement strategy, and respond to the findings of the customer satisfaction survey. • Reports on the findings of the customer satisfaction survey were produced for senior stakeholders and staff during Q1, and a report was produced for procurement leads in Q2. A general report on findings will be published on the website in Q3. • ICT business requirements have been gathered from across the organisation and are being used to inform a new ICT/Digital strategy

Objective	Activities	RAG	Commentary
(c) Develop and implement a corporate communications strategy that enhances and protects Scotland Excel's corporate reputation	• Complete the marketing and communication strategy • Develop and implement a plan to enhance Scotland Excel's profile and reputation • Continue to deliver marketing/communications initiatives to promote Scotland Excel services	A	• The marketing and communications strategy is in development, and will be completed slightly later than anticipated in Q3. This explains the strategic approach taken by Scotland Excel to develop, plan and implement activities which promote our services and increase the profile of the organisation. • A communications plan has been completed which brings together requirements for corporate communications, public affairs and stakeholder engagement activity identified through workshops with senior managers. The plan will be accompanied by a rolling calendar of promotional opportunities agreed with the Senior Management Team. • The marketing and communications team delivered a range of activities in Q2 including press releases and social media, the launch of the Supplier Development Awards, promoting the new L & D programme and organising Scotland Excel's presence at the SOLACE conference.
(d) Develop and implement a model for associate members which delivers clear business and financial benefits to Scotland Excel and the membership base	• Continue to recruit housing associations in line with the associate member strategy • Develop an associate member offering for third sector organisations	A	• Four housing associations were recruited as associate members in Q2. • Development a third sector associate membership offering has been delayed until Q4.
(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	• Continue to host and/or attend forums to gather sector views and share information • Continue to represent the sector on matters relating to public procurement • Continue to engage with relevant stakeholders in the wider public sector environment	G	• Scotland Excel continues to hold and/or attend forums for sector stakeholders. These include steering groups for contract development, procurement capability and social care, as well as attendance at the Scottish Local Government Procurement Forum. • Scotland Excel continues to represent sector interests at meetings. These include government forums for collaborative procurement, construction, best practice and professional development. • Scotland Excel continues to engage with a wide range of stakeholders and partners. This activity will be formalised as part of the stakeholder engagement strategy.

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

Activity	Year 3 Priorities	RAG status	Progress summary
(a) Develop and implement a strategy to support staff recruitment, retention, development, performance and engagement	• Complete the development and implementation of an organisational development strategy	A	• The project to develop and implement an Organisational Development strategy has continued during Q2 but is progressing more slowly than anticipated. The project structure has been streamlined o reduce resource requirements and increase the pace of delivery.
(b) Develop and implement programmes to support the continuous improvement of business performance, systems and processes	• Agree and deliver 2017-18 internal transformation projects • Implement a spend data management and reporting solution • Continue to plan and implement the migration of the ICT infrastructure to a cloud environment • Undertake assessment to renew CIPS accreditation	G	• Scotland Excel's business change team is continuing to manage seven internal projects to support strategic goals and continuous improvement. • Spikes Cavell have been commissioned to develop a specification for a system to manage spend data. Meetings are being arranged with councils, suppliers and staff to understand data usage and challenges. • Following migration to Office 365, the ICT team is continuing to embed use of this software and plan the migration of other office systems to a cloud environment. • A working group has been established to gather evidence for the CIPS accreditation and plans are progressing well.
(c) Ensure that Scotland Excel delivers its plans through effective governance, risk management and policies	• Explore options for governance models which support the future growth of Scotland Excel	G	• An options appraisal for governance models to support future growth is in development and will be presented to the Chief Executive Officers Management Group (CEOMG) and Joint Committee in Q3.

	Status	Commentary
(d) Develop and implement a strategy for gathering, analysing and distributing business intelligence within Scotland Excel and across the sector	A	• Expand the use of BI tools across the organisation to support internal/external delivery of data and reports • New business intelligence (BI) and reporting tools piloted in 2016-17 will be rolled out across the organisation slightly later than anticipated in Q4.
(e) Develop and implement a clear, transparent and sustainable funding and delivery model for Scotland Excel	G	• Hold 4 regional consultation workshops for new strategy development • Develop a new corporate strategy for 2018-22 • Explore options for funding models to support the new strategy • Regional workshops to consult on the new strategy will take place in Q3 as part of senior stakeholder engagement plans. • A Senior Management Team workshop has been arranged for early October to identify and agree priorities for the new strategy. This will be facilitated by a strategy expert from Stirling University. • Scotland Excel is continuing to explore different funding models as part of its governance review, particularly ways in which the organisation could expand chargeable services and/or apply for funding grants.

Report Key

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Key Performance Indicators

KPI	Link to outcomes	Q1 Status
No. & value of contracts delivered v plan	Our services support the effective and efficient delivery of public services	• 7 contracts delivered, renewed or extended from 31 targeted • £969m portfolio value against £1bn target by year end
Percentage & value of savings v target (excluding social care)	Our customers are satisfied with our services and achieve a measurable return on their investment	• Average savings of 3.4% against a rolling 5% target (2015-18) • £3m estimated saving in the last recorded quarter (Apr-Jun 2017)
No. of PCIP assessments completed v schedule	Our expertise supports continuous improvement in procurement performance	• 15 assessments completed against 15 targeted
No. of Scottish suppliers & percentage SMEs	Our services help to deliver positive and sustainable outcomes for communities and service users	• 443 Scottish suppliers of which 78.6% are SMEs
No. of community benefits realised to date	Our services support the implementation of national and local policy priorities	• 203 jobs • 168 apprenticeships • 28 work placements • 58,105 hours work experience • 3,321 hours volunteering/mentoring • £153k value of other initiatives
Customer satisfaction statistics & trends[1]	Our customers are satisfied with our services and achieve a measurable return on their investment	• 82.4% of procurement stakeholders • 80.8% of senior stakeholders
Website usage statistics & trends	Our customers receive relevant communication and support	• 7,898 visitors in Q2 • 17,616 user sessions in Q2
Media coverage v target	Our reputation demonstrates the value of collaboration	• 28 media items placed to date against an annual target of 50
Income from associate members v target	Our reputation demonstrates the value of collaboration	• £55.8k income against a £60k target
Staff turnover v headcount	Our people, policies, processes and technology optimise our value	• 3.2% staff turnover rate in Q2 • 70 permanent staff

[1] Percentage of respondents reporting their overall satisfaction as 'very good' or 'good' in the 2016-17 customer satisfaction survey