

## **Scotland Excel**

**To: Executive Sub-Committee**

**On: 19 August 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 2022 to 31 March 2023. This annual operating plan concludes the delivery of the current five-year strategy period.
- 1.3 This report presents an update on the activity undertaken by the organisation during the first quarter of the operating plan, from 01 April to 30 June 2022.

#### **2. Recommendations**

- 2.1 Members of the Joint Committee are invited to note Scotland Excel's progress in delivering the commitments contained within the Operating Plan 2022-23.
- 2.2 Thirty-one commitments in the operating plan are progressing in line with plans and are indicated as green within the report.
- 2.3 Two commitments are indicated as amber within the report. Progress towards the development of a new sustainable procurement strategy has been slower than anticipated. Scotland Excel is unable to launch a Procurement Capability & Improvement Programme for housing associations until the programme is formally announced by the Scottish Government.
- 2.4 One commitment is indicated as white within the report. Competitor modelling will be reviewed and rolled out to the organisation later in the financial year when resources become available.

### 3. Background

- 3.1 Progress reports are produced quarterly to track Scotland Excel's activity against annual operating plan commitments. 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.
- 3.2 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

Q1 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	<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>Commercial User Intelligence Group (UIG) meetings with procurement stakeholders took place in June to discuss the contract portfolio and other key topics including supply chain disruption and net zero. Scotland Excel is continuing to participate in cross-sectoral initiatives including the Scottish Government-led Supply Chain Development Programme.</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>Regular reports are being issued to stakeholder to keep them informed of supply chain disruptions, market trends, and mitigating actions being taken by Scotland Excel. Rising inflation, particularly in relation to food and fuel prices, continues to impact pricing across the portfolio.</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>A collaborative re-design process for the National Care Home Contract (NCHC) is underway with representatives from key stakeholder groups including the public sector, care providers, care workers and care service users. The redesign will incorporate the Independent Adult Social Care Review recommendations, and consider all new guidance and proposed legislation.</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 progressing well, with significant engagement taking 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</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 is currently delivering 9 accredited programmes. 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.</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 Conference took place in May as a hybrid event, with 271 delegates participating in seven online sessions and 51 attendees at the in-person event. A third tranche of Scotland Excel's free online training courses, Stay Connected, was also completed this quarter. A marketing campaign has been launched to promote the cost-effective Scottish Government procurement training programme delivered by the Academy, including the introduction of an online booking and payment facility.</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 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.</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>Councils and organisations using Scotland Excel's flexible procurement services include Angus, Dumfries &amp; Galloway, Dundee City and South Lanarkshire Councils, City Property, and Cairn Housing Association. Discussions are ongoing with other organisations, and a marketing campaign is being developed to build a future pipeline.</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 developing tender documents for a National Shared Digital Alarm Receiving Centre (ARC), technology enabled care services, and digital fire safety equipment. Work is continuing with the Digital Office for Scottish Local Government on national digital opportunities, including Microsoft Office 365. A proposal has been submitted to deliver digital procurement projects on behalf of the Improvement Service.</li> </ul>
1.4 Use our insight and experience to shape policy and meet the challenges of future public service delivery	<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 wide range of policy areas including food, education, supply chain development, care, and climate change. Scotland Excel is also contributing to the development of a national procurement strategy to support the consistent delivery of public procurement benefits across all sectors.</li> </ul>





## Goal 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>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.</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's Annual Procurement Report includes a summary of community benefits delivered in each of the 32 council areas over the previous financial year. The reports demonstrate that benefits are now returning to pre-pandemic, levels. Work is ongoing to improve monitoring and reporting to provide members with better access to benefits delivered through national frameworks.</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 presented and exhibited at the Supplier Development Programme's virtual 'Meet the Buyer National' event in June. Scotland Excel also exhibited at an in-person 'Meet the Buyer' event which took place at Dumfries &amp; Galloway offices later the same month.</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, particularly in relation to food, construction and transport.</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 is developing a Net Zero strategy which looks at ways in which changes to frameworks could support carbon reduction. Pilot activities are being scoped for five frameworks.</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 frameworks to help members work towards their net-zero targets</li> </ul>		<ul style="list-style-type: none"> <li>In May, Scotland Excel held an event to launch the energy efficiency contractors (EEC) framework which has had a positive impact on awareness and usage of the framework. The event attracted c. 150 buyers and contractors, and the keynote speech was given by Patrick Harvey, Minister for Zero Carbon Buildings, Active Travel and Tenants' Rights. In June, the new electric vehicles charging infrastructure framework was promoted at the 'Zero Emissions Mobility' event held in partnership with the Scottish Government, Transport Scotland, Scottish Enterprise, and Strathclyde University.</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>









## 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	<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 including quarterly business reviews, change projects, and workshops.</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 has been created to support the development of the new corporate strategy, and will be implemented during Q2.</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 the completion of a community wealth-building pilot project undertaken with four councils in partnership with the Scottish Government, a toolkit has been developed to help other councils with their community wealth-building journey. The toolkit has been published on the Academy website and will be launched at a Scottish Government meeting of public sector procurement leads in September.</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>The new National Care Home Contract (NCHC) project involves a wide range of stakeholders including HSCPs, the Scottish Government, COSLA, Care Inspectorate, Healthcare Improvement Scotland, provider representative bodies, care providers, care workers, unions, carer groups, independent advocacy groups, and care service users. Extensive stakeholder engagement is also taking place for the next generation of the children's residential care framework, and a new framework for rehabilitation services which is being developed on behalf of the Scottish Government.</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 within a wide range of national initiatives.</li> </ul>
	<ul style="list-style-type: none"> <li>Monitor the progress of National Care Service 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 is continuing to monitor and respond to proposals for a National Care Service. The National Care Service (Scotland) Bill was published in June, and Scotland Excel is making plans to respond to a Call for Views on the Bill which closes in September.</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>Scotland Excel's new People Strategy was launched to staff in May. In June, Scotland Excel was awarded Gold Standard Investors in People (IiP) accreditation.</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>As it is currently proving difficult to recruit experienced public procurement professionals, Scotland Excel has recruited 8 graduate trainees who will be supported on a fast-track development programme to fill future vacancies. Scotland Excel's recruitment and retention strategies, plans and policies are being reviewed to ensure that staff have a positive experience as they progress through the organisation.</li> </ul>

## 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	<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>An introduction to Scotland Excel's funding model was delivered to new joint committee in June. Budget monitoring reports, including income forecasts, will be presented to the executive sub-committee on a regular basis.</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>Plans to support hybrid working are underway. An online system is being introduced to allow staff to book desks when working from the office, and meeting rooms have been fitted with systems to facilitate hybrid meetings. A phased introduction of hybrid working is expected to begin in August.</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>A business intelligence graduate trainee has been appointed to review Scotland Excel's data assets in preparation for the development of 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>Plans to review and roll out Scotland Excel's competitor analysis model will be developed in Q3.</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>Eight new associate members were approved during Q1, with a total annual income of £4,400.</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>		<ul style="list-style-type: none"> <li>The Scottish Government has delayed the launch of a Procurement &amp; Commercial Improvement Programme for housing associations. Scotland Excel is ready to launch this service to the market as and when an announcement is made.</li> </ul>

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>Q1 activity has included event management and marketing support for the energy efficiency contractors (EEC) launch event in May, marketing support for the Annual Conference, a campaign to generate bookings for the Academy's new online procurement programme, and an engagement plan and welcome materials for new joint committee members.</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 build positive relationships with key partners. Recent examples include the participation of Scottish Enterprise, Built Environment- Smarter Transformation (formerly the Construction Scotland Innovation Centre), and Zero Waste Scotland in a sustainability expert group informing the development of the next generation new build residential framework.</li> </ul>

Report Key	
	Project not yet started
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	Project completed

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