

Scotland Excel

To: Joint Committee

On: 30 June 2017

Report
by
Director Scotland Excel

Operating Plan 2017-18

1. Purpose of the report

In June 2015, Scotland Excel's Joint Committee approved a new three year strategy and rolling annual operating plan. The plan is reviewed and updated each year to ensure that it remains closely aligned with strategy, and to respond to any changes in the external environment. This report presents the updated operating plan which will guide the projects and activities undertaken by the organisation in 2016-17.

2. Planning methodology

The rolling annual operating plan records the high level activities and commitments that will be delivered to achieve our four strategic goals:



The operating plan is used to set annual priorities from which detailed performance objectives are cascaded to the all staff through Scotland Excel's Performance Review and Development (PRD) programme.

3. Monitoring and reporting

Reports summarising the progress made against operating plan priorities are produced at the end of each quarter and submitted to the Executive Sub-Committee at the next scheduled meeting. Half yearly and annual reports will also be submitted to Joint Committee meetings.

4. Recommendation

The members of the Joint Committee are invited to note and approve the updated operating plan for 2017-18.



Operating Plan

01 April 2017 – 31 March 2018

Introduction

Scotland Excel is the Centre of Procurement Expertise for the local government sector. Established in 2008, we deliver shared services for collaborative procurement, and lead initiatives to increase procurement capability across the sector through learning and development, consultancy and the development of methodologies, tools and guidance to support good practice.

Our contracts and services aim to increase efficiency and ensure money is saved to protect front line public services. Our strategic approach to procurement has supported innovation in service delivery, helped to deliver national and local policies, and brought wider economic, environmental and social benefits to communities through sustainable procurement and supplier development.

In 2015, we published a new three year corporate strategy to underpin the next phase of growth for our organisation, and ensure our long term sustainability as a successful local government shared service. The strategy has been designed to meet current and future requirements of local authorities identified through extensive stakeholder engagement, consultation and research.

Our vision is to be the shared service partner of choice for the local government sector by ensuring that everything we do delivers value to our customers and their communities. The strategy map on page 5 provides an overview of our business goals and strategic objectives, and the full strategy document is available to download from our website.

To support the strategy, we have developed a rolling annual operating plan to record the high level activities and commitments we will deliver to achieve our business goals. The plan is used to set annual priorities and develop detailed action plans for the organisation which are cascaded as annual performance objectives for employees.

This is the third and final iteration of the plan which reflects the progress that has been made over the past two years and responds to changes in our external environment. Our progress reports for 2015-16 and 2016-17 provide information on the activities undertaken to date, and can be used to track the evolution of the operating plan.

We also use these annual reviews to assess what we have achieved in relation to the eight outcomes identified in the strategy map. An assessment for 2017-18 can be found on page 6.

A new five year corporate strategy will be developed later this year to inform the organisation's activities until 2022. Rolling annual operating plans will continue to be published from 2018 to support the new strategy.

Strategy Map

Vision

To be the shared service partner of choice for the Local Government sector

Mission

To deliver **effective** and **customer-orientated** shared services which support **collaborative, innovative** and **sustainable** public services, add **measurable value** for our customers, and bring **tangible benefits** for local communities and service users.

Values

Professional • Courageous • Respectful • Integrity

Outcomes

Our services support the effective and efficient delivery of public services	Our services support the implementation of national and local policy priorities	Our customers receive relevant communication and support	Our people, policies, processes and technology optimise our value
Our expertise supports continuous improvement in our sector's procurement performance	Our services help to deliver positive and sustainable outcomes for communities and service users	Our reputation demonstrates the value of collaboration	Our customers are satisfied with our services and achieve a measurable return on their investment

Goals

<p>1: Supporting the delivery of better and more effective public services</p> <p>Strategic objectives:</p> <p>1.1 Deliver a range of collaborative procurement and supplier development services which support customers at a strategic and operational level</p> <p>1.2 Deliver a range of shared services which support customers in the development of their professional, organisational and commercial capability</p> <p>1.3 Deliver a range of new shared services which support the effectiveness and efficiency of customer operations</p>	<p>2: Being sustainable in everything we do</p> <p>Strategic objectives:</p> <p>2.1 Work with stakeholders to develop procurement strategies which support the delivery of national and local policy priorities</p> <p>2.2 Deliver positive and measurable social, economic and environmental impact to local communities</p> <p>2.3 Lead and support customers in the development and implementation of best practice in sustainable procurement</p>	<p>3: Placing customers at the heart of our business</p> <p>Strategic objectives:</p> <p>3.1 Work with customers to develop and implement bespoke plans for maximising the value of our services</p> <p>3.2 Develop robust communications strategies which support customer engagement and position Scotland Excel and its customers as leaders in public procurement /shared services</p> <p>3.3 Represent the views and needs of customers in the wider stakeholder environment</p>	<p>4: Becoming the partner of choice for delivering shared services</p> <p>Strategic objectives:</p> <p>4.1 Implement organisational development policies which support a highly skilled, motivated and engaged workforce</p> <p>4.2 Implement best practice processes and technology which support the efficient and effective delivery of services to customers</p> <p>4.3 Implement robust strategies, governance, risk management and funding models which demonstrate a measurable return on investment to customers and secure Scotland Excel's future</p>
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Progress against outcomes

During 2016-17, our activities achieved the following outcomes.

<p>Our services support the effective and efficient delivery of public services</p> <ul style="list-style-type: none"> • New contracts delivered for demolition, energy efficiency contractors and outdoor play equipment • Funding secured to develop procurement solutions for care homes for older people, adult supported living and care at home • Support provided to SEEMis for the procurement of a new national education management information system 	<p>Our expertise supports continuous improvement in procurement performance</p> <ul style="list-style-type: none"> • 'Scotland Excel Academy' launched to provide flexible, multi-disciplined learning for local authority procurement practitioners • 49 projects, workshops and assessments delivered to councils to support procurement performance • Funding secured to develop and deliver a programme to support procurement capability within the housing sector
<p>Our services support the implementation of national and local policy priorities</p> <ul style="list-style-type: none"> • New fostering services contract includes provision for continuing care places for young people aged up to 21 years • New contract for energy efficiency contractors will help councils and housing associations reduce fuel poverty • New outdoor play equipment contract supports the delivery of the national Play Strategy for Scotland 	<p>Our services help to deliver positive and sustainable outcomes for communities and service users</p> <ul style="list-style-type: none"> • Community benefits delivered 53 jobs, 18 apprenticeships, 17 work placements and 7,852 hours of work experience • £535m spend on current contract portfolio with Scottish-based suppliers, of which 73% is with SMEs • New domestic furniture contract includes opportunities for third sector organisations and supported business
<p>Our customers receive relevant communication and support</p> <ul style="list-style-type: none"> • New website launched with additional functionality developed in response to customer feedback • Annual development event held for 69 local authority procurement delegates in February 2017 • New infographic report provides key procurement statistics for each local authority area 	<p>Our reputation demonstrates the value of collaboration</p> <ul style="list-style-type: none"> • 62 print and online news stories generated by Scotland Excel and a further 44 generated with partners • Scotland Excel staff invited to speak at 22 events and conferences • 80 delegates attended a Scotland Excel event in March 2017 promoting careers in public sector procurement
<p>Our people, policies, processes and technology optimise our value</p> <ul style="list-style-type: none"> • New contract and supplier management programme developed to increase efficiency and improve reporting • Plans for a cloud-based ICT infrastructure initiated to increase business agility and efficiency • New small value contracts team established to release capacity within council procurement teams 	<p>Our customers are satisfied with our services and achieve a measurable return on their investment</p> <ul style="list-style-type: none"> • Estimated savings of £16.1m achieved, representing a return of c. £5 for every £1 invested in Scotland Excel • £762K of funding secured from Scottish Government to expand collaborative services for new and existing customers • 82% of stakeholders reported 'good' or 'very good' overall satisfaction in our customer satisfaction survey

Priorities for 2017-18

Summary of the key activities and commitments we have identified for this year:

<p>Goa1 1: Supporting the delivery of better and more effective public services</p> <ul style="list-style-type: none"> • Develop and deliver new 'small value' and renewal contracts • Complete the roll out of a new approach to Contract and Supplier Management (CSM) • Deliver an integrated programme of supplier development activity including the Supplier Excellence Awards in February 2018 • Complete the first cycle of national Procurement and Commercial Improvement Programme (PCIP) assessments • Deliver a procurement capability programme aligned to PCIP results and sector development needs • Continue to develop the 'Scotland Excel Academy' to meet sector training and education needs • Develop and deliver a programme of procurement services for housing associations • Continue to encourage and support new entrants to public procurement • Investigate further shared service offerings which provide efficiencies and benefits for members 	<p>Goa1 2: Being sustainable in everything we do</p> <ul style="list-style-type: none"> • Publish an annual procurement report in line with procurement legislation • Develop and implement a procurement strategy for care home services for older people. • Research the care at home and adult supported living sectors and make recommendations for future commissioning • Provide procurement support for the Scottish Local Government Digital Transformation programme • Develop a proposal for the procurement of childcare and early learning services • Continue to support national and local policy initiatives through procurement • Continue to identify and implement procurement opportunities for the third sector and supported businesses • Continue to develop and enhance community benefits and local economic impact reporting • Continue to support councils with sustainable procurement duties and best practice
<p>Goa1 3: Placing customers at the heart of our business</p> <ul style="list-style-type: none"> • Continue to enhance and deliver account management services for local authorities • Embed the stakeholder engagement strategy and deliver continuous improvement in customer service • Develop a digital strategy to underpin the future development of online customer service and information resources • Develop and implement a rolling communications plan to raise the profile of Scotland Excel in the media and among key stakeholders • Continue to implement Scotland Excel's strategy for the recruitment and retention of associate members • Continue to develop and strengthen relationships with external stakeholders 	<p>Goa1 4: Becoming the partner of choice for delivering shared services</p> <ul style="list-style-type: none"> • Deliver an organisational development strategy to support staff recruitment, retention, performance and engagement • Complete Scotland Excel's migration to a cloud-based ICT infrastructure • Continue to review governance arrangements to create a robust framework for delivering the organisation's activities • Continue to implement plans for improving data management and business intelligence • Develop a new five year corporate strategy for 2018-22 to support the future growth of Scotland Excel • Explore funding and/or income generation opportunities to ensure the long term sustainability of the organisation

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	Commitment
(a) Develop and implement a contract plan aligned to the strategic priorities of member authorities	<ul style="list-style-type: none"> Deliver a rolling schedule of new contract opportunities identified and agreed with local authority stakeholders Ensure renewed contracts continue to focus on current strategic priorities Develop and implement a procurement strategy for care home services for older people Research the care at home and adult supported living sectors across Scotland and make recommendations for future commissioning Provide ICT procurement services for the local government Digital Office to support the implementation of digital technologies within local authorities Continue to explore new approaches to funding and resourcing procurement opportunities including chargeable services, partnership working and portfolio restructuring Continue to operate a flexible workforce model to support the effective implementation of the contract delivery plan
(b) Develop and implement a strategy and plan for the delivery of contract and supplier management	<ul style="list-style-type: none"> Complete the roll out of Scotland Excel's new contract and supplier management(CSM) programme across the contract portfolio Continue to produce annual contract management reports for all contracts to support continuous improvement
(c) Develop and implement a strategy and plan for improving supplier performance	<ul style="list-style-type: none"> Deliver an integrated programme of supplier development activity as part of Scotland Excel's CSM model Develop and implement plans for the second Scotland Excel Supplier Excellence Awards in February 2018 Identify and work with key suppliers within each category to explore the potential for developing long term partnerships which add value to the solutions they provide to councils

<p>(d) Manage the rollout of a new national procurement capability assessment to the local government sector</p>	<ul style="list-style-type: none"> • Complete the first cycle of Procurement and Commercial Capability (PCIP) assessments for remaining local authorities by July 2017 • Continue to work with national procurement partners to implement a rolling two-year cycle of PCIP assessments
<p>(e) Develop and implement a programme to lead and support the development of procurement and commercial capability</p>	<ul style="list-style-type: none"> • Develop and deliver a programme of procurement capability and change services for local authority procurement practitioners, based on PCIP results and council needs • Deliver an annual conference for local authority procurement practitioners which supports change and capability within the sector in February 2018 • Develop and deliver a programme for the housing sector including procurement capability assessments, change management support, advice on collaborative contracts and community benefits, and additional chargeable services
<p>(f) Develop and implement a 'procurement academy' to support professional capability and encourage new entrants to public procurement</p>	<ul style="list-style-type: none"> • Continue to develop and deliver the 'Scotland Excel Academy' as a flexible education programme which meets current and future sector training needs, partnering with educational and professional institutes to deliver training, qualifications and continuing professional development (CPD) • Continue to develop and deliver the 'Scotland Excel Academy' online learning resource in support of blended and distance learning models • Continue to encourage and support new entrants to public procurement, including graduate trainees, interns and modern apprentices
<p>(g) Develop and implement a shared service offering for councils which meets their requirements in a changing public sector landscape</p>	<ul style="list-style-type: none"> • Develop and implement a strategy for further shared services, aligned to customer needs, ensuring that each new service has a clear value proposition and can be delivered effectively and sustainably by Scotland Excel • Monitor the investment of new streams of funding arising from the additional services being delivered in 2017-18

Goa1 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	Commitment
(a) Develop and implement strategies for responding to procurement and/or public sector legislation	<ul style="list-style-type: none"> • Publish an annual report on procurement activity in line with the requirements of the Procurement Reform (Scotland) Act 2014 • Assess the impact of the new General Data Protection Regulation (GDPR) in relation to Scotland Excel's business policies and processes and develop a plan to ensure compliance • Continue to monitor risks and/or opportunities arising from the local planning aspects of the Community Empowerment (Scotland) Act 2015 • Continue to engage with Chief Officers of Integration Joint Boards (IJBs) to secure social care procurement opportunities arising from the Public Bodies (Joint Working) Act 2014 • Develop a proposal to support councils with the procurement of early learning and childcare provision to meet increased obligations under the Children and Young People (Scotland) Act 2014 • Continue to implement Scotland Excel's waste category strategy to support councils with duties arising from the Waste (Scotland) Regulations 2012
(b) Ensure Scotland Excel's collaborative frameworks support local and national government policy priorities	<ul style="list-style-type: none"> • Continue to consider workforce matters in collaborative tenders, monitoring and reporting on supplier Living Wage commitments • Continue to consider other policy areas that can be supported through collaborative tenders, (e.g. ethical sourcing, health and nutrition, organic and local produce) • Continue to develop social care frameworks around national outcomes, (e.g. GIRFEC, Keys to Life) • Continue to support the roll out of recommendations arising from the Construction Review including cross-sector engagement to support national construction contract development activity

<p>(c) Ensure Scotland Excel's collaborative frameworks support positive local economic outcomes</p>	<ul style="list-style-type: none"> • Continue to support participation by local companies in collaborative tenders, providing regular reports to councils on the economic impact delivered for their area • Continue to incorporate community benefits in collaborative tenders to support employment, training and social inclusion at a local level • Continue to develop Scotland Excel's community benefits tracking system and provide regular reports to local authorities on the impact in their local area • Continue to identify opportunities for the third sector and supported businesses through contract participation and supply chain initiatives • Champion and facilitate local opportunities for supported businesses in partnership with local authorities and other stakeholders
<p>(d) Ensure Scotland Excel's collaborative frameworks support local government environmental duties and policies</p>	<ul style="list-style-type: none"> • Continue to support local authorities with their obligations to collect, handle, treat and recover value from waste • Continue to assess and mitigate the environmental impact of collaborative contracts
<p>(e) Champion the development and dissemination of best practice in sustainable procurement</p>	<ul style="list-style-type: none"> • Continue to implement Scotland Excel's sustainable procurement strategy to guide and support all aspects of sustainable procurement • Continue to support local authorities with meeting their sustainability duties, working with partners to develop, deliver and promote tools and guidance which support good practice • Continue to monitor, review and report on macro-environmental factors affecting public procurement, sharing intelligence and guidance with local authorities

Goa1 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	Commitment
(a) Develop and implement a portfolio of account management services that meet the collective and individual needs of local authority customers	<ul style="list-style-type: none"> Continue to deliver a rolling programme of account management meetings, information and services in line with plans agreed and reviewed annually with each local authority Gather, analyse and report on customer intelligence to support Scotland Excel's business decisions and ensure services remain in line with customer requirements
(b) Develop and implement a stakeholder engagement strategy that support the delivery of first class customer experience across all of our services	<ul style="list-style-type: none"> Implement an internal customer care forum to respond to the findings of the customer satisfaction survey, develop customer service principles and lead the delivery of continuous customer service improvements Develop a strategy for future digital developments including options for a web content management system, an online customer collaboration platform, and a customer relationship management system Monitor and manage customer complaints, including regular analysis of data to identify common issues and eliminate root causes of dissatisfaction
(c) Develop and implement a corporate communications strategy that enhances and protects Scotland Excel's corporate reputation	<ul style="list-style-type: none"> Develop and deliver a rolling communications plan to raise Scotland Excel's profile including corporate communications, public affairs, media and stakeholder engagement Continue to deliver a rolling programme of campaigns, events and activities which market Scotland Excel's services and promote the impact of our work to stakeholders Maintain Scotland Excel's website as the primary source of accurate and up-to-date corporate news and information Continue to identify, monitor and manage all communications risks arising from Scotland Excel's collaborative contracts and/or other business activities

<p>(d) Develop and implement a model for associate members which delivers clear business and financial benefits to Scotland Excel and the membership base</p>	<ul style="list-style-type: none"> • Continue to implement Scotland Excel's associate member strategy to support targeted member recruitment, transparent pricing, and the delivery of value and efficient service to all members
<p>(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</p>	<ul style="list-style-type: none"> • Continue to host and/or attend local authority forums to share information, reach consensus on sector views and secure a mandate to lead/influence on behalf of the sector where appropriate • Continue to represent and champion the views and requirements of the sector within the Public Procurement Reform Programme, and strengthen positive working partnerships with other Centres of Procurement Expertise • Continue to develop and maintain relationships with key national/local bodies or groups that can influence public policy. (e.g. COSLA, Improvement Service, Scottish Care, CCPS, FSB, Chambers of Commerce) • Continue to develop relationships and build influence with key partners and representative bodies for public service areas supported by collaborative procurement, (e.g. SFT, SCOTS, Social Work Scotland, Zero Waste Scotland)

Goa1 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	Commitment
(a) Develop and implement a strategy to support staff recruitment, retention, development, performance and engagement	<ul style="list-style-type: none"> Continue to implement rolling workforce forecasts and plans to ensure that Scotland Excel always has the right mix of people and skills to deliver its corporate strategy and operational plans Continue to develop and implement a recruitment management strategy, including the implementation of a new careers microsite and effective candidate management processes Continue to develop and implement an employee performance management policy and process which ensures that all job descriptions, competencies and behaviours are clearly aligned with Scotland Excel's vision, mission, values and plans Continue to implement employee development plans which are clearly aligned to identified corporate and personal training needs, offer a route to career progression, support staff retention and ensure effective succession planning Develop and implement an employee engagement and reward strategy to support staff motivation, retention, communication and wellbeing
(b) Develop and implement programmes to support the continuous improvement of business performance, systems and processes	<ul style="list-style-type: none"> Review and manage Scotland Excel's transformation programme to ensure it continues to support the delivery of the 2015-18 corporate strategy and operational plans Continue to implement a programme of ICT and systems development to support the delivery of business activities identified in the 2015-18 corporate strategy and operational plans Continue to establish a cloud-based ICT infrastructure to support organisational flexibility and growth, and provide efficient and effective ICT support for all technologies used within Scotland Excel Continue to implement a rolling plan for reviewing and evaluating key business processes Retain Investors in People (iIP), Chartered Institute of Procurement and Supply (CIPS) and Chartered Management Institute Approved Centre accreditation, and seek accreditation for other business areas as appropriate

<p>(c) Ensure that Scotland Excel delivers its plans through effective governance, risk management and policies</p>	<ul style="list-style-type: none"> • Continue to review and update Scotland Excel's governance model to ensure that it provides the optimum level of oversight of the organisation's performance and business activities • Continue to review and report on identified corporate and contract risks in line with Scotland Excel's risk management methodology and plan • Continue to implement a rolling review of Scotland Excel's corporate policies to ensure they provide an appropriate and supportive framework for business activities and performance
<p>(d) Develop and implement a strategy for gathering, analysing and distributing business intelligence within Scotland Excel and across the sector</p>	<ul style="list-style-type: none"> • Expand the use of data analytics tools to improve access to management information and reporting across the organisation • Explore options for using data analytics tools to provide data dashboards for each local authority
<p>(e) Develop and implement a clear, transparent and sustainable funding and delivery model for Scotland Excel</p>	<ul style="list-style-type: none"> • Develop a new five year corporate strategy to support the future development of growth of Scotland Excel in line with member requirements and priorities • Continue to explore all available funding and/or income generation opportunities to ensure the long term sustainability of the organisation and delivery of the 2018-22 corporate strategy • Continue to review Scotland Excel's business delivery model, ensuring that all fixed and operational costs return optimal efficiency and value for money

Measuring performance

A set of ten key performance indicators (KPIs) will be monitored during 2017-18 to assess our performance in delivering against the outcomes supported by our corporate strategy. These are listed below and aligned to the most relevant outcome, and updates will be reported quarterly. Actions identified from our operating plan which do not have a quantifiable KPI measure will also be reported on a quarterly basis.

Key performance indicators	Link to outcomes
No. & value of contracts delivered v plan	<ul style="list-style-type: none"> • Our services support the effective and efficient delivery of public services
Percentage & value of savings v target ¹	<ul style="list-style-type: none"> • Our customers are satisfied with our services and achieve a measurable return on their investment
No. of PCIP assessments completed v schedule	<ul style="list-style-type: none"> • Our expertise supports continuous improvement in procurement performance
No. of Scottish suppliers & percentage SMEs	<ul style="list-style-type: none"> • Our services help to deliver positive and sustainable outcomes for communities and service users
No. of community benefits realised	<ul style="list-style-type: none"> • Our services support the implementation of national and local policy priorities
Customer satisfaction statistics & trends	<ul style="list-style-type: none"> • Our customers are satisfied with our services and achieve a measurable return on their investment
Website usage statistics & trends	<ul style="list-style-type: none"> • Our customers receive relevant communication and support
Media coverage v target	<ul style="list-style-type: none"> • Our reputation demonstrates the value of collaboration
Income from associate members v target	<ul style="list-style-type: none"> • Our reputation demonstrates the value of collaboration
Staff turnover v headcount	<ul style="list-style-type: none"> • Our people, policies, processes and technology optimise our value

¹ Excluding social care