



## **Scotland Excel**

**To: Executive Sub Committee**

**On: 01 June 2018**

### **Report by Director Scotland Excel**

#### **Corporate Strategy 2018-23 & Operating Plan 2017-18**

##### **1. Purpose of the report**

In June 2015, Scotland Excel's Joint Committee approved a three-year corporate strategy for the organisation. As this strategy period ended on 31 March 2018, the organisation has been working on the development of a new corporate strategy which will be presented to the Joint Committee in June 2018.

The purpose of this report is to provide the Executive Sub-Committee with an opportunity to review the proposed corporate strategy and first year operating plan in advance of its submission to the Joint Committee.

##### **2. Strategic planning process**

Scotland Excel follows a robust strategic planning process to develop its corporate strategy and operating plans as illustrated in Figure 1 below.

The future vision of the organisation is supported by a mission statement, based on business capabilities, and the corporate values shared by all staff. Goals inform the direction of business activity, and each goal is further articulated through high level strategic objectives.

The annual operating plan outlines the organisation's commitment to the actions and activities it will undertake each year to meet the strategic objectives and progress towards achieving its vision. The plan is used to develop detailed action plans for the organisation, which are cascaded to employees as annual performance objectives.

**Figure 1**



**3. Strategic direction 2018-23**

The new corporate strategy builds on the progress made by Scotland Excel over the past three years, and was developed in close consultation with local authority stakeholders and Scotland Excel staff. It aligns with the challenges facing local government and the wider public sector, responds to the procurement and commercial requirements of members, and recognises Scotland Excel’s need to secure sustainable funding and growth.

The four business goals which inform the Scotland Excel’s strategic direction have been updated to reflect the experience and influence the organisation has gained in recent years:

<b>Goal 1</b>	Shaping solutions for innovative public services	Increasing the value of procurement through contracts and business change initiatives
<b>Goal 2</b>	Being sustainable in everything we do	Delivering social, economic and environmental value through contracts and other activities
<b>Goal 3</b>	Placing people at the heart of our business	Meeting the needs local authority stakeholders, communities and service users
<b>Goal 4</b>	Driving sustainable and scalable growth	Exploring alternative funding models, new business opportunities and partnerships

The strategy period now covers five years to support a longer term view of the organisation’s future. It will be reviewed at the end of the third year and, if required, updated to reflect any new priorities or significant changes in the macro-environment. This year’s operating plan sets out an ambitious agenda which will lay the foundations for delivering the aims of the strategy over the next five years.

#### **4. Monitoring and reporting**

As with the previous strategy and operating plans, progress reports will be produced quarterly to track Scotland Excel's performance. Half yearly and annual will be submitted to Joint Committee meetings in December and June, with reports for the interim quarters submitted to the Executive Sub-Committee. The report will also track performance against strategy outcomes using fourteen key performance indicators (KPIs) which are currently being finalised.

#### **5. Recommendation**

The members of the Executive Sub-Committee are invited to review and comment on the proposed Corporate Strategy 2018-23 and Operating Plan 2018-19.



**SCOTLAND  
EXCEL** 

# Corporate Strategy

**01 April 2018 – 31 March 2023**



## Foreword

Having spent much of my career in procurement, I was delighted to take on the role of Convener of the Scotland Excel Joint Committee following the May 2017 local government elections. My first year in this post has been something of a whirlwind as I have learned about the organisation's many achievements since its launch in April 2008, and why it truly deserves its status as a centre of procurement expertise.

These achievements have continued apace during my first year of office. To give just a few examples, this year Scotland Excel has expanded its work in social care to help ensure the sustainable delivery of services for the most vulnerable members of society, created a new 'small value' contract service to free up time for local authority procurement teams; and held the Supplier Excellence Awards to highlight the range of benefits being delivered by suppliers.

Scotland Excel has continued to evolve its leading change services to help local authorities develop their procurement skills, tools and processes. In 2017, national Procurement & Commercial Improvement Programme (PCIP) assessments were completed with all 32 councils to support targeted improvement in the sector's capability. A suite of new learning and development opportunities available through the Scotland Excel Academy provides further opportunity for council staff to enhance their knowledge and skills across a range of key disciplines.

As a champion of community empowerment, I have been particularly impressed with the effort Scotland Excel makes to understand local requirements and engage with different communities throughout Scotland. This goes beyond initiatives encouraging local suppliers to take part in tenders, and seeks to create dialogue among key stakeholders. In February, I had the pleasure of attending their Supported Business Event which brought representatives from the supported business community together with councils to explore opportunities for working together.

I am also encouraged by Scotland Excel's involvement of service users in the development of contracts. Most recently, young people were engaged in the development of the new children's residential care services contract, and a number of their ideas were included as part of the service specifications. I am pleased that Scotland Excel has committed to continuing to engage with service users and communities in this new strategy.

Another area of interest to me is ICT and, in particular, the benefits that can be offered to communities through increased application of digital technologies within councils. It is good to see Scotland Excel continuing to support these goals through partnerships with the public sector education technology provider, SEEMiS Group, and the Digital Office for Scottish Local Government. I look forward to seeing the outputs of these partnerships as the new strategy progresses.

In today's challenging financial climate, partnerships are an important way for public sector organisations to increase efficiency, share knowledge and deliver more and better services. This is just one route that Scotland Excel is pursuing to ensure its long term sustainability, along with exploring alternative funding models and extending its reach into new sectors such as housing. Scotland Excel's commitment to always putting the customer first will ensure that the benefits delivered by these new approaches will be shared by all.

This new five year corporate strategy demonstrates that Scotland Excel has no intention of resting on its laurels. It builds on the success of the past three years and clearly articulates how the organisation can achieve more on behalf of its local government members and partners. It also recognises that to ensure its sustainability, it must consider a range of funding options and continue to demonstrate a measurable return on investment.

Scotland Excel's achievements over the past ten years reflect well on the organisation. But this success is something we can all be proud of within local government; it demonstrates how much we, as councils, have achieved through a collaborative approach. I am sure you will join me in congratulating Scotland Excel in this, their tenth anniversary year, and welcome the publication of this ambitious new corporate strategy.

Cllr John Shaw  
Renfrewshire Council, and  
Convener of Scotland Excel's Joint Committee



## Introduction

It is hard to believe that three years have passed since I wrote the introduction to our previous strategy. But when I look back on all that has been achieved since then, it seems even more remarkable that it all took place in just three years!

Local government is truly leading the field in the impact it is delivering through procurement, and I am proud that Scotland Excel has played a pivotal role in helping to achieve this. I say this not to gain credit for our organisation, but to applaud the difference that procurement is making for communities across Scotland.

In our sector, procurement has always been about people – getting the best for those who use essential public services. With demand continuing to rise, and the pressure on budgets increasing, it is more important than ever that we use the power of procurement to help secure the future delivery of high quality services at a sustainable cost.

It is no surprise therefore that our new strategy will see us extending the reach of our social care portfolio. Since 2011, we have steadily increased the number of social care contracts we offer, all of which support national policies to ensure the wellbeing of some of the most vulnerable people in our society. This year, we begin the development of two new frameworks for older people's care home services and adult care and support services.

Another fundamental aspect of wellbeing is ensuring that people have access to affordable homes. I am delighted that Scotland Excel has secured funding to develop a national framework for new build housing. This contract will significantly shorten procurement timescales for new build projects, helping to deliver the Scottish Government's commitment to building 50,000 affordable homes by 2021.

As champions of procurement, we remain committed to increasing procurement and commercial capability within our sector to ensure that councils get the most from their local procurement activities. Over the past two years, our learning and development and business change services have been transformed to ensure we can keep pace with the demands of our members as their professional and organisational capability matures.

In particular, our learning and development programme has taken a leap forward with the Scotland Excel Academy. Our new strategy will see us roll

out a wide range of accredited qualifications, practitioner workshops and thought leadership masterclasses that take holistic view of the skills and attributes of successful procurement leaders. These professional learning opportunities will complement a business change programme which includes both sector-wide initiatives and local consultancy projects.

While our focus is first and foremost with our local authority members, I have been pleased to welcome new customers to our organisation in recent years. In April 2017, we launched a programme of procurement services for housing associations, and I firmly believe that there are significant synergies and benefits to be realised through councils and housing associations working together with Scotland Excel.

Indeed, I am convinced that Scotland Excel has the potential to deliver services for many other public and third sector organisations. Over the past ten years, we have developed a wealth of expertise in procurement, learning and development and business change that we can offer to new customers at a competitive cost. And as a non-profit organisation, every penny made is reinvested to develop, expand or sustain services for all of our stakeholders.

Our new strategy is very much about growth. Scotland Excel is at its heart a forward-thinking organisation, and we are constantly identifying new opportunities that have the potential to deliver substantial benefits for customers, communities and people across Scotland. To ensure that we can achieve these ambitions, we will be looking at new services, new markets and new funding models to underpin our growth and secure our future.

I hope this strategy will convince you of our commitment and capability to achieve our aims. As we celebrate our tenth anniversary, I believe Scotland Excel has an impressive track record to look back on, and is in a great position to realise its future goals. I would like to take this opportunity to thank all of our staff, stakeholders and customers for your invaluable support along the way. I look forward to working with you as we continue on our journey.

Julie Welsh  
Director, Scotland Excel

## Context

In 2018, Scotland Excel marks ten years as the centre of procurement expertise for local government, making it one of the most successful collaborative ventures undertaken by Scottish local authorities. During that time, we have delivered measurable benefits to councils including an estimated £150m of savings and efficiencies, returning around £5 for every £1 invested in our operations.

Our previous corporate strategy was developed to support councils in a challenging and complex environment. These challenges are no less relevant today, and many of the commitments in our 2018-23 strategy have been developed to help local authorities mitigate their impact. Some of the key areas which have informed our thinking are highlighted below.

### Financial challenges

In recent years, economic austerity has created difficult choices for the public sector and has had a significant impact on Scotland's local authorities. Audit Scotland's 2017 financial overview report noted a real-terms reduction of 7.6% in Scottish Government revenue funding to councils between 2010/11 and 2016/17.

Faced with financial pressures, councils have implemented savings initiatives such as reducing staff numbers, rationalising property and improving procurement. Councils are now finding it difficult to identify further savings, and are increasingly using reserve funding to pay for staff severance packages, transformation programmes and/or shortfalls in service budgets. In 2016/17, 19 councils drew on their revenue reserves compared with eight councils in 2017/18.

With the Fraser of Allander Institute projecting a 2.3% decrease in the overall Scottish budget to 2020, the financial challenges facing local government are likely to continue for the foreseeable future. The lifting of the public sector pay cap, economic inflation and expected rises in interest rates will all add further pressure on already decreasing budgets.

### National policies

In recent years, local government budget settlements have included funding which is ring-fenced for the delivery of national priorities such as early learning

and childcare services (ELC) and educational attainment. This means councils have less flexibility to manage funding across their full range of services and, as a result, budget cuts may be as high as 20% in some services.

Responding to national policies also brings challenges for delivering these prioritised services. In February 2018, Audit Scotland reported a significant risk that councils will not have the infrastructure or workforce in place by 2020 to meet the expanded entitlement to funded ELC services.

As part of its Education Reform Agenda, since 2017 the Scottish Government has been providing c. £120 million each year directly to schools through Pupil Equity Funding. The findings of their consultation, *Fair Funding to Achieve Excellence in Education*, published in February 2018, found that while direct funding offers a range of benefits, headteachers continue to require support to deal with tasks such as administration, financial management and building maintenance.

Most respondents felt that accountability for funding decisions should lie at the local authority level, and most headteachers felt that non-education tasks should be carried out by someone trained in the relevant field. Councils are therefore faced with the challenge of supporting headteachers with their new responsibilities while continuing to balance their central education budget.

In 2016, the Scottish Government committed £3bn to the delivery of 50,000 affordable homes by 2021, with 35,000 of these available for social rent. While this programme provides a welcome capital investment for councils and social landlords, recent media reports about the number of new homes currently being built each quarter suggest that achieving this target will be challenging.

Elected members and housing associations have called for a national procurement solution to be implemented as an alternative to the time-consuming individual procurement exercises undertaken for each new housing project.

## **Ageing population**

While budgets are reducing, local authorities have faced increasing demand for services from a steadily growing population and, in particular, social care provision for Scotland's ageing demographic. According to figures released by the National Records of Scotland in October 2017, people aged 75 and

over are projected to be the fastest growing age group, increasing 27% by 2026.

In 2016/17, councils delegated £2.4bn of social care expenditure to the recently-formed Integration Joint Boards (IJBs) which bring together health and social care services in Scotland. While a key focus for IJBs will be on anticipatory and preventative care that may change the nature of care services for older people, it is likely that demand for existing services will continue to grow in the short to medium term.

In October 2016, the Scottish Government and local authorities agreed to pay the Scottish Living Wage to all adult care workers. Audit Scotland has estimated that this will cost councils around £100m each year, and this will increase from 2018/19 when the Living Wage will also be paid for sleepover shifts.

### **Tackling poverty**

Scotland's councils are committed to tackling inequality. In 2015/16, Scottish Government figures suggest 18% of Scotland's population were living in absolute poverty after housing costs. Despite budget cuts, councils must ensure that essential services are available to all who need them, and invest in initiatives which promote inclusive growth in their area.

Recent changes in welfare legislation have had an impact on councils. In April 2013, councils became responsible for administering the Scottish Welfare Fund (SWF) which replaced Community Care Grants and Crisis Grants managed by the Department for Work and Pensions (DWP). The Scotland Act 2016 will see a further 11 benefits transferred to Scotland from the summer of 2018, and councils will work with the Scottish Government to provide local, joined-up services for claimants.

The roll out of Universal Credit (UC) by the UK Government has also affected councils, with housing benefit being one of six benefits included in UC and paid directly to claimants monthly. Councils in UC areas have reported a significant increase in rent arrears, as well as additional demand for support such as SWF grants and discretionary housing payments (DHPs). In response, the Scottish Government has recently made provision for two-weekly UC payments and for the housing element to be paid directly to landlords.

### **Local impact**

A strong local economy supports the sustainability of Scotland's communities and facilitates the delivery of a wide range of positive social and environmental outcomes. According to the Convention of Scottish Local Authorities (COSLA), councils invest more than a quarter of a billion pounds each year promoting economic growth and providing direct support for business.

Councils play a critical economic role in a number of ways including regeneration initiatives, business advice and support through Business Gateway, and the delivery of support functions such as planning, licensing and local transportation. Councils are also a major employer in their area and use their c. £6.3bn procurement spend to deliver opportunities for Scottish businesses.

The *Local Government Benchmarking Framework Overview Report 2016/17* found that councils spent an average of 20.3% of their procurement budget in their local areas. While this figure was viewed unfavourably in some quarters, the report sees its relative stability as evidence that *"the drive to reduce costs has not resulted in local SMEs being displaced by larger national suppliers of goods and services"*. Moreover, each council's spend with local suppliers does not take account of 'inward investment' from procurement spend across council areas, or business secured by local suppliers as sub-contractors.

The forthcoming Local Governance Review, announced by the Scottish Government and COSLA in December 2017, will also have an impact at a local level. The review will give communities – including public, private and third sector organisations – more say in how about how public services in their area are run, and may see the delivery of some services transferred to local organisations.

## **Brexit**

The full impact of Brexit on the local government sector is still largely unknown. Examples cited by COSLA include loss of EU funding for local initiatives, a reduction in the number of EU nationals working in key service areas such as education and social care, and implications for local businesses which export to Europe.

In March 2018, the UK Government announced that public procurement was one of 24 areas expected to require a UK legislative approach for a temporary period. While discussions are still ongoing with devolved

governments, this could have implications across the Scottish public sector where procurement duties go beyond the obligations required by EU directives.

Regardless of the legislative position, the cost of procuring goods may rise, particularly where products or their raw materials are imported from EU and/or are vulnerable to currency or market fluctuations. Since the announcement of the UK's departure from the EU in 2016, Scotland Excel has mitigated a number of price increase requests relating to the Brexit vote.

## **Our strategy**

The challenges facing the local government sector require the continuous development of new and innovative solutions. We believe we have demonstrated our ability to support many of these challenges, both directly through savings, efficiencies and increased commercial capability, and indirectly by embedding national and local policies within our procurement strategies.

This corporate strategy sets out how we plan to raise our game further, providing even greater support to councils and other public sector stakeholders while ensuring our own organisation's long term sustainability and growth. As always, our strategy has been developed in consultation with our member councils, and the operating plans which support it will be published annually to ensure that our focus remains relevant to their needs.

This strategy looks forward over a period of five years to support a longer term view of our goals and objectives and enable us to plan accordingly. It will be reviewed at the end of the third year and, if required, updated to reflect any new priorities or significant changes in our macro-environment.

# Strategy Map

## Vision

To provide innovative, transformative solutions for local and national public services across Scotland

## Mission

To make the most of our strategic procurement expertise and our experience of developing **collaborative** solutions to support the delivery of **sustainable** public services and **better outcomes** for Scotland's people and communities.

## Values

**Professional • Courageous • Respectful • Integrity**

## Outcomes

Our services shape the effective and efficient delivery of public services	Our services facilitate the delivery of national and local policy priorities	Our insight and knowledge underpins innovative solutions for our customers	Our customers receive a measurable return on investment through savings
Our expertise leads continuous improvement in commercial performance	Our services enable positive and sustainable outcomes for people and communities	Our activities are recognised as leading the way in public procurement	Our customers are satisfied with our services and how we deliver them

## Goals

<p>1: Shaping solutions for innovative public services</p> <p><b>Strategic objectives:</b></p> <p>1.1 Deliver a programme of collaborative procurement which supports the delivery of public services</p> <p>1.2 Deliver programmes which lead and develop professional, organisational and commercial capability</p> <p>1.3 Develop our data insight capabilities to support the development of new solutions and services</p> <p>1.4 Use our insight and experience to shape policy and meet the challenges of future public service delivery</p>	<p>2: Being sustainable in everything we do</p> <p><b>Strategic objectives:</b></p> <p>2.1 Deliver positive and measurable social value through our contracts</p> <p>2.2 Deliver positive and measurable local impact through SME and third sector participation in our contracts</p> <p>2.3 Deliver positive and measurable environmental benefits through our contracts</p> <p>2.4 Lead and develop sustainable procurement knowledge and practice</p>	<p>3: Placing people at the heart of our business</p> <p><b>Strategic objectives:</b></p> <p>3.1 Ensure our customers continue to receive maximum value from our services</p> <p>3.2 Engage stakeholders in the delivery of effective local solutions</p> <p>3.3 Represent the collective views of stakeholders at a national level</p> <p>3.4 Implement policies which develop, empower, value and engage our workforce</p>	<p>4: Driving sustainable and scalable growth</p> <p><b>Strategic objectives:</b></p> <p>4.1 Implement a new governance model which supports scalable business growth</p> <p>4.2 Continue to maintain a robust business infrastructure to support our growth ambitions</p> <p>4.3 Use our knowledge and insight to identify new services and/or sectors which provide growth opportunities</p> <p>4.4 Explore opportunities to work with partners on the development and delivery of new business opportunities</p>
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## Goal 1: Shaping solutions for innovative public services

Strategic objectives	
1.1	Deliver a programme of collaborative procurement which supports the delivery of public services
1.2	Deliver programmes which lead and develop professional, organisational and commercial capability
1.3	Develop our data insight capabilities to support the development of new solutions and services
1.4	Use our insight and experience to shape policy and meet the challenges of future public service delivery

Scotland Excel's contract portfolio will continue to be the core service we provide to local authorities. Over the past ten years, we have helped to establish procurement as an effective mechanism for supporting local government financial challenges, both at a national level through collaborative contracts and through initiatives which increase procurement capability locally within councils.

As our contract portfolio matures, it becomes more difficult to drive further savings from each new generation of contract. However, our market knowledge, spending data and business tools, such as Indexation Modelling, will continue to optimise contracts and introduce new performance measures which demonstrate best value. New contract development areas will continue to be led by national and local policy priorities where there is a significant opportunity to realise benefits which support better outcomes for people and communities.

We will also seek to accelerate the benefits that councils can achieve locally through our learning and development and business change programmes. As well as sector-wide opportunities for developing professional and organisational practice, we will offer on-site consultancy programmes to identify savings and embed procurement knowledge and practice. These services offer a significant cost advantage over private sector consultants, and retain intellectual property within local government.

### Progress to date

In March 2018, the value of our contract portfolio reached £1bn, largely due to our focus on delivering high risk, high value contracts in construction and social care. Our £200m framework for energy efficiency contractors, awarded in May 2017, was our highest value contract to date. This provides councils with an efficient route to market

for works funded through national energy efficiency programmes which help to reduce fuel poverty. We have recently secured funding to develop a national house building contract to help accelerate the delivery of affordable new homes.

In social care, we are providing procurement and contract management support for existing national arrangements for older people's care home services. Working with COSLA, the Scottish Government and other partners on the reform of adult social care, we have developed new procurement strategies for older people's care home services, as well as other adult care and support services which are not currently covered by national arrangements. These two new frameworks will add substantial value to Scotland Excel's social care portfolio.

We are also working with Scottish Government and partners to create opportunities for Scottish food producers within the public sector supply chain, and with the Scottish Government and Zero Waste Scotland to align our environmental strategy with national waste management policy. We have developed a procurement proposal to support early learning and childcare policy, and are engaging with stakeholders to establish interest and explore funding options.

Having expanded our corporate portfolio into ICT with contracts for online school payments and customer service platforms, in 2016 we began working in partnership with the newly-launched Digital Office for Scottish Local Government. Our focus has changed to providing procurement support for their work to build a portfolio of collaborative initiatives and projects that maximise the value of digital technologies.

In April 2017, we introduced a new service for the delivery of small value contracts at the request of council procurement teams. These contracts free up time for local teams to focus on other priorities and are delivering savings which represent a significant return on investment. Scotland Excel retains a small proportion of contract rebates to deliver this service, which demonstrates the potential of this alternative funding model.

Following the success of Scotland Excel's Procurement Improvement Programme (PIP), which supported a threefold increase in procurement capability in local government over five years, we took time in 2016 to consider the next steps for our business change and learning and development programmes, prompted by a change to the national procurement assessment programme.

The new Procurement & Commercial Improvement Programme (PCIP) takes a more strategic view of an organisation's procurement capability and, by November 2017,

we had completed PCIP assessments with all 32 councils. We are now developing a programme around the four priority areas identified.

To support this, we have launched the Scotland Excel Academy which offers multi-disciplined, work-based learning opportunities in leadership and management, procurement and project management. Programmes available through the Scotland Excel Academy are accredited by the Chartered Management Institute (CMI) and the Chartered Institute of Procurement & Supply (CIPS), with further accreditation by the Scottish Qualifications Authority (SQA) in the pipeline.

## **Our commitments**

### **Collaborative procurement**

Working with established key stakeholders, we will continue to engage widely and directly with council service areas, sharing our knowledge and expertise to support collaborative procurement development.

We will implement the procurement strategies agreed with partners and stakeholders for new build housing, older people's care home services and adult care and support services.

We will continue to develop and enhance our strategic procurement practices and contract and supplier management activity, with a particular emphasis on delivering and monitoring social, environmental and economic impact.

Adopting a cross-sector leadership approach, we will continue to work with colleagues throughout health, education and central government to pursue collaborative opportunities and share best practice.

We will continue to inform and support the development of national procurement policy in consultation with the local government procurement community.

### **Professional, organisational and commercial capability**

We will work with our procurement community to scope and deliver change projects which drive best practice and innovative thinking, informed by the results of each PCIP assessment cycle. As we strive to embed change and innovation across our community, we will play a role in transforming practices across our sector.

Where requested by councils, we will deliver on-site consultancy projects and transformation programmes which support a step change in procurement and commercial capability. Capitalising on our extensive experience and knowledge of the sector, we will deliver customised projects and programmes at a competitive cost, ensuring that the intellectual property of improvement methodologies is retained within local government.

Through the Scotland Excel Academy, we will continue to deliver multi-disciplinary work-based learning programmes which address the development needs of the local government community and wider public sector, and which realise a quick return for our customers.

We will continue to deliver accredited programmes in procurement, leadership & management and project management. Future learning needs will be identified through ongoing consultation with stakeholders and be informed by outcomes of PCIP assessments.

We will deliver practitioner workshops and events to build skills and knowledge across our community, and work with subject matter experts on the delivery of thought leadership masterclasses.

Our Academy's online platform will provide a mechanism for sharing information and practice nationally, and we will work to create and support communities of practice across key disciplines.

We will continue to work with national partners on the ongoing development of PCIP assessments, ensuring that consideration is given to the needs of the local government sector.

## **Data insight**

Building upon our data analysis expertise, we will continue to develop analytical tools to support the expansion of the contract portfolio and service the management information needs of our procurement community.

We will continue to develop and share innovative tools and solutions to support effective commercial development across the sector; for example, the Cost of Care Calculator which supports price negotiations for social care services, and Indexation Modelling which tracks market influences on the cost of goods and services.

We will continue to undertake market analysis in line with our community's needs and to support effective options appraisal and decision making on the pursuit of new

service offerings. We will identify appropriate opportunities to use our market knowledge and insight to influence policy.

We will empower our people by providing the appropriate skills and tools to allow tailored analysis of our contract and business performance metrics.

**Shaping policy**

We will participate in relevant national forums to influence policy setting which correlates with local government priorities. In particular, we will seek further opportunities to provide input and align our strategies within social care, educational support, affordable housing and environmental services.

Our marketing and communications activity will maximise our profile across the public sector by highlighting the breadth and depth of our expertise and influence, and will clearly communicate the successes arising from our activities in a robust and impactful manner.

We will continue to play our part in leading the development and implementation of a national Graduate Apprenticeships programme as a cost-effective talent management opportunity for our procurement community.

<b>Goal1: Outcomes supported</b>	
Our services shape the effective and efficient delivery of public services	Our services facilitate the delivery of national and local policy priorities
Our expertise leads continuous improvement in commercial performance	Our insight and knowledge underpins innovative solutions for our customers
Our activities are recognised as leading the way in public procurement	Our customers receive a measurable return on their investment through savings

## Goa1 2: Being sustainable in everything we do

Strategic objectives	
2.1	Deliver positive and measurable social value through our contracts
2.2	Deliver positive and measurable local impact through SME and third sector participation in our contracts
2.3	Deliver positive and measurable environmental benefits through our contracts
2.4	Lead and develop sustainable procurement knowledge and practice

Scotland Excel has been a long-time champion of sustainable procurement and its power to deliver social, economic and environmental benefits for communities. Sustainable procurement has driven innovation in our procurement strategies, and their impact has been recognised with national awards. Over the next five years, we are committed to continuous development of our approach to deliver even greater benefits for people and communities across Scotland.

Scottish companies account for c. 62% of all suppliers on Scotland Excel national frameworks, and c. 78% of these are SMEs. We believe that there is still ample opportunity for local companies to take part in our tenders, and we will work with councils and partners to promote opportunities to SMEs, third sector organisations and supported businesses to support local economic impact and jobs.

We will continue to enhance our methods for monitoring the social, economic and environmental impact of our contracts, and use the findings to target further value. As a key member of the Scottish Government Policy Group and Best Practice Forum, we will continue to play a leading role in the development of sustainable procurement practices. We will advance sustainable procurement knowledge and expertise within our sector through our education and business change programmes.

### Progress to date

In December 2016, we published our sustainable procurement strategy which sets out our approach to considering the social, economic and environmental wellbeing of our communities within our procurement strategies. This also includes our commitment to creating opportunities for SMEs, third sector organisations and supported businesses, and our efforts to promote innovation through the procurement process.

We have considered Fair Work Practices, including payment of the Living Wage, within tenders since early 2015. Of the 494 suppliers appointed since then, 406 (82%) pay the Living Wage, 60 are Living Wage Accredited, and a further 95 are committed to achieving accreditation within two years.

In addition, social value is delivered through the community benefits in our contracts which, since 2013, have supported 274 jobs and 200 apprenticeships, almost 60,000 hours of work experience, and over £285,000 of community and charitable initiatives. We also support the Eco-Schools programme, operated internationally by the Foundation for Environmental Education (FEE), which involves schools, pupils and their communities in protecting the environment.

Scotland Excel has incorporated the Eco-Schools programme into evaluation criteria for two social care frameworks. As a result, the number of children's residential care services that hold the Eco-Schools International Green Flag Award will increase from 6% to 83% over the next four years, while all secure providers have committed to achieving the award by 2020.

In line with our sector's priorities, Scotland Excel makes significant effort to deliver local economic value. Lotting strategies ensure that smaller suppliers can bid for the specific products or geographic areas they are able to service without penalty.

We work in partnership with the Supplier Development Programme (SDP) to encourage SMEs to participate in tender opportunities. Having supported their local 'Meet the Buyer' events for many years, in 2016 we became involved in the delivery of SDP training sessions and webinars. We have established links with the Scottish Local Authorities Economic Development Group (SLAED) to explore how we can help to align councils' economic development and procurement objectives.

We are also working to create opportunities for supported businesses and third sector organisations. Suppliers on our award-winning domestic furniture contract include third sector organisations working as consortia, while supported businesses also feature in its supply chain. In addition, we are facilitating dialogue between supported businesses, councils and housing associations to enable them to explore local opportunities.

To date, Scotland Excel waste management contracts have helped to divert more than 1.2m tonnes of waste from landfill. We encourage all suppliers to consider how they can minimise their environmental impact, and our recent Supplier Excellence Awards identified many examples of good environmental practice in production, packaging, logistics and recycling.

## Our commitments

### Social value

We will continue to consider how our procurement activities can achieve positive social outcomes for Scotland's people and communities in line with our sustainable procurement strategy. We will encourage suppliers to seek Living Wage accreditation and explore opportunities to increase payment of the Living Wage among suppliers that pay some employees below this level.

We will continue to embed community benefits provisions within all of our contracts, expanding recent efforts to ensure these benefits are offered and/or can be selected at a local level so that all councils can achieve a direct benefit for their local area.

We will continue to monitor and report on the delivery of community benefits by suppliers, including job opportunities, apprenticeships and work experience. In particular, we will continue to encourage the delivery of employment opportunities for disadvantaged or disabled workers through community benefits and/or the participation of supported businesses and the third sector within our supply chain.

### Local impact

We will continue to consider local impact as part of market analysis at an early stage in the procurement process, and ensure that procurement strategies deliver opportunities for SMEs, third sector bodies and supported businesses. We will place particular emphasis on local micro and SME businesses, which constitute the majority of businesses in Scotland.

We will continue our work with the Supplier Development Programme to create awareness of tender opportunities among Scottish SMEs, encourage participation, and provide training and advice to help them become tender ready. We will also explore further opportunities to work with economic development teams within councils to target local SMEs, third sector organisations and supported businesses directly.

We will consider how we can increase direct and supply chain opportunities for SMEs and local contractors, particularly within our construction contracts, and will promote opportunities for the housing sector to create a positive impact in their communities through the use of local suppliers on Scotland Excel contracts and/or community benefits.



**Environmental benefits**

We will embed contract specifications which drive sound environmental practices including minimising waste within production and packaging and the appropriate use of recycled materials. We will continue to encourage suppliers to reduce their carbon footprint through recycling initiatives, energy efficiency measures and improved delivery logistics. We will champion specific changes demanded by our customers such as eliminating plastic straws from drink cartons.

Where appropriate, we will ensure our tender evaluations consider ‘whole life’ costing, particularly for environmental contracts where there is an opportunity to recover value from waste and support compliance with legislation, climate change targets and circular economy objectives.

We will also lead by example by considering the environmental impact of our own procurement and business activities, and implementing processes and initiatives to reduce our carbon footprint.

**Sustainable procurement leadership**

We will continue to participate in the development of national sustainable procurement guidance and tools as a key member of the Scottish Government’s Policy Group and Best Practice Forum, and will provide support to our councils in the use of these resources.

We will actively promote a ‘whole organisation’ approach to sustainable procurement, taking a lead role in the delivery of initiatives which build the sector’s capacity and capability in sustainable procurement including masterclasses, best practice and knowledge sharing.

Our efforts to champion a sustainable approach will be incorporated into our engagement with elected members and senior officers to ensure that the principles and benefits of sustainable procurement are recognised at all levels within councils.

<b>Goal 2: Outcomes supported</b>	
Our services facilitate the delivery of national and local policy priorities	Our services enable positive and sustainable outcomes for people and communities

# Goa1 3: Placing people at the heart of our business

Strategic objectives	
3.1	Ensure our customers continue to receive maximum value from our services
3.2	Engage stakeholders in the delivery of effective local solutions
3.3	Represent the collective views of stakeholders at a national level
3.4	Implement policies which develop, empower, value and engage our workforce

Scotland Excel's ethos of engaging positively with stakeholders has played a key part in our success. Our reputation for leading and facilitating collaboration has been built on listening to our customers and ensuring that we deliver solutions based on consensus rather than compromise. As our business grows, we will ensure that meeting the needs of all our customers remains our priority.

We will continue to ensure that the local government procurement community are fully supported in their role and can access the resources they need. We will review our stakeholder engagement activities to reflect our expanding reach, and involve communities and service users where this can have a positive impact on procurement solutions. Where appropriate, we will act as the voice of our stakeholders and ensure that their views are considered at a national level.

We will continue our endeavours to ensure that Scotland Excel provides a positive working environment which promotes innovation, fosters collaboration and encourages development. The implementation of our Organisational Development strategy, a new talent management programme and an agile working policy will ensure that all of our people have the opportunity for personal and professional development in a flexible and productive workplace.

## Progress to date

Scotland Excel constantly strives to improve customer experience. In our 2017 customer satisfaction survey, 82% of procurement stakeholders and 81% of senior stakeholders who responded to our questionnaire rated their overall satisfaction as 'good' or 'very good'. A detailed analysis demonstrated that satisfaction with our services and delivery had increased across almost every area of our work.

This was the result of improvements made in response to the findings of our previous survey which included increasing the number of social care and construction contracts, streamlining the contract delivery process and refreshing our account management services. We also developed and launched a new website to provide easy access to more detailed contract information in response to customer feedback.

In 2015, we embarked on a project to map our relationships with local authority stakeholders and understand our wider stakeholder landscape. As a result, we have been able to target our engagement activities more effectively, and build enhanced relationships with organisations that influence our areas of work.

In social care, our engagement activities have expanded to include people who use services. When developing a contract for care home services for adults with learning disabilities, we worked with People First, a self-advocacy group, to involve people with experience of these services during contract development. Our community meals contract was evaluated with the help of elderly service users, and we involved 'looked after' young people in the development of our recent contract for children's residential care home services.

Our customer base has now grown to encompass other public sector organisations through associate membership and, in particular, housing associations taking part in the PCIP programme being delivered by Scotland Excel on behalf of the Scottish Government. While local authority members remain our priority, there are clear synergies and benefits to working with housing associations, particularly in relation to construction contracts.

For example, by using the energy efficiency contractors framework, both councils and housing associations are able to act more quickly to reduce fuel poverty in Scotland's communities. Their combined spend can increase the volume of community benefits delivered through existing contracts and, by aggregating demand from both sectors, we can identify new collaborative contract opportunities.

Our own people are at the heart of Scotland Excel's success, and it is through their knowledge, skills, experience and commitment that we are able to satisfy our customers. Our employee performance management process, and significant emphasis on training and career development, has allowed many staff to progress their careers, including those joining as modern apprentices and graduate interns.

Scotland Excel's has held Investors in People (IiP) accreditation since 2009. The recommendations from the most recent IiP assessment in 2016, where we achieved Silver Standard, have been incorporated into a new Organisational Development strategy which aims to attract, develop, reward and retain a highly skilled, motivated and engaged workforce.

## **Our commitments**

### **Delivering value**

We will continue to evolve our account management services to optimise their value and deliver a positive customer experience for our councils. We will further explore opportunities to use digital technologies to engage with our customers, for example through webinars and digital communities, and seek to expand our online 'self-service' facilities, including a contract spend reporting portal.

Following the successful implementation of a 'small value' contract development service, we will explore the feasibility of providing other services identified through customer engagement, for example short-term staff resourcing, bespoke advisory services, or supporting local collaborative procurement projects.

We will embed the findings from our stakeholder engagement project to support the delivery of procurement solutions aligned to local government and other public sector outcomes. We will ensure that our engagement activities reflect the organisation's expanding customer base.

### **Engaging with stakeholders**

We will explore opportunities to work more closely with a diverse range of community groups to maximise the potential of our contracts and enhance the outcomes they deliver. In particular, we will strive to ensure that we develop procurement solutions that continue to meet changing local requirements.

To support this, we will develop a model for incorporating an appropriate level of community engagement into procurement strategies where this can have a positive impact. Scotland Excel will also continue to engage directly with people who use services to ensure that their needs are incorporated into service design.

Recognising the role played by schools within local areas, we will explore opportunities to work with educational partners to promote the influence procurement can have in helping communities flourish. To achieve this, we will seek opportunities to enhance the engagement already undertaken by suppliers within schools as part of their community benefits commitments.

## **Representing our sector**

We will continue to engage with a wide and diverse set of stakeholders and partners, including public, voluntary and private organisations, and ensure we represent the collective views of our customers through these relationships.

We will undertake a comprehensive review of our engagement activities at a national level to ensure we target our resources where our organisation can have the greatest, tangible impact for our customers. We will consider how we can keep customers better informed of our representation activities.

We will also capitalise on our relationships with elected members and local government policy makers to build a clear understanding of the value of procurement, and ensure that the views of the local government procurement community are heard.

## **Developing our people**

We will continue to implement our Organisational Development (OD) strategy to ensure that we attract, develop, reward and retain the best people. We will develop a rolling plan of improvement projects to achieve our OD objectives and ensure that our policies, systems and processes support our aims. Our ongoing work with liP will benchmark our OD performance.

We will develop and implement an internal talent management programme to develop our people and ensure Scotland Excel remains fit for purpose to support the ongoing needs of our community. In addition, we will continue to identify and deliver training and development opportunities for staff at each stage of their career.

We will continue to explore the benefits of agile working and develop plans to implement agile working policies that deliver a productive working environment that benefits our staff, our organisation and our customers.

### Goal3: Outcomes supported

Our services enable positive and sustainable outcomes for people and communities	Our insight and knowledge underpins innovative solutions for our customers
Our activities are recognised as leading the way in public procurement	Our customers are satisfied with our services and how we deliver them

# Goa1 4: Driving sustainable and scalable growth

Strategic objectives	
4.1	Implement a new governance model which supports scalable business growth
4.2	Continue to maintain a robust business infrastructure to support our growth ambitions
4.3	Use our knowledge and insight to identify new services and/or sectors which provide growth opportunities
4.4	Explore opportunities to work with partners on the development and delivery of new business opportunities

Scotland Excel has delivered a solid return on investment for councils over the past ten years. However, the financial pressures they face are such that we cannot solely rely on core membership fees to sustain our organisation. We will therefore continue to explore alternative funding options and new business opportunities to underpin future growth.

To achieve this, we will develop an appropriate governance structure which balances business flexibility and oversight. We will ensure that growth is planned and sustainable over the longer term, has no adverse consequences for the delivery of existing services, and capitalises on partnerships which increase public sector efficiency and offer clear benefits for all stakeholders.

We will maintain our commitment to improvement of our business infrastructure to ensure that the quality of our services remains high, and we can continue to meet or exceed the needs of our key local government members. As a centre of procurement expertise we will continue to seek professional accreditations which validate the quality of our work.

## Progress to date

Scotland Excel has explored a number of options for generating additional funding and income. In 2017/18, we secured funding of c. £750k over two years from the Scottish Government to explore collaborative procurement opportunities within the adult care and support markets, and deliver procurement capability services for housing associations. This latter project has generated associate membership income from housing associations, with the potential to offer chargeable services to this sector.

We have also developed partnerships which capitalise on synergies and/or generate income. This has been achieved successfully with the Digital Office for Scottish Local

Government and SEEMiS through the provision of procurement support for national ICT resources, and through working with Crown Commercial Services (CCS) to migrate councils to their light vehicles framework. Councils benefit from better pricing through economies of scale from a UK contract, while Scotland Excel can redeploy procurement resources to meet other customer requirements. There is also the potential to share in the CCS supplier levy.

Although we have not traditionally made use of supplier rebates or levies as a funding source, this is a common practice among public and private sector procurement organisations. In 2017/18, with the agreement of our Joint Committee, we retained a £135k rebate generated by our groceries contract to create a new team delivering small value contracts on behalf of local authorities. This service was developed at the request of council procurement teams and, in its first nine months, delivered contracts with estimated savings of c. £750m.

Over the past few years, we have developed a number of learning and development and business change services which generate income. Other sectors have shown interest in our accredited learning and development courses, delivered through the Scotland Excel Academy, and there is potential to extend these to central government, health, further education and housing. There has also been increasing demand from local authorities for our chargeable consultancy services.

Our previous corporate strategy has laid the foundations for growth. Examples of investment in our people and systems, and improvement initiatives undertaken across all areas of our business, can be found throughout this strategy. These investments have been made to ensure that the quality of our services remain high, and we can continue to meet or exceed the needs of our key customers in local government while seeking new opportunities.

## **Our commitments**

### **Governance**

The challenging public sector environment continues to be the main influence on Scotland Excel's strategic direction. To support our strategy, and ensure that we can continue to grow and deliver the services our customers need, we will undertake a review of our existing governance and funding models.

Building on an initial appraisal of governance options completed in 2017/18, we will explore the benefits and restrictions of each option, consulting widely with



stakeholders on their views to ensure that our recommendations provide the optimum balance between robust oversight and commercial potential.

We will develop funding models that support the long term sustainability of the organisation, offering the potential for growth while mitigating increases in member requisitions. We will establish opportunities to earn income from sources such as consultancy, associate membership, learning and development, and supplier rebates.

## **Business infrastructure**

To support our existing operations and strategic aspirations, we will ensure a flexible and resilient infrastructure is in place through effective business practices, modern technology solutions and efficient organisational processes. We will use a robust risk management approach when evaluating new opportunities to assess the internal impact for Scotland Excel and our customers.

We will continue to implement technology solutions which increase efficiency, support agile working and offer scalability for business growth. Our ethos of continuous improvement will ensure that the delivery of our activities is continually optimised, and we will continue to seek external validation of our business practices through professional accreditations such as CIPS, CMI and IIP.

## **New opportunities**

Having successfully led collaborative solutions for our local authority members, we recognise that other public and third sector bodies may benefit from our services and offer a synergistic relationship with our organisation and/or sector. We will therefore seek to identify further public sector markets for future growth.

We will investigate these markets to identify opportunities which add value to customers and offer commercial potential to support our financial goals. We will seek to expand our associate membership base, and to establish the sustainable delivery of procurement services to housing associations beyond the current Scottish Government-funded programme.

In seeking new opportunities, we will capitalise on the extensive work already undertaken to raise our profile through traditional and social media, targeted communications activities and political engagement. All income generated through new business will be reinvested in Scotland to enhance the services we provide for our stakeholders.

We will develop our internal capabilities to support this goal, using it as an opportunity for staff to gain new skills and experience which benefit all of our customers.

**Partnerships**

Recognising the strengths and capabilities of the wider public sector, we will explore opportunities to work with partners on the development and delivery of new business opportunities. We will use our stakeholder engagement tools to identify opportunities and common areas of interest, document our partnership strategies, and continually review and develop our relationships.

We will continue to promote the work of our organisation and engage widely with stakeholders to build new partnerships and strengthen existing relationships. In particular, we will ensure that our existing partnerships with the Digital Office for Scottish Local Government, SEEMiS and CCS continue to offer advantages for our organisations, and explore further opportunities for working together to deliver benefits for our customers.

<b>Goal4: Outcomes supported</b>	
Our insight and knowledge underpins innovative solutions for our customers	Our customers receive a measurable return on investment through savings
Our activities are recognised as leading the way in public procurement	Our customers are satisfied with our services and how we deliver them



# Operating Plan

01 April 2018 – 31 March 2019



## Introduction

Scotland Excel is the Centre of Procurement Expertise for the local government sector. Established in 2008, we deliver procurement and commercial solutions through a portfolio of high risk, high value collaborative contracts, professional development opportunities and organisational change initiatives which enhance the influence and impact of procurement across the sector.

Our contracts are designed to increase efficiency and ensure money is saved to protect front line public services. Our strategic approach to procurement supports innovation in service delivery, helps to deliver national and local policies, and brings social, economic and environmental benefits to communities.

Our accredited professional development programmes and practitioner workshops, delivered through the Scotland Excel Academy, are designed to increase the skills and knowledge of those working in public procurement. Our change initiatives take a 'whole organisation' approach to best procurement practice, ensuring that it is considered in the development of policies and plans across all service areas.

In 2018, we published a new five year corporate strategy which builds on the achievements of our 2015-18 strategy and sets out our ambitions for supporting local authorities and public sector partners. Developed in consultation with key local government stakeholders, the strategy seeks to increase the value delivered by Scotland and ensure the long-term sustainability and growth of our organisation.

Our vision is to be recognised as a leading provider of innovative, transformative procurement solutions for local and national public services across Scotland. We aim to achieve this by building on our strategic procurement expertise and experience of developing collaborative solutions which support better outcomes for Scotland's people and communities.

The strategy map on page 3 provides an overview of the business goals and strategic objectives which support our aim. The full strategy document is available to download from our website.

To support the strategy, we develop annual operating plans which record the commitments we will undertake to achieve our business goals. Each year, the plan is used to set priorities and develop detailed action plans for the organisation, which are cascaded as annual performance objectives for employees.

This document records the commitments we will deliver in 2018-19 to help us achieve each of our four goals and strategic objectives. Reports are issued quarterly to record our progress against these commitments, and a set of key performance indicators (KPIs) monitor ongoing delivery against our strategy outcomes.

# Strategy Map

## Vision

To provide innovative, transformative solutions for local and national public services across Scotland

## Mission

To make the most of our strategic procurement expertise and our experience of developing **collaborative** solutions to support the delivery of **sustainable** public services and **better outcomes** for Scotland's people and communities.

## Values

**Professional • Courageous • Respectful • Integrity**

## Outcomes

Our services shape the effective and efficient delivery of public services	Our services facilitate the delivery of national and local policy priorities	Our insight and knowledge underpins innovative solutions for our customers	Our customers receive a measurable return on investment through savings
Our expertise leads continuous improvement in commercial performance	Our services enable positive and sustainable outcomes for people and communities	Our activities are recognised as leading the way in public procurement	Our customers are satisfied with our services and how we deliver them

## Goals

<p>1: Shaping solutions for innovative public services</p> <p><b>Strategic objectives:</b></p> <p>1.1 Deliver a programme of collaborative procurement which supports the delivery of public services</p> <p>1.2 Deliver programmes which lead and develop professional, organisational and commercial capability</p> <p>1.3 Develop our data insight capabilities to support the development of new solutions and services</p> <p>1.4 Use our insight and experience to shape policy and meet the challenges of future public service delivery</p>	<p>2: Being sustainable in everything we do</p> <p><b>Strategic objectives:</b></p> <p>2.1 Deliver positive and measurable social value through our contracts</p> <p>2.2 Deliver positive and measurable local impact through SME and third sector participation in our contracts</p> <p>2.3 Deliver positive and measurable environmental benefits through our contracts</p> <p>2.4 Lead and develop sustainable procurement knowledge and practice</p>	<p>3: Placing people at the heart of our business</p> <p><b>Strategic objectives:</b></p> <p>3.1 Ensure our customers continue to receive maximum value from our services</p> <p>3.2 Engage stakeholders in the delivery of effective local solutions</p> <p>3.3 Represent the collective views of stakeholders at a national level</p> <p>3.4 Implement policies which develop, empower, value and engage our workforce</p>	<p>4: Driving sustainable and scalable growth</p> <p><b>Strategic objectives:</b></p> <p>4.1 Implement a new governance model which supports scalable business growth</p> <p>4.2 Continue to maintain a robust business infrastructure to support our growth ambitions</p> <p>4.3 Use our knowledge and insight to identify new services and/or sectors which provide growth opportunities</p> <p>4.4 Explore opportunities to work with partners on the development and delivery of new business opportunities</p>
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# Key priorities for 2018-19

Overview of the key commitments we will undertake this year:

<p><b>Goal 1: Shaping solutions for innovative public services</b></p> <ul style="list-style-type: none"> <li>Engage with local authority services to identify new collaborative procurement opportunities</li> <li>Implement procurement strategies for older people's care home services, adult care and support services and new build housing</li> <li>Provide procurement support for the Digital Office for Local Government</li> <li>Deliver a programme to enhance the sector's procurement and commercial capability</li> <li>Deliver a programme of accredited learning, workshops and masterclasses through the Scotland Excel Academy</li> <li>Expand Scotland Excel's data analysis capabilities, tools and reporting</li> <li>Increase Scotland Excel's policy influence for social care, education, affordable housing and environmental services</li> </ul>	<p><b>Goal 2: Being sustainable in everything we do</b></p> <ul style="list-style-type: none"> <li>Develop plans to increase the proportion of Scotland Excel suppliers paying their staff the Scottish Living Wage</li> <li>Continue to work with the Supplier Development Programme (SDP) to encourage SME tender participation</li> <li>Increase direct and supply chain opportunities for Scottish SMEs and contractors</li> <li>Develop and implement a model for considering 'whole life' costing</li> <li>Continue to support local authority recycling and climate change duties</li> <li>Work with national partners on the development of sustainable procurement guidance and tools</li> <li>Develop plans to increase the sector's sustainable procurement capability</li> </ul>
<p><b>Goal 3: Placing people at the heart of our business</b></p> <ul style="list-style-type: none"> <li>Continue to develop Scotland Excel's account management services</li> <li>Explore digital technologies for customer engagement and service</li> <li>Explore the feasibility of providing additional services requested by customers</li> <li>Incorporate engagement with communities and service users in the development of procurement strategies</li> <li>Implement a new model for representing the views and requirements of stakeholders</li> <li>Continue to deliver Scotland Excel's organisational development strategy</li> <li>Develop and implement a talent management programme for Scotland Excel staff</li> <li>Develop plans to implement agile working policies</li> </ul>	<p><b>Goal 4: Driving sustainable and scalable growth</b></p> <ul style="list-style-type: none"> <li>Review Scotland Excel's governance model to support future growth</li> <li>Implement new funding models to support service delivery</li> <li>Continue to improve Scotland Excel's business and ICT infrastructure</li> <li>Develop a risk model for assessing new business opportunities</li> <li>Identify and evaluate new public sector markets and business opportunities</li> <li>Secure the sustainable delivery of services for housing associations</li> <li>Develop plans to expand associate membership</li> <li>Identify opportunities to create new public sector partnerships</li> <li>Develop existing partnerships with Crown Commercial Services (CCS) and SEEMiS</li> </ul>

## Goal 1: Shaping solutions for innovative public services

Strategic Objective	Commitment
<p>1.1 Deliver a programme of collaborative procurement which supports the delivery of public services</p>	<ul style="list-style-type: none"> <li>• Develop plans which support direct engagement with local authority services to identify new collaborative procurement opportunities</li> <li>• Implement a procurement strategy for care home services for older people that provides the choice, continuity of care and innovation that people need</li> <li>• Implement the procurement strategy for adult care and support services and secure sustainable funding for ongoing delivery as part of the social care portfolio</li> <li>• Complete the sourcing strategy and initiate the tender process for a new build housing framework on behalf of participating local authorities</li> <li>• Develop and deliver contract and supplier management (CSM) and key supplier management (KSM) programmes which monitor and enhance the performance of Scotland Excel contracts</li> <li>• Identify opportunities to lead and/or participate in national cross-sector procurement opportunities and initiatives with partners in health, further and higher education, and central government</li> <li>• Continue to inform and support national procurement policy in consultation with the local government procurement community</li> </ul>
<p>1.2 Deliver programmes which lead and develop professional, organisational and commercial capability</p>	<ul style="list-style-type: none"> <li>• Develop and deliver a targeted programme of change projects based on development needs identified by Procurement &amp; Commercial Improvement Programme (PCIP) assessments</li> <li>• Deliver a second cycle of local government PCIP assessments for all local authorities</li> <li>• Deliver the chargeable consultancy projects and transformation programmes agreed for Aberdeen City and Fife Councils, and respond to any further requests for these types of services from other councils</li> <li>• Continue to develop and deliver accredited work-based learning programmes through the Scotland Excel Academy</li> <li>• Develop and deliver a programme of practitioner workshops, masterclasses and events to lead best practice through the Scotland Excel Academy</li> <li>• Continue to develop Scotland Excel Academy online resources to support learning programmes and create a community platform for sharing best practice</li> </ul>
<p>1.3 Develop our data insight capabilities to support the development of new solutions and services</p>	<ul style="list-style-type: none"> <li>• Continue to develop data analytic tools and resources to support the expansion of the contract portfolio and provide management information to the sector</li> <li>• Develop plans to roll out data analytic tools to staff across the organisation</li> <li>• Continue to develop and share access to the Cost of Care calculator to support the delivery of affordable and sustainable social care services</li> <li>• Continue to develop and share access to Indexation Modelling to track market influences on costs</li> <li>• Deliver market analysis reports in support of new collaborative procurement or service opportunities</li> </ul>



<p>1.4 Capitalise on our insight and experience to shape policy and meet the challenges of future public service delivery</p>	<ul style="list-style-type: none"><li>• Continue to work with the Scottish Government, COSLA and other partners to support the development and/or delivery of national policy in social care</li><li>• Continue to work with the Scottish Government and other partners to support the development and/or delivery of education policies such as early learning provision, pupil attainment funding, and food procurement for school meals</li><li>• Continue to work with the Scottish Government, Association of Local Authority Housing Officers (ALACHO) and other partners to support the development and/or delivery of national policy in affordable housing</li><li>• Continue to work with the Scottish Government, Zero Waste Scotland and other partners to support the development and/or delivery of national environmental policy</li><li>• Develop and deliver a calendar of communications activities which promotes our knowledge and experience in support of our policy and public affairs goals</li><li>• Continue play a lead role in the development and delivery of national Graduate Apprenticeships as a cost-effective talent management opportunity for the local government sector</li></ul>
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## Goal 2: Being sustainable in everything we do

Strategic Objective	Commitment
2.1 Deliver positive and measurable social value through our contracts	<ul style="list-style-type: none"> <li>• Develop plans to increase the proportion of Scotland Excel suppliers paying their staff the Scottish Living Wage</li> <li>• Continue to develop community benefit models which enable councils to achieve direct benefits for their areas</li> <li>• Continue to support opportunities for disabled/disadvantaged workers through community benefits and/or the participation of supported businesses and the third sector within our supply chain</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 work with the Supplier Development Programme (SDP) to raise awareness of public procurement opportunities and encourage participation among Scottish SMEs</li> <li>• Increase direct and supply chain opportunities for Scottish SMEs and contractors within Scotland Excel contracts, particularly within the construction portfolio</li> <li>• Encourage housing associations to consider the local economic impact they can deliver through the use of Scotland Excel contracts</li> </ul>
2.3 Deliver positive and measurable environmental benefits through our contracts	<ul style="list-style-type: none"> <li>• Continue to encourage suppliers to Scotland Excel contracts to consider opportunities to increase recycling of their products and packaging and/or reduce their carbon footprint</li> <li>• Develop and implement a model for considering 'whole life' costing within tender evaluations, including plans for monitoring costs over the lifecycle of products and services</li> <li>• Continue to support the collection, handling, treatment and recovery of value from waste by implementing new recyclable and residual waste arrangements which offer increased options for recycling and/or disposal and cover additional types of waste</li> <li>• Develop plans for assessing and mitigating the environmental impact of Scotland Excel's activities</li> </ul>
2.4 Lead and develop sustainable procurement knowledge and practice	<ul style="list-style-type: none"> <li>• Produce an annual report on procurement activity in line with the requirements of the Procurement Reform (Scotland) Act 2014, providing support and guidance on reporting commitments to the local authorities</li> <li>• Continue to work with national partners on the development of sustainable procurement guidance and tools</li> <li>• Develop plans to increase the local government sector's sustainable procurement knowledge and capability through the Scotland Excel Academy</li> <li>• Develop plans to promote sustainable procurement to elected members and senior officers to support a 'whole organisation' approach</li> </ul>

## Goal 3: Placing people at the heart of our business

Strategic Objective	Commitment
3.1 Ensure our customers continue to receive maximum value from our services	<ul style="list-style-type: none"> <li>• Continue to develop Scotland Excel's account management services to ensure they deliver value to local authority procurement teams and support a positive customer experience for councils</li> <li>• Explore further opportunities to use digital technologies to engage with and/or provide online 'self-service' to customers, incorporating the findings into Scotland Excel's ICT strategy and roadmap</li> <li>• Explore the feasibility of providing additional services requested by customers, incorporating the findings into future operational plans</li> <li>• Embed the outputs of Scotland Excel's stakeholder engagement project into all engagement plans and activities, ensuring that these reflect the organisation's expanding customer base</li> </ul>
3.2 Engage stakeholders in the delivery of effective local solutions	<ul style="list-style-type: none"> <li>• Develop a model for incorporating community engagement, where appropriate, into the development of procurement strategies</li> <li>• Continue to engage directly with service users, where appropriate, to ensure their needs are considered within service design</li> <li>• Explore the feasibility of working with educational partners and/or suppliers to promote the benefits of procurement to pupils, incorporating the findings into future operational plans</li> </ul>
3.3 Represent the collective views of stakeholders at a national level	<ul style="list-style-type: none"> <li>• Review Scotland Excel's representation activities to ensure that these are targeted where they can have the greatest impact</li> <li>• Establish a model for undertaking representation activities, including a clear feedback loop for customers and/or communities</li> <li>• Build on relationships with the Convention of Scottish Local Authorities (COSLA) and/or elected members to represent customers and communities in appropriate policy and political matters</li> </ul>
3.4 Implement policies which develop, empower, value and engage our workforce	<ul style="list-style-type: none"> <li>• Continue to deliver Scotland Excel's organisational development strategy and rolling improvement plans, involving staff in the development of plans, policies and initiatives where appropriate</li> <li>• Develop and implement a talent management programme to inspire and develop staff, increase Scotland Excel's capability, and support succession planning</li> <li>• Develop plans for agile working to create a productive working environment that benefits staff, Scotland Excel, and customers</li> </ul>

## Goal 4: Driving sustainable and scalable growth

Strategic Objective	Commitment
4.1 Implement a new governance model which supports scalable business growth	<ul style="list-style-type: none"> <li>• Complete the review of Scotland Excel's governance and funding models, presenting recommendations to the Joint Committee for approval</li> <li>• Develop plans to implement the governance recommendations approved by the Joint Committee</li> <li>• Implement appropriate funding models to support the delivery of new and existing services</li> </ul>
4.2 Continue to maintain a robust business infrastructure to support our growth ambitions	<ul style="list-style-type: none"> <li>• Review Scotland Excel's business infrastructure to ensure it can support the organisation's growth ambitions, developing plans for continuous improvement initiatives and to address any gaps in capacity and/or capability</li> <li>• Develop a risk model for evaluating new business opportunities to assess their impact on internal resources and/or existing customers</li> <li>• Continue to implement technology solutions which increase efficiency, support agile working and offer scalability for business growth</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>• Review collaborative procurement and leading change solutions available in other public sector markets to identify potential business opportunities, reporting on the findings to inform future operational plans</li> <li>• Continue to deliver procurement support to housing associations on behalf of the Scottish Government and develop plans to market additional services which secure the long term sustainability of this service</li> <li>• Continue to develop and market Scotland Excel's associate membership programme to maximise its commercial potential for the organisation and the benefits it provides for members</li> <li>• Continue to market Scotland Excel through traditional and social media, targeted communications activity and political engagement to support new business opportunities</li> <li>• Identify opportunities arising for staff development through new business opportunities, fostering an understanding of commercial and entrepreneurial approaches across the organisation</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>• Explore opportunities to work in partnership with other public sector bodies to increase internal efficiency and/or improve service delivery for customers, reporting on the findings to inform future operational plans</li> <li>• Continue to provide ICT procurement services for the Digital Office for Scottish Local Government to support the implementation of digital technologies within local authorities</li> <li>• Design a model for providing procurement support to SEEMiS in line with the partnership agreement</li> <li>• Continue to manage Scotland Excel's partnership with Crown Commercial Services (CCS) to ensure it is delivering against customer expectations, and explore opportunities to extend this partnership</li> </ul>

## Key performance indicators

Key activities we will monitor to assess our ongoing performance against outcomes in the operating plan:

Outcomes	Key Performance Indicators	2018-19 Target <sup>1</sup>
Our services shape the effective and efficient delivery of public services	<ul style="list-style-type: none"> <li>• Number of contracts delivered v plan<sup>2</sup></li> <li>• Value of contract portfolio v target</li> </ul>	<ul style="list-style-type: none"> <li>• TBC</li> <li>• TBC</li> </ul>
Our expertise leads continuous improvement in commercial performance	<ul style="list-style-type: none"> <li>• Number of PCIP assessments delivered v plan</li> <li>• Number of Scotland Excel Academy courses v plan<sup>3</sup></li> </ul>	<ul style="list-style-type: none"> <li>• TBC</li> <li>• TBC</li> </ul>
Our services facilitate the delivery of national and local policy priorities	<ul style="list-style-type: none"> <li>• Number of policy areas influenced</li> <li>• Tonnes of waste diverted from landfill through Scotland Excel contracts</li> </ul>	<ul style="list-style-type: none"> <li>• No target</li> <li>• No target</li> </ul>
Our services enable positive and sustainable outcomes for people and communities	<ul style="list-style-type: none"> <li>• Number of community benefits realised to date</li> <li>• Number of Scottish suppliers &amp; percentage SMEs</li> </ul>	<ul style="list-style-type: none"> <li>• No target</li> <li>• No target</li> </ul>
Our insight and knowledge underpins innovative solutions for our customers	<ul style="list-style-type: none"> <li>• Number of business change initiatives delivered v plan</li> </ul>	<ul style="list-style-type: none"> <li>• TBC</li> </ul>
Our activities are recognised as leading the way in public procurement	<ul style="list-style-type: none"> <li>• Media coverage v target</li> <li>• Number of speaking engagements v target</li> </ul>	<ul style="list-style-type: none"> <li>• 60 published media items</li> <li>• 12 speaking engagements</li> </ul>
Our customers receive a measurable return on investment through savings	<ul style="list-style-type: none"> <li>• Percentage savings achieved across the portfolio v target<sup>4</sup></li> <li>• Savings achieved in the last quarter</li> </ul>	<ul style="list-style-type: none"> <li>• TBC</li> <li>• No target</li> </ul>
Our customers are satisfied with our services and how we deliver them	<ul style="list-style-type: none"> <li>• Customer satisfaction scores v target<sup>5</sup></li> </ul>	<ul style="list-style-type: none"> <li>• 80% of respondents</li> </ul>

<sup>1</sup> KPIs are monitored without targets where Scotland Excel cannot directly influence performance

<sup>2</sup> Contracts developed, renewed or extended

<sup>3</sup> Programmes, workshops and masterclasses

<sup>4</sup> Excluding social care contracts

<sup>5</sup> Percentage of respondents reporting 'good' or 'very good' overall satisfaction in the most recent customer satisfaction survey (currently 2017)