Operating Plan

2017 – 2018

Q3 Progress Report

Goa1 1: Supporting the delivery of better and more effective public services

Strategic objectives	
1.1	Deliver a range of collaborative procurement and supplier development services which support customers at a strategic and operational level
1.2	Deliver a range of shared services which support customers in the development of their professional, organisational and commercial capability
1.3	Deliver a range of new shared services which support the effectiveness and efficiency of customer operations

Activity	Year 3 Priorities	RAG status	Progress summary
(a) Develop and implement a contract plan aligned to the strategic priorities of member authorities	• Resource and implement contract delivery plans including 11 'small value' contracts • Develop and implement a procurement strategy for older people's care services • Deliver an opportunity analysis for adult supported living and care at home commissioning • Provide ICT procurement services for the local government Digital Office • Support SEEMiS with the procurement of a national education MI system • Monitor CCS partnership and develop proposals for future procurement partnerships • Review and update procurement strategies for all key category areas	A	• Five 'small value' contracts were approved during Q3 and a further five are in development. One contract opportunity previously identified has not been progressed as further analysis determined there was no value in a collaborative approach. • A report on the findings of a consultation on a new procurement strategy for older people's care services was published in November. Delivery of the strategy is currently on hold pending the conclusion of fee negotiations for the existing National Care Home Contract. • A review of the market and stakeholder landscape has been completed for adult supported living and care at home services. An opportunity analysis has been developed and will be issued to key stakeholders. • Scotland Excel is continuing to provide procurement support for the local government Digital Office. A Prior Information Notice (PIN) was issued in November to identify supplier solutions for a range of IT requirements. Discussions on a collaborative opportunity for a social work management information system are continuing. • Scotland Excel's procurement project for SEEMiS will be completed in Q4 following an extended negotiated procedure. This was due to some bidders withdrawing after the Pre-Qualifying Questionnaire (PQQ) stage of the tendering process. • Local authority fleet managers indicated their satisfaction with the Crown Commercial Services (CCS) partnership at a meeting in December. • Updated category procurement strategies are in development and are expected to be published during Q4.

(b) Develop and implement a strategy and plan for the delivery of contract and supplier management	• Complete the roll out of the new CSM programme across the contract portfolio	A	• The Contract & Supplier Management (CSM) programme launched in Q2 has not produced the required levels of participation or feedback. Alternative options are being considered and a new programme will be launched in 2018-19.
(c) Develop and implement a strategy and plan for improving supplier performance	• Deliver the 2018 Supplier Excellence Awards • Incorporate supplier development into the 2018 Scotland Excel Conference • Pilot a KSM programme and extend to other key suppliers based on results	G	• Shortlisted entries for the Supplier Excellence Awards were published on the event microsite in December. Plans for the awards ceremony in February are progressing well. • Shortlisted suppliers are being invited to the second day of the conference where the focus will be on building positive relationships. • Plans for a Key Supplier Management (KSM) programme are on hold due to issues with the new CSM programme. However, key suppliers have been identified and are being managed by procurement teams in the interim.
(d) Manage the rollout of a new national procurement capability assessment to the local government sector	• Complete the first cycle of PCIP assessments with participating councils • Consult on plans for a second cycle of PCIP assessments	G	• Procurement & Commercial Improvement Programme (PCIP) assessments have now been completed with all 32 Scottish local authorities. Data from the assessments has been analysed to inform the next programme of change projects and development initiatives. • Scotland Excel is continuing to hold proactive discussions with central government, the PCIP project board and stakeholders on future PCIP plans.
(e) Develop and implement a programme to lead and support the development of procurement and commercial capability	• Develop and deliver a rolling programme of procurement capability and change services for local authorities • Deliver an Annual Conference to support development in Feb 2018 • Deliver Scottish Government funded procurement improvement programme for housing associations	G	• Ten practitioner workshops were delivered across Scotland in Q3. A programme to address four priority areas identified from PCIP results is being developed, and includes targeted support, CSM, demand management and support & guidance. • Plans for the Scotland Excel Annual Conference are progressing well. The conference will co-locate with the Supplier Excellence Awards on 20-21 February 2018. • Four PCIP assessments were completed with housing associations during Q3 as part of the Scottish Government programme. A total of 25 PCIPs are expected to be completed by the end of March 2018.

(f) Develop and implement a 'procurement academy' to support professional capability and encourage new entrants to public procurement	• Roll out L & D programmes in line with the strategy • Develop plans for delivering a L & D programme for social care commissioning • Develop a proposal to support the Scottish Government's PPOT initiative	G	• The roll out of the learning and development (L & D) strategy is progressing well. The first Chartered Management Institute (CMI) accredited Leadership & Management course was completed in November and a further two cohorts were launched in Q3. A Chartered Institute of Procurement & Supply (CIPS) accredited course will be launched in Q4. • Scotland Excel is in discussion with Healthcare Improvement Scotland to scope an approach to strategic commissioning, and continues to offer advice to Social Work Scotland for self-directed support. • Scotland Excel continues to support the Procurement People of Tomorrow (PPOT) initiative through the Scottish Government's Professional Practice Strategic Forum. Recent work with Skills Development Scotland to develop a Graduate Level Apprenticeship in business management has the potential to benefit new entrants and existing procurement practitioners.
(g) Develop and implement a shared service offering for councils which meets their requirements in a changing public sector landscape	• Develop a shared services strategy to inform future service development proposals	G	• Scotland Excel continues to explore new shared service opportunities. Proposals for a national house building framework are being discussed with the Association of Local Authority Chief Housing Officers (ALACHO), and an opportunity to support the development of an electric vehicles charging infrastructure is being discussed with Transport Scotland.

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	Year 3 Priorities	RAG status	Progress summary
(a) Develop and implement strategies for responding to procurement and/or public sector legislation	• Develop and implement plans to comply with GDPR regulations • Monitor risks/opportunities arising from the Community Empowerment Act • Engage with IJB Chief Officers to identify HSCI procurement opportunities • Develop proposals to support councils with early learning and childcare procurement • Update waste category strategy to align with legislative landscape	G	• General Data Protection Regulation (GDPR) training sessions were delivered for Scotland Excel staff and customers during Q3. Plans to ensure Scotland Excel's compliance with the regulation are in development. • There are currently no major risks or opportunities identified for the sector in connection with the Community Empowerment Act. • Scotland Excel continues to seek opportunities to engage with Integration Joint Board (IJB) Chief Officers. In Q3, a joint presentation with COSLA on the progress of the care home fee negotiations was made to Chief Officers. • Scotland Excel is now a member of the Scottish Government's Early Learning & Childcare (ELC) Service Models Working Group, and is continuing to champion the benefits of a national procurement route to support ELC expansion plans. • The waste category strategy is being updated and will be completed in January 2018.
(b) Ensure Scotland Excel's collaborative frameworks support local and national government policy priorities	• Continue to support national policy outcomes in social care frameworks • Continue to support the roll out of CRDG recommendations	G	• Bids for the renewed residential children's care framework are being evaluated and recommendations for award will be submitted to the Executive Sub-Committee in Q4. • Scotland Excel continues to participate in the Construction Review Delivery Group (CRDG) and attended the quarterly meeting in November. The work of this group is now coming to a close, and the Scottish Government has set up a construction policy team to take forward the group's recommendations.

(c) Ensure Scotland Excel's collaborative frameworks support positive local economic outcomes	• Support SDP public procurement training for Scottish SMEs • Review options for including community benefits measures as part of the new CSM programme • Develop a strategy for supported businesses, including delivery of a business development event	G	• Scotland Excel supported the delivery of three Supplier Development Programme (SDP) sessions for SME suppliers during Q3. • Due to issues with the CSM programme, options for including community benefit measures within CSM are on hold pending agreement on a new approach. • Plans for a supported business event in February 2018 are progressing well. Paul Wheelhouse MSP, Minister for Business, Innovation and Energy and Chair of the Scottish Government's Supported Business Advisory Group, has agreed to speak at the event.
(d) Ensure Scotland Excel's collaborative frameworks support local government environmental duties and policies	• Continue work with partners to align the waste category strategy with national programmes • Include measure for environmental impact within the new CSM programme	G	• Scotland Excel is working with Zero Waste Scotland and councils on the development of second generation contract arrangements for recyclable and residual waste which align to national policy aims. • Due to issues with the CSM programme, options for including environmental impact measures as part of CSM are on hold pending agreement on a new approach.
(e) Champion the development and dissemination of best practice in sustainable procurement	• Monitor the impact of Scotland Excel's sustainable procurement strategy • Work with national partners to develop enhancements to the national sustainable toolkit • Continue to evolve Scotland Excel's horizon scanning programme	G	• Scotland Excel is continuing to monitor the impact of its sustainable procurement strategy. Specific sustainability considerations and benefits are detailed within each contract award report. • Scotland Excel is continuing to work on enhancements to the national sustainability toolkit as part of the Scottish Government Best Practice Forum. In Q3, the Forum reviewed the implications of the Equality Duty and commenced drafting of policy for Equality Impact Assessment. • Horizon scanning meetings are continuing to take place quarterly to review the external environment and identify any new risks and opportunities.

Goal 3: Placing customers at the heart of our business

Strategic objectives	
3.1	Work with customers to develop and implement bespoke plans for maximising the value of our services
3.2	Develop robust communications strategies which support customer engagement and position Scotland Excel and its customers as leaders in public procurement / shared services
3.3	Represent the views and needs of customers in the wider stakeholder environment

Activity	Year 3 Priorities	RAG status	Progress summary
(a) Develop and implement a portfolio of account management services that meet the collective and individual needs of local authority customers	• Continue to develop and implement improvements to account management services	G	• Account managers are continuing to deliver Quarterly Business Reviews, and act as a key liaison between the organisation and customers. Discussions at quarterly meetings provide valuable feedback to inform Scotland Excel's Leading Change and Learning & Development strategies.
(b) Develop and implement a stakeholder engagement strategy that support the delivery of first class customer experience across all of our services	• Complete the stakeholder engagement strategy • Develop and implement a senior stakeholder engagement plan • Initiate a customer care forum to support ongoing improvements to customer service • Publish a report on the results of the 2017 customer satisfaction survey • Develop a 'future digital' strategy to support online delivery of customer information and services	A	• Completion of the stakeholder engagement strategy has been put on hold until early 2018-19 to free up staff resources for the Scotland Excel conference and Supplier Excellence Awards. • Scotland Excel's Executive Team are continuing to seek and attend engagement meetings with senior stakeholders. A training session for Executive Sub-Committee members was held in November. • The customer care forum will now be established in early 2018-19 once the stakeholder engagement strategy is completed. • Tailored reports for senior stakeholders, procurement leads and staff on the findings of the customer satisfaction survey have been produced and distributed. Publication of a general report on the findings has been put on hold until early 2018-19. • A Digital/ICT strategy has been completed. Progress and priorities for new developments will be considered by SMT on a regular basis.

(c) Develop and implement a corporate communications strategy that enhances and protects Scotland Excel's corporate reputation	• Complete the marketing and communication strategy • Develop and implement a plan to enhance Scotland Excel's profile and reputation • Continue to deliver marketing/communications initiatives to promote Scotland Excel services	**A**	• The marketing and communications strategy has been completed. This will be discussed and agreed with the Executive Team in Q4, and will take effect from 2018-19. • A communications plan has been completed which sets out high level priorities for corporate communications, public affairs and stakeholder engagement. The plan will be discussed and agreed with the Executive Team in Q4, and will take effect from 2018-19. • The key focus for the marketing and communications team during Q3 has been communications and event management for the Supplier Excellence Awards. The team also delivered a range of other activities including press releases, social media, a brochure and advertisement for housing association services, and Scotland Excel's presence at Procurex.
(d) Develop and implement a model for associate members which delivers clear business and financial benefits to Scotland Excel and the membership base	• Continue to recruit housing associations in line with the associate member strategy • Develop an associate member offering for third sector organisations	**G**	• Ten housing associations were recruited as associate members in Q3. This brings the total number of new housing association members to 14. • Scotland Excel has met with a new Scottish Government funded third sector organisation, Procurement 4 Partnership (P4P), to understand their role and identify potential opportunities to work together. Plans to develop an associate member offering for the third sector will be considered in 2018-19 to allow for further discussions.
(e) Develop and implement a programme for engaging with the wider public sector to ensure Scotland Excel has the right partnerships in place to support the needs of its customers	• Continue to host and/or attend forums to gather sector views and share information • Continue to represent the sector on matters relating to public procurement • Continue to engage with relevant stakeholders in the wider public sector environment	**G**	• Scotland Excel continues to hold and/or attend forums for sector stakeholders. In Q3, these included Commercial UIGs, steering groups for procurement capability and social care, as well as attendance at the Scottish Local Government Procurement Forum. • Scotland Excel continues to represent sector interests at meetings. These include government forums for collaborative procurement, construction, best practice and professional development. • Scotland Excel continues to engage with a wide range of stakeholders and partners. This activity will be formalised as part of the stakeholder engagement strategy in 2018-19.

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	Year 3 Priorities	RAG status	Progress summary
(a) Develop and implement a strategy to support staff recruitment, retention, development, performance and engagement	• Complete the development and implementation of an organisational development strategy	G	• Development of an Organisational Development strategy has gathered pace during Q3. A draft strategy is in place to provide structure for workstreams in Culture & Values, Leadership & Talent Management, Reward & Recognition, and Systems & Processes. Staff workshops to explore corporate values and culture have been organised for January 2018 in conjunction with Investors in People (IiP).
(b) Develop and implement programmes to support the continuous improvement of business performance, systems and processes	• Agree and deliver 2017-18 internal transformation projects • Implement a spend data management and reporting solution • Continue to plan and implement the migration of the ICT infrastructure to a cloud environment • Undertake assessment to renew CIPS accreditation	G	• Scotland Excel's business change team is continuing to manage five internal projects to support strategic goals and continuous improvement. • Following workshops with staff, customers and suppliers, Spikes Cavell have delivered a specification for a data management solution. Further work is ongoing to finalise the specification. • A pilot of Windows 10 was completed in Q3 and will be rolled out to all staff in Q4. This initiative will support agile working by allowing staff to access ICT resources and files remotely. • Following a planning meeting with a CIPS assessor, accreditation evidence has been submitted for formal review. This review will be completed by CIPS in Q4.
(c) Ensure that Scotland Excel delivers its plans through effective governance, risk management and policies	• Explore options for governance models which support the future growth of Scotland Excel	G	• An options appraisal for governance models to support future growth was presented to the Joint Committee in December. Approval was given to explore these models further and submit recommendations to the committee meeting in June 2018.

(d) Develop and implement a strategy for gathering, analysing and distributing business intelligence within Scotland Excel and across the sector	• Expand the use of BI tools across the organisation to support internal/external delivery of data and reports	A	• A presentation on the various reports and analyses available through the organisation's Business Intelligence (BI) tool was made to the SMT in December. The BI tool will be rolled out more widely across the organisation in 2018-19.
(e) Develop and implement a clear, transparent and sustainable funding and delivery model for Scotland Excel	• Hold 4 regional consultation workshops for new strategy development • Develop a new corporate strategy for 2018-22 • Explore options for funding models to support the new strategy	G	• Regional workshops with local authority procurement leads to consult on the new strategy will take place in February and March 2018. • A Senior Management Team workshop took place in October to agree the strategy map for 2018-22. This was followed by workshops with staff in November/ December to identify key objectives. The first draft of the new strategy will be completed in Q4. • Following discussions at the Joint Committee in December, approval was given to explore alternative funding sources to support the organisation's long-term sustainability. Recommendations will be presented at the committee meeting in June 2018.

Report Key	
R	Project or activity is currently stalled or significantly behind schedule
A	Project or activity is progressing at a slower pace than anticipated and/or results have been weaker than expected
G	Project or activity has been completed and/or is progressing in line with expected/agreed timelines and targets

Key Performance Indicators

KPI	Link to outcomes	Q3 Status
No. & value of contracts delivered v plan	• Our services support the effective and efficient delivery of public services	• 25 contracts delivered, renewed or extended against target of 31 by year end • £978m portfolio value against £1bn target by year end
Percentage & value of savings v target (excluding social care)	• Our customers are satisfied with our services and achieve a measurable return on their investment	• Average savings of 3.6% against a rolling 5% target (2015-18) • £2.8m estimated saving in the last recorded quarter (Oct-Dec 2017)
No. of PCIP assessments completed v schedule	• Our expertise supports continuous improvement in procurement performance	• 15 assessments completed against 15 targeted
No. of Scottish suppliers & percentage SMEs	• Our services help to deliver positive and sustainable outcomes for communities and service users	• 466 Scottish suppliers of which 77.5% are SMEs
No. of community benefits realised to date	• Our services support the implementation of national and local policy priorities	• 274 jobs • 200 apprenticeships • 44 work placements • 59,777 hours work experience • 4,650 hours volunteering/mentoring • £285k value of other initiatives
Customer satisfaction statistics & trends[1]	• Our customers are satisfied with our services and achieve a measurable return on their investment	• 82.4% of procurement stakeholders • 80.8% of senior stakeholders
Website usage statistics & trends	• Our customers receive relevant communication and support	• 7,733 visitors in Q3 • 17,605 user sessions in Q3
Media coverage v target	• Our reputation demonstrates the value of collaboration	• 39 media items placed to date against target of 50 by year end
Income from associate members v target	• Our reputation demonstrates the value of collaboration	• £55.8k income against a £60k year end target
Staff turnover v headcount	• Our people, policies, processes and technology optimise our value	• 3.2% staff turnover rate • 70 permanent staff

Report issued: March 2018

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