SCOTLAND EXCEL

Operating Plan

2018 – 2019

Q3 Progress Report

Goa1 1: Shaping the delivery of innovative public services

Strategic Objective	Commitment	RAG status	Progress summary
1.1 Deliver a programme of collaborative procurement to support early intervention and the delivery of public services	• Develop plans which support direct engagement with local authority services to identify new collaborative procurement opportunities	G	• In Q3, Scotland Excel undertook engagement initiatives with education stakeholders, waste managers and fleet managers. Ongoing engagement is also taking place with other stakeholders across local authority services including housing, social care, ICT and catering.
	• Complete the sourcing strategy and initiate the tender process for a new build housing framework on behalf of participating local authorities	G	• The first stage of the tender process for the new build housing framework commenced in Q3. Successful contractors will be invited to participate in the second stage of the process which is due to be published in February 2019. The project is on track for an August 2019 start date.
	• Implement a procurement strategy for older people care home services for that provides choice, continuity of care and innovation in service delivery	G	• A User Intelligence Group was held in November 2018 to discuss the strategic souring strategy for older people's care home services. A technical sub-group was held in December to work on implementing self-declaration of mandatory contract requirements by care providers.
	• Implement the procurement strategy for adult care and support services and secure sustainable funding for ongoing delivery as part of the social care portfolio	G	• Three successful consultation events for local authorities, providers and their representative bodies were held in November 2018 to support the development of the care and support contract service specification.
	• Continue to pursue funding to deliver proposals which support the expansion of early learning and childcare provision	B	• Funding has been secured for Scotland Excel to produce guidance, cost modelling and standard terms and conditions to support the expansion of early learning and childcare provision. Work is now underway to deliver this project.

	• Develop and implement contract and supplier management (CSM) and key supplier management (KSM) programmes which monitor and enhance the performance of Scotland Excel contracts	G	• The new CSM programme is now in place for 26 contracts, and a plan to expand the number of CSM classifications is being developed to ensure an appropriate level of oversight for each contract. Local authority procurement leads have agreed to work with Scotland Excel to develop a sector-wide KSM programme.
	• 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	G	• In Q3, Scotland Excel shared its price review process with the Scottish Government for use on their national contracts, and met with NHS National Procurement to examine contract terms and conditions which minimise the involvement of organised crime in public procurement.
	• Continue to inform and support national procurement policy in consultation with the local government procurement community	G	• Scotland Excel has published Brexit briefing notes which highlight its potential impact on contracts. Regular conference calls on the impact of Brexit are taking place with the Scottish Government.
1.2 Deliver programmes which lead and develop professional, organisational and commercial capability	• Develop and deliver a targeted programme of change projects based on development needs identified by Procurement & Commercial Improvement Programme (PCIP) assessments	G	• Five change projects are in progress to support outcomes from the first PCIP cycle. A sixth potential project is awaiting confirmation of stakeholder requirements.
	• Deliver a second cycle of local government PCIP assessments for all local authorities	G	• Twenty PCIP assessments had been completed with councils by the end of Q3. The programme is on target to complete assessments with all 32 councils by the end of April 2019.
	• 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	G	• Work is continuing on the consultancy programmes for Fife and Aberdeen Councils. The first phase of a project for East Renfrewshire Council has been completed, and a second phase is due to begin in January 2019. A proposal has been submitted to deliver a consultancy programme for Tayside councils, and discussions have taken place with East Lothian Council.

	• Continue to develop and deliver accredited work-based learning programmes through the Scotland Excel Academy	G	• During Q3, nine courses were in progress across the three key disciplines of procurement, leadership and management and project management, including a new Chartered Institute of Procurement & Supply (CIPS) advanced practitioner course launched in November 2018. More than100 learners have taken part in Scotland Excel Academy courses since its launch in October 2016, and its innovative approach was recognised with a GO Scotland Award in October 2018.
	• Develop and deliver a programme of practitioner workshops, masterclasses and events to lead best practice through the Scotland Excel Academy	G	• A CSM practitioner workshop was delivered in October 2018, and an Indexation masterclass took place in December. Other non-accredited practitioner learning opportunities are being developed including 'introduction to procurement' training in response to customer demand.
	• Continue to develop Scotland Excel Academy online resources to support learning programmes and create a community platform for sharing best practice	G	• Academy online resources are continually evolving as new programmes and cohorts are introduced. Content from events and practitioner workshops is shared with the procurement community through the site.
1.3 Harness the potential of digital technology and data insight to support the delivery of public services	• Continue to provide ICT procurement services for the Digital Office for Scottish Local Government, engaging proactively with stakeholders to promote a collaborative approach to the adoption of digital technologies	A	• Scotland Excel has been working with the Digital Office and councils on an information sharing tool providing Scotland-wide visibility of software contract information. The tool will support the identification of collaborative procurement opportunities, minimise the need for external consultancy, and improve supplier engagement. A collaborative tender for a replacement social work care case management system will be released by end of April 2019.
	• Continue to develop data analytic tools and resources to support the expansion of the contract portfolio and provide management information to the sector	A	• A solution has now been agreed for a technical issue which was affecting the development of data analytic tools. Work to implement the solution has commenced and will be completed in Q4.

	• Continue to develop and share access to the Cost of Care calculator to support the delivery of affordable and sustainable social care services	**A**	• Scotland Excel is working closely with COSLA, local authority finance colleagues and Scottish Care to conclude the final elements of the calculator. However, the group has been unable to agree a suitable methodology for calculating provider return with the sector. Learnings from the project will be considered in other areas of social care.
	• Continue to develop and share access to Indexation Modelling to track market influences on costs	**G**	• Indexation Modelling continues to be used as part of contract management activities, and is being shared with the sector through practitioner workshops and masterclasses. Fife and Glasgow City Councils have asked Scotland Excel to hold bespoke indexation workshops for their procurement teams.
	• Deliver market analysis reports in support of new collaborative procurement or service opportunities	**G**	• IBIS World and Company Watch are being used to provide market intelligence across Scotland Excel's procurement teams. The use of Gartner for market intelligence within the IT portfolio was explored, but is not being pursued as the market information available through IBIS World is sufficient for current requirements.
	• Develop plans to roll out data analytic tools to staff across the organisation	**W**	• Power BI data analytics tools will be rolled out to staff during 2019-20 once the first development phase has been completed.
1.4 Use our insight and experience to shape policy and meet the challenges of future public service delivery	• Continue to work with the Scottish Government, COSLA and other partners to support the development and/or delivery of national policy in social care	**G**	• Scotland Excel is continuing to engage with the Scottish Government, COSLA, Health & Social Care Partnerships and care providers on the cost of care calculator and new frameworks for care and support and older people's care homes.
	• 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	**G**	• Scotland Excel presented at a Holyrood Events food and education policy conference in December 2018, and has been invited to take part in a food planning resilience workshop which will be hosted by COSLA in January 2019 in preparation for Brexit.

	• Continue to work with the Scottish Government, Association of Local Authority Chief Housing Officers (ALACHO) and other partners to support the development and/or delivery of national policy in affordable housing	W	• Scotland Excel will focus on the development of the new build housing framework in 2018-19 and will explore further opportunities to influence or support affordable housing policy in 2019-20.
	• Continue to work with the Scottish Government, Zero Waste Scotland and other partners to support the development and/or delivery of national environmental policy	G	• Scotland Excel continues to work with Zero Waste Scotland on environmental matters across the procurement portfolio. The support of Zero Waste Scotland and other partners has been particularly valuable for developing a dynamic purchasing system for recyclable and residual waste.
	• Develop and deliver a calendar of communications activities which promotes our knowledge and experience in support of our policy and public affairs goals	G	• During Q3, key communications activities included the publication of a thought leadership article on social care procurement in Holyrood Magazine, the development of successful award entries for the GO Scotland Awards and Scottish Public Service Awards, and the implementation of plans for a parliamentary reception and digital transformation event taking place in early Q4.
	• 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	G	• Scotland Excel is continuing to engage with public sector and academic partners to position the Academy as a potential Graduate Apprenticeship assessment partner.

Goal 2: Being sustainable in everything we do

Strategic Objective	Commitment	RAG status	Progress summary
2.1 Deliver positive and measurable social value through our contracts and services	• Develop plans to increase the proportion of Scotland Excel suppliers paying their staff the Scottish Living Wage	B	• An analysis undertaken in Q3 indicated that around 80% of Scotland Excel suppliers are paying the Scottish Living Wage which limits the scope for further increases. However, this will be examined again in 2018-19 once the new CSM programme is in place across the contract portfolio.
	• Continue to develop community benefit models which enable councils to achieve direct benefits for their areas	G	• A revised evaluation model for community benefits is now being embedded in all tenders to ensure that benefits are delivered to each council using the framework,
	• 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	G	• Scottish Bravest Manufacturer, a supported business providing employment for ex-forces personnel, has been awarded a place on the road signage framework. A strategy for engaging with supported businesses will be developed in 2019-20.
2.2 Deliver positive and measurable local economic impact through SME and third sector participation in our contracts	• Continue to work with the Supplier Development Programme (SDP) to raise awareness of public procurement opportunities and encourage participation among Scottish SMEs	G	• In Q3, Scotland Excel delivered four SDP supplier seminars in Edinburgh, Dunfermline, Troon and Glasgow, and attended Meet the Buyer events in Hamilton and Dunfermline.
	• Increase direct and supply chain opportunities for Scottish SMEs and contractors within Scotland Excel contracts, particularly within the construction portfolio	G	• Opportunities to encourage participation by Scottish SMEs continue to be considered in strategy development for all contracts.
	• Encourage housing associations to consider the local economic impact they can deliver through the use of Scotland Excel contracts	G	• Consideration of local economic impact forms a key part of the PCIP assessment undertaken with housing associations. Scotland Excel is working with the Scottish Federation of Housing Associations (SFHA) on a publication to showcase good practice in community benefits.

2.3 Deliver positive and measurable environmental benefits through our contracts	• 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	G	• Scotland Excel's tender documentation continues to include appropriate environmental considerations including, where appropriate, the weighting and scoring of emissions.
	• 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	G	• Scotland Excel's tender documentation continues to include appropriate cost evaluation to ensure that lifetime value is assessed.
	• 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	G	• The tender for the new recyclable and renewable framework has been published. Recommendations will be presented to committee at the end of January 2019.
	• Develop plans for assessing and mitigating the environmental impact of Scotland Excel's activities	W	• Plans for assessing and mitigating Scotland Excel's environmental impact will be considered in 2019-20 following the appointment of new Corporate Services Manager in Q4.
2.4 Lead and develop sustainable procurement knowledge and practice	• 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	B	• An Annual Procurement Report for 2017-18 has been published in line with the requirements of the Procurement Reform (Scotland) Act 2014.
	• Continue to work with national partners on the development of sustainable procurement guidance and tools	G	• Scotland Excel continues to engage with national partners through the Scottish Government's Best Practice Working Group. Plans for 2019 have been drafted and include sustainable procurement guidance for the Procurement Journey.
	• Develop plans to increase the local government sector's sustainable procurement knowledge and capability through the Scotland Excel Academy	W	• Sustainable procurement is embedded in the CIPS accredited course delivered through the Scotland Excel Academy, and will form part of a non-accredited 'introduction to procurement' course.
	• Develop and implement plans to promote sustainable procurement to elected members and senior officers to support a 'whole organisation' approach	W	• Plans to promote sustainable procurement to elected members and senior officers will form part of senior stakeholder engagement plans which will be developed in 2019-20.

Goal 3: Placing people at the heart of our business

Strategic Objective	Commitment	RAG status	Progress summary
3.1 Ensure our customers continue to receive maximum value from our services	• 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	G	• Scotland Excel's account managers are delivering a range of initiatives including change projects, PCIP assessments and practitioner workshops in addition to their quarterly business reviews. The team is also supporting the development of online management information tools for councils.
	• Explore further opportunities to use digital technologies to engage with customers and/or expand online 'self-service' facilities, incorporating the findings into Scotland Excel's ICT strategy and roadmap	G	• Data analytics tools now allow self service of a range of social care information. Further opportunities will be explored once the initial development phase for these data tools has been completed.
	• Explore the feasibility of providing additional services requested by customers, incorporating the findings into future operational plans	G	• Throughout 2018-19, Scotland Excel has focussed on expanding the range of courses available through the Academy, extending the range of small value contracts, developing a new build housing framework and delivering consultancy services to councils. Further opportunities to provide new services will be explored in 2019-20.
	• Embed the outputs of Scotland Excel's stakeholder engagement project into customer and stakeholder engagement plans and activities, ensuring that these reflect the organisation's expanding customer base	A	• Work to embed the outputs of Scotland Excel's stakeholder engagement project will now begin in early 2019-20.
3.2 Engage stakeholders in the delivery of effective local solutions	• Develop a model for incorporating community engagement, where appropriate, into the development of procurement strategies	G	• Opportunities for stakeholder participation, including wider community engagement, are now reviewed as part of the governance process for procurement strategies. Scotland Excel has also contacted the Scottish Government to offer any support that may be required for the Review of Local Governance.

	• Continue to engage directly with service users, where appropriate, to ensure their needs are considered within service design	G	• Advocacy groups and service users were invited to consultation meetings for the renewal of the care homes for adults with learning difficulties framework in October 2018. However, no delegates attended from these stakeholder groups, and the findings of previous in-depth engagement with service users will be used to inform strategy development.
	• 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	G	• Scotland Excel is continuing to support educational charity, Founders4Schools, by attending careers events. An initiative is being explored which would provide an annual forum for head teachers to learn about educational frameworks and community benefits which may benefit their pupils.
3.3 Represent the collective views of stakeholders at a national level	• Review Scotland Excel's representation activities to ensure that these are targeted where they can have the greatest impact	A	• A review of national engagement has been delayed until early 2019-20.
	• Establish a model for undertaking representation activities, including a clear feedback loop for customers and/or communities	W	• The model will be developed on completion of the review of national engagement activity. Outputs will be discussed with key stakeholders to ensure that national engagement activities undertaken by Scotland Excel incorporate local views.
	• 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	G	• Quarterly meetings continue to take place with the CEO and policy leads at COSLA. Following recent personnel changes in both organisations, further opportunities for working together will be explored.
3.4 Implement policies which develop, empower, value and engage our workforce	• 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	G	• Scotland Excel's recruitment and performance review and development (PRD) processes have been revised in response to staff feedback. An annual recognition programme for long serving staff has been implemented, and a project to improve internal communication is underway. Work to renew Scotland Excel's Investors in People (IiP) accreditation will begin in Q4.

	• Develop and implement a talent management programme to inspire and develop staff, increase Scotland Excel's capability, and support succession planning	W	• Following feedback from staff, plans for developing a talent management programme have been put on hold until the new PRD process is embedded within the organisation. In the meantime, Scotland Excel Academy courses are open to staff where a development need is identified.
	• Develop plans for agile working to create a productive working environment that benefits staff, Scotland Excel, and customers	G	• Technology solutions which support agile working are now in place, the number of hot desks available in the office has been increased, and a review of telephony arrangements is ongoing. A policy to support agile working is in development and will be implemented in Q4.

Goa1 4: Delivering sustainable and scalable growth

Strategic Objective	Commitment	RAG status	Progress summary
4.1 Implement a new governance model which supports scalable business growth	• Complete the review of Scotland Excel's governance and funding models, presenting recommendations to the Joint Committee for approval	B	• Governance and funding proposals to support the delivery of the 2018-23 strategy were approved by the Joint Committee in June 2018.
	• Develop plans to implement the governance recommendations approved by the Joint Committee	B	• Scotland Excel will continue to operate its existing governance model in support of the 2018-23 strategy. Governance arrangements will continue be reviewed periodically to ensure they align with the organisation's ambitions.
	• Implement appropriate funding models to support the delivery of new and existing services	G	• Income is being accrued through Academy, consultancy and associate member revenue. All new or renewed contracts in development are being assessed for rebate potential. Income from the new build housing framework is expected to be begin Q4 of 2019-20. An income review board is being established in Q4 to monitor revenue generation against targets.
4.2 Continue to maintain a robust business infrastructure to support our growth ambitions	• 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	G	• Scotland Excel has strategies and plans in place for the continuous development of key business areas including ICT and organisational development. Additional space has been secured in Renfrewshire House to accommodate growing staff numbers.
	• Develop a risk model for evaluating new business opportunities to assess their impact on internal resources and/or existing customers	W	• A new business evaluation model will be developed during 2019-2020. In the meantime, Scotland Excel has refined its new business pitching process to ensure that a sufficient level of commitment is secured before detailed proposals are developed.
	• Continue to implement technology solutions which increase efficiency, support agile working and offer scalability for business growth	G	• Delivery of the ICT strategy continues to focus on consolidating technology before moving to application development in Q4.

4.3 Use our knowledge and insight to identify new services and/or sectors which provide growth opportunities	• 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	G	• Scotland Excel met with Commercial Services, a shared service provider for local authorities operated by Kent County Council, in December 2018 to understand the opportunities and/or threats posed by their services. A comprehensive competitive review will be undertaken in 2019-20.
	• Continue to deliver procurement support to housing associations on behalf of the Scottish Government and develop plans to market additional Scotland Excel services which secure the long term sustainability of this service	G	• Scotland Excel completed 9 PCIP assessments with housing associations on behalf of the Scottish Government during Q3. This brings the total to 31 assessments, and a further 35 are expected to be completed by the end of March 2019.
	• Continue to develop and market Scotland Excel's associate membership programme to maximise its commercial potential for the organisation and the benefits it provides to members	G	• A market analysis report has been completed for the social housing sector which includes recommendations for a marketing strategy to increase associate membership within this sector. A chargeable consultancy project for associate member, City Property, has been agreed.
	• Continue to market Scotland Excel through traditional and social media, targeted communications activity and political engagement to support new business opportunities	G	• During Q3, key marketing and communications activities to support new business opportunities included a supplier campaign for the new build residential housing framework, and the production of promotional flyers for Scotland Excel Academy courses.
	• Identify opportunities arising for staff development through new business opportunities, fostering an understanding of commercial and entrepreneurial approaches across the organisation	G	• A number of staff have been seconded to external consultancy projects and others are providing ad hoc support for projects in specific areas. Senior Management Team members are now taking part in business development meetings with senior stakeholders.
4.4 Explore opportunities to work with partners on the development and delivery of new business opportunities	• 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	G	• Following the successful launch of the PDA in project management, which is delivered in partnership with the Improvement Service, a joint opportunity for a PDA in business analysis is now being explored.

	• 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	G	• A mobilisation event for the new CCS vehicles vehicle purchase contract was held for councils in December 2018, and webinars are being planned for 2019. Feedback from fleet managers to the CCS partnership has been positive.
	• Design a model for providing procurement support to SEEMiS in line with the partnership agreement	B	• Scotland Excel has agreed with SEEMiS to provide procurement support for a range of projects until the end of March 2020.

Report Key	
W	Project or activity not yet started
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 is progressing in line with expected/agreed timelines and results
B	Project or activity completed

Key Performance Indicators

Outcomes	Key Performance Indicators	Q3 Status
Our services shape the effective and efficient delivery of public services	• Number of contracts delivered v plan[1] • Value of contract portfolio v target	• 25 of 31 contracts delivered • £1bn against £1.4bn target
Our expertise leads continuous improvement in commercial performance	• Number of PCIP assessments delivered v plan • Number of Scotland Excel Academy courses v plan[2]	• 20 of 22 assessments delivered • 31 of 40 courses delivered
Our services facilitate the delivery of national and local policy priorities	• Tonnes of waste diverted from landfill in the last recorded quarter[3] • Number of Scottish suppliers & percentage SMEs	• 44,092 tonnes (Sep-Dec 2018) • 486 Scottish suppliers of which 76.5% are SMEs
Our services enable positive and sustainable outcomes for people and communities	• Number of community benefits realised to date	• 349 jobs • 474 apprenticeships • 88 work placements • 61,053 hours work experience • 5,633 hours volunteering/mentoring • £671k value of other initiatives
Our insight and knowledge underpins innovative solutions for our customers	• Number of business change initiatives delivered v plan	• 4 of 6 initiatives delivered
Our activities are recognised as leading the way in public procurement	• Media coverage v target • Number of speaking engagements v target	• 60 of 60 media items published • 13 of 12 speaking engagements
Our customers receive a measurable return on investment through savings	• Percentage savings achieved across the portfolio v target[4] • Savings achieved in the last quarter	• 4.4% against 2.5% savings target • £2.9m (Oct – Dec 2018)
Our customers are satisfied with our services and how we deliver them	• Customer satisfaction scores v target[5]	• 80% of respondents

Report issued: March 2018

[1] Contracts developed, renewed or extended

[2] Programmes, workshops and masterclasses

[3] Through Scotland Excel's organic waste framework

[4] Average savings during the strategy period (2018-23) excluding social care contracts

[5] Percentage of respondents reporting 'good' or 'very good' overall satisfaction in the most recent customer satisfaction survey (currently 2017)