

To: Joint Committee

On: 29 June 2018

**Report
by
Director Scotland Excel**

Operating Plan Update 2017-18




1. Purpose of the report

In June 2015, Scotland Excel's Joint Committee approved a three-year corporate strategy supported by a rolling annual operating plan. This report presents the organisation's full year performance against the Operating Plan 2017-18.

2. Reporting methodology

Progress reports are produced quarterly to track Scotland Excel's performance against operating plan activities. Reports are produced at the end of each quarter and submitted to Executive Sub-Committee meetings. Half yearly and annual reports are also submitted to Joint Committee meetings.

The reports summarise the progress made against operating plan activities and uses a 'traffic light' symbol to provide a quick guide to the status of each activity:

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

The report also tracks performance against ten key performance indicators (KPIs) linked to strategic outcomes.

3. Performance

The majority of activities in the operating plan were progressed in line with plans and are indicated as green within the report. A small number of activities have been delayed, predominantly due to resource constraints or external factors, and these are indicated as amber within the report. All outstanding activities will be carried forward and completed as part of the Operating Plan 2018-19.

4. Recommendation

The members of the Joint Committee are invited to note Scotland Excel's performance in the delivery of the Operating Plan 2017-18.




Operating Plan





2017 – 2018



Year End Report

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

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



Activity	Year 3 Priorities	RAG status	Progress summary
(a) Develop and implement a contract plan aligned to the strategic priorities of member authorities	<ul style="list-style-type: none"> • 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 		<ul style="list-style-type: none"> • Eight 'small value' contracts were delivered during 2017-18, with a further contract due to be awarded in April. Of the two contracts not delivered, one was found to be unsuitable for collaboration while the other did not attract sufficient market interest. • A proposal for a new Scottish Care Home Framework has been developed. A sourcing strategy will be co-produced with providers, commissioners and Health & Social Care Partnerships (HSCPs) in 2018-19. • Following market analysis and stakeholder engagement, it has been agreed that a single 'care and support' framework will be developed for adult supported living and care at home services. Twenty-one councils have indicated an interest in using the framework, and a procurement strategy will be developed by June 2018. • Scotland Excel is continuing to provide procurement support for the Digital Office. Eighty suppliers participated in a webinar in January 2018, and ongoing engagement with local authorities is taking place to identify collaborative opportunities. A new care management solution is being explored with seven councils and NHS Scotland. • The initial procurement project for SEEMiS has been completed successfully and this partnership will continue into 2018-19. • Councils were migrated to the Crown Commercial Services (CCS) light vehicles framework in June 2017 to capitalise on economies of scale and release procurement resources. Feedback from councils has been positive, and a full survey on framework usage is planned for June 2018. • Updated category strategies have been published on Scotland Excel's website.




<p>(b) Develop and implement a strategy and plan for the delivery of contract and supplier management</p>	<ul style="list-style-type: none"> • Complete the roll out of the new CSM programme across the contract portfolio 		<ul style="list-style-type: none"> • The Contract & Supplier Management (CSM) programme launched in 2017 did not support the required levels of participation or feedback. Three alternative options were evaluated, and a new survey tool is now being trialled before being rolled out across the organisation in 2018-19.
<p>(c) Develop and implement a strategy and plan for improving supplier performance</p>	<ul style="list-style-type: none"> • 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 		<ul style="list-style-type: none"> • The Supplier Excellence Awards ceremony took place on 20 February 2018, and was attended by over 350 guests. Feedback on the awards programme has been very positive, and it generated significant media coverage for Scotland Excel and participating suppliers. • Fifty-two supplier delegates attended the second day of the Scotland Excel Conference which focused on building positive relationships. • Plans for a Key Supplier Management (KSM) programme are on hold pending the roll out of the new CSM programme. Relationships with key suppliers continue to be managed by procurement teams in the interim.
<p>(d) Manage the rollout of a new national procurement capability assessment to the local government sector</p>	<ul style="list-style-type: none"> • Complete the first cycle of PCIP assessments with participating councils • Consult on plans for a second cycle of PCIP assessments 		<ul style="list-style-type: none"> • Procurement & Commercial Improvement Programme (PCIP) assessments have been completed with all 32 Scottish local authorities. • A second cycle of PCIP assessments is being planned for 2018-19.
<p>(e) Develop and implement a programme to lead and support the development of procurement and commercial capability</p>	<ul style="list-style-type: none"> • Develop and deliver a 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 		<ul style="list-style-type: none"> • Thirty-five change projects were delivered for councils during 2017-18. A national programme to address the four priority areas identified from PCIP assessments was launched in February 2018 and will continue throughout 2018-19. Aberdeen City Council has commissioned Scotland Excel to undertake a six-month consultancy project, and a two-year transformation programme for Fife Council is expected to be approved in April 2018. • The Scotland Excel Annual Conference was held at the Radisson Blu in Glasgow on 20-21 February 2018, and was attended by 110 delegates. • Thirteen PCIP assessments were completed with housing associations during 2017-18 as part of the Scottish Government programme. Twenty-nine assessments have been scheduled to take place by September 2018, with a further eleven to be completed by March 2019.

<p>(f) Develop and implement a 'procurement academy' to support professional capability and encourage new entrants to public procurement</p>	<ul style="list-style-type: none"> • 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 		<ul style="list-style-type: none"> • Three Chartered Management Institute (CMI) accredited Leadership & Management courses ran in Inverclyde, Perth and Stirling during 2017-18, with a fourth scheduled to begin in Fife in April 2018. A Chartered Institute of Procurement & Supply (CIPS) accredited course was launched in January 2018. Ten practitioner workshops and two masterclasses also took place during the year. • Scotland Excel has been in discussion with partners including the Scottish Government, Healthcare Improvement Scotland and Social Work Scotland to scope learning and development requirements for social care commissioning. Options for incorporating these into the Scotland Excel Academy will be completed in 2018-19. • Scotland Excel has continued to support the Procurement People of Tomorrow (PPOT) initiative through co-chairing the Scottish Government's Professional Practice Strategic Forum. Scotland Excel also worked with Skills Development Scotland to develop a Graduate Level Apprenticeship in business management.
<p>(g) Develop and implement a shared service offering for councils which meets their requirements in a changing public sector landscape</p>	<ul style="list-style-type: none"> • Develop a shared services strategy to inform future service development proposals 		<ul style="list-style-type: none"> • Scotland Excel explored a number of new opportunities during 2017-18. Funding has been secured from eleven local authorities to develop a national house building framework, and discussions are ongoing with Transport Scotland on proposals to support the development of an electric vehicles charging infrastructure. Chargeable consultancy projects for local authorities have also been commissioned or are in the pipeline.

Goal 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	<ul style="list-style-type: none"> • 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 		<ul style="list-style-type: none"> • Scotland Excel is on track with plans to ensure compliance with General Data Protection Regulation (GDPR) which take effect from 25 May 2018. GDPR training sessions have been delivered for Scotland Excel staff and customers as part of these plans. • No major risks or opportunities identified for the sector in connection with the Community Empowerment Act during 2017-18. • Scotland Excel has continued to support the integration of health and social care throughout 2017-18. Good working relationships have been established with Chief Officers and Chief Finance Officers within Health & Social Care Partnerships (HSCPs) and their input has informed new developments within the social care portfolio. • Scotland Excel developed proposals to support the expansion of early learning and childcare provision but has been unable to secure funding to progress further. Efforts to secure funding will continue in 2018-19. • The waste category strategy has been updated and published on the Scotland Excel website.
(b) Ensure Scotland Excel's collaborative frameworks support local and national government policy priorities	<ul style="list-style-type: none"> • Continue to support national policy outcomes in social care frameworks • Continue to support the roll out of CRDG recommendations 		<ul style="list-style-type: none"> • National policy outcomes for looked after children were incorporated into the renewal of the children's residential care framework in March 2018. National health and wellbeing outcomes were considered as part of proposals for older people's care homes and adult care services which were developed during 2017-18. • Scotland Excel participated in Construction Review Delivery Group (CRDG) meetings throughout 2017-18. The work of the delivery group has now been completed and the Scottish Government has set up an internal team for the ongoing management of construction policy.

<p>(c) Ensure Scotland Excel's collaborative frameworks support positive local economic outcomes</p>	<ul style="list-style-type: none"> • 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 		<ul style="list-style-type: none"> • Scotland Excel delivered ten Supplier Development Programme (SDP) training sessions and attended four national and local 'Meet the Buyer' events during 2017-18. • Plans for including community benefit measures as part of Scotland Excel's CSM programme are on hold pending the roll out of a new programme in 2018-19. • Scotland Excel's supported business event took place in Glasgow on 08 February 2018, and was attended by 60 delegates from supported businesses and council economic development and procurement teams. Paul Wheelhouse MSP, Minister for Business, Innovation and Energy and Chair of the Scottish Government's Supported Business Advisory Group, spoke at the event. Further actions to create opportunities for supported businesses will be considered in 2018-19.
<p>(d) Ensure Scotland Excel's collaborative frameworks support local government environmental duties and policies</p>	<ul style="list-style-type: none"> • Continue work with partners to align the waste category strategy with national programmes • Include measure for environmental impact within the new CSM programme 		<ul style="list-style-type: none"> • Scotland Excel has been working with Zero Waste Scotland and councils on new contract arrangements for recyclable and residual waste which will be implemented in 2018-19. A dynamic purchasing solution will enable councils to remain aligned to environmental policy and legislation while allowing new entrants into the market. • Plans for including environmental impact measures as part of Scotland Excel's CSM programme are on hold pending the roll out of a new programme in 2018-19.
<p>(e) Champion the development and dissemination of best practice in sustainable procurement</p>	<ul style="list-style-type: none"> • 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 		<ul style="list-style-type: none"> • Scotland Excel has continued to monitor the impact of its sustainable procurement strategy throughout 2017-18. Sustainability considerations and benefits are detailed within each contract award report. • Scotland Excel has been working to enhance the national sustainability toolkit as part of the Scottish Government Best Practice Forum. In 2017-18, the Forum reviewed the implications of the Equality Duty and completed a policy draft for Equality Impact Assessment. • Horizon scanning meetings took place quarterly throughout the year 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	<ul style="list-style-type: none"> Continue to develop and implement improvements to account management services 		<ul style="list-style-type: none"> Account managers delivered Quarterly Business Reviews with local authority procurement leads throughout 2017-18. These discussions have provided valuable feedback to inform Scotland Excel's business change and learning and development activities.
(b) Develop and implement a stakeholder engagement strategy that support the delivery of first class customer experience across all of our services	<ul style="list-style-type: none"> 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 		<ul style="list-style-type: none"> Completion of the stakeholder engagement strategy was put on hold to release staff resources for the Scotland Excel Conference and Supplier Excellence Awards. This will now be revisited in 2018-19. Scotland Excel's Executive Team held engagement meetings with elected members and senior stakeholders throughout the year. Plans to support ongoing engagement will be developed as part of Scotland Excel's communications plan. The customer care forum will now be established in 2018-19 on completion of the stakeholder engagement strategy. Tailored reports for senior stakeholders, procurement leads and staff on the findings of the customer satisfaction survey were produced and distributed to stakeholders. A Digital/ICT strategy has been completed, and priorities for new developments in 2018-19 have been agreed with the Senior Management Team.




<p>(c) Develop and implement a corporate communications strategy that enhances and protects Scotland Excel's corporate reputation</p>	<ul style="list-style-type: none"> • 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 		<ul style="list-style-type: none"> • Scotland Excel's marketing and communications strategy has been completed. • A communications plan which sets out high level priorities for corporate communications, public affairs and stakeholder engagement has been completed. • Scotland Excel's marketing and communications team delivered a full programme of activities during 2017-18 including campaigns and event management for the Supplier Excellence Awards. Other activities included press releases, social media, web content, brochures, advertisements, award entries, and exhibition support.
<p>(d) Develop and implement a model for associate members which delivers clear business and financial benefits to Scotland Excel and the membership base</p>	<ul style="list-style-type: none"> • Continue to recruit housing associations in line with the associate member strategy • Develop an associate member offering for third sector organisations 		<ul style="list-style-type: none"> • Fifteen housing associations were recruited as associate members during 2017-18. • Due to the launch of a Scottish Government-funded third sector organisation, Procurement 4 Partnership (P4P), Scotland Excel has delayed plans to develop an associate member offering for this market until 2018-19 to allow for further research.
<p>(e) Develop and implement a programme for engaging with the wider public sector to ensure Scotland Excel has the right partnerships in place to support the needs of its customers</p>	<ul style="list-style-type: none"> • Continue to host and/or attend 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 		<ul style="list-style-type: none"> • Scotland Excel held and/or attended forums for sector stakeholders throughout 2017-18 including Commercial User Intelligence Groups (UIGs), steering groups for procurement capability and social care, and attendance at the Scottish Local Government Procurement Forum. • Scotland Excel represented sector interests at meetings throughout 2017-18 including government forums for collaborative procurement, construction, best practice and professional development. • Scotland Excel has continued 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.

Goal 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	<ul style="list-style-type: none"> • Complete the development and implementation of an organisational development strategy 		<ul style="list-style-type: none"> • An organisational development strategy is in place to provide structure for workstreams in Culture & Values, Leadership & Talent Management, Reward & Recognition, and Systems & Processes. Implementation of the organisational development strategy will continue in 2018-19 with support from Investors in People (IIP).
(b) Develop and implement programmes to support the continuous improvement of business performance, systems and processes	<ul style="list-style-type: none"> • 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 		<ul style="list-style-type: none"> • Scotland Excel's business change team managed five internal projects in 2017-18 to support continuous improvement. • Development of a data management and reporting solution is now underway and the first phase is expected to be completed by the end of June 2018. • During 2017-18, Scotland Excel's ICT team migrated staff to cloud-based Office 365 software and Windows 10 to support agile working. Staff can now access ICT resources and files remotely. • Scotland Excel has successfully renewed its Chartered Institute of Procurement & Supply (CIPS) accreditation following a rigorous assessment.
(c) Ensure that Scotland Excel delivers its plans through effective governance, risk management and policies	<ul style="list-style-type: none"> • Explore options for governance models which support the future growth of Scotland Excel 		<ul style="list-style-type: none"> • An options appraisal for governance models to support future growth was presented to the Joint Committee in December 2017. Further work has been taking place to finalise recommendations which will be presented to the Joint Committee in June 2018.

<p>(d) Develop and implement a strategy for gathering, analysing and distributing business intelligence within Scotland Excel and across the sector</p>	<ul style="list-style-type: none"> Expand the use of BI tools across the organisation to support internal/external delivery of data and reports 		<ul style="list-style-type: none"> Several interactive reports have been developed using a new Business Intelligence (BI) tool during 2017-18, and this will be rolled out across the organisation and to customers in 2018-19.
<p>(e) Develop and implement a clear, transparent and sustainable funding and delivery model for Scotland Excel</p>	<ul style="list-style-type: none"> 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 		<ul style="list-style-type: none"> Five regional workshops with local authority procurement leads to consult on the new strategy took place in February and March 2018. The new corporate strategy and operating plan is in development and will be presented to the Joint Committee in June 2018. An initial paper on funding was submitted to the Joint Committee in December 2017. Further work has been taking place to finalise recommendations which will be presented to the Joint Committee in June 2018.

<h2>Report Key</h2>	
	<p>Project or activity is currently stalled or significantly behind schedule</p>
	<p>Project or activity is progressing at a slower pace than anticipated and/or results have been weaker than expected</p>
	<p>Project or activity has been completed and/or is progressing in line with expected/agreed timelines and targets</p>

Key Performance Indicators

KPI	Link to outcomes	Q4 Status
No. & value of contracts delivered v plan	<ul style="list-style-type: none"> Our services support the effective and efficient delivery of public services 	<ul style="list-style-type: none"> 31 contracts delivered, renewed or extended against target of 31 by year end £1.01bn portfolio value against £1bn target by year end
Percentage & value of savings v target (excluding social care)	<ul style="list-style-type: none"> Our customers are satisfied with our services and achieve a measurable return on their investment 	<ul style="list-style-type: none"> Average savings of 3.5% against a rolling 5% target (2015-18) £3.8m estimated saving in the last recorded quarter (Jan-Mar 2018)
No. of PCIP assessments completed v schedule	<ul style="list-style-type: none"> Our expertise supports continuous improvement in procurement performance 	<ul style="list-style-type: none"> 15 assessments completed against 15 targeted
No. of Scottish suppliers & percentage SMEs	<ul style="list-style-type: none"> Our services help to deliver positive and sustainable outcomes for communities and service users 	<ul style="list-style-type: none"> 479 Scottish suppliers of which 76.8% are SMEs
No. of community benefits realised to date	<ul style="list-style-type: none"> Our services support the implementation of national and local policy priorities 	<ul style="list-style-type: none"> 349 jobs 220 apprenticeships 58 work placements 60,646 hours work experience 4,958 hours volunteering/mentoring £465k value of other initiatives
Customer satisfaction statistics & trends ¹	<ul style="list-style-type: none"> Our customers are satisfied with our services and achieve a measurable return on their investment 	<ul style="list-style-type: none"> 82.4% of procurement stakeholders 80.8% of senior stakeholders
Website usage statistics & trends	<ul style="list-style-type: none"> Our customers receive relevant communication and support 	<ul style="list-style-type: none"> 8,014 visitors in Q4 19,175 user sessions in Q4
Media coverage v target	<ul style="list-style-type: none"> Our reputation demonstrates the value of collaboration 	<ul style="list-style-type: none"> 66 media items placed to date against target of 50 by year end
Income from associate members v target	<ul style="list-style-type: none"> Our reputation demonstrates the value of collaboration 	<ul style="list-style-type: none"> £55.8k income against a £60k target
Staff turnover v headcount	<ul style="list-style-type: none"> Our people, policies, processes and technology optimise our value 	<ul style="list-style-type: none"> 4.7% staff turnover rate 70 permanent staff

Report issued: June 2018

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