



# Operating Plan

2016 – 2017

Q3 Progress 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 2 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"> <li>Develop a contract delivery plan for joint committee approval in Dec 2016</li> <li>Manage a flexible workforce model to resource contract delivery</li> <li>Develop a plan for delivering the adult supported living and care at home strategy</li> <li>Develop a proposal to secure ongoing funding to support older people's care home services</li> <li>Develop proposals for partnering with other procurement organisations as appropriate</li> <li>Hold biannual Commercial UIGs and interim steering group meetings</li> <li>Communicate strategies for all key category areas</li> </ul>		<ul style="list-style-type: none"> <li>An update on the contract delivery plan was presented to the Joint Committee in December. Plans to expand the portfolio through a small value contracts team and additional funding for social care were approved by the committee.</li> <li>The workforce planning tool for procurement staff is being reviewed regularly, with resources reallocated across teams as required to ensure key objectives are met.</li> <li>Funding to develop adult supported living and care at home frameworks has been secured from the Scottish Government. Additional staff will be recruited in Q4 to progress this work programme.</li> <li>Funding has been agreed until March 2020 to provide continued support for older people's care home services. The work programme will include further work on the cost of care and implementation of a new approach to the procurement of older people's care home services.</li> <li>A partnership with Crown Commercial Services (CCS) has been approved by the Joint Committee. Work to support transition to the CCS framework for light and commercial vehicles will begin in Q4, and is expected to bring efficiency benefits and economies of scale.</li> <li>Commercial UIG meetings were held in Q3. Topics included the small value contracts team, the CCS partnership and community benefits. Steering Group meetings have been scheduled in Q4 to review the Terms of Reference for the new small value contracts team.</li> <li>Eight category strategies have now been published on the Scotland Excel website.</li> </ul>

<p>(b) Develop and implement a strategy and plan for the delivery of contract and supplier management</p>	<ul style="list-style-type: none"> <li>• Implement a project to pilot the national CSM tool</li> <li>• Develop a plan to roll out CSM across the portfolio</li> <li>• Produce annual contract management reports for all contracts</li> </ul>		<ul style="list-style-type: none"> <li>• Following the successful completion of the contract and supplier management (CSM) pilot, it has been agreed that the national CSM tool will be adopted by Scotland Excel.</li> <li>• A plan to roll out the CSM solution across the portfolio will be developed and implemented in Q4.</li> <li>• Annual contract management reports continue to be produced for all contracts, including a benchmark of savings against market indices and an updated risk matrix.</li> </ul>
<p>(c) Develop and implement a strategy and plan for improving supplier performance</p>	<ul style="list-style-type: none"> <li>• Deliver an integrated programme of supplier development activity</li> </ul>		<ul style="list-style-type: none"> <li>• An integrated supplier development programme will be developed as part of the new CSM roll out. In the interim, a template is available within the CSM tool to support supplier development activity.</li> </ul>
<p>(d) Manage the rollout of a new national procurement capability assessment to the local government sector</p>	<ul style="list-style-type: none"> <li>• Complete the rollout of the current PCIP programme</li> <li>• Analyse and report on PCIP results</li> <li>• Schedule PCIPs for members not participating in 2016</li> <li>• Work with partners to agree the way forward for PCIPs</li> </ul>		<ul style="list-style-type: none"> <li>• Procurement &amp; Commercial Improvement Programme (PCIP) assessments have been completed with 16 councils.</li> <li>• Assessment outcomes were reported to the Joint Committee in December and will inform future development programmes.</li> <li>• A second phase of PCIP assessments with the remaining 16 councils is being scheduled for March – June 2017.</li> <li>• It has been agreed that local authorities will complete a second PCIP cycle by June 2019 to align with other sectors.</li> </ul>
<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"> <li>• Agree and resource development requirements with sector stakeholders</li> <li>• Develop and deliver a development programme to March 2017</li> <li>• Deliver an Annual Conference to support development in Q4</li> </ul>		<ul style="list-style-type: none"> <li>• Following a sector steering group meeting in May, it was agreed that each council will receive three days of development support.</li> <li>• A total of 87 support requests have been received from councils and it is anticipated that 55 (63%) will be completed by the end of March 2017, with the remainder completed during Year 3.</li> <li>• Plans for the Annual Conference are underway. The event will take place in Clydebank on 7-8 February 2017.</li> </ul>

<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"> <li>• Develop and implement a blended learning strategy</li> <li>• Finalise recommendations for delivering the social care commissioning PDA</li> <li>• Develop and implement plans for recruiting 2 interns and a modern apprentice during 2016-17</li> </ul>		<ul style="list-style-type: none"> <li>• A new learning and development strategy was approved by the Joint Committee in December. Blended learning is being delivered through an online platform branded as the Scotland Excel Academy, and supported by face-to-face workshops.</li> <li>• Following stakeholder consultation, the social care and commissioning professional development award (PDA) was superseded by a new programme. A pilot of the Leading and Managing Strategic Commissioning programme is underway with Inverclyde Council, and will be more widely available later this year.</li> <li>• Two interns were recruited for procurement teams in Q2. A Modern Apprentice was recruited for the business services team during Q3.</li> </ul>
<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"> <li>• Develop a shared services strategy</li> <li>• Incorporate additional shared service income into annual funding proposals</li> </ul>		<ul style="list-style-type: none"> <li>• The development of a shared services strategy has been put on hold to allow focus on several new shared service opportunities which were approved by the Joint Committee in December.</li> <li>• Funding proposals for 2016-17 were approved by the Joint Committee in December.</li> </ul>

## 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 2 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"> <li>Develop an action plan to ensure internal compliance with legislation</li> <li>Identify legislative areas to be incorporated within L &amp; D plans for the sector</li> <li>Monitor risks/ opportunities arising from the Community Empowerment Act</li> <li>Develop a plan for engaging with IJBs/NSS</li> <li>Develop a plan for delivering waste category strategy recommendations</li> </ul>		<ul style="list-style-type: none"> <li>An action plan has been developed and is underway, including the production of procurement strategy documentation in line with new legislative obligations.</li> <li>Support with the European Single Procurement Document (ESPD) remains the key of area of support requested by and provided to stakeholders.</li> <li>A Q3 review has indicated no current risks or opportunities arising for the sector from the Community Empowerment Act. An Audit Scotland report indicates that some progress has been made in Community Planning Partnerships but the delivery of change is not yet at the level envisaged.</li> <li>Scotland Excel is continuing to engage directly with Integrated Joint Board Chief Officers, and presented at a network event in December.</li> <li>Changes to legislation affecting the Scottish Environmental Protection Agency (SEPA) have resulted in some delays in implementing the recommendations of the waste category strategy.</li> </ul>
(b) Ensure Scotland Excel's collaborative frameworks support local and national government policy priorities	<ul style="list-style-type: none"> <li>Continue to support fair working practices and other policy areas</li> <li>Continue to support policy aspects of social care frameworks</li> <li>Continue to represent the sector at the CRDG and support the roll out of recommendations</li> </ul>		<ul style="list-style-type: none"> <li>Fair working practices and other policy areas continue to be considered as part of the development process for all contracts.</li> <li>Fostering and secure care frameworks are being developed in line with Scottish Government policy and will be delivered in Q4.</li> <li>The CRDG is currently considering opportunities for national construction frameworks. A local authority working group has been established as a conduit to the Construction Review Delivery Group (CRDG), and will meet for the second time in Q4.</li> </ul>

<p>(c) Ensure Scotland Excel's collaborative frameworks support positive local economic outcomes</p>	<ul style="list-style-type: none"> <li>• Continue to encourage local business participation through procurement processes, partnerships and events</li> <li>• Embed community benefits in procurement processes</li> <li>• Develop and implement a new reporting approach for community benefits</li> <li>• Consider opportunities for supported businesses and/or third sector in contract strategies</li> </ul>		<ul style="list-style-type: none"> <li>• Scotland Excel is continuing to support local business participation in procurement opportunities. In Q3, staff took part in Meet the Buyer events in Alloa and Dunfermline, and hosted a stand at Procurex in Glasgow.</li> <li>• Community benefits continue to be considered as part of the development process for all contracts.</li> <li>• Community benefit reporting has been revised to incorporate additional data captured by a new template issued to suppliers in Q2. The report now provides significantly more robust information including community benefit classifications in line with Scottish Government statutory guidance, and the monetary value of the benefits provided.</li> <li>• Scotland Excel is facilitating a project to stimulate local opportunities for supported businesses. Six councils have indicated an interest in participating in the project which will look at ways in which supported businesses can develop their offering to meet local procurement requirements. A workshop to progress discussions will take place in Q4.</li> </ul>
<p>(d) Ensure Scotland Excel's collaborative frameworks support local government environmental duties and policies</p>	<ul style="list-style-type: none"> <li>• Continue work with partners to develop policies and programmes in support of a National Brokerage model</li> <li>• Continue to embed environmental considerations through procurement processes</li> </ul>		<ul style="list-style-type: none"> <li>• Scotland Excel continues to engage positively with the Scottish Materials Brokerage Service project. However, some delays at a national level have limited progress on the project.</li> <li>• Environmental considerations continue to be considered as part of the development process for all contracts.</li> </ul>
<p>(e) Champion the development and dissemination of best practice in sustainable procurement</p>	<ul style="list-style-type: none"> <li>• Publish Scotland Excel's sustainable procurement strategy</li> <li>• Deliver stakeholder support for new legislative duties through L &amp; D plans</li> <li>• Continue to represent the sector within the Scottish Government's Best Practice working group</li> <li>• Develop and implement a consistent approach to horizon scanning</li> </ul>		<ul style="list-style-type: none"> <li>• Scotland Excel's sustainable procurement strategy has been approved by the Joint Committee and is available on the website.</li> <li>• Scotland Excel will resource legislative education and training through masterclasses and workshops which form part of the learning and development strategy.</li> <li>• Scotland Excel continues to participate in the Scottish Government's Best Practice working group. The group is continuing to focus on the implementation and impact of ESPD, and a review of Contract &amp; Supplier Management Guidance has been initiated.</li> <li>• The first horizon scanning meeting was held in September. A second meeting will take place in early January to agree key areas of focus.</li> </ul>

## 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 1 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"> <li>Implement phase 2 of account management improvements</li> </ul>		<ul style="list-style-type: none"> <li>Improvements have been implemented and are now being delivered as business-as-usual. These include a new reporting format for quarterly Business Reviews which has been welcomed by councils.</li> </ul>
(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"> <li>Publish a stakeholder engagement strategy</li> <li>Implement a survey and report on customer satisfaction</li> <li>Initiate a customer care forum to support ongoing improvements to customer service</li> <li>Develop a centralised contact data resource</li> <li>Develop a 'future digital' strategy including options for an online customer collaboration platform</li> </ul>		<ul style="list-style-type: none"> <li>No further progress has been made on the stakeholder engagement strategy in Q3 due to other priorities. Work plans are currently being reviewed to agree a new date for completion.</li> <li>Surveys were issued to c. 1,500 stakeholders in November with bespoke questionnaires for senior stakeholders, procurement leads and other local authority contacts. Responses will be analysed in Q4 and a report issued in early spring.</li> <li>A cross-functional customer care forum will be established to monitor the delivery of the stakeholder engagement strategy and implement improvements identified by the customer survey. Initially planned for Q4, this may be postponed due to the delay in strategy completion.</li> <li>A centralised list of c. 1,500 procurement and technical contacts has been created and is being maintained on a regular basis. However, plans to develop and implement resources for managing this data are on hold due to other priorities.</li> <li>Development of a 'future digital' strategy has been postponed until Year 3 to allow focus on other priorities.</li> </ul>

<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"> <li>• Update the marketing and communications strategy and plan</li> <li>• Complete and launch the new Scotland Excel website</li> <li>• Continue to monitor and manage all communications risks arising from contracts/business activities</li> </ul>		<ul style="list-style-type: none"> <li>• No further progress has been made on the marketing and communications plan due to other priorities. Work plans are currently being reviewed to agree a new date for completion.</li> <li>• Feedback to Scotland Excel's new website continues to be positive. Q3 user statistics were slightly down on the previous quarter but this may be due to the launch campaign inflating initial figures. Statistics will continue to be monitored to identify trends over a longer period.</li> <li>• Scotland Excel is continuing to mitigate communication risks through appropriate handling of media enquiries in line with policy.</li> </ul>
<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"> <li>• Review the associate member fee structure</li> <li>• Develop and implement an associate member strategy</li> <li>• Develop an associate membership offering for the social landlord sector</li> </ul>		<ul style="list-style-type: none"> <li>• A new associate member fee structure will be developed in Q4 and will initially focus on appropriate fee levels for housing associations.</li> <li>• An associate member strategy has been approved by the Joint Committee. New member recruitment will initially focus on housing associations due to the opportunity presented by the government-funded programme Scotland Excel is implementing for this sector.</li> <li>• Benefits being offered to the social landlord sector will include the facility to source energy efficiency contractors through a new Scotland Excel framework.</li> </ul>
<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"> <li>• Host and/or attend forums to gather sector views and share information</li> <li>• Represent the sector within the national public procurement programme</li> <li>• Continue to review engagement plans for Scotland Excel's wider stakeholder landscape</li> </ul>		<ul style="list-style-type: none"> <li>• Scotland Excel is continuing to hold and/or attend meetings for sector stakeholders. In Q3, this included local authority steering groups for contract development, procurement capability, eCommerce and construction, and attendance at the Scottish Local Government Procurement Forum.</li> <li>• Scotland Excel is continuing to represent sector interests at national procurement/commissioning meetings. In Q3, this included government forums for collaborative procurement, eCommerce, construction, best practice and professional development.</li> <li>• Scotland Excel is continuing to engage with key stakeholders across a range of business areas. A schedule for reviewing and updating stakeholder engagement plans will be embedded as business-as-usual following the completion of the stakeholder engagement strategy.</li> </ul>

## 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 1 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"> <li>Develop and implement an organisation wide rolling resource plan</li> <li>Develop a recruitment management strategy</li> <li>Review the careers microsite and develop proposals for improvement/replacement</li> <li>Develop plans to enhance employee performance management, training and development</li> <li>Develop proposals for a new staff intranet</li> </ul>		<ul style="list-style-type: none"> <li>A resource plan for customer and business development teams was piloted during Q3. Once implemented, this will be used alongside the procurement plan to provide a view of resources across the organisation.</li> <li>Recruitment policies have been updated to ensure a consistent approach across the organisation. A major recruitment campaign and event is being planned for February 2017.</li> <li>The careers microsite has been refreshed with new branding and updated content. Additional content is being developed to promote the organisation as a positive place to work.</li> <li>A second phase of the organisational development project was initiated in November and includes employee performance and development as part of its remit.</li> <li>A new staff intranet was launched in December. This will be rolled out as an organisation wide resource during Q4, and will be developed further in response to staff feedback.</li> </ul>
(b) Develop and implement programmes to support the continuous improvement of business performance, systems and processes	<ul style="list-style-type: none"> <li>Agree and deliver 2016-17 transformation projects</li> <li>Develop a proposal for a spend data management and reporting tool</li> </ul>		<ul style="list-style-type: none"> <li>Four projects have been successfully closed. The sustainable funding project has been re-scoped and a second phase of organisational development is underway. Some final actions are required to close off the stakeholder management project and embed as business-as-usual.</li> <li>Discussions are ongoing with Spikes Cavell on potential solutions for data warehousing. Following initial testing by the ICT team, a short-life project is being set up to explore the role of data analytics tools in supporting activities across the organisation.</li> </ul>

	<ul style="list-style-type: none"> <li>• Develop a proposal to migrate the ICT infrastructure to a cloud environment</li> <li>• Establish a Policy Review Group to support ongoing procurement policy and process improvements</li> <li>• Continue to develop academic, business and professional partnerships to support innovation and best practice</li> <li>• Develop an action plan to respond to IIP assessment recommendations</li> </ul>		<ul style="list-style-type: none"> <li>• Following a review of proposals, it was agreed that stand alone migration to a cloud environment was not feasible in the short term due to cost. Discussions are ongoing with Renfrewshire Council to explore options for Scotland Excel to participate in their migration to a cloud environment during 2017.</li> <li>• Procurement policies and FAQ documents continue to be reviewed and are now available for staff to download from the new intranet.</li> <li>• Scotland Excel is continuing to build collaborative partnerships with six Scottish business schools. Learning and development workshops have been hosted regionally at business school sites where academic staff have provided thought leadership sessions.</li> <li>• The recommendations of the Investors in People (IIP) report will be addressed as part of phase 2 of the organisational development project. A staff survey has been developed to track the success of actions taken in response to these recommendations.</li> </ul>
<p>(c) Ensure that Scotland Excel delivers its plans through effective governance, risk management and policies</p>	<ul style="list-style-type: none"> <li>• Refresh CEOMG participation and remit</li> <li>• Continue to monitor and update the corporate risk management plan</li> <li>• Develop and implement a rolling plan for updating corporate policies</li> <li>• Produce quarterly performance management reports for governance meetings</li> </ul>		<ul style="list-style-type: none"> <li>• The first meeting of the refreshed Chief Executive Officers Management Group (CEOMG) took place in November and will meet again in February. The group now has a remit to provide strategic advice and direction for the organisation.</li> <li>• Scotland Excel's risk management plan continues to be reviewed and updated on a monthly basis. The current risk register was presented to the Joint Committee in December for review.</li> <li>• All HR policies and the majority of corporate policies have been reviewed and updated, and are now available for staff to download from the new intranet. A rolling plan for future reviews will be put in place.</li> <li>• A quarterly performance management reporting process has been established.</li> </ul>
<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"> <li>• Embed data management processes developed as part of the business intelligence project</li> <li>• Agree feasibility of offering external services in response to the findings of the business intelligence project</li> </ul>		<ul style="list-style-type: none"> <li>• The Management Information (MI) tracker and checklist developed as part of the business intelligence project is now embedded as business-as-usual.</li> <li>• Agreement reached in Q1 that there is no opportunity to extend business intelligence services to the sector at this time.</li> </ul>

<p>(e) Develop and implement a clear, transparent and sustainable funding and delivery model for Scotland Excel</p>	<ul style="list-style-type: none"> <li>• Develop and agree 2017-18 funding proposals at the Dec joint committee</li> <li>• Develop proposals for a flexible associate/partnership resourcing model</li> <li>• Continue to explore options for funding models which support sustainability and growth over the longer term</li> </ul>		<ul style="list-style-type: none"> <li>• Funding proposals for 2016-17 were approved at the Joint Committee meeting in December.</li> <li>• A flexible associate/partnership model for resourcing business requirements will be reviewed in Q4 with a view to implementation in Year 3.</li> <li>• Funding proposals approved by the Joint Committee in December include additional resources for new and existing services from rebates, associate member income and partner projects.</li> </ul>
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Report Key	
	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

## Key Performance Indicators

KPI	Link to outcomes	Q2 Status
No. & value of contracts delivered v plan	<ul style="list-style-type: none"> <li>Our services support the effective and efficient delivery of public services</li> </ul>	<ul style="list-style-type: none"> <li>20 contracts delivered, renewed or extended from 26 targeted</li> <li>£726m portfolio value against £770m target by year end</li> </ul>
Percentage & value of savings v target (excluding social care)	<ul style="list-style-type: none"> <li>Our customers are satisfied with our services and achieve a measurable return on their investment</li> </ul>	<ul style="list-style-type: none"> <li>Average savings of 5.3% against a rolling 5% target (2015-18)</li> <li>£3.64m estimated saving in the last recorded quarter (Jul-Sep 2016)</li> </ul>
No. of PCIP assessments completed v schedule	<ul style="list-style-type: none"> <li>Our expertise supports continuous improvement in procurement performance</li> </ul>	<ul style="list-style-type: none"> <li>16 assessments completed from schedule of 16</li> </ul>
No. of Scottish suppliers & percentage SMEs	<ul style="list-style-type: none"> <li>Our services help to deliver positive and sustainable outcomes for communities and service users</li> </ul>	<ul style="list-style-type: none"> <li>392 Scottish suppliers of which 76.5% are SMEs</li> </ul>
No. of community benefits realised to date	<ul style="list-style-type: none"> <li>Our services support the implementation of national and local policy priorities</li> </ul>	<ul style="list-style-type: none"> <li>158 jobs</li> <li>158 apprenticeships</li> <li>11 work placements</li> <li>54,794 hours work experience</li> <li>2,231 hours volunteering/mentoring</li> <li>£82.3k value of other initiatives</li> </ul>
Customer satisfaction statistics & trends	<ul style="list-style-type: none"> <li>Our customers are satisfied with our services and achieve a measurable return on their investment</li> </ul>	<ul style="list-style-type: none"> <li>Available from Q4</li> </ul>
Website usage statistics & trends	<ul style="list-style-type: none"> <li>Our customers receive relevant communication and support</li> </ul>	<ul style="list-style-type: none"> <li>6,341 visitors in Q3</li> <li>12,649 user sessions in Q3</li> </ul>
Media coverage v target	<ul style="list-style-type: none"> <li>Our reputation demonstrates the value of collaboration</li> </ul>	<ul style="list-style-type: none"> <li>47 media items placed by end of Q3 against an annual target of 25</li> </ul>
Income from associate members v target	<ul style="list-style-type: none"> <li>Our reputation demonstrates the value of collaboration</li> </ul>	<ul style="list-style-type: none"> <li>£56.5k income against a £30k target</li> </ul>
Staff turnover v headcount	<ul style="list-style-type: none"> <li>Our people, policies, processes and technology optimise our value</li> </ul>	<ul style="list-style-type: none"> <li>6% staff turnover in Q3</li> <li>58 permanent staff</li> </ul>