

Scotland Excel

To: Joint Committee

On: 21 June 2019

**Report
by
Director Scotland Excel

Operating Plan 2019-20**

1. Purpose of the report

In June 2018, Scotland Excel’s Joint Committee approved a new five-year corporate strategy which is supported by annual operating plans. This report presents the organisation’s Operating Plan 2019-20.

2. Strategic planning process

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

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

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

Figure 1



3. Monitoring and reporting

Progress reports are produced quarterly to track Scotland Excel's performance. Half yearly and annual reports are submitted to Joint Committee meetings in December and June, with reports for the interim quarters submitted to the Executive Sub-Committee. The report also tracks performance against strategy outcomes using thirteen key performance indicators (KPIs).

4. Recommendation

The members of the Joint Committee are requested to approve the proposed Operating Plan 2019-20.



Operating Plan

01 April 2019 – 31 March 2020

Introduction

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

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

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

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

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

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

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

This document records the commitments we will deliver in 2019-20 to help us achieve each of our four goals and strategic objectives. Reports are issued quarterly to record our progress against these commitments, and a set of key performance indicators (KPIs) monitor ongoing delivery against our strategy outcomes.

Strategy Map

Vision

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

Mission

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

Values

Professional • Courageous • Respectful • Integrity

Outcomes

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

Goals

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

During 2018-19, our activities achieved the following outcomes.

<p>Our services shape the effective and efficient delivery of public services</p> <ul style="list-style-type: none"> • Dynamic Purchasing System (DPS) for recyclable and residual waste delivered to support environmental services • Engaged with partners and providers to agree a new approach to the procurement of care and support services • Engaged with providers to agree a care cost model for older people's care home services 	<p>Our expertise leads continuous improvement in commercial performance</p> <ul style="list-style-type: none"> • Scotland Excel Academy expanded to include advanced procurement practitioner and project management programmes • Business change and transformation projects delivered for Aberdeen City, East Renfrewshire and Fife Councils • Procurement & Commercial Improvement Programme (PCIP) assessments delivered for 53 housing associations over two years
<p>Our services facilitate the implementation of national and local policy priorities</p> <ul style="list-style-type: none"> • Funding secured to develop procurement guidance which supports the expansion of early learning and childcare provision • New contract for energy advice services will help councils and housing associations reduce fuel poverty • Tender for new build residential housing framework issued to support the delivery of affordable new homes 	<p>Our services enable positive and sustainable outcomes for people and communities</p> <ul style="list-style-type: none"> • Community benefits delivered 125 jobs, 22 apprenticeships and 30 work placements in the first six months of 2018-19 • £339m spend with Scottish-based suppliers during 2018, 67% of which was with SMEs • Supported business, Scotland's Bravest Manufacturing Company, has achieved over £1m of business from national frameworks
<p>Our insight and knowledge underpin innovative solutions for our customers</p> <ul style="list-style-type: none"> • Procurement support provided to SEEMiS to support the delivery of national education software solutions • Partnered with the Digital Office to hold a successful event aiming to accelerate digital transformation in local government • First phase of a new spend data analysis system implemented to improve contract management information and insight 	<p>Our activities are recognised as leading the way in public procurement</p> <ul style="list-style-type: none"> • Winner of two awards – Scottish Public Service Award for the care cost modelling and GO Award Scotland for the Academy • Scotland Excel staff invited to speak at 17 events and conferences • MSPs and senior stakeholders attended a parliamentary reception celebrating 10 Years of Scotland Excel
<p>Our customers receive a measurable return on investment through savings</p> <ul style="list-style-type: none"> • Average savings on contracts delivered, renewed or extended in 2018-19 was 4.2% against a 2.5% target • Estimated savings of £12.4 million delivered in 2018 – more than 3.5 times the investment made by council through membership fees • Indexation modelling is being rolled out to the sector as a tool to support contract management price negotiations 	<p>Our customers are satisfied with our services and how we deliver them</p> <ul style="list-style-type: none"> • Online resources developed to provide stakeholders with access to a wide range of social care information • Account management services expanded to incorporate the delivery of assessments, business change initiatives and workshops • New 'self service' management information resource in development in response to requests from council procurement teams

Key priorities for 2019-20

Overview of the key commitments we will undertake this year:

<p>Goa1 1: Shaping solutions for innovative public services</p> <ul style="list-style-type: none"> • Complete the award of the new build residential housing framework • Embed ownership of the National Care Home Contact (NCHC) • Complete the delivery of the care and support framework • Continue to deliver business change initiatives, projects and programmes for the sector and councils • Continue to expand the range of programmes and workshops available through the Scotland Excel Academy • Work with the Digital Office to accelerate the pace of digital transformation across the sector • Continue to influence national and local policy priorities for social care, education, affordable housing and the environment 	<p>Goa1 2: Being sustainable in everything we do</p> <ul style="list-style-type: none"> • Monitor the proportion of Scotland Excel suppliers paying their staff the Scottish Living Wage • Continue to work with the Supplier Development Programme (SDP) to encourage SME tender participation • Continue to identify direct and supply chain opportunities for Scottish SMEs and contractors • Develop plans to assess and mitigate Scotland Excel's carbon footprint • Continue to consider 'whole life' costing within tender evaluations • Continue to work with national partners on the development of sustainable procurement guidance and tools • Develop plans to increase the sector's sustainable procurement capability
<p>Goa1 3: Placing people at the heart of our business</p> <ul style="list-style-type: none"> • Continue to develop Scotland Excel's account management services • Implement new digital technologies for customer engagement and services • Explore the feasibility of providing additional services requested by customers • Continue to engage with communities and service users in the development of procurement strategies • Continue to engage with schools to promote the value of procurement to communities • Implement a new model for representing the views and requirements of stakeholders • Refresh and deliver Scotland Excel's organisational development strategy • Continue to deliver development opportunities for Scotland Excel staff 	<p>Goa1 4: Driving sustainable and scalable growth</p> <ul style="list-style-type: none"> • Monitor income to ensure the successful delivery of Scotland Excel's new funding model • Continue to improve Scotland Excel's business and ICT infrastructure • Develop a risk model for assessing new business opportunities • Continue to provide services to housing associations • Implement plans to expand associate membership • Develop effective marketing campaigns to support income generation targets • Identify opportunities to create new public sector partnerships • Continue to develop existing partnerships with Crown Commercial Services (CCS), SEEMiS and the Digital Office.

Goa1 1: Shaping solutions for innovative public services

Strategic Objective	Commitment
<p>1.1 Deliver a programme of collaborative procurement to support early intervention and the delivery of public services</p>	<ul style="list-style-type: none"> • Continue to engage directly with local authority services to identify new collaborative procurement opportunities • Complete the tender process for a new build residential housing framework on behalf of participating local authorities and market this effectively to local authorities and housing associations • Embed ownership for the National Care Home Contract (NCHC) within Scotland Excel and refresh the approach to this contract based on the implementation of the NCHC Cost Model © • Complete the delivery of a framework for adult care and support services and secure sustainable funding for ongoing management of this contract • Complete the Scottish Government funded project to deliver guidance, procurement templates, and terms and conditions to support the expansion of early learning and childcare provision • Continue to develop and deliver contract and supplier management (CSM) and key supplier management (KSM) programmes which monitor and enhance the performance of Scotland Excel contracts • Continue to 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 • Continue to inform and support national procurement policy in consultation with the local government procurement community
<p>1.2 Deliver programmes which lead and develop professional, organisational and commercial capability</p>	<ul style="list-style-type: none"> • Complete the second cycle of Procurement & Commercial Improvement Programme (PCIP) assessments for all local authorities • Develop and deliver a targeted programme of sector-wide change projects based on development needs identified by the second cycle of PCIP assessments • Continue to deliver the chargeable consultancy projects and transformation programmes for Fife Council, East Renfrewshire Council and the Tayside councils, and respond to any further requests for these types of services • Continue to develop and deliver accredited work-based learning programmes through the Scotland Excel Academy • Develop and deliver a programme of non-accredited practice workshops through the Scotland Excel Academy • Continue to develop Scotland Excel Academy online resources to support learning programmes and create a community platform for sharing best practice

<p>1.3 Harness the potential of digital technology and data insight to support the delivery of public services</p>	<ul style="list-style-type: none"> • Continue to provide ICT procurement services for the Digital Office for Scottish Local Government, engaging proactively with stakeholders to accelerate a collaborative approach to the adoption of digital technologies • Continue to develop data analytic tools and resources to support the expansion of the contract portfolio and provide management information to the sector • Complete negotiations with providers on rates of return to enable implementation of the NCHC Cost Model © which supports the delivery of affordable and sustainable social care services • Continue to develop and share access to Indexation Modelling to track market influences on costs • Develop plans to roll out data analytic tools to staff across the organisation
<p>1.4 Use our insight and experience to shape policy and meet the challenges of future public service delivery</p>	<ul style="list-style-type: none"> • Continue to work with the Scottish Government, COSLA and other partners to support the development and/or delivery of national policy in social care • 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 procurement for school meals • 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 • Continue to work with the Scottish Government, Zero Waste Scotland and other partners to support the development and/or delivery of national environmental policy • Develop and deliver a calendar of communications activities which promotes our knowledge and experience in support of our policy and public affairs goals • Explore the feasibility of becoming a Scottish Credit & Qualifications Framework (SCQF) Credit Rating Body to support the expansion of the Scotland Excel Academy and position it as a future provider of Graduate Apprenticeships

Goal 2: Being sustainable in everything we do

Strategic Objective	Commitment
2.1 Deliver positive and measurable social value through our contracts	<ul style="list-style-type: none"> • Continue to monitor the proportion of Scotland Excel suppliers paying their staff the Scottish Living Wage and identify any opportunities to increase this • Continue to embed community benefit models which enable councils to achieve direct benefits for their areas • 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
2.2 Deliver positive and measurable local economic impact through SME and third sector participation in our contracts	<ul style="list-style-type: none"> • Continue to work with the Supplier Development Programme (SDP) to raise awareness of public procurement opportunities and encourage participation among Scottish SMEs • Continue to increase direct and supply chain opportunities for Scottish SMEs and contractors within Scotland Excel contracts, particularly within the construction portfolio • Continue to encourage housing associations to consider the local economic impact they can deliver through the use of Scotland Excel contracts
2.3 Deliver positive and measurable environmental benefits through our contracts	<ul style="list-style-type: none"> • 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 • Continue to consider 'whole life' costing within tender evaluations • Develop plans for assessing and mitigating the environmental impact of Scotland Excel's activities
2.4 Lead and develop sustainable procurement knowledge and practice	<ul style="list-style-type: none"> • Produce an annual report on 2018-19 procurement activity in line with the requirements of the Procurement Reform (Scotland) Act 2014 • Monitor the progress and publication of annual procurement reports within the local government sector, providing support and guidance to councils as required • Continue to work with national partners on the development of sustainable procurement guidance and tools • Continue to develop opportunities to increase the local government sector's sustainable procurement knowledge and capability through the Scotland Excel Academy • Develop plans to promote sustainable procurement to elected members and senior officers to support a 'whole organisation' approach

Goa1 3: Placing people at the heart of our business

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

Goa1 4: Driving sustainable and scalable growth

Strategic Objective	Commitment
4.1 Implement a new governance model which supports scalable business growth	<ul style="list-style-type: none"> Continue to implement appropriate funding models to support the delivery of new and existing services, monitoring income and providing regular reports to the joint committee
4.2 Continue to maintain a robust business infrastructure to support our growth ambitions	<ul style="list-style-type: none"> Continue to monitor Scotland Excel's business infrastructure to ensure it can support the organisation's growth ambitions, developing plans for continuous improvement and to address any gaps in capacity and/or capability Develop a risk model for evaluating new business opportunities to assess their impact on internal resources and/or existing customers Continue to implement technology solutions which increase efficiency, support agile working and offer scalability for business growth
4.3 Use our knowledge and insight to identify new services and/or sectors which provide growth opportunities	<ul style="list-style-type: none"> 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 Continue to deliver procurement support to housing associations and implement plans to market additional services to this sector Continue to develop and market Scotland Excel's associate membership programme to maximise its commercial potential for the organisation and the benefits it provides for members Continue to market Scotland Excel through traditional and social media, targeted communications activity and political engagement to support new business opportunities Continue to identify opportunities arising for staff development through new business opportunities, fostering an understanding of commercial and entrepreneurial approaches across the organisation
4.4 Explore opportunities to work with partners on the development and delivery of new business opportunities	<ul style="list-style-type: none"> Continue to 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 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 Continue to provide procurement support to SEEMiS in line with the partnership agreement

Key performance indicators

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

Outcomes	Key Performance Indicators	2019-20 Target ¹
Our services shape the effective and efficient delivery of public services	<ul style="list-style-type: none"> • Number of contracts delivered v plan² • Value of contract portfolio v target 	<ul style="list-style-type: none"> • 38 contracts • £1.9bn portfolio value
Our expertise leads continuous improvement in commercial performance	<ul style="list-style-type: none"> • Number of PCIP assessments delivered v plan • Number of Scotland Excel Academy courses v plan³ 	<ul style="list-style-type: none"> • 7 assessments • 88 courses
Our services facilitate the delivery of national and local policy priorities	<ul style="list-style-type: none"> • Tonnes of waste diverted from landfill through Scotland Excel contracts • Number of Scottish suppliers & percentage SMEs 	<ul style="list-style-type: none"> • No target • No target
Our services enable positive and sustainable outcomes for people and communities	<ul style="list-style-type: none"> • Number of community benefits realised to date 	<ul style="list-style-type: none"> • No target • No target
Our insight and knowledge underpins innovative solutions for our customers	<ul style="list-style-type: none"> • Number of business change initiatives delivered v plan 	<ul style="list-style-type: none"> • 6 initiatives
Our activities are recognised as leading the way in public procurement	<ul style="list-style-type: none"> • Media coverage v target • Number of speaking engagements v target 	<ul style="list-style-type: none"> • 60 published media items • 20 speaking engagements
Our customers receive a measurable return on investment through savings	<ul style="list-style-type: none"> • Percentage savings achieved across the portfolio v target⁴ • Savings achieved in the last quarter 	<ul style="list-style-type: none"> • 2.5% rolling target (2018-23) • No target
Our customers are satisfied with our services and how we deliver them	<ul style="list-style-type: none"> • Customer satisfaction scores v target⁵ 	<ul style="list-style-type: none"> • 80% of respondents

¹ KPIs are monitored without targets where Scotland Excel cannot directly influence performance

² Contracts developed, renewed or extended

³ Programme modules and practice workshops

⁴ Excluding social care contracts

⁵ Percentage of respondents reporting 'good' or 'very good' overall satisfaction in the 2019 customer satisfaction survey