

Scotland Excel

To: Joint Committee

On: 9 December 2022

**Report by:
Chief Executive of Scotland Excel**

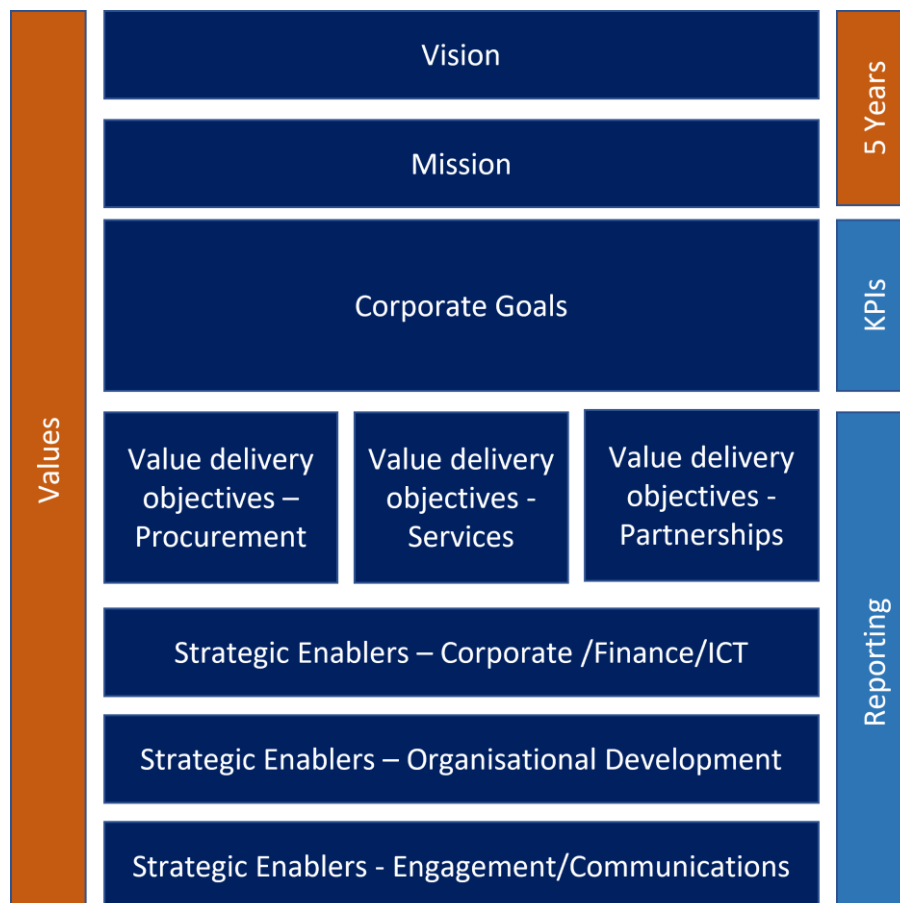
Draft Corporate Strategy 2023-28

1. Purpose of the report

In June 2018, Scotland Excel's Joint Committee approved a five-year corporate strategy for the organisation. As this strategy period will end on 31 March 2023, the organisation has been working on the development of a new corporate strategy. This report presents a draft of this new strategy which covers the five years from 01 April 2023 to 31 March 2028.

2. Strategic planning process

Scotland Excel follows a robust strategic planning process to develop its corporate strategy and operating plans as illustrated by the graphic below:



The future vision of the organisation is supported by a mission statement based on business capabilities. Five corporate goals have been developed to reflect the key priorities of local authorities:

- Journey towards a net zero Scotland
- Drive for efficiency to support the financial sustainability of local public services
- Community wellbeing with equal access to services, economic development, and fair work jobs across Scotland
- Resilient supply chains that maximise opportunities for Scottish businesses and the third sector
- Advancement of skills to deliver Scotland's economic transformation

All these goals influence the strategic commitments made by Scotland Excel to ensure that the delivery of procurement and commissioning, services, and partnerships meet the requirements and expectations of members. Delivery is supported by strategic enablers – key business activities that ensure the successful implementation of the strategy. All aspects of the strategy are underpinned by corporate values shared by all of our staff – professional, respectful, courageous and integrity.

Annual operating plans will be developed to provide more detailed information on the actions and activities that Scotland Excel will undertake each year to deliver the strategy. This approach ensures the flexibility to develop and implement appropriate plans to meet the corporate goals within a changing public sector landscape.

3. Strategic direction 2023-18

The new corporate strategy builds on the progress made by Scotland Excel over the past five years, and was developed in close consultation with local authority stakeholders and Scotland Excel staff. It responds to financial challenges facing local government and the wider public sector, while recognising other key social, economic and environmental drivers that are important nationally and locally – climate change, community wellbeing, supply chain resilience, and skills development

4. Monitoring and reporting

As with the previous strategy and operating plans, progress reports will be produced quarterly to track Scotland Excel's performance. Half yearly and annual reports will be submitted to Joint Committee meetings in December and June, with reports for the interim quarters submitted to the Executive Sub-Committee. A set of Key Performance Indicators (KPIs) which measure our performance against the five corporate goals will be developed, and we will report against these indicators on annual basis.

5. Recommendation

The members of the Joint Committee are invited to review and approve the proposed five-year corporate strategy for 2023-28.



Corporate Strategy

01 April 2023 – 31 March 2028

Foreword

In May 2022, following the local council elections, I was delighted to have the opportunity to act as Convener of Scotland Excel for a second term.

Coming from a procurement background, I already understood the value that can be delivered through a professional and strategic approach to sourcing and contract delivery. However, during my first five years as Convener, I came to truly understand just how valuable the work of Scotland Excel is for our sector.

Scotland Excel has worked hard over the years to dispel the myth that procurement is only about savings and efficiencies. Every framework developed by the organisation is underpinned by a strategic sourcing strategy that considers the impact of the procurement across National Outcomes, as well as the ways in which it can support local policies and priorities for social value and economic development.

Since 2013, Scotland Excel has incorporated community benefits into frameworks which have generated 1,650 jobs, 367 apprenticeships, almost 73,000 hours of work experience, and over £3m for local causes.

There are more than 600 Scottish suppliers, contractors and care providers on Scotland Excel frameworks, representing over 60% of the total number and almost 65% of total spend. Around 81% of these are SMEs. Scotland Excel encourages suppliers to pay the Real Living Wage to their employees, and 86% have confirmed that they do.

Of course, the past few years have brought unprecedented challenges for both the public and private sectors, and I was proud of how quicky and effectively the organisation responded to the Covid-19 pandemic.

With an almost seamless transfer to remote working, Scotland Excel was immediately on hand to support members with regular news and bulletins about the impact on procurement, as well as help them source essential goods for managing the pandemic. Contract delivery plans were adapted to recognise the difficulties faced by suppliers bidding for frameworks while many of their staff were on furlough.

I was particularly impressed by Scotland Excel's offer of temporary free associate membership to all eligible public sector and third sector organisations to help them during the pandemic. As many of these organisations work in partnership with local government, or provide services on their behalf, this initiative signified a genuinely holistic approach to supporting communities at this time.

Despite the challenges of the past few years, there is much to celebrate in what Scotland Excel has achieved. Ground-breaking frameworks such as new build residential housing, energy efficiency contractors, and electric vehicle charging infrastructure provide an effective route to market for services that help us create a better built environment for our communities, while supporting our journey towards net zero.

A new framework for care and support services facilitates the commissioning of personalised services for those who need them, while ongoing work with a wide range of stakeholders to refresh the national care home contract will demonstrate its value regardless of any future changes to the delivery of care.

Other services, including the Academy, have gone from strength-to-strength over the past five years. As well as making an important contribution towards Scotland Excel's funding, these initiatives play an essential role in leading the sector towards a culture of best practice.

It is important that we attract the best people to a career in public procurement. We must equip new entrants and existing professionals with the skills they need so that procurement becomes an integral part of the solution to the challenges we are facing. The Academy plays a part in achieving this ambition, as does the recent Graduate Trainee programme established within Scotland Excel.

I began this foreword by saying that procurement is not just about savings and efficiencies. However, it is an unavoidable fact that public sector finances are under the greatest pressure experienced for decades. Our new strategy recognises this and, while our local priorities will always influence our choices, we must be open to change in how we manage procurement at a national level.

As we present our strategy for the next five years, I urge you all to continue working together with Scotland Excel to ensure that we leverage the collaborative power of procurement to help us overcome our challenges, now and in the future.

Cllr John Shaw
Renfrewshire Council, and
Convener of Scotland Excel's Joint Committee

Introduction

When we developed our 2018-23 corporate strategy, we set out to support our local government members with the financial challenges they were facing at a time of growing demand for services.

Who could have foreseen that the years covered by that strategy would encompass a global pandemic which has been one of the most significant events in most of our lifetimes? Along with health and other public services, local authorities were at the frontline keeping the country safe and functioning at this difficult time. I applaud each and every one of our local government and other public sector colleagues for their contribution.

As our country returns to a 'new normal' after the pandemic, our sector is facing a raft of challenges, old and new, affecting the delivery of public services. Many factors are playing a part – global materials shortages, labour market disruption, rising energy prices, and double-digit inflation to name but a few. Developing a five-year strategy to support our members has not been an easy task when seismic and shifting change is happening all around us.

However, there will always be a role for procurement to play in meeting public sector challenges. Following extensive engagement with our stakeholders, we have focused our strategy on the key areas facing local government and the wider public sector – climate change, financial pressures, community wellbeing, supply chain resilience, and skills development.

These goals are often linked in ways that present a conundrum for our members. For example, reducing the impact of climate change is an urgent priority, not just for Scotland but for the planet, however greener procurement options often require investment. The same can be said for supporting our communities through local economic development where the options to buy locally may come at a cost.

Councils are facing some particular issues that we must recognise as part of our strategy. Financial pressures have never been greater. Indeed, we are hearing that for many local services it may be a question of survival rather than sustainability. In addition, plans for a National Care Service, while laudable in its objectives to improve care services, could threaten the overall viability of councils who may lose around a third of their budgets and staff.

In developing this strategy, we recognise that there will be difficult choices facing our members as they balance affordability with other drivers such as carbon reduction and community wealth-building. These decisions will be made based on local priorities, and we remain committed to incorporating a full range of social, economic and environmental benefits within our frameworks. We will offer as much

clarity as possible on the value of these benefits to help our members reach their conclusions.

Almost fifteen years have now passed since Scotland Excel was established as the centre of procurement expertise for local government. Our organisation has evolved significantly since 2008 to align with the requirements of members, and we will continue to do so. I believe our longevity is in itself a significant measure of our success, and it is our whole-hearted commitment to delivering value for our members that has underpinned our achievements.

Whatever the next five years may bring, the pandemic has shown us that solutions can be found when we collaborate and work together. On this positive note, I wish you all well and look forward to continuing to work towards our shared goals of delivering affordable public services for thriving communities.

Julie Welsh
Chief Executive, Scotland Excel

Context

When we set out on our journey to develop a new corporate strategy, we asked some of the most senior people in local government for the views on what the next five years might bring for councils and the wider public sector. Their responses were unequivocal – the sector is facing unprecedented challenges, and financial constraints alone are unlike anything experienced for decades.

Many factors have influenced the current environment – recovery from the Covid-19 pandemic, issues around Brexit, global shortages, rising inflation and interest rates, and the war in Ukraine. These are macro-environmental factors that we cannot influence or change, yet we must respond to their impact if current levels of public services are to be sustained, or even survive.

In May 2022, the Scottish Government published its first Spending Review since 2011, covering the period until the end of the current parliamentary session in 2025-26. During this time, the block grant for Scotland from the UK government is unlikely to increase significantly, which places considerable constraints on the funding available for Scottish public sector organisations.

According to an analysis by the Fraser of Allander Institute (FAI), the Spending Review implies that the local government funding will decrease by at least 7% in real terms to 2026-27. Sustaining the delivery of high-quality public services in the face of budget cuts would be demanding at any time but, with so many additional factors in play, the challenges are enormous.

In October 2021, the Scottish Government set out an ambitious strategy to address inequality, make progress towards a wellbeing economy, and accelerate inclusive person-centred public services. Similar goals appear within Scotland's National Strategy for Economic Transformation, published by the government in March 2022, which presents a vision of *“a wellbeing economy: a society that is thriving across economic, social and environmental dimensions, and that delivers prosperity for all Scotland's people and places.”*

While realising these strategies would undoubtedly benefit Scotland in the longer term, there is likely to be significant change and investment required at a national and local level to achieve these aims. As well as direct costs to deliver the public services which support the strategy goals, there may be other indirect financial pressures. For example, encouraging businesses to reduce inequality through better wages, working conditions and fair work, may lead to increased costs which are passed on to public sector organisations buying from these companies.

Other areas of policy and legislation are likely to impact costs. Scotland's climate change legislation has set a target for net zero emissions of all greenhouse gases by

2045. Interim targets are in place for 2030, and many councils already have net zero at the heart of their strategies to create greener local communities. However, while there is government funding available for initiatives such as energy efficiency measures in buildings, other costs directly impact over-stretched budgets. Low carbon and carbon neutral procurement options can save money as well as the planet over time, but they often require significant initial investment.

While public sector organisations can play an important part in creating a circular economy, there is still much work to be done to make this a reality. Procurement frameworks have included refurbishment and reuse options for some years, but the materials, manufacturing and distribution infrastructure is not yet in place to allow significant traction.

Local government is also facing one of the biggest changes to its remit for many years. Plans for a National Care Service (NCS) could see social work and social care services for adults, children and justice move from local authorities to local care boards which report directly to the Scottish Government. This has the potential to reduce the local government workforce and budget by a third, with a resulting loss of economies of scale which may seriously impact other local services.

The NCS plans also have implications for the national procurement and commissioning work that has been undertaken by Scotland Excel for more than a decade. Since 2012, we have developed unique expertise in creating national policy-driven arrangements which can be used to commission person-centred care services at a local level.

These arrangements focus on quality of service and transparency of cost to support planning and budgeting; they are not price or savings driven. At the time of writing, NCS plans propose that this work will be undertaken by local care boards which may well lead to cost disparity across different regions. It may also require care providers, many of which are small third sector organisations, to submit multiple proposals or bids to different boards.

Our strategy

While our strategy places the financial challenges of our members at its heart, we have also based it around principles that lead to a greener, wealthier and fairer Scotland – net zero, community wellbeing, supply chain opportunities and skills development.

While we expect significant and ongoing change to be a feature of the next five years, a strategic approach to public procurement is a proven driver of social, economic and environmental benefits. We believe that this strategy offers us the flexibility to adapt what we do to support our members, while adhering to the core

principles that bring benefits to our communities. Our actions will be reflected within our annual operating plans.

Nevertheless, when it comes to procurement, it is clear that difficult choices will need to be made to balance affordability with other benefits. Seventeen years have now passed since the McClelland Review of Public Procurement in Scotland was published. Now may be the time to revisit how we structure and deliver procurement across the public sector, and Scotland Excel is open to considering any changes that make procurement even more valuable for our members.

Strategy Map

Corporate Values
Professional • Respectful • Courageous • Integrity

Vision

To provide collaborative, innovative and transformative solutions that support social, economic and environmental wellbeing.

Mission

We will make the most of our expertise and experience by leading and collaborating on solutions that support local and national aims for fairer, wealthier and greener communities.

Corporate Goals

Through our experience, expertise, innovation and collaboration, we will create and deliver solutions which provide value to our members across key strategic areas:

- Journey towards a net zero Scotland
- Drive for efficiency to support the financial sustainability of local public service.
- Community wellbeing with equal access to services, economic development and fair work jobs.
- Resilient supply chains that maximise opportunities for Scottish businesses and the third sector.
- Advancement of skills to deliver Scotland's economic transformation.

Procurement & Commissioning

We will continue to develop and manage procurement solutions which provide an effective route to market for our members. Our frameworks will continue to deliver additional social, economic and environmental value for communities.

We will:

- Support our members with their drive for financial sustainability by helping them to maximise savings, efficiencies and benefits from our frameworks.
- Implement our new sustainable procurement and net zero strategies to support our members' net zero journey.
- Develop and deliver new and next generation contracts for key strategic areas including construction, digital and care.
- Respond to new policy and legislation that may impact the value delivered by our frameworks.

Services

We will continue to provide services for our members to help them strengthen their procurement capability, including through the Scotland Excel Academy.

We will:

- Develop proposals for growing our membership and expanding the market for our services.
- Identify and evaluate new service opportunities that provide value to our members.
- Explore alternative business models to support growth and reduce reliance on membership fees.
- Develop and implement new qualification and procurement training programmes based on member requirements.
- Champion public procurement talent through employment and training initiatives.

Partnerships

We will continue to work with the Scottish Government and other national public sector organisations to influence and support policies and programmes that deliver benefits for our members.

We will:

- Develop a partnership strategy to plan and prioritise engagement activity which maximises the value of our relationships.
- We will strengthen our relationships with other local government bodies to provide a unified connection between policy, finance and procurement.
- Develop mutually beneficial relationships with care and other third sector organisations.
- Explore opportunities to provide additional value for members through working in partnership with UK organisations.

Strategic Enablers: Corporate, Finance & ICT

We will continue to develop robust and cost-effective corporate, finance and ICT services which support all business operations and underpin the delivery of our five-year strategy.

We will:

- Explore the opportunities, benefits and risks of alternative business models.
- Enhance our income forecasting and rebate monitoring tools.
- Explore office and facilities solutions appropriate for hybrid and remote working.
- Develop and implement a new business intelligence strategy and plan.
- Develop and deliver a new five-year ICT strategy and plan to enhance business efficiency.
- Explore methods to reduce the carbon footprint of our business operations.

Strategic Enablers: Organisational Development

We will continue to implement our People Strategy and the recommendations of our Gold Standard Investors in People report to ensure that our staff fulfill their potential. A culture of performance management will support career development and underpin the delivery of effective and efficient services.

We will:

- Implement an employee journey that supports the recruitment and retention of talented staff.
- Undertake succession planning to support career development and create a steady pipeline of talent at all levels.
- Equip staff with the skills required to provide value to our customers, now and in the future.
- Support the wellbeing of our staff through flexible working, physical and mental health resources, and staff engagement platforms.

Strategic Enablers: Engagement & Communication

We will continue to develop and deliver engagement and communications plans which increase Scotland Excel's influence and ensure our members obtain maximum value from our services.

We will:

- Increase engagement with elected members and other senior stakeholders.
- Improve customer experience and increase satisfaction.
- Engage with partners and stakeholders on net zero strategies and other key policy areas.
- Provide advocacy and representation for our members within key national policy groups and programmes.

Our Corporate Goals

Scotland Excel has set five overarching corporate goals for this strategy which will permeate all of the activities we undertake to deliver against our commitments in procurement and commissioning, services, and partnerships.

These goals reflect the key strategic challenges and opportunities that our members are facing. Through our experience, expertise, innovation, and collaboration, we will create and deliver solutions which provide value to our members across these areas:

- Journey towards a net zero Scotland
- Drive for efficiency to support the financial sustainability of local public services
- Community wellbeing with equal access to services, economic development and fair work jobs across Scotland
- Resilient supply chains that maximise opportunities for Scottish businesses and the third sector
- Advancement of skills to deliver Scotland's economic transformation

Scotland Excel has engaged extensively with stakeholders to validate these corporate goals and understand their significance to our members. Our delivery of this strategy will be underpinned by our corporate values shared by all our people – professional, respectful, courageous and integrity.

We will develop and implement a set of Key Performance Indicators (KPIs) which measure our performance against these goals, and we will report against these indicators as part of our annual operating plans.

Value delivery: procurement & commissioning

Scotland Excel has an established portfolio of over 70 frameworks with an annual value of £2bn. Adopting a sustainable procurement approach, we consider the social, economic and environmental impact of our frameworks, including the ways in which they can support the delivery of Scotland's National Outcomes.

Progress to date

Over the past five years, new framework developments have focused mainly on complex, high spend areas within construction and care. Our award-winning new build residential housing framework was launched in August 2019 to provide a quick and efficient route to market for councils and housing associations building new affordable homes. This framework has supported the construction industry across Scotland, with 64% of sub-contracted spend being placed with local suppliers.

Within our care portfolio, a ground-breaking flexible framework for adult care and support services was launched in April 2020. This is used by local health and social care partnerships to commission personalised services for those who need support to live at home. As a flexible framework, it reopens regularly to admit new providers and services which encourages innovation and increases choice for service users. Payment of the Real Living Wage to care workers is embedded within the terms and reflected in fees to support the sustainability of the care sector.

Scotland's net zero ambitions have had a significant influence on the development of our portfolio. In June 2021, we launched a waste composition analysis framework in partnership with Zero Waste Scotland to help councils provide consistent data on what households throw away. The data is used to inform climate change policy and decision-making at a national and local level.

In February 2022, the second generation of our energy efficiency contractors framework was released. Councils and housing associations can use the framework to source an extensive range of innovative energy efficiency measures that cut carbon emissions, tackle fuel poverty and create warmer homes. Scotland Excel worked closely with ESP (Energy Skills Partnership) Scotland to embed skills development within the framework and ensure that the supply chain is equipped to deal with new technologies.

The last five years have not been without their challenges, particularly during the Covid-19 pandemic. We were proud to be able to help our members source essential goods, such as personal protective equipment (PPE) and hand sanitiser, through ongoing monitoring of stock levels. We are now continuing to monitor and, where

possible, mitigate the impact of other significant global factors which are affecting the availability and price of many commodities.

Our strategic approach

Over the coming five years, we will continue to develop, deliver and manage procurement solutions which provide an effective and efficient route for our members to procure goods and services to support public services.

We will help our members with their drive towards financial efficiency by developing and implementing a range of commercially focused initiatives to increase the savings they derive through frameworks. Working with key suppliers, we will seek opportunities to improve pricing by reviewing core product lists and reduce costs through streamlined distribution methods.

We will review our approach to contract delivery to increase member visibility of forthcoming frameworks, and encourage wider participation in framework development to maximise usage and deliver benefits for all members. We will continue to work closely with members to help them optimise their use of existing frameworks to maximise savings.

We will continue to promote frameworks which help our members to implement their climate change policies, and consider any new framework opportunities that can support their net zero journey. We will also work with suppliers, partners and members to identify opportunities to reduce the carbon footprint of our existing contract portfolio.

Our frameworks will deliver additional value for communities through tendering and supply chain opportunities for local suppliers, community benefits, and skills development. We will continue to encourage suppliers to pay the Real Living Wage, and ensure that the Scottish Government's minimum rate of pay for social care workers is reflected in the fees paid to care providers on our adult care frameworks.

We will continue to monitor and respond to national policy and legislation that impacts our frameworks, ensuring that we have a seat at the table to share our expertise and represent our members when procurement is central to policy delivery. In particular, we will engage with the Scottish Government's plans for a National Care Service, ensuring that the impact of any changes to the procurement and commissioning of care services is fully understood.

Our commitments

Collaborative procurement is a powerful tool for delivering best value for the public money spent by our members on goods and services to deliver frontline services. As the financial challenges facing our members increases, we believe that more can be achieved through new approaches and better collaboration.

Scotland Excel is already exploring a number of pathways towards increased savings and efficiency. One of the foundations of this work is to increase member participation in our frameworks as there is a direct correlation between the number of frameworks used and the value generated by collaborating through Scotland Excel.

To support this, we will undertake a review of our approach to contract delivery and engage with stakeholders to better understand the barriers to participation. Where members have their own contracts, we provide greater visibility of forthcoming collaborative developments and encourage their involvement. As well as maximising volumes to improve pricing, this approach increases efficiency by eliminating duplication across the sector, and ensures that public procurement professionals are focused on areas where they can add most value.

Scotland Excel develops multi-supplier, multi-lot frameworks designed to offer members the flexibility and choice to meet local needs, for example through working with SME suppliers in their area to support economic development. However, we believe there are some areas where a national approach could offer significantly greater value.

Where products are largely undifferentiated and framework suppliers tend to be larger UK or international companies, for example washroom products, we believe there is an opportunity to rationalise core product lists and focus supply to achieve better pricing and higher rebates. A national approach to the distribution of these products could also reduce costs and carbon impact. Local businesses can still be involved in the supply chain as demonstrated by frameworks such as frozen food.

We will ensure that resources, systems and processes are strengthened within Scotland Excel to underpin these new approaches. Improvements to data management and reporting are already ongoing, and we will review our contract management and key supplier activities to ensure that we can identify and act upon all opportunities to optimise contract performance and maximise commercial value.

We will continue to deliver new and next generation frameworks, applying our existing expertise and working with partners to help shape markets and encourage innovation. We will focus our efforts where the greatest value can be delivered for members, for example where our frameworks support core local industries such as construction, or help to increase the efficiency of public services through digital delivery.

Scotland's climate change legislation sets a target date for net zero emissions of all greenhouse gases by 2045, with an interim target of 70% reduction by 2030. Our new sustainable procurement and net zero strategies will support our members with this journey by encouraging participation in frameworks such as energy efficiency contractors and electric vehicle charging infrastructure.

Framework renewals for new build residential housing and construction materials will support the design and build of homes that reduce carbon emissions. Across our full portfolio, we will continue to encourage suppliers to implement carbon reducing initiatives, for example through product innovations, recycling, and improved logistics. We are considering options for measuring the carbon impact of our frameworks, and will support the implementation of a national or sectoral solution for measurement.

Climate change is just one of many legislative and policy drivers embedded in our frameworks. Other diverse examples include incorporating 'Good Food Nation' goals within our food contracts, supporting payment of the Scottish Welfare Fund through our domestic furniture and furnishings framework, and deterring the involvement of serious and organised crime groups within public procurement.

In particular, our care frameworks embed a range of policies and guidance which support a human-rights based approach to the delivery of person-centred care services. Plans for a National Care Service, announced by the Scottish Government in 2021, will have a significant impact on the social care landscape and the local government sector in particular.

Scotland Excel is committed to engaging positively and constructively with the government to share our expertise in national procurement and commissioning, ensuring that the advances made over more than ten years are considered within their plans. In the meantime, we will continue to develop and deliver national arrangements which support the commissioning of person-centred care services at a local level.

Value delivery: services

Since the introduction of national Procurement Capability Assessments (PCAs) in 2009, Scotland Excel has introduced a range of services to help members strengthen their procurement teams. Sector-wide procurement improvement projects have enhanced key areas of practice, while learning and development programmes have enriched the skills and knowledge of practitioners.

Progress to date

Over the past five years, in addition to our sector-wide projects and activities, we have delivered successful consultancy projects for individual councils, ranging from major procurement transformation programmes through to focused support for policy areas such as early-learning expansion.

Larger consultancy projects have been designed around proven change modules which expand the knowledge and skills of the council procurement teams while embedding sustainable improvements to procurement practice and performance. Some projects have additionally involved the delivery of ambitious savings targets.

We have also delivered successful projects for a number of associate members from across the public sector, including council arms-length external organisations (ALEOs), universities, health trusts and housing associations. Resources for these projects are fully funded by the associate member, and they make a valuable contribution to the core operational costs of Scotland Excel.

Since the pandemic, many members have experienced resourcing challenges within their procurement teams. In 2021, we launched a new flexible procurement service which provides cost-effective procurement support, tailored to specific requirements. This can range from taking full ownership of specific procurement projects to providing additional resource to work within teams. The service offers significant advantages over other temporary resourcing options, and is proving popular with members.

Scotland Excel has also delivered several projects funded by the Scottish Government which have benefited our members. In 2021, we launched a community wealth-building pathfinder project with four councils. As a result, a community wealth-building toolkit has now been published on the Scotland Excel Academy website and is available as a model for all councils to use to support their own journey.

The Scotland Excel Academy has made significant progress over the past five years. The team responded quickly to the challenge posed by the pandemic lockdown by

taking accredited programmes online, ensuring that participants could complete their qualifications without interruption.

To provide ongoing learning opportunities during the pandemic, the Academy launched 'Stay Connected', a programme of free online seminars covering a variety of procurement and business topics. The programme now forms part of the Academy's core offering, and more than 1,200 delegates have participated in sessions.

In January 2022, as a result of our successful bid to deliver the Scottish Government's procurement and commercial training framework, the Academy launched a programme of short courses for procurement practitioners. The programme has been welcomed by members as a cost-effective skills development route for existing practitioners and new entrants to the profession.

We also received funding from the Scottish Government to develop a new course to help procurement professionals identify and manage risks arising from the involvement of serious and organised crime groups in public sector tendering. This course was launched at a free seminar in October 2022 attended by more than 200 delegates.

Our strategic approach

Over the next five years, we will continue to provide a core range of procurement capability services for our members including benchmarking performance through Procurement & Commercial Improvement Programme (PCIP) assessments, sector-wide change projects, account management support, online seminars, and our long-established annual conference.

We will continue to develop and deliver a range of additional cost-effective service options including transformation programmes, consultancy and flexible procurement for our members, reinvesting surpluses into core services to minimise the financial impact of inflationary costs on member requisitions.

We implement plans to grow our membership and explore new markets in ways that provide benefits to all of our members. For example, increased framework usage by new members can achieve better pricing, and associate membership can help third sector organisations providing services to our members reduce their costs. To support this growth, we will carefully examine the benefits and risks of implementing alternative business models.

The Scotland Excel Academy will continue to evolve based on the training needs of our sector. We will consider all options to support the development of public sector

procurement talent, from new entrants to seasoned professionals, including accredited learning, short courses, graduate programmes, and apprenticeships.

We will review our accredited learning and development portfolio, and explore options for developing new approaches which reduce costs for learners and/or provide additional scope to tailor content for the Scottish public sector. In developing these programmes, we will consider the knowledge and skills required by our members to ensure that procurement activities support the delivery of Scotland's National Outcomes.

The Academy will continue to deliver short courses in essential procurement skills through the Scottish Government's procurement and commercial training framework. We will seek to expand our own programmes of free and low-cost training options across a range of key business disciplines that are required by procurement practitioners and other public sector professionals.

Our commitments

With local government and other public sector bodies facing unprecedented challenges, Scotland Excel remains committed to developing solutions that help our members secure affordable frontline services.

While it is too early to say what our future services may look like, it is clear that there may need to be some bold thinking and radical change in how we deliver procurement at a national and local level. As the centre of expertise, we will lead the sector in evaluating options, and will be guided by our members as to what is appropriate for them at a local level.

We will implement our new Academy strategy developed in close consultation with stakeholders to ensure that they are fully designed around their skills needs. We will continue to work with the Scottish Government to develop new co-branded procurement programmes aligned to the national procurement development framework, and which respond to identified skills gaps across the procurement community.

We will also develop and implement procurement training programmes for key sectors, such as construction and care, to improve the knowledge and skills of buyers involved in the specification, purchase and delivery of these high value projects and services.

In response to member requests for alternative accredited learning programmes, we will continue our work with the Scottish Qualifications Authority (SQA) to develop

programmes which offer high quality, tailored learning opportunities at significantly lower price points than other professional qualifications.

We will explore opportunities to build a pipeline of public procurement talent. As well as considering our own Graduate Programme as a pathway for developing new entrants to the sector, we will work with Skills Development Scotland on the potential for a new Graduate Apprenticeship(GA) programme in Procurement and Supply Chain Management. If implemented, this initiative would offer a free degree development programme to members funded through the Apprenticeship Levy.

Value delivery: partnerships

Partnerships have played a significant role in the work of Scotland Excel since it was established in 2008. As the centre of procurement expertise for local government, Scotland Excel works closely with the Scottish Government Property and Procurement Directorate (SPPD), NHS National Services Scotland (NSS), and Advanced Procurement for Universities and Colleges (APUC) to lead best practice in public procurement.

Over the past five years, Scotland Excel has also worked across other Scottish Government directorates on a range of policy areas including housing, social care, economic development and school meals. In each case, our work has supported the implementation of policies that are delivered at a local level. Examples include:

- A new build residential housing framework which provides an effective route to market for councils and housing associations developing homes through the Scottish Government's Affordable Housing Supply Programme.
- Guidance and templates to help local authorities and providers prepare for the Scottish Government's expansion of early learning and childcare provision.
- The development and delivery of a pathfinder project to help councils harness the power of 'progressive procurement' as a pillar of community wealth-building initiatives.

We have delivered significant value to members through working with fellow local government organisations. Our partnership with the Improvement Service has led to the development of an award-winning qualification in project management, as well as a procurement solution for the 'No one left behind' employability services which transferred fully to local government in 2022.

As the procurement partner for the Digital Office for Local Government, we have been a key player in the Scotland's Asset Management Platform (STAMP) programme, a repository of all the ICT systems used within local government. The intelligence provided by the programme will identify opportunities for harmonising platforms which can be sourced through collaborative procurement.

In 2021, we established a working group with Scottish Enterprise to explore opportunities for joining up public sector demand with investment in Scotland's businesses. A number of projects are in development including low carbon building, heating and materials innovations, and clean energy vehicles. The remit of the group has expanded to areas such as food production, and discussion are currently

underway with manufacturers and distributors on opportunities to increase the production of Scottish chicken.

We have also looked beyond Scotland to UK partnerships to secure best value for our members. For example, through working with Crown Commercial Services (CCS), we have been able to access better pricing for vehicles while continuing to provide support to our members using this framework. This approach has also released procurement resources to focus on the development of new frameworks.

Our strategic approach

We will continue grow and develop our work with SPPD and the other sectoral centres of procurement expertise, NSS and APUC, to develop public procurement strategies, policies and tools. We will take an active role in the implementation of 'A plan for the future', a cross-sector programme to strengthen the role of procurement as an enabler to economic recovery.

We will build on our relationships with other directorates across the Scottish Government where there is a direct link with policy areas that impact our members, for example local government and housing, economic development, care, education and climate change. We will continue to share our expertise with government colleagues to ensure the role of procurement in delivering policy, and the views of our members, are understood.

We will seek to strengthen our existing relationships with the Convention of Scottish Local Authorities (COSLA) and the local government directors of finance group of the Chartered Institute of Public Finance and Accountancy (CIPFA) in Scotland to integrate the link between procurement, finance and policy. We will continue to engage regularly with Solace Scotland to ensure that our activities remain aligned to strategic priorities within local government.

We will continue work in partnership with other local government shared service organisations, such as the Improvement Service, Supplier Development Programme, and the Digital Office for Scottish Local Government, using our joint expertise to deliver frameworks and services for our council members.

We will advance our work with Scottish Enterprise, and other partners involved in economic development on a regional or industry basis, to identify and develop opportunities to join up public sector demand with business innovation and investment. We will continue to work closely with existing partners such as Zero Waste Scotland and Built Environment -Smarter Transformation (BE-ST) on initiatives to minimise

the carbon impact of our frameworks and explore opportunities to support a circular economy.

To drive the implementation of Scotland Excel's new Academy strategy, and support the development of additional learning programmes, we will strengthen our relationship with Skills Development Scotland and other education partners.

We will consider opportunities arising from working in partnership with organisations in other UK nations. While our work will continue to be designed around the needs of the Scottish public sector landscape, there are often benefits to working with UK colleagues to access contract arrangements and share best practice.

Our commitments

The role of partnerships is becoming ever more integrated with the delivery of frameworks and services, which in turn delivers additional value for our members. To support this, we will develop and implement a partnership strategy to plan and prioritise engagement activity which maximises the value of our relationships for members.

Using our established tools for stakeholder mapping, we have refreshed our view of our stakeholder landscape to form the basis of the new strategy. Within this, we will set out objectives and plans for key partner relationships, assign ownership, and prioritise activities that support the delivery of our five-year strategy. Our stakeholder map and engagement plans will be reviewed annually and updated as required to reflect any changes in our environment.

The table below provides an overview of the key external organisations that will appear within our strategy. Others may be included as the strategy is developed.

| | |
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| Scotland Excel & cross-category | Scottish Government Convention of Scottish Local Authorities (COSLA) CIPFA Scotland Local Government Directors of Finance Group Solace Scotland Improvement Service Supplier Development Programme Digital Office for Local Government NHS National Services Scotland (NSS) Advanced Procurement for Universities and Colleges (APUC) Zero Waste Scotland Scottish Enterprise (and regional enterprise organisations) Association for Public Service Excellence (APSE) Scotland |
|--|--|

| | |
|--|--|
| | BASE Scotland Crown Commercial Services (CCS) |
| Construction, Transport & Environment | Built Environment - Smarter Transformation (BE-ST) Transport Scotland |
| Social care | The Promise Coalition of Care Providers Scotland (CCPS) Scottish Care |
| Corporate, Education & ICT | Assist FM Soil Association SEEMiS |
| Scotland Excel Academy | Skills Development Scotland Scottish Qualifications Authority (SQA) Chartered Institute of Procurement & Supply (CIPS) Chartered Management Institute (CMI) |

This is not an exhaustive list and, as well as the key partners listed above, we will continue to maintain an appropriate level of relationship with a myriad of other organisations, for example service-specific local government interest groups, chambers of commerce, and universities.

We are committed to strengthening relationships with charities, social enterprises and supported businesses through the implementation of our third sector engagement strategy. We have a proven track record of working with the third sector to encourage participation in our frameworks and supply chains, and we believe we can support a holistic approach to community wealth-building by helping third-sector organisations reduce their costs through associate membership.

Strategic enablers

Scotland Excel has embedded a culture of continuous improvement since we were established in 2008. Over the years, we have ensured that our business operations continually evolve to reflect changing priorities and provide an efficient and effective platform for delivering our services to members.

As part of this strategy, we have considered what we need to develop, implement or improve within our business over the next five years to ensure that we can deliver the commitments we have made across procurement and commissioning, services and partnerships for our members.

Corporate, finance & ICT

Over the past five years, we have implemented a financial model which reduces our reliance on membership fees through income generation from projects, associate membership, the Academy, and rebates.

To support future income and growth, we will explore the benefits and risks of introducing alternative business models which enable us to offer new services and approach new markets where there is demand for our expertise. We will undertake this work alongside a new approach to risk management which supports the implementation of this strategy and enables us to identify and respond quickly to changes in our environment.

We will continue to develop and deliver robust monitoring and management of finances including income forecasting. This will encompass enhanced processes and systems for monitoring framework rebates due to Scotland Excel and its members, to ensure that the financial return on all spend is maximised.

We will complete ongoing improvements to our data capture and management capabilities to support the delivery of new approaches to savings and efficiency. This will form the basis of a new business intelligence strategy and plan which will ensure all of our staff are equipped with robust data analysis skills, and provide enhanced reporting for members.

We will respond to the changes in working life initiated by the pandemic. We will develop office and facilities plans which support hybrid working by providing cost-effective and flexible working space and resources for our staff which fully support onsite and remote business operations. In line with our net zero commitments, we seek opportunities to reduce our organisation's carbon footprint.

We will develop a new five-year ICT strategy and plan to support these new ways of working, with cyber security remaining a priority for everything we do. In particular, we will explore new platforms and systems to support the digital delivery of our services to members, such as online learning and member engagement.

Organisational development

In 2022, we achieved Gold Standard Investors in People (IiP) accreditation and launched a new People Strategy to ensure that all of our staff are effectively skilled and able to fulfil their potential. We will continue to implement this strategy alongside the recommendations of our IiP report to provide clear direction and motivation for staff.

We will develop and deliver succession planning to support career development and ensure the organisation has a steady pipeline of talent at all levels. We will champion a culture of performance management to underpin the delivery of effective and efficient service, ensuring that staff across the organisation are equipped with the skills required to provide value to our customers, now and in the future.

The wellbeing of our people will continue to be at the heart of all of our organisational development plans. We will continue to develop and deliver an employee journey that supports the recruitment and retention of talented staff, always ensuring they have a voice through our staff engagement forum and other platforms. We will grow and develop our Mental Health Promise to offer care and advice to staff who need support.

Engagement & communication

As a membership organisation, stakeholder engagement and communication has always formed a core part of what we do to ensure that our services are providing value.

To support the delivery of our strategy, we will embed the consistent use of stakeholder engagement tools across the organisation, and deliver targeted plans to increase engagement with elected members and other senior stakeholders. We will also review how we engage with procurement and service stakeholders during contract development to support contract usage and increase satisfaction.

We will continue to provide representation and advocacy for members on key policy areas linked to procurement. We will take an active role in conversations with partners and stakeholders on net zero and other national themes, ensuring that our expertise is recognised and the voice of our members is heard.

We will continue to develop and deliver marketing and communications activities which enhance member engagement and support income generation from new and existing services. Market and competitor insight will inform our business plans, income forecasts and marketing campaigns. We will refresh our and public affairs plans to reflect a changing political and economic environment to increase the influence of our organisation within an evolving landscape.