

Scotland Excel

To: Joint Committee

On: 10 December 2021

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

Operating Plan Update 2021-22

1. Summary

- 1.1 In June 2018, Scotland Excel's Joint Committee approved a new five-year corporate strategy supported by annual operating plans. Due to the impact of the Covid-19, the annual planning process was suspended and an interim operating plan created to guide activities until the end of 2020.
- 1.2 In December 2020, the Joint Committee approved a new operating plan which covers the fifteen-month period from January 2021 to March 2022. To simplify reporting, the number of commitments in the plan was reduced from 68 detailed commitments to 30 broader commitments. These align to more than 120 specific actions that have been cascaded to staff as part of Scotland Excel's Performance Review and Development (PRD) programme.
- 1.3 Reports are issued quarterly to track progress made towards the delivery of the commitments contained within the operating plan. This paper presents the most recent report which covers operating plan activity for the nine-month period to 30 September 2021.

2. Progress since September

- 2.1 As of the end of September 2021, twenty-four operating plan commitments were progressing in line with plans and are indicated as green within the report, including a growing number of chargeable projects and programmes that contribute towards Scotland Excel's income targets.
- 2.2 Four commitments are indicated as amber within the report, three of which relate to the uncertainty created by proposals for a National Care Service. Scotland Excel is closely monitoring this situation while continuing to deliver national care commissioning activities in line with plans. The fourth amber commitment refers to the project to develop a competitor analysis model which progressed more slowly than anticipated during Q2. However, the

project is delivering positive results and is expected to be completed by the end of the financial year.

- 2.3 One commitment, the reopening of the flexible framework for care and support services, was completed during the first quarter and is indicated as black within the report. However, this framework is now reopening for a second time, and progress from Q3 will revert to red, amber and green indicators.
- 2.4 The commitment to reinstate the Coaction learning and development approach is indicated as white within the report, and an event to progress this is currently scheduled for delivery towards the end of the financial year.
- 2.5 The next quarterly report, covering the period from 01 October to 31 December 2021, will be published in January. Some key activities that have taken place during this period are noted below by way of an interim update for the Joint Committee.
- 2.6 Following extensive stakeholder engagement, and approval from the Joint Committee, Scotland Excel submitted its response to the Scottish Government's National Care consultation. Scotland Excel's views on national care commissioning have featured in several key publications and the consultation submission is available to download from the website.
- 2.7 Scotland Excel held a Supporting Scotland's Green Recovery webinar on 28 October to align with the COP26 conference and its call for "collaboration between governments, businesses and civil society" to tackle climate change. The keynote address was presented by Ivan McKee MSP, Minister for Business, Trade, Tourism and Enterprise, and the event also featured speakers from the Construction Scotland Innovation Centre, Soil Association and Scottish Enterprise. More than 130 delegates attended the event.
- 2.8 Scotland Excel has embarked on a two-year consultancy programme with South Lanarkshire Council to support the organisation's strategic procurement aims as part of a wider transformation programme. The two-year transformation programme for East Lothian Council came to its conclusion during Q3, with savings of £1.3m delivered and a new procurement team structure implemented to increase capability.
- 2.9 Scotland Excel is working with the Improvement Service and the Scottish Government to develop a procurement process for employability services. The procurement will support the implementation of the 'No One Left Behind' strategy which places people at the centre of the design and delivery of employability services. Funding for this programme will transfer to local Government from April 2022, and will be governed through Local Employability Partnerships (LEPs).

2.10 The Scottish Government has agreed to provide funding for Scotland Excel to deliver a second tranche of Procurement & Commercial Improvement Programme (PCIP) assessments for housing associations. The programme will be launched in early 2022, and will support a number of Scotland Excel's objectives in relation to associate membership, contract usage and community wealth-building.

Recommendations

3.1 The members of the Joint Committee are invited to note Scotland Excel's progress in delivering the commitments contained within the Operating Plan 2021-22.

3. Background

4.1 Progress reports are produced quarterly to track Scotland Excel's activity against operating plan commitments. Reports are produced at the end of each quarter and submitted to Executive Sub-Committee meetings. The most recent quarterly report is also submitted to Joint Committee meetings with recent updates noted.

4.2 The reports summarise the progress made against operating plan commitments and uses a 'traffic light' symbol to provide a guide to the status of each activity. This guide has been revised to include symbols to indicate projects or activities which have not yet started, and projects or activities which have been completed:

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



Operating Plan

2021 – 2022

Q2 Progress Report

Goa1 1: Shaping the delivery of innovative public services

Strategic Objective	Commitment	RAG status	Progress summary
1.1 Deliver a programme of collaborative procurement to support early intervention and the delivery of public services	<ul style="list-style-type: none"> Continue to engage directly with local authority services on the collaborative procurement opportunities pipeline and identify opportunities to lead and/or participate in national cross-sector opportunities and initiatives with partners in health, further and higher education, and central government. 		<ul style="list-style-type: none"> A new tool has been developed to assess framework opportunities in the Operational Supplies and Services portfolio to ensure that resource is focused on developing frameworks which offer the greatest impact for council members. Scotland Excel has recently joined the Scottish Government-led Supply Chain Development Programme which shares knowledge and information across the public sector to develop stronger supply chains.
	<ul style="list-style-type: none"> Continue to develop and deliver a contract and supplier management (CSM) programme which monitors and enhances the performance of Scotland Excel contracts, incorporating new environmental performance measurements 		<ul style="list-style-type: none"> Scotland Excel's contract and supplier activity (CSM) is being reinstated following the disruption caused to suppliers by the Covid-19 pandemic. Regular meetings are currently taking place with construction suppliers to understand how material shortages and price rises are affecting the market. This information is being shared with councils, housing associations and national partners.
	<ul style="list-style-type: none"> Open the adult care and support flexible framework to allow new providers to join, ensuring a diverse range of services and providers are available to meet the varying needs of people across the country, and promote choice for people who need support. 		<ul style="list-style-type: none"> The first reopening of the adult care and support framework was completed in April 2021. Use of the framework is growing at a steady pace, with current projections estimating that c. 4,500 care packages with a value of over £100m will be in place by the end of financial year. The framework will reopen again in Q3 to allow further providers to join from April 2022.
1.2 Deliver programmes which lead and develop professional, organisational and commercial capability	<ul style="list-style-type: none"> Develop a portfolio of accredited and non-accredited Academy programmes based on member and wider public sector requirements whilst progressing other strategic areas such as apprenticeships and becoming a credit rating body. 		<ul style="list-style-type: none"> The Scotland Excel Academy is currently delivering 14 cohorts of accredited programmes across a range of disciplines, with a further 8 programmes being planned. A second tranche of the free Stay Connected online workshops will be launched in Q4, along with a new programme of low-cost extended workshops.

	<ul style="list-style-type: none"> • Deliver sector and local initiatives which support Scottish Government national policy objectives, such as flexible and affordable solutions. 		<ul style="list-style-type: none"> • Scotland Excel continues to host regular Procurement Improvement Programme (PIP) steering group meetings to identify opportunities to support procurement practice across the sector. The group is informing topics for the forthcoming Stay Connected online learning programme which will include a range of 'Best Practice' sessions.
	<ul style="list-style-type: none"> • Continue to deliver chargeable consultancy and transformation programmes, responding to any requests for these types of services and building the Scotland Excel knowledge bank to retain the intellectual property of improvement methodologies and resources within the local government sector 		<ul style="list-style-type: none"> • Scotland Excel is continuing to deliver a range of chargeable and consultancy services for councils and associate members. These include flexible procurement resource, transformation consultancy, support for early learning expansion, and bespoke learning and development programmes. Scotland Excel is also delivering three Scottish Government-funded projects for community wealth-building, care worker payments, and online learning to support the work of the Serious and Organised Crime Taskforce.
	<ul style="list-style-type: none"> • Engage with members, suppliers and providers to understand the impact of Covid-19 and BREXIT to support the delivery of frameworks, services and knowledge to meet Local Authority and national objectives. 		<ul style="list-style-type: none"> • Covid-19 and Brexit are continuing to have a significant impact on the price and availability of many framework commodities. The supply of construction materials has been particularly affected, and Scotland Excel is providing regular intelligence to stakeholders to mitigate the impact where possible. Scotland Excel is also working closely with food suppliers to minimise disruption from ongoing price, supply and logistics volatility.
	<ul style="list-style-type: none"> • Drive the next generation development of the National Care Home Contract (NCHC) and continue 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. 		<ul style="list-style-type: none"> • National care home contract fees for 2021-22 were agreed in April, and negotiations on 2022-23 fees will begin in Q3. A wide range of stakeholders have expressed an interest in participating in the design of the next generation of this contract, and the first meeting of this group is expected to take place in November. Scotland Excel is closely monitoring the potential impact of a National Care Service on all care commissioning activity including the NCHC redesign.

1.3 Harness the potential of digital technology and data insight to support the delivery of public services	<ul style="list-style-type: none"> • Continue to develop The Academy's online learning platform, to support engagement and learning, and to deliver national coaction events, video content and programmes. 		<ul style="list-style-type: none"> • Videos of 33 sessions delivered at Scotland Excel's Annual Conference are now available to view on the Academy online platform. Automation for assessment tasks is being implemented to the platform functionality to increase productivity.
	<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. 		<p>As well as providing ICT procurement services for the Digital Office, Scotland Excel is working on ICT projects with other partners including SEEMiS, Improvement Service and Crown Commercial Service. A new ICT category team is being established within Scotland Excel as part of workforce planning. A dynamic purchasing system (DPS) for digital telecare goods and a framework for online school payments were approved by the Executive Sub-committee during Q2.</p>
1.4 Use our insight and experience to shape policy and meet the challenges of future public service delivery	<ul style="list-style-type: none"> • Continue to work with the Scottish Government and other partners to support the development and/or delivery of national policy objectives across the SXL portfolio including guidance, tools and reporting. 		<ul style="list-style-type: none"> • Scotland Excel is continuing to work with the Scottish Government and other partners across a range of policy areas including construction, supply chain development, climate change, community wealth-building and skills development. Proposals for a new National Care Service (NCS), issued for consultation in August 2021, suggest that the national commissioning activity should be centralised within the NCS. A robust response to the consultation is being prepared to evidence the success of current arrangements for national commissioning undertaken by Scotland Excel.

Goal 2: Being sustainable in everything we do

Strategic Objective	Commitment	RAG status	Progress summary
2.1 Deliver positive and measurable social value through our contracts and services	<ul style="list-style-type: none"> Work with partners and secure care providers to support the implementation of the new National Standards and Pathways for Secure Care Centres. 		<ul style="list-style-type: none"> The new national standards have been built into secure care contracts. Scotland Excel continues to liaise with key partners on future plans for secure care including the potential for a collaborative approach to the procurement of secure care transportation. As with other care commissioning services, Scotland Excel is monitoring the potential for this area of work to be affected by National Care Service proposals.
	<ul style="list-style-type: none"> Continue to monitor the proportion of Scotland Excel suppliers paying their staff the Real Living Wage and identify any opportunities to increase this 		<ul style="list-style-type: none"> Almost 86% of suppliers have confirmed payment of the Living Wage, and commitments continue to be monitored through ongoing contract management. Work is continuing with the Scottish Government and other partners to explore options for a national approach to annual care fee uplifts as part of the Fair Work in Social Care agenda.
	<ul style="list-style-type: none"> Continue to embed community benefit models which enable councils to achieve direct benefits for their areas and the participation of supported businesses and the third sector within our supply chain 		<ul style="list-style-type: none"> Work is underway to gather community benefits data to September 2021, and a report will be submitted to the Joint Committee in December. Scotland Excel continues to undertake regular engagement with supported businesses, and the development of a supported business strategy will now take place in early 2022 to reflect upcoming changes to the remit and goals of the national Supported Business Advisory Group (SBAG).
2.2 Deliver positive and measurable local economic impact through SME and third sector participation in our contracts	<ul style="list-style-type: none"> Support the continued application of community wealth building including living wage Scotland Excel suppliers and work with partners including Scottish Government and the Supplier Development Programme (SDP) 		<ul style="list-style-type: none"> The community wealth building project, delivered by Scotland Excel with funding from the Scottish Government, is progressing well with Stirling, Clackmannanshire, Dumfries & Galloway and Renfrewshire Councils. In Q2, Scotland Excel presented two webinars with the Supplier Development Programme and attended their 'Meet the Buyer North' event.

<p>2.3 Deliver positive and measurable environmental benefits through our contracts</p>	<ul style="list-style-type: none"> • Continue to deliver and promote environmental sustainability goals including Scotland Excel and supplier carbon footprint and consider "best value" and 'whole life' costing within tender evaluations 		<ul style="list-style-type: none"> • Scotland Excel has launched a Supporting Scotland's Green Recovery campaign to promote the organisation's approach to environmental sustainability and frameworks which help members work towards net zero targets. The campaign will run through to Q4 to encompass the COP26 conference and the launch of new frameworks for energy efficiency contractors (EEC) and electric vehicle charging infrastructure.
<p>2.4 Lead and develop sustainable procurement knowledge and practice</p>	<ul style="list-style-type: none"> • Explore the development of progressive, sustainable learning pathways to support career development within the sector, co-chairing the Scottish Government professional practice and development framework, and work with educational partners and/or suppliers to establish workforce needs and promote the benefits of procurement as a career. 		<ul style="list-style-type: none"> • The Academy is continuing to co-chair the cross-sector Professional Practice and Development (PPD) forum on national initiatives to attract and develop procurement talent. Scotland Excel is currently exploring options for attracting new entrants to the organisation through internships, graduate traineeships and/or modern apprenticeships.

Goa1 3: Placing people at the heart of our business

Strategic Objective	Commitment	RAG status	Progress summary
3.1 Ensure our customers continue to receive maximum value from our services	<ul style="list-style-type: none"> Continue to deliver Scotland Excel's account management services to ensure and demonstrate value to members and support a positive customer experience 		<ul style="list-style-type: none"> Scotland Excel's Project and Account Managers continue to provide a wide range of support to council procurement teams including quarterly business reviews, change projects, and workshops. Work is underway to produce Annual Value Reports to provide each council with detailed view of the value of their membership.
	<ul style="list-style-type: none"> Continue and refresh Scotland Excel's stakeholder engagement activity including understanding priorities and assessing satisfaction 		<ul style="list-style-type: none"> An updated stakeholder map to support the work of the new build group continues to be reviewed quarterly. Plans to embed the use of stakeholder engagement and mapping tools across the organisation will be implemented during Q4.
3.2 Engage stakeholders in the delivery of effective local solutions	<ul style="list-style-type: none"> Continue to engage directly with service users and the wider community, where appropriate, to ensure their needs are met and incorporated into the development of procurement strategies 		<ul style="list-style-type: none"> Scotland Excel's community wealth building services continue to generate significant interest among council members, and the outputs of projects will be used to inform future contract strategies. Scotland Excel is continuing to help several councils to engage with their local early learning and childcare (ELC) providers as part of the national policy to expand childcare provision.
	<ul style="list-style-type: none"> Continue to engage directly with partners to ensure that national social care contracts meet the needs of all care groups and align with national strategy 		<ul style="list-style-type: none"> Scotland Excel continues to engage with The Promise and other partners to reflect policy direction within frameworks for children's services. Plans to engage with representatives of care home residents and their families are being developed as part of the national care home contract re-design project. Other stakeholders engaged in this project include advocacy groups, providers, provider representatives, unions and local government representatives. Scotland Excel, is monitoring the potential for this engagement activity to be affected by National Care Service proposals.

<p>3.3 Represent the collective views of stakeholders at a national level</p>	<ul style="list-style-type: none"> • Continue to collect, review and represent the views of members, customers and communities at appropriate fora 		<ul style="list-style-type: none"> • Scotland Excel is continuing to represent the local government sector within Scottish Government national initiatives including the Construction National Portfolio Forum, the Professional Practice and Development Forum, and the Supply Chain Development Programme.
<p>3.4 Implement policies which develop, empower, value and engage our workforce</p>	<ul style="list-style-type: none"> • Continue to implement the Scotland Excel organisational development strategy, developing initiatives to inspire and develop staff, increase Scotland Excel's capability, and support succession planning 		<ul style="list-style-type: none"> • Work is continuing on the development and implementation of a new organisational development strategy and action plan to support the recommendations of the recent Investors in People (IiP) review. This work is supported by an ongoing refresh of HR policies and an internal learning and development programme which will be launched to staff in Q3.

Goa1 4: Delivering sustainable and scalable growth

Strategic Objective	Commitment	RAG status	Progress summary
<p>4.1 Implement a new governance model which supports scalable business growth</p>	<ul style="list-style-type: none"> Promote the concept of Coaction to senior stakeholders and explore opportunities where creation, delivery and production of high-quality national cost-effective learning is jointly undertaken 		<ul style="list-style-type: none"> Following cancellation of regional workshops in 2020 due to the pandemic, Coaction 2021 is now being scheduled as an online event for later in the year. Coaction brings together key stakeholders from across the public sector to share expertise and collaborate on the development of targeted learning opportunities.
	<ul style="list-style-type: none"> Continue to implement appropriate funding routes through the delivery of new and existing services, monitoring income and providing regular reports to the joint committee whilst recognising the impact of the pandemic 		<ul style="list-style-type: none"> Demand for income generating services has continued to grow during 2021, particularly for consultancy services. Rebate forecasts, including for the new build framework, are now moving into line with previous expectations.
<p>4.2 Continue to maintain a robust business infrastructure to support our growth ambitions</p>	<ul style="list-style-type: none"> Continue to develop and support a robust working environment and infrastructure that includes the use of digital technology, agile working and emerging technology to benefit staff and customers 		<ul style="list-style-type: none"> Scotland Excel's new cloud based Spend Data Repository (SDR) was launched to internal users in July. The system provides the capability to upload, track and maintain detailed spend and product information for Scotland Excel frameworks, and supports data analysis through the Power BI business intelligence platform. A customer portal for accessing the system is in development. Cyber security and disaster recovery provision continues to be reviewed in partnership with the Digital Office and in line with National Cyber Security Centre guidance. An annual programme of cyber security training is in place for all staff.
<p>4.3 Use our knowledge and insight to identify new services and/or sectors which provide growth opportunities</p>	<ul style="list-style-type: none"> Research collaborative procurement and leading change solutions available in other public sector markets to identify potential business opportunities, reporting on the findings to inform future growth plans 		<ul style="list-style-type: none"> A cross-organisational project team is continuing to work on a competitor analysis model, which has had positive results from pilot workshops. Although progress has been slower than anticipated during Q2, the team is working towards a roll out of the model across the organisation by the end of the financial year.

	<ul style="list-style-type: none"> Continue to grow and develop Scotland Excel's associate membership programme to maximise its commercial potential for the organisation including framework spend whilst providing demonstrable benefits for members 		<ul style="list-style-type: none"> Six new associate members were approved during Q2, with total annual income of £3.5k. Scotland Excel has been working with associate members, Police Scotland, to provide framework information to assist with their preparations for the COP26 event. Plans and activities are continuing to promote membership and encourage greater contract usage by existing members.
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 market Scotland Excel through traditional and social media, targeted communications activity and political engagement to support new business opportunities and promote our knowledge and experience in support of policy and public affairs goals 		<ul style="list-style-type: none"> Scotland Excel launched a new website in July 2021 with enhanced content to promote the organisation's expanding portfolio of services. Other activity for Q2 has included public affairs support for Scotland Excel's response to the National Care Service consultation and the launch of the Supporting Scotland's Green Recovery campaign which includes advertising and advertorial in key publications, press releases, social media, and an online event.
	<ul style="list-style-type: none"> Explore new Scotland Excel partnership opportunities and continue to develop partnerships e.g. Crown Commercial Services (CCS) to ensure most effective delivery of Scotland Excel and customer objectives 		<ul style="list-style-type: none"> The Crown Commercial Services (CCS) partnership continues to operate well, with further opportunities being explored. Scotland Excel is continuing to build positive relationships with Scottish Enterprise and the Construction Scotland Innovation Centre (CSIC) to implement a joined-up approach to public procurement, innovation, and economic investment. The long-term relationship with Zero Waste Scotland is strengthening the connection between public procurement and net-zero policy.

Report Key

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R	Project or activity is currently stalled or significantly behind schedule
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