# Scotland Excel

**To: Joint Committee**

**On: 17 June 2016**

**Report by
Director Scotland Excel**

**Operating Plan Update 2015-16**

## 1. Purpose of the report

In June 2015, Scotland Excel's Joint Committee approved a new three year strategy and rolling annual operating plan. This report presents our approach to performance reporting and provides an update on the progress that has been made against operating plan activities and commitments during 2015-16.

## 2. Reporting methodology

From April 2016, quarterly reports are being produced to track Scotland Excel's performance against operating plan activities. The reports summarise the progress made against the priorities identified each year, and a use a 'traffic light' symbol to provide a quick guide to the status of each action:

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

The report in Appendix 1 employs this methodology to provide an update on progress made during the full year to 31 March 2016. Future reports will also contain updates on ten key performance indicators (KPIs) which are included within the 2016-17 operating plan.

## 3. Reporting schedule

Progress reports will be produced at the end of each quarter and submitted to the Executive Sub-Committee at their next scheduled meeting. Half yearly and annual reports will also be submitted to Joint Committee meetings.

## 4. Recommendation

The members of the Joint Committee are invited to note the reporting methodology and schedule, and the progress made by Scotland Excel in delivering its corporate strategy during 2015-16.

# SCOTLAND EXCEL

# Operating Plan

## 2015 – 2016

## Year End Report

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

## Strategic objectives

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

| Activity | Year 1 Priorities | RAG status | Progress summary |
|---|---|---|---|
| (a) Develop and implement a contract plan aligned to the strategic priorities of member authorities | • Update rolling contract delivery plan for joint committee approval<br>• Develop a flexible workforce model to resource the contract delivery plan<br>• Hold biannual Commercial UIGs and interim steering group meetings<br>• Develop category strategies for all key category areas | G | • An updated contract delivery plan which extends to March 2017 was presented to the joint committee in November. Alternative delivery options to enable further expansion of the portfolio are being explored; these include contract rationalisation, new funding models and cross sector partnership working.<br>• A flexible workforce model has been developed to resource the current contract delivery plan. A resource planner is updated monthly to reallocated resources where required.<br>• Commercial UIGs were held for all councils in June and December to review the contract delivery plan. The smaller steering group of members also met in April, August, October, November and January to provide ongoing input to plans.<br>• Category strategies have been completed for all key category areas to set the direction for future contract development and management. |
| (b) Develop and implement a strategy and plan for the delivery of contract and supplier management | • Review CSM strategy, methodology and systems<br>• Produce regular reports on contract performance | G | • A project was initiated in November to review all aspects of the existing CSM programme. The project team has been evaluating a performance management module (eSPM) which is available as part of national collaborative eCommerce tools. A pilot is being planned for 2016-17.<br>• Annual contract management reports analysing a range of market and business data are produced for all contracts. These are discussed with managers/peers to agree opportunities for continuous improvement. |

| Objective | Action | Status | Progress |
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| (c) Develop and implement a strategy and plan for improving supplier performance | • Launch Supplier Excellence Award programme | **G** | • The Supplier Excellence Awards were held in Glasgow in June, with awards presented to 11 suppliers across 7 categories. The ceremony formed part of a high profile event organised in partnership with the Supplier Development Programme (SDP), and attended by 39 public sector exhibitors and 700 suppliers. Plans will be developed during 2016-17 for the future direction and frequency of the awards programme. |
| (d) Manage the rollout of a new national procurement capability assessment to the local government sector | • Identify and train PCIP assessors<br>• Develop and implement PCIP workshops and training for councils<br>• Agree assessment schedule and complete assessments in line with the schedule | **A** | • Four members of staff have been trained to undertake Procurement Capability Improvement Programme (PCIP) assessments. Assessors have been selected from teams across the organisation to create a mix of procurement, stakeholder and change management experience.<br>• Six workshops took place throughout Scotland between August and October to help local authorities prepare for the new assessments.<br>• Seven local authorities took part in mock assessments during November. The findings from this exercise have been shared with all councils.<br>• Following consultation with councils, it was agreed that PCIP assessments would delayed until May – October 2016 to allow further time for preparation. However, some councils have elected not to participate in the assessments this year due to other business priorities. |
| (e) Develop and implement a programme to lead and support the development of procurement and commercial capability | • Secure funding to support the continued delivery of capability and change services<br>• Develop and deliver a programme of capability and change services agreed with councils | **G** | • Scotland Excel secured additional funding to continue the delivery of reform activity in 2016-17 at the joint committee in November.<br>• A number of ad hoc services were delivered during 2015-16 including support for local transformation programmes, assessments to identify additional savings opportunity, and 'critical friend' workshops.<br>• A Procurement Improvement Programme (PIP) steering group has been re-established to plan priorities for this programme. The group met in February to agree priorities and will meet again in May to finalise proposals for a new programme. |
| (f) Develop and implement a 'procurement academy' to support professional capability and encourage new entrants to public procurement | • Develop a model for the future delivery of learning and development services in line with council requirements<br>• Develop a strategy for implementing eLearning capability | **G** | • Initial 'procurement academy' proposals centred on a Masters qualification were ruled out by councils due to cost. Further research took place in March to identify requirements. eLearning was confirmed as a key priority, and a model has been developed around resources available from professional organisations. This will be piloted during Q1 of 2016-17 and the findings used to inform plans for roll out to the sector. Requirements for a professional development qualification and modern apprenticeship support will be explored during this second phase. |

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| (g) Develop and implement a shared service offering for councils which meets their requirements in a changing public sector landscape | • Develop a shared services strategy aligned to customer requirements | **R** • Consultation with stakeholders as part of funding proposals identified limited appetite for additional shared services at the present time. This will be revisited as part of Year 2-3 plans with a view to helping local authorities create efficiencies and progress their shared service goals. |

# Goal 2:  Being sustainable in everything we do

## Strategic objectives

| 2.1 | Work with stakeholders to develop procurement strategies which support the delivery of national and local policy priorities |
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| 2.2 | Deliver positive and measurable social, economic and environmental impact to local communities |
| 2.3 | Lead and support customers in the development and implementation of best practice in sustainable procurement |

| Activity | Year 1 Priorities | RAG status | Progress summary |
| --- | --- | --- | --- |
| (a) Develop and implement strategies for responding to procurement and/or public sector legislation | • Develop and implement an action plan for complying with legislative changes<br>• Assess the procurement impact of the community empowerment bill<br>• Develop an action plan to support health and social care integration (HSCI)<br>• Develop a waste category strategy which continues to support compliance with environmental legislation | G | • Scotland Excel supported the Scottish Government with developing statutory guidance on sustainable procurement through the Public Procurement Policy Forum.  All staff have been trained on new legislative obligations and a plan to ensure compliance is being implemented.<br>• Assessment of the Community Empowerment (Scotland) Act suggests it is unlikely to have an immediate impact on Scotland Excel, although there may be implications for procurement at local level. A watching brief will be maintained in 2016-17, and support provided to councils as required.<br>• Scotland Excel held a successful HSCI stakeholder event with NSS National Procurement in June. An action plan has been created in partnership with NSS and an engagement plan for IJBs is in development.<br>• The waste category strategy has been completed and Scotland Excel is continuing to manage contracts which support councils with their waste management obligations. A category forum will take place with stakeholders in June. |
| (b) Ensure Scotland Excel's collaborative frameworks support local and national government policy priorities | • Develop a strategy for incorporating workforce matters in contracts<br>• Develop monitoring and reporting capability for suppliers' workforce policies<br>• Achieve Living Wage accreditation<br>• Develop a social care | G | • Scotland Excel supported the Scottish Government with developing statutory guidance material on workforce matters, and has considered within all tenders since the requirement came into effect in November.<br>• Supplier policies on payment of the Living Wage are reported within contract award recommendations and monitored alongside community benefit commitments.<br>• Scotland Excel achieved Living Wage accreditation in December in support of national policy.<br>• The social care category strategy has been completed.  The care homes |

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| category strategy which continues to support outcomes focused delivery<br>• Roll out sector deliverables from the National Construction review | | for adults with learning disabilities framework awarded in June was developed around the national Keys to Life policy. Enhanced contract management services are now being provided to a number of councils to support the National Care Home Contract.<br>• Scotland Excel is continuing to participate in the Construction Review Delivery Group and communicate outcomes to the sector. Workshops are being considered to support roll out to the sector in 2016-17. |
| (c) Ensure Scotland Excel's collaborative frameworks support positive local economic outcomes<br><br>• Implement measures to review and monitor local impact within strategy development and ongoing contract management<br>• Embed data collection and reporting processes for community benefits<br>• Pilot a local project to encourage SME participation in national contracts | **G** | • Local impact is considered as part of all contract strategy development. Recent initiatives have included the development of opportunities for local producers in food contracts, and for third sector and supported businesses in furniture contracts.<br>• Scotland Excel is continuing to incorporate community benefits into all relevant contracts, and data is collected and reported on a six monthly basis. Enhancements to data collection and reporting processes will be considered in 2016-17.<br>• Scotland Excel's customer account managers provide quarterly reports to councils on local suppliers and community benefits. A pilot project with Comhairle nan Eilean Siar modelled an approach for working directly with councils to support SMEs, and consideration will be given to extending this to other councils in 2016-17. |
| (d) Ensure Scotland Excel's collaborative frameworks support local government environmental duties and policies<br><br>• Continue to support local authority compliance with climate change targets and efforts to recover value from waste | **G** | • Scotland Excel is continuing to support the Scottish Government and Zero Waste Scotland with plans to create a National Brokerage to recover greater value from waste across the public sector. |

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| (e) Champion the development and dissemination of best practice in sustainable procurement | • Develop a sustainable procurement strategy to guide practice across the sector<br>• Continue to work with partners to develop, deliver and promote sustainable procurement tools<br>• Develop an action plan to support stakeholders in meeting obligations from new procurement legislation | **R** |
| | | • Scotland Excel's focus during 2015-16 has been supporting the development of statutory guidance on sustainable procurement. A strategy will be developed during 2016-17 to provide practical guidance on all aspects of sustainable procurement.<br>• Scotland Excel is continuing to participate in Scottish Government's policy and best practice working groups, and has supported updates to the Sustainability Prioritisation Tool and Flexible Framework to reflect legislative changes.<br>• Scotland Excel supported the sector roll out of national training and e-learning tools for legislative changes, and will assess further support required by the sector in 2016-17. |

# Goal 3: Placing customers at the heart of our business

| Strategic objectives | |
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| 3.1 | Work with customers to develop and implement bespoke plans for maximising the value of our services |
| 3.2 | Develop robust communications strategies which support customer engagement and position Scotland Excel and its customers as leaders in public procurement / shared services |
| 3.3 | Represent the views and needs of customers in the wider stakeholder environment |

| Activity | Year 1 Priorities | RAG status | Progress summary |
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| (a) Develop and implement a portfolio of account management services that meet the collective and individual needs of local authority customers | • Develop account management plans for each council and deliver services in line with plans<br>• Develop a programme of events in line with customer expectations<br>• Develop and deliver a suite of business information reports in line with customer needs | G | • An account planning methodology has been agreed under the guidance of a new Customer Development Manager appointed in February. Plans are being drafted for each council and will take effect from 2016-17.<br>• A number of seminars and workshops for procurement stakeholders have taken place during 2015-16, with themes including workforce matters, community benefits, health and social care integration and the European Single Procurement Document (ESPD). A programme of events for 2016-17 is being developed in consultation with customers.<br>• Ongoing improvements have been made to the content of quarterly account management reports as a result of customer feedback, and will continue into 2016-17. |
| (b) Develop and implement a stakeholder engagement strategy that support the delivery of first class customer experience across all of our services- | • Complete stakeholder mapping and report<br>• Develop a stakeholder engagement strategy<br>• Deliver a project to improve all aspects of stakeholder engagement and customer experience | A | • Stakeholder mapping has been completed across the organisation to benchmark the strength of relationships, understand how teams engage with their stakeholders, and develop value propositions. The findings have informed the stakeholder engagement project and a report will be produced by July 2016.<br>• A stakeholder engagement strategy encompassing all relationships and customer service activities will be completed by July 2016<br>• The stakeholder engagement project is progressing well. Due to the size and complexity of the project, the work has been split into eight sub-projects looking at customer principles, senior stakeholders, stakeholder landscape, event management, web refresh, account management, CRM and collaborative tools. |

| Objective | Status | Actions | Progress |
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| (c) Develop and implement a corporate communications strategy that enhances and protects Scotland Excel's corporate reputation | G | • Develop a marketing and communications strategy and plan<br>• Complete and launch a refreshed Scotland Excel's web presence<br>• Monitor and manage all communications risks arising from Scotland Excel contracts/ activities | • A marketing and communications strategy and rolling plan has been developed, incorporating an increased focus on raising corporate profile through media relations and public affairs. A specialist media and communications officer will join the team in May 2016.<br>• Development of the Scotland Excel website will be completed by the end of May and will be re-launched in early June. Initial timescales for redevelopment were extended into 2016-17 to incorporate a number of additional enhancements in response to customer feedback.<br>• Scotland Excel is continuing to mitigate communication risks through meticulous handling of media enquiries in line with policy. |
| (d) Develop and implement a model for associate members which delivers clear business and financial benefits to Scotland Excel and the membership base | A | • Review and segment the associate member customer base to develop a tiered membership offering<br>• Develop a strategy to support recruitment and retention of associate members | • A segmented charging model for associate members has been developed based on contract usage. Entry level fees now begin at £500 and rise in line with the value obtained by members. All contract information is now accessible through the Scotland Excel website and the national Catalogue Content Management (CCM) system.<br>• Pilot initiatives to support recruitment have included a mailing campaign, attendance at the Chartered Institute of Housing Scotland Conference in Edinburgh on 1-2 March, and seven procurement capability assessments funded by the Scottish Government. There is stiff competition in this sector from other procurement organisations including Procurement for Housing and Scottish Procurement Alliance. However, Scotland Excel has secured the country's largest social landlord, the Wheatley Group, as an associate member. A strategy is in development to support further recruitment efforts in 2016-17. |
| (e) Develop and implement a programme for engaging with the wider public sector to ensure Scotland Excel has the right partnerships in place to support the needs of its customers | G | • Establish forums to gather sector views and share information<br>• Represent sector views within the national public procurement programme<br>• Map the wider stakeholder landscape and develop engagement plans | • Scotland Excel hosts steering group meetings with council procurement representatives for contract delivery, procurement reform and learning and development. Executive Team members rotate attendance at the Scottish Local Government Procurement Forum (SLGPF). Regular stakeholder workshops take place to discuss key procurement issues.<br>• Scotland Excel continues to represent the sector in all key national procurement forums. Regular meetings take place with Centre of Expertise partners to explore opportunities for cross-sector working.<br>• The wider stakeholder landscape been mapped and responsibility for developing engagement plans and managing relationships with key organisations has been assigned. All plans will be completed by May and reviewed quarterly by the Senior Management Team. |

# Goal 4: Becoming the partner of choice for delivering shared services

## Strategic objectives

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| 4.1 | Implement organisational development policies which support a highly skilled, motivated and engaged workforce |
| 4.2 | Implement best practice processes and technology which support the efficient and effective delivery of services to customers |
| 4.3 | Implement robust strategies, governance, risk management and funding models which demonstrate a measurable return on investment and secure Scotland Excel's future |

| Activity | Year 1 Priorities | RAG status | Progress summary |
|---|---|---|---|
| (a) Develop and implement a strategy to support staff recruitment, retention, development, performance and engagement | • Develop a rolling resource plan to support all business areas and activities<br>• Develop a recruitment strategy including a review of the careers microsite | R | • A rolling resource plan is in place for the strategic procurement function. The model will be adapted for other areas of the organisation during 2016-17.<br>• A recruitment strategy is in development and Scotland Excel's careers microsite will be refreshed following the launch of the new corporate website. |
| (b) Develop and implement programmes to support the continuous improvement of business performance, systems and processes | • Deliver Scotland Excel's transformation programme in line with agreed plans<br>• Develop an ICT strategy and implement plans for key development priorities<br>• Develop proposals for the future of Scotland Excel's ICT infrastructure | G | • Progress has been made across the six projects within Scotland Excel's transformation programme. A review is being undertaken to determine the shape and priorities for the programme in Year 2.<br>• The ICT strategy was completed in December. Key development priorities were agreed as being the website and spend data management and reporting tools. The website is scheduled for completion by the end of May, and a requirements specification for data management is in progress.<br>• Technology company SCC have been engaged to develop infrastructure proposals based on an analysis of ICT requirements across the organisation. Their report is expected in April and will include estimated migration and operational costs. |

| Objective | Actions | Status | Progress |
|---|---|---|---|
| (c) Ensure that Scotland Excel delivers its plans through effective governance, risk management and policies | • Review Scotland Excel's governance arrangements<br>• Implement and embed new risk management methodology<br>• Develop a rolling plan for reviewing policies and processes<br>• Agree a methodology for quarterly performance reporting | **G** | • Scotland Excel is reviewing governance arrangements with legal colleagues from Renfrewshire Council. Terms of reference for the Chief Executive Officers Management Group (CEOMG) are being updated and action is being taken to revitalise membership of this group.<br>• Risks are being monitored, managed and reported in line with the new methodology. At the request of joint committee members, reports will now show variance in risk assessments due to mitigations put in place by Scotland Excel.<br>• A full review of contract policies, procedures and documentation has been completed as part of the governance project within the transformation programme. A review of key policies for absence management and flexitime has been completed and a plan for reviewing other corporate/HR policies has been developed.<br>• A quarterly performance reporting methodology and template has been developed and will take full effect from April 2016. |
| (d) Develop and implement a strategy for gathering, analysing and distributing business intelligence within Scotland Excel and across the sector | • Review existing resources and develop a plan and systems requirements for managing data, information and intelligence<br>• Develop an enhanced MI strategy to support the expansion of the contract portfolio | **G** | • A review of data, information and intelligence resources has been completed as part of the business intelligence project within the transformation programme. Systems requirements for data management and reporting tools are being developed as an ICT priority project.<br>• An agreement with Keynote has been established to provide participating councils with access to market reports. The opportunity to provide more extensive business intelligence services for councils will be investigated in 2016-17. |
| (e) Develop and implement a clear, transparent and sustainable funding and delivery model for Scotland Excel | • Develop a sustainable funding model for Scotland Excel | **A** | • Additional funding was agreed by the Joint Committee for the delivery of Reform and Learning and Development services<br>• Further work is required to develop a funding model which supports long term sustainability including investigation of chargeable services, rebates, supplier levies and/or expansion of the associate member base. |

| Report Key | |
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