

Scotland Excel

To: Executive Sub-Committee

On: 28 January 2022

**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 This report presents an update on the progress that the organisation has made in the three months between October and December 2021 towards delivering the commitments contained within the Operating Plan 2021-22.

2. Recommendations






- 2.1 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.
- 2.2 As of the end of December 2021, 26 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.
- 2.3 Three commitments are indicated as amber within the report. Two of these relate to external factors, namely the impact of Covid-19 on the availability and cost of goods and services. Scotland Excel continues to closely monitor

and mitigate this issue. The project to develop a competitor analysis model, while delivering positive results, continues to progress more slowly than anticipated. Roll out of the model is expected to begin during the next quarter.

- 2.4 One commitment is indicated as black within the report. Due to restrictions on holding national and regional events, the Coaction project is now being implemented on a project-by-project basis.

3. Background

- 3.1 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.
- 3.2 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

- 3.3 Due to continuing uncertainty in relation to Covid-19 and Brexit, reporting against key performance indicators (KPIs) is currently on hold pending a review of appropriate measures.











Operating Plan




2021 – 2022

Q3 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"> Commercial User Intelligence Group (UIG) meetings with procurement stakeholders took place in November and December to discuss current and future plans. Scotland Excel continues to take part in the Scottish Government-led Supply Chain Development Programme which shares knowledge 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"> Learnings from recent disruptions to supply chains are being incorporated into Scotland Excel's contract and supplier activity (CSM) and shared with members. Work is ongoing to develop a new CSM reporting model which incorporates environmental performance measures in line with the Scottish Government's climate change goals.
	<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"> In response to demand from local authorities and a high level of interest from providers, the care and support framework was re-opened for the second time in October 2021. Submissions are currently being evaluated, and new providers and services will be available on the framework 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 9 cohorts of accredited programmes, with a further 9 programmes planned. Work is progress on the development of online programmes, with 17 free one-hour Stay Connected workshops and 13 chargeable four-hour Evolve workshops expected to begin during Q4. The Academy has also been successful in its bid to deliver workshops through the Scottish Government's national procurement training framework.

	<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 has been working with the Scottish Government and other Centres of to review the Procurement Commercial Improvement Programme (PCIP) assessment model. A new hybrid PCIP model will be adopted for the third cycle of these assessments, and discussions on the content and roll-out of the programme will take place with the PIP Steering Group in January 2022.
	<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 including flexible procurement, consultancy, and bespoke learning and development programmes. A two-year consultancy programme for South Lanarkshire Council commenced during Q3, while the improvement programme for East Lothian Council was concluded with savings of £1.3m delivered in line with the original forecast. Scotland Excel has recently been engaged by the Scottish Government to explore procurement options for employability services and residential rehabilitation services, with work due to commence in Q4.
	<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"> • Scotland Excel is continuing to engage with stakeholders and suppliers to identify and, where possible, mitigate supply shortages and price increases associated Covid-19 and Brexit. Contract development is being aligned to changes in market stability, with the result that development timelines are having to be extended.
	<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 fee negotiations are underway with input from providers, provider representative bodies, local government representatives and unions. Discussions are being made more complex by ongoing cost pressures associated with Covid-19 and funding. The proposed parameters for the negotiation will be taken to COSLA Leaders in February for endorsement ahead of the pre-election period.






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"> The Scotland Excel Academy online platform continues to be developed, and now incorporates automated reminders for student assessment tasks.
	<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>Scotland Excel is working with the Digital Office to develop a new strategy and plan to support digital transformation within local government. Areas currently being investigated include the application of Artificial Intelligence (AI)/robotics to tasks which would free up staff time for higher value activities.</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. The Minister for Business, Trade, Tourism and Enterprise, Ivan McKee, gave the keynote address at the Scotland Excel Green Recovery webinar in October 2021, and has since agreed to a follow up meeting. Scotland Excel's response to the consultation on proposals for a National Care Service (NCS) was submitted in November 2021, with the organisation's views supported by several positive media articles.


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.
	<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"> More than 80% of suppliers have confirmed payment of the Living Wage, and commitments continue to be monitored through contract management. New guidance has been issued by the Scottish Government to advise when payment of the Living Wage can be made mandatory for relevant frameworks. Scotland Excel has supported the roll out of the recent pay increase for adult care workers which was set out in Scottish Government's winter plan, with a further increase expected in April 2022.
	<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"> A short-term working group has been set up to review Scotland Excel's community benefits reporting. Recommendations are expected in Q4.
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"> Scotland Excel's community wealth building project, delivered in partnership with the Scottish Government, is continuing to progress well. The findings from this project will be shared with the wider local government community in due course. In Q3, Scotland Excel attended two Supplier Development Programme (SDP) 'Meet the Buyer North' events in Fife and Lanarkshire.






<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's 'Supporting Scotland's Green Recovery' campaign has continued throughout Q3, and has included significant media coverage in publications such as The Herald, Business Insider and Holyrood magazine. Work is underway with Zero Waste Scotland (ZWS) to embed repair and reuse priorities into the design, specification, and evaluation of the next generation tender for outdoor play parks and sports areas.
<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. This will be supported by the Academy's new online programmes and the delivery of workshops as part of the Scottish Government procurement training framework.



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 support to council procurement teams including quarterly business reviews, change projects, and workshops. Annual Value Reports which provide each council with a detailed view of the value of their membership were issued during Q3.
	<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. Scotland Excel's stakeholder engagement and mapping tools are now being used by several teams, and further plans to roll out use across the organisation will be developed and 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 is investigating options for engaging with care home residents and their families as part of the national care come contract redesign project.
	<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. Advocacy groups, providers, provider representatives, unions and Scottish Government will be involved with the redesign of the national care home contract, with the first meeting scheduled to take place in early 2022.
3.3 Represent the collective views of stakeholders at a national level	<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. A learning and development programme has been implemented which capitalises on the expertise of Scotland Excel staff to train and develop colleagues. Initial feedback to the programme has been very positive. A plan is being developed to refresh recruitment and retention activity, and a project will commence during Q4.
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Goa1 4: Delivering sustainable and scalable growth

Strategic Objective	Commitment	RAG status	Progress summary
4.1 Implement a new governance model which supports scalable business growth	<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"> Due to ongoing restrictions in bringing people together for a Coaction event, the concept will now be rolled out through partnership working on a project-by-project basis.
	<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"> Income from chargeable services and rebates continues to grow and is expected to account for c.15% of operating income in 2021-22. A healthy pipeline is in place for 2022-23 when this income is expected to account for c.21% of the total.
4.2 Continue to maintain a robust business infrastructure to support our growth ambitions	<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 will begin the roll out of voluntary hybrid working procedures and training during Q4. Plans are being developed to implement SharePoint across the organisation, which will be undertaken through a staged migration by team. A new time management system, with enhanced functionality, to support remote working has been configured and will be used by staff from Q4,
4.3 Use our knowledge and insight to identify new services and/or sectors which provide growth opportunities	<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"> Work is continuing on the development and roll out of competitor analysis model. Although progress has been slower than anticipated, the model is already being used by some teams, and is expected to be rolled out across the organisation during 2022.
	<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"> Five new associate members were approved during Q3, including Zero Waste Scotland. Scotland Excel has received funding from the Scottish Government to deliver assessments for housing associations to help them improve their procurement performance. This programme will be launched in early 2022, and will support Scotland Excel's objectives in relation to associate membership, contract usage and community wealth-building.

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 is continuing to add content and make enhancements to its new corporate website which was launched in July. Other marketing and communications activity for Q3 included ongoing public affairs and media support for Scotland Excel's response to the national care consultation, implementation of the Green Recovery campaign and online event, press releases, e-newsletters, award entries, and social media.
	<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"> Scotland Excel is continuing to build positive relationships with growing number of partners. Opportunities to join up public sector demand with business investment continue to be explored with Scottish Enterprise, and several ideas relating to construction and food production are now moving ahead to feasibility studies. Scotland Excel is also working with the Competition & Markets Authority (CMA) to roll out awareness and training on the involvement of cartels and price fixing in procurement.

Report Key	
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	Project completed

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