



Operating Plan

2016 – 2017

Q1Progress Report

Goa1 1: Supporting the delivery of better and more effective public services

Strategic objectives	
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 2 Priorities	RAG status	Progress summary
(a) Develop and implement a contract plan aligned to the strategic priorities of member authorities	• Develop a contract delivery plan for joint committee approval in Dec 2016 • Manage a flexible workforce model to resource contract delivery • Develop a plan for delivering the adult supported living and care at home strategy • Develop a proposal to secure ongoing funding to support older people's care home services • Develop proposals for partnering with other procurement organisations as appropriate • Hold biannual Commercial UIGs and interim steering group meetings • Communicate strategies for all key category areas		• Work is underway to develop a contract delivery plan for 2017-18 informed by feedback from Commercial User Intelligence Group (UIG) and steering group meetings. • The workforce planning tool developed to manage procurement resources is being reviewed and updated fortnightly to support the 2016-17 contract delivery plan. • A strategy has been developed to provide procurement support for two areas of social care - adult supported living and care at home - which cost local authorities c. £600m per annum. Options for funding and resourcing this opportunity are in development. • Scotland Excel is continuing to provide procurement and contract management support for older people's care home services on behalf of a number of councils. The project is progressing well and plans to secure continued funding beyond March 2017 will be developed in Q3. • Discussions have taken place with Yorkshire Purchasing Organisation (YPO) and Crown Commercial Services (CCS) to identify common contract areas. A meeting with councils and CCS is planned for September to discuss opportunities for aligning contract development. • Commercial UIGs for senior procurement stakeholders were held in Edinburgh, Paisley (including video conferencing) and Dundee during May/June. A steering group meeting has been scheduled for 31 August. • Overviews of the category strategies were presented to senior procurement stakeholders at the Commercial UIGs in May/June. The strategies are now being formatted for publication on the Scotland Excel website.

(b) Develop and implement a strategy and plan for the delivery of contract and supplier management	- Implement a project to pilot the national CSM tool - Develop a plan to roll out CSM across the portfolio - Produce annual contract management reports for all contracts		- A project is underway to pilot the contract and supplier management (CSM) module, available as part of the Scottish Government's national e-commerce tools, for use within the Scotland Excel contract portfolio. Four contracts have been selected for the pilot, which is expected to be completed in January. - A plan to roll out a CSM solution across the portfolio will be developed and implemented in Q4 based on the pilot results - Annual contract management reports continue to be produced for all contracts, including a benchmark of savings against market indices and an updated risk matrix.	- A project is underway to pilot the contract and supplier management (CSM) module, available as part of the Scottish Government's national e-commerce tools, for use within the Scotland Excel contract portfolio. Four contracts have been selected for the pilot, which is expected to be completed in January. - A plan to roll out a CSM solution across the portfolio will be developed and implemented in Q4 based on the pilot results - Annual contract management reports continue to be produced for all contracts, including a benchmark of savings against market indices and an updated risk matrix.
(c) Develop and implement a strategy and plan for improving supplier performance	Deliver an integrated programme of supplier development activity		The results of the CSM pilot will inform the development of an integrated supplier development programme from Q4. In the interim, a template is available within the CSM tool to support supplier development activity.	The results of the CSM pilot will inform the development of an integrated supplier development programme from Q4. In the interim, a template is available within the CSM tool to support supplier development activity.
(d) Manage the rollout of a new national procurement capability assessment to the local government sector	- Complete the rollout of the current PCIP programme - Analyse and report on PCIP results - Schedule PCIPs for members not participating in 2016 - Work with partners to agree the way forward for PCIPs		- Procurement & Commercial Improvement Programme (PCIP) assessments were completed for five councils during Q1. The remaining 13 assessments scheduled for 2016 will be completed by 03 November. - A report on the current PCIP programme will be produced by December. - Consultation with councils which deferred their PCIP assessment will begin in September. A second cycle of assessments is tentatively planned for February to June 2017. - Scotland Excel is continuing to work with cross-sector partners on future plans for PCIP. A 'lessons learned' workshop is taking place on 21 September to review the current assessment programme.	- Procurement & Commercial Improvement Programme (PCIP) assessments were completed for five councils during Q1. The remaining 13 assessments scheduled for 2016 will be completed by 03 November. - A report on the current PCIP programme will be produced by December. - Consultation with councils which deferred their PCIP assessment will begin in September. A second cycle of assessments is tentatively planned for February to June 2017. - Scotland Excel is continuing to work with cross-sector partners on future plans for PCIP. A 'lessons learned' workshop is taking place on 21 September to review the current assessment programme.
(e) Develop and implement a programme to lead and support the development of procurement and commercial capability	- Agree and resource development requirements with sector stakeholders - Develop and deliver a development programme to March 2017 - Deliver an Annual Conference to support development in Q4		- A meeting was held with the sector steering group in May to discuss development requirements. It has been agreed that each council will receive three days of development support. - A change programme is being created to fulfil each council's development needs, and will include a portfolio of tools, learning opportunities and workshops that satisfy common requirements. The programme is on target for a September launch. - Planning for the annual conference will begin during Q3.	- A meeting was held with the sector steering group in May to discuss development requirements. It has been agreed that each council will receive three days of development support. - A change programme is being created to fulfil each council's development needs, and will include a portfolio of tools, learning opportunities and workshops that satisfy common requirements. The programme is on target for a September launch. - Planning for the annual conference will begin during Q3.

(f) Develop and implement a 'procurement academy' to support professional capability and encourage new entrants to public procurement	• Develop and implement a blended learning strategy • Finalise recommendations for delivering the social care commissioning PDA • Develop and implement plans for recruiting 2 interns and a modern apprentice during 2016-17		• A blended learning pilot, combining professional eLearning tools with a programme of regional workshops, is underway and will be completed by 23 September. The findings from the pilot will inform the blended learning strategy to be brought to the December joint committee meeting. The first full programme is expected to run from November 2016 to October 2017. • Recommendations for delivering the social care Professional Development Award (PDA), developed in 2013 by a partnership led by Scotland Excel, will be presented in Q2. • Plans for recruiting two interns to support procurement projects are in development. Options for funding a modern apprentice will be considered in Q3.
(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 • Incorporate additional shared service income into annual funding proposals		• Initial discussions have taken place with senior stakeholders and a shared service model has been drafted. This will be incorporated into a strategy which will be presented at the December joint committee meeting • Funding proposals for 2016-17 are being developed and will be presented at the December joint committee meeting.

Goa1 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
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 2 Priorities	RAG status	Progress summary
(a) Develop and implement strategies for responding to procurement and/or public sector legislation	- Develop an action plan to ensure internal compliance with legislation - Identify legislative areas to be incorporated within L & D plans for the sector - Monitor risks/ opportunities arising from the Community Empowerment Act - Develop a plan for engaging with IJBs/NSS - Develop a plan for delivering waste category strategy recommendations		- Development of an action plan in progress and will be completed during Q2. Initial actions are focusing on the use of the new European Single Procurement Document (ESPD) in tenders. - Scotland Excel is working with partners in the Scottish Government's Professional Practice and Development Strategic Forum (PPDSF) to provide legislative support to the procurement community, and hosted a cross-sector ESPD workshop in April. - Q1 review has indicated that there are currently no risks or opportunities arising for the sector from the Community Empowerment Act - An engagement plan for Integrated Joint Boards (IJBs) will be completed in Q2. - A waste category strategy has been completed to support activities until 2021. Implementation of the strategy will begin in Q2, and the strategy will be updated annually
(b) Ensure Scotland Excel's collaborative frameworks support local and national government policy priorities	- Continue to support fair working practices and other policy areas - Continue to support policy aspects of social care frameworks - Continue to represent the sector at the CRDG and support the roll out of recommendations		- Scotland Excel's approach to supporting fair work practices is being incorporated into a sustainable procurement strategy which will be brought to the December joint committee meeting. - Policy considerations are embedded within the social care category strategy. Procurement strategies produced in Q1 to renew the fostering and secure care frameworks are aligned to current policy, and recognise that national policy is under review in both of these areas. - Scotland Excel has established a steering group of sector representatives to input to the work of the Construction Review Delivery Group (CRDG). The first meeting will take place in September.

(c) Ensure Scotland Excel's collaborative frameworks support positive local economic outcomes	• Continue to encourage local business participation through procurement processes, partnerships and events • Embed community benefits in procurement processes • Develop and implement a new reporting approach for community benefits • Consider opportunities for supported businesses and/or third sector in contract strategies		• Scotland Excel is continuing to develop procurement strategies to support participation by local businesses and, in June, took part in the Supplier Development Programme (SDP) National Meet the Buyer event and the Federation of Small Businesses (FSB) Ayrshire Procurement Expo. • The new groceries framework, which went live in May, incorporates a commitment from suppliers to delivering benefits within each council area. This innovative approach ensures the value generated by community benefits can be realised across Scotland. • A new reporting template to capture community benefit data from suppliers is being developed. This will support clearer identification and categorisation of benefits, and will be issued to suppliers in Q2. • The new domestic furniture framework tender issued in April incorporates supply chain opportunities for supported businesses, and includes a recycled furniture lot which has attracted bids from the third sector.
(d) Ensure Scotland Excel's collaborative frameworks support local government environmental duties and policies	• Continue work with partners to develop policies and programmes in support of a National Brokerage model • Continue to embed environmental considerations through procurement processes		• Scotland Excel is part of the steering group developing a National Brokerage model. Around half of councils have signed up the National Household Waste Charter which supports the recovery of valuable waste. Consideration is being given to how our waste frameworks can be aligned to the aims of the Charter. • Scotland Excel is continuing to encourage suppliers to minimise the environmental impact of procurement through consideration of packaging, materials, logistics and recycling. The new domestic furniture has included specifications for recycled furniture as part of the tender.
(e) Champion the development and dissemination of best practice in sustainable procurement	• Publish Scotland Excel's sustainable procurement strategy • Deliver stakeholder support for new legislative duties through L & D plans • Continue to represent the sector within the Scottish Government's Best Practice working group • Develop and implement a consistent approach to horizon scanning		• Scotland Excel's sustainable procurement strategy is in development and will be published in Q2. • A number of requests for development support change projects that develops legislative knowledge • Scotland Excel continues to work with partners in the Scottish Government's Practice working group. The group focused on the implementation of ESPD during Q1 • Senior managers will hold quarterly meetings to identify and discuss key events in the external environment which may impact the organisation and/or the sector. The first meeting has been scheduled for September.

Goa1 3: Placing customers at the heart of our business

Strategic objectives			
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
(a) Develop and implement a portfolio of account management services that meet the collective and individual needs of local authority customers	Implement phase 2 of account management improvements		Account management plans are in place for all councils, and a new reporting format has been introduced for quarterly Business Reviews. The report includes an infographic on key national and local performance statistics which demonstrate the value of membership.
(b) Develop and implement a stakeholder engagement strategy that support the delivery of first class customer experience across all of our services	- Publish a stakeholder engagement strategy - Implement a survey and report on customer satisfaction - Initiate a customer care forum to support ongoing improvements to customer service - Develop a centralised contact data resource - Develop a 'future digital' strategy including options for an online customer collaboration platform		- The stakeholder engagement project, initiated as part of Scotland Excel's transformation programme, continues to progress well. The outputs of the project will be incorporated into a stakeholder engagement strategy published in Q3. - An in-depth customer satisfaction survey is scheduled for implementation in Q3, with a report available by the end of Q4. - A cross-functional customer care forum will be established in Q4 to monitor the ongoing delivery of stakeholder engagement strategy recommendations and respond to improvement opportunities identified through customer surveys/feedback. - A list of c. 1,500 procurement and technical contacts has been created as a first step to centralising contact management within the organisation. Work is underway to improve data integrity before other contacts are added. Implementation of an interim tool for managing contact data is targeted for Q3. - A 'future digital' strategy will be developed in Q4, encompassing recommendations for future web development and online collaboration.

(c) Develop and implement a corporate communications strategy that enhances and protects Scotland Excel's corporate reputation	• Update the marketing and communications strategy and plan • Complete and launch the new Scotland Excel website • Continue to monitor and manage all communications risks arising from contracts/business activities		• The marketing and communications strategy and plan drafted earlier this year is being updated to reflect the 2016-17 operating plan, and will be published in Q2. • Scotland Excel's new website was launched on 28 June. In response the customer feedback, the site includes significant enhancements to the members' area to allow users to 'self-serve' a wide range of procurement and contract information. • Scotland Excel is continuing to mitigate communication risks through appropriate 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	• Review the associate member fee structure • Develop and implement an associate member strategy • Develop an associate membership offering for the social landlord sector		• The associate member fee structure is being reviewed as part of strategy development to ensure that it reflects the value being delivered to high spending members and partners. • An associate member strategy is in development and will be presented to the joint committee in December. • To capitalise on recent engagement with social landlords, a clear membership offering will be developed to the meet the needs of this sector in Q3.
(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	• Host and/or attend forums to gather sector views and share information • Represent the sector within the national public procurement programme • Continue to review engagement plans for Scotland Excel's wider stakeholder landscape		• Scotland Excel is continuing to hold regular meetings and workshops for sector stakeholders. In Q1, this included Commercial UIGs and a procurement capability steering group, as well as attending Scottish Local Government Procurement Forum meetings. • Scotland Excel is continuing to attend represent sector interests at national procurement/commissioning meetings. In Q1, this included government forums for procurement practice and secure care. • Plans for engaging with key organisations in Scotland Excel's wider stakeholder landscape have been developed as part of stakeholder engagement project. A schedule is being developed to support their ongoing review by the Senior Management Team.

Goa1 4: Becoming the partner of choice for delivering shared services

Strategic objectives	
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 and implement an organisation wide rolling resource plan - Develop a recruitment management strategy - Review the careers microsite and develop proposals for improvement/replacement - Develop plans to enhance employee performance management, training and development - Develop proposals for a new staff intranet		- An organisation wide resource planning model has been developed based on the format used for procurement teams. This is currently being tested before roll out. - Recruitment policies have been updated to ensure a consistent approach across the organisation, and will be incorporated into a strategy during Q2. - The careers microsite will be refreshed to reflect the new design of the corporate website during Q2. Opportunities to enhance content and/or functionality will be considered as part of the recruitment strategy. - Following the implementation of an interim performance management programme in 2015-16, a project will be initiated during Q3 to develop and implement a more detailed organisational development strategy. - The SXL intranet is being reviewed as part of the general infrastructure review. A first draft report on infrastructure development proposals will be completed in Q2.
(b) Develop and implement programmes to support the continuous improvement of business performance, systems and processes	- Agree and deliver 2016-17 transformation projects - Develop a proposal for a spend data management and reporting tool		- Four transformation projects – leading change, governance, business intelligence and organisational development – were closed during Q1. The stakeholder engagement and funding projects are continuing into 2016-17, and a second organisational development project will be initiated in November. - Internal workshops were held during Q1 to scope requirements. It has been established that there are a number of data and reporting tools available through a UK Government framework that that may meet requirements and meetings have been set up with three suppliers.

	• Develop a proposal to migrate the ICT infrastructure to a cloud environment • Establish a Policy Review Group to support ongoing procurement policy and process improvements • Continue to develop academic, business and professional partnerships to support innovation and best practice • Develop an action plan to respond to IIP assessment recommendations		• A comprehensive assessment of ICT infrastructure requirements has been undertaken in conjunction with supplier, SCC. Initial costs for migrating to a cloud-based infrastructure exceeded available budget and work is ongoing to consider other options. • A Policy Review Group has been established to continue the work of the governance project team. Terms of reference have been approved and priority areas for initial review are being considered. • Scotland Excel has developed partnerships with five Scottish university business schools and three professional bodies to deliver a blended learning pilot. • Scotland Excel has been awarded a silver standard Investors in People (IIP) accreditation following reassessment in Q1. An action plan will be developed in Q2 to respond the recommendations of the IIP report.	• A comprehensive assessment of ICT infrastructure requirements has been undertaken in conjunction with supplier, SCC. Initial costs for migrating to a cloud-based infrastructure exceeded available budget and work is ongoing to consider other options. • A Policy Review Group has been established to continue the work of the governance project team. Terms of reference have been approved and priority areas for initial review are being considered. • Scotland Excel has developed partnerships with five Scottish university business schools and three professional bodies to deliver a blended learning pilot. • Scotland Excel has been awarded a silver standard Investors in People (IIP) accreditation following reassessment in Q1. An action plan will be developed in Q2 to respond the recommendations of the IIP report.
(c) Ensure that Scotland Excel delivers its plans through effective governance, risk management and policies	• Refresh CEOMG participation and remit • Continue to monitor and update the corporate risk management plan • Develop and implement a rolling plan for updating corporate policies • Produce quarterly performance management reports for governance meetings		• A paper calling for new Chief Executive Officers Management Group (CEOMG) members was presented to SOLACE in May, with nominations closing at the end of June. A change to the remit of this governance group has been proposed to allow a more strategic focus. The proposed membership will be submitted for approval to the executive sub-committee meeting in September. • Scotland Excel's risk management plan continues to be updated on a monthly basis. The format has been adapted to include residual risk and movement in response to feedback from joint committee members. • A review and update of HR policies was completed during Q1. A rolling plan for reviewing all corporate policies is in development. • Quarterly performance management reports are being produced to prove updates on progress against the 2016-17 operating plan. The reports also include corporate KPI infographics.	• A paper calling for new Chief Executive Officers Management Group (CEOMG) members was presented to SOLACE in May, with nominations closing at the end of June. A change to the remit of this governance group has been proposed to allow a more strategic focus. The proposed membership will be submitted for approval to the executive sub-committee meeting in September. • Scotland Excel's risk management plan continues to be updated on a monthly basis. The format has been adapted to include residual risk and movement in response to feedback from joint committee members. • A review and update of HR policies was completed during Q1. A rolling plan for reviewing all corporate policies is in development. • Quarterly performance management reports are being produced to prove updates on progress against the 2016-17 operating plan. The reports also include corporate KPI infographics.

(d) Develop and implement a strategy for gathering, analysing and distributing business intelligence within Scotland Excel and across the sector	• Embed data management processes developed as part of the business intelligence project • Agree feasibility of offering external services in response to the findings of the business intelligence project		• Revised processes including the use of a new Management Information tracker and checklist are in use. • Following completion of the business intelligence project, it has been agreed that there is no opportunity to extend business intelligence services to the sector within the current strategy period due to ICT development constraints.
(e) Develop and implement a clear, transparent and sustainable funding and delivery model for Scotland Excel	• Develop and agree 2017-18 funding proposals at the Dec joint committee • Develop proposals for a flexible associate/partnership resourcing model • Continue to explore options for funding models which support sustainability and growth over the longer term		• Work is underway to produce 2017-18 funding proposals which include an option to use rebates from new Groceries framework to offset a proposed reduction in requisition fees. • A proposal to increase workforce flexibility through ongoing partnerships with procurement/commissioning specialists is in development. This has already proved an efficient way of engaging specialist expertise for social care projects. • Scotland Excel is continuing to explore a range of options for future funding including rebates, associate member income, project-based fee income and other sources.

Report Key	
	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 has been completed and/or is progressing in line with expected/agreed timelines and targets

Key Performance Indicators

KPI	Link to outcomes	Q1 Status
No. & value of contracts delivered v plan	Our services support the effective and efficient delivery of public services	7 contracts delivered, renewed or extended from 26 targeted £712m portfolio value against £770m target by year end
Percentage & value of savings v target (excluding social care)	Our customers are satisfied with our services and achieve a measurable return on their investment	- Average rolling savings of 5.5% achieved during the 2015-18 strategy period against a 5% target £4.46m estimated saving in the last recorded quarter (Jan-Mar 2016)
No. of PCIP assessments completed v schedule	Our expertise supports continuous improvement in procurement performance	5 assessments completed from a schedule of 18
No. of Scottish suppliers & percentage SMEs	Our services help to deliver positive and sustainable outcomes for communities and service users	361 Scottish suppliers of which 75% are SMEs
No. of community benefits realised to date	Our services support the implementation of national and local policy priorities	133 jobs 133 apprenticeships 41,034 hours work experience £30k community/charity initiatives 28k tonnes waste diverted from landfill
Customer satisfaction statistics & trends	Our customers are satisfied with our services and achieve a measurable return on their investment	Available from Q4
Website usage statistics & trends	Our customers receive relevant communication and support	Available from Q2
Media coverage v target	Our reputation demonstrates the value of collaboration	18 media items placed from a target of 25
Income from associate members v target	Our reputation demonstrates the value of collaboration	£58.3k income against a £30k target
Staff turnover v headcount	Our people, policies, processes and technology optimise our value	0% staff turnover 58 permanent staff

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