

To: Joint Committee

On: 17 June 2016

Report by
Director Scotland Excel

Operating Plan 2016-17

1. Purpose of the report

In June 2015, Scotland Excel's Joint Committee approved a new three year strategy and rolling annual operating plan. The plan is reviewed and updated each year to ensure that it remains closely aligned with strategy, and to respond to any changes in the external environment. This report presents the updated operating plan which will guide the projects and activities undertaken by the organisation in 2016-17.

2. Planning methodology

The rolling annual operating plan records the high level activities and commitments that will be delivered to achieve our four strategic goals:



The operating plan is used to set annual priorities from which detailed performance objectives are cascaded to the all staff through Scotland Excel's Performance Review and Development (PRD) programme.

3. Monitoring and reporting

A set of ten key performance indicators (KPIs) will be monitored during 2016-17 to assess our performance in delivering the outcomes supported by our corporate strategy.

- No. & value of contracts delivered v plan
- Percentage & value of savings v target
- No. of PCIP assessments completed v schedule

- No. of Scottish suppliers & percentage SMEs
- No. of Community Benefits realised
- Customer satisfaction statistics & trends
- Website usage statistics & trends
- Media coverage v target
- Income from associate members v target
- Staff turnover v headcount

KPI figures will be updated quarterly and included within reports summarising the progress made against operating plan priorities. These reports will be produced at the end of each quarter and submitted to the Executive Sub-Committee at the 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 and approve the updated operating plan for 2016-17.



Operating Plan

01 April 2016 – 31 March 2017

Introduction

Scotland Excel is the Centre of Procurement Expertise for the local government sector. Established in 2008, we deliver shared services for collaborative procurement, and lead initiatives to increase procurement capability across the sector through learning and development, consultancy and the development of methodologies, tools and guidance to support good practice.

Our contracts and services aim to increase efficiency and ensure money is saved to protect front line public services. Our strategic approach to procurement has supported innovation in service delivery, helped to deliver national and local policies, and brought wider economic, environmental and social benefits to communities through sustainable procurement and supplier development.

In 2015, we published a new three year corporate strategy to underpin the next phase of growth for our organisation, and ensure our long term sustainability as a successful local government shared service. The strategy has been designed to meet current and future requirements of local authorities identified through extensive stakeholder engagement, consultation and research.

Our vision is to be the shared service partner of choice for the local government sector by ensuring that everything we do delivers value to our customers and their communities. The strategy map on page 3 provides an overview of our business goals and strategic objectives, and the full strategy document is available to download from our website.

To support the strategy, we have developed a rolling annual operating plan to record the high level activities and commitments we will deliver to achieve our business goals. The plan is used to set annual priorities and develop detailed action plans for the organisation which are cascaded as annual performance objectives for employees.

This is second iteration of the plan which reflects the progress that has been made over the past year and responds to changes in our external environment. Our annual progress report for 2015-16 provides information on the activities undertaken to date, and can be used to track the evolution of the operating plan.

The operating plan will continue to be reviewed and updated annually to reflect further progress and ensure our strategy remains on track. We will also use these annual reviews to assess what we have achieved in relation to the eight outcomes identified in the strategy map. An assessment for 2015-16 can be found on page 4.

Strategy Map

Vision

To be the shared service partner of choice for the Local Government sector

Mission

To deliver **effective** and **customer-orientated** shared services which support **collaborative, innovative** and **sustainable** public services, add **measurable value** for our customers, and bring **tangible benefits** for local communities and service users.

Values

Professional • Courageous • Respectful • Integrity

Outcomes

Our services support the effective and efficient delivery of public services	Our services support the implementation of national and local policy priorities	Our customers receive relevant communication and support	Our people, policies, processes and technology optimise our value
Our expertise supports continuous improvement in our sector's procurement performance	Our services help to deliver positive and sustainable outcomes for communities and service users	Our reputation demonstrates the value of collaboration	Our customers are satisfied with our services and achieve a measurable return on their investment

Goals

<p>1: Supporting the delivery of better and more effective public services</p> <p>Strategic objectives:</p> <p>1.1 Deliver a range of collaborative procurement and supplier development services which support customers at a strategic and operational level</p> <p>1.2 Deliver a range of shared services which support customers in the development of their professional, organisational and commercial capability</p> <p>1.3 Deliver a range of new shared services which support the effectiveness and efficiency of customer operations</p>	<p>2: Being sustainable in everything we do</p> <p>Strategic objectives:</p> <p>2.1 Work with stakeholders to develop procurement strategies which support the delivery of national and local policy priorities</p> <p>2.2 Deliver positive and measurable social, economic and environmental impact to local communities</p> <p>2.3 Lead and support customers in the development and implementation of best practice in sustainable procurement</p>	<p>3: Placing customers at the heart of our business</p> <p>Strategic objectives:</p> <p>3.1 Work with customers to develop and implement bespoke plans for maximising the value of our services</p> <p>3.2 Develop robust communications strategies which support customer engagement and position Scotland Excel and its customers as leaders in public procurement /shared services</p> <p>3.3 Represent the views and needs of customers in the wider stakeholder environment</p>	<p>4: Becoming the partner of choice for delivering shared services</p> <p>Strategic objectives:</p> <p>4.1 Implement organisational development policies which support a highly skilled, motivated and engaged workforce</p> <p>4.2 Implement best practice processes and technology which support the efficient and effective delivery of services to customers</p> <p>4.3 Implement robust strategies, governance, risk management and funding models which demonstrate a measurable return on investment to customers and secure Scotland Excel's future</p>
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Progress against outcomes

During 2015-16, our activities achieved the following outcomes. A more detailed report on our progress during 2015-16 is published on our website, along with case studies outlining the impact of our work.

<p>Our services support the effective and efficient delivery of public services</p> <ul style="list-style-type: none"> • New contracts delivered for care homes for adults with learning difficulties and buildings related engineering consultancy • Health and social care event held to explore opportunities to provide procurement support to Integrated Joint Boards (IJBs) • Enhanced procurement and contract management provided for the National Care Home Contract 	<p>Our expertise supports continuous improvement in procurement performance</p> <ul style="list-style-type: none"> • 42 training courses delivered to 526 delegates as part of the Enhancing Procurement Capabilities programme • Practitioner workshops held on workforce matters, community benefits, and the European Single Procurement Document • Support provided for local authority procurement transformation programmes
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<p>Our services support the implementation of national and local policy priorities</p> <ul style="list-style-type: none"> • Care home for adults contract developed in line with the national 'Keys to Life' policy • Groceries tender included local produce options to support Scottish SMEs and the national Dairy Action Plan • All suppliers encouraged to pay the Living Wage, and workforce matters scored in tenders where appropriate 	<p>Our services help to deliver positive and sustainable outcomes for communities and service users</p> <ul style="list-style-type: none"> • Community benefits delivered 32 apprenticeships, 12 jobs and 7,515 hours of work experience • £400m spend with Scottish-based suppliers, of which 65% is with SMEs • Community meals contact supports independent living and involved service users in the evaluation
<p>Our customers receive relevant communication and support</p> <ul style="list-style-type: none"> • Scotland Excel News launched to provide regular updates to all stakeholders • Category newsletters re-launched to provide contract updates for procurement and technical stakeholders • Website refresh includes an enhanced contract directory in response to customer feedback 	<p>Our reputation demonstrates the value of collaboration</p> <ul style="list-style-type: none"> • 22 print and online news stories generated by press releases • Scotland Excel staff invited to speak at 11 events and conferences • Winner of 3 categories at the GO Awards (Scotland), and of the National GO Award for Initiative or Innovation of the Year
<p>Our people, policies, processes and technology optimise our value</p> <ul style="list-style-type: none"> • Transformation programme initiated to support improvement in six key business areas • Contract and supplier management programme reviewed to increase efficiency and improve reporting • ICT infrastructure review initiated to ensure optimum technology platform for business efficiency 	<p>Our customers are satisfied with our services and achieve a measurable return on their investment</p> <ul style="list-style-type: none"> • Estimated savings of £15.5m achieved in 2015, representing a return of £5 for every £1 invested in Scotland Excel • Pilot opportunity assessments with 7 councils have identified up to £6m additional savings potential • Review of account management services and reports initiated to improve value to councils

Priorities for 2016-17

Summary of the key activities and commitments we have identified for this year:

<p>Goal 1: Supporting the delivery of better and more effective public services</p> <ul style="list-style-type: none"> • Continue to implement the contract delivery plan to March 2017 and pursue options for extending the plan beyond this date • Pilot and roll out a new approach to Contract and Supplier Management (CSM) • Deliver an integrated programme of supplier development activity including future plans for the Supplier Excellence Awards • Complete the first cycle of national Procurement and Commercial Improvement Programme (PCIP) assessments • Implement a refreshed procurement capability programme aligned to council development needs • Deliver a new learning and development strategy including the roll out of eLearning capability • Develop a strategy for encouraging and supporting new entrants to procurement • Investigate new shared service offerings which provide further efficiencies for members 	<p>Goal 2: Being sustainable in everything we do</p> <ul style="list-style-type: none"> • Continue to implement plans to provide procurement support for Integrated Joint Boards (health and social care) • Continue to provide participating councils with procurement and contract management support for the National Care Home Contract • Develop plans to support the delivery of frameworks for adult supported living and care at home • Continue to support national and local policy initiatives through procurement • Develop a strategy for engaging with supported businesses • Develop enhanced monitoring and reporting for community benefits and local economic impact • Continue to support local government environmental duties and policies • Develop a sustainable procurement strategy and continue to support councils with sustainable procurement practice
<p>Goal 3: Placing customers at the heart of our business</p> <ul style="list-style-type: none"> • Continue to implement a refreshed portfolio of personalised account management services for local authorities • Complete and embed the stakeholder engagement strategy to ensure customers are at the centre of all business activity • Launch and manage the refreshed Scotland Excel website as the organisation's key source of corporate and contract information • Increase the profile of Scotland Excel and our stakeholders through a programme of marketing and communications activity • Develop and implement a strategy for the recruitment and retention of associate members • Continue to develop and strengthen relationships with external stakeholders to represent and champion the views of our sector 	<p>Goal 4: Becoming the partner of choice for delivering shared services</p> <ul style="list-style-type: none"> • Develop and deliver an organisational development strategy to support staff recruitment, retention, performance and engagement • Continue to manage Scotland Excel's transformation programme to support the delivery of corporate strategy and plans • Finalise a rolling plan for reviewing and evaluating key business processes and policies • Continue ICT and systems development to support the delivery of corporate strategy • Continue to review governance arrangements to create a robust framework for delivering the organisation's activities • Continue to implement plans for improving data management and business intelligence • Continue to develop a sustainable funding and delivery model for Scotland Excel

Goal 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	Commitment
(a) Develop and implement a contract plan aligned to the strategic priorities of member authorities	<ul style="list-style-type: none"> Deliver a rolling schedule of new contract opportunities identified and agreed with local authority stakeholders Ensure renewed contracts continue to focus on current strategic priorities Explore new approaches to funding and resourcing emerging procurement opportunities including chargeable services, partnership working and portfolio restructuring Continue to operate a flexible workforce model that allows the pursuit of emerging opportunities to expand the contract portfolio
(b) Develop and implement a strategy and plan for the delivery of contract and supplier management	<ul style="list-style-type: none"> Implement a new approach to Scotland Excel's contract and supplier management (CSM) programme ensuring that the methodology, process and system provide detailed intelligence on contract and supplier performance Continue to produce annual contract management reports for all contracts to support continuous improvement
(c) Develop and implement a strategy and plan for improving supplier performance	<ul style="list-style-type: none"> Deliver an integrated programme of supplier development activity as part of Scotland Excel's CSM model Develop plans to support the long term future of Scotland Excel's Supplier Excellence Awards Identify and work with key suppliers within each category to explore the potential for developing long term partnerships which add value to the solutions they provide to councils
(d) Manage the rollout of a new national procurement capability assessment to the local government sector	<ul style="list-style-type: none"> Complete Procurement and Commercial Capability (PCIP) assessments for participating local authorities by October 2016 Review outputs and work with national procurement partners to agree future plans for capability assessments

<p>(e) Develop and implement a programme to lead and support the development of procurement and commercial capability</p>	<ul style="list-style-type: none"> • Continue to monitor funding and resourcing to support the sustainable delivery of procurement capability and change services to the sector • Develop and deliver a programme of procurement capability and change services, providing customers with a clear menu of inclusive and chargeable services • Deliver an annual conference which supports change and capability within the sector
<p>(f) Develop and implement a 'procurement academy' to support professional capability and encourage new entrants to public procurement</p>	<ul style="list-style-type: none"> • Develop and implement a strategy and model for the delivery of sector training needs, partnering with educational and professional institutes to deliver training, qualifications and continuing professional development (CPD) • Develop and implement a strategy to encourage and support new entrants to public procurement, including graduate trainees and modern apprentices • Continue to develop and implement eLearning capability for the delivery of training, considering the use of external partners where appropriate
<p>(g) Develop and implement a shared service offering for councils which meets their requirements in a changing public sector landscape</p>	<ul style="list-style-type: none"> • Develop and implement a strategy for delivering additional shared services, aligned to customer needs, ensuring that each new service has a clear value proposition and can be delivered effectively and sustainably by Scotland Excel • Develop plans for reinvesting new streams of funding arising from the development of additional services to support the continuous growth of the organisation and infrastructure

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
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	Commitment
(a) Develop and implement strategies for responding to procurement and/or public sector legislation	<ul style="list-style-type: none"> Continue to support our sector in meeting duties arising from the introduction of the new procurement legislation Monitor risks and/or opportunities arising from the local planning aspects of the Community Empowerment Bill Continue to develop plans to engage with Integrated Joint Boards (IJBs) to secure social care procurement opportunities arising from the Public Bodies (Joint Working) Act Continue to support councils with meeting their duties arising from the Waste (Scotland) Regulations through the development and delivery of waste services frameworks
(b) Ensure Scotland Excel's collaborative frameworks support local and national government policy priorities	<ul style="list-style-type: none"> Continue to consider workforce matters in collaborative tenders, monitoring and reporting on supplier Living Wage commitments Continue to consider other policy areas that can be supported through collaborative tenders, (e.g. fairly traded products, health and nutrition, organic and local produce) Continue to develop social care frameworks around national outcomes, (e.g. GIRFEC, Keys to Life) Continue to support the roll out of recommendations arising from the Construction Review
(c) Ensure Scotland Excel's collaborative frameworks support positive local economic outcomes	<ul style="list-style-type: none"> Develop and implement a plan to support participation by local companies in collaborative tenders, providing regular reports to councils on the economic impact delivered for their area Continue to incorporate community benefits in collaborative tenders to support employment, training and social inclusion at a local level Continue to develop Scotland Excel's community benefits tracking system and provide regular reports to local authorities on the impact in their local area Develop a strategy for engaging with supported businesses to increase opportunities for contract participation and/or working with local authorities

<p>(d) Ensure Scotland Excel's collaborative frameworks support local government environmental duties and policies</p>	<ul style="list-style-type: none"> • Continue to implement Scotland Excel's waste category strategy to support local authority compliance with climate change targets and efforts to recover value from waste • Continue to assess and mitigate the environmental impact of collaborative contracts
<p>(e) Champion the development and dissemination of best practice in sustainable procurement</p>	<ul style="list-style-type: none"> • Develop a sustainable procurement strategy to guide and support all aspects of sustainable procurement • Continue to support local authorities with meeting their sustainability duties arising from the introduction of new procurement legislation • Continue to work with partners to develop, deliver and promote tools and guidance which support sustainable procurement practices, (e.g. Flexible Framework) • Continue to monitor, review and report on macro-environmental factors affecting public procurement, sharing intelligence and guidance with local authorities

Goal 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	Commitment
(a) Develop and implement a portfolio of account management services that meet the collective and individual needs of local authority customers	<ul style="list-style-type: none"> Continue to deliver a rolling programme of account management meetings, information and services in line with plans agreed and reviewed annually with each local authority Identify, initiate and support engagement opportunities within local authorities to facilitate awareness, understanding and uptake of Scotland Excel services across council departments Gather, analyse and report on customer intelligence to support Scotland Excel's business decisions and ensure services remain in line with customer requirements
(b) Develop and implement a stakeholder engagement strategy that support the delivery of first class customer experience across all of our services	<ul style="list-style-type: none"> Develop and implement customer service principles for all aspects of our services, ensuring that they are embodied by all Scotland Excel staff Specify and deliver a system/process for managing customer information/preferences, ensuring that all stakeholders receive relevant and timely communication/contact appropriate to their needs Develop a strategy for future web development including an online platform for managing collaboration with customers, facilitating interaction and enabling self-service Implement a customer survey to benchmark satisfaction, identify and respond to opportunities for improvement, and develop a methodology for ongoing monitoring of satisfaction levels. Monitor and manage customer complaints, including regular analysis of data to identify common issues and eliminate root causes of dissatisfaction
(c) Develop and implement a corporate communications strategy that enhances and protects Scotland Excel's corporate reputation	<ul style="list-style-type: none"> Continue to deliver a rolling programme of campaigns, events and activities which market Scotland Excel's services and promote the impact of our work to a wide range of stakeholders Launch Scotland Excel's refreshed website and maintain as the primary source of accurate and up-to-date corporate news and information Continue to identify, monitor and manage all communications risks arising from Scotland Excel's collaborative contracts and/or other business activities

<p>(d) Develop and implement a model for associate members which delivers clear business and financial benefits to Scotland Excel and the membership base</p>	<ul style="list-style-type: none"> • Continue to develop and market a segmented membership offering for existing associate members, with clear costs, benefits and transparency around contract usage • Develop and implement a strategy to identify and secure new associate members to increase contract spend, achieve better pricing/benefits for all members, and generate funding for reinvestment in Scotland Excel
<p>(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</p>	<ul style="list-style-type: none"> • Continue to host and/or attend local authority forums to share information, reach consensus on sector views and secure a mandate to lead/influence on behalf of the sector where appropriate • Continue to represent and champion the views and requirements of the sector within the Public Procurement Reform Programme, and strengthen positive working partnerships with other Centres of Procurement Expertise • Continue to develop and maintain relationships with key national/local bodies or groups that can influence public policy, (e.g. COSLA, Improvement Service, Scottish Care, CCPS, FSB, Chambers of Commerce) • Continue to develop relationships and build influence with key partners and representative bodies for public service areas supported by collaborative procurement, (e.g. SFT, SCOTS, Social Work Scotland, Zero Waste Scotland)

Goal 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	Commitment
(a) Develop and implement a strategy to support staff recruitment, retention, development, performance and engagement	<ul style="list-style-type: none"> Continue to implement rolling workforce forecasts and plans to ensure that Scotland Excel always has the right mix of people and skills to deliver its corporate strategy and operational plans Continue to develop and implement a recruitment management strategy, including the implementation of a new careers microsite and effective candidate management processes Develop and implement an employee performance management policy and process which ensures that all job descriptions, competencies and behaviours are clearly aligned with Scotland Excel's vision, mission, values and plans Continue to implement employee development plans which are clearly aligned to identified corporate and personal training needs, offer a route to career progression, support staff retention and ensure effective succession planning Develop and implement an employee engagement and reward strategy to support staff motivation, retention, communication and wellbeing
(b) Develop and implement programmes to support the continuous improvement of business performance, systems and processes	<ul style="list-style-type: none"> Review and manage Scotland Excel's transformation programme to ensure it continues to support the delivery of the 2015-18 corporate strategy and operational plans Continue to develop and implement a programme of ICT and systems development to support the delivery of business activities identified in the 2015-18 corporate strategy, operational plans and the transformation programme Continue to establish an information ICT infrastructure to support organisational flexibility and growth, and provide efficient and effective support for all technologies utilised Create a quality assurance forum and develop a rolling plan for reviewing and evaluating key business processes Continue to build relationships with academic, business and professional partners which support the development and sharing of innovation and best practice Retain Investors in People (IIP) and Chartered Institute of Procurement and Supply (CIPS) accreditation, and seek accreditation for other areas of the business as appropriate

<p>(c) Ensure that Scotland Excel delivers its plans through effective governance, risk management and policies</p>	<ul style="list-style-type: none"> • Continue to review and update Scotland Excel's governance model to ensure that it provides the optimum level of oversight of the organisation's performance and business activities • Continue to review and report on identified corporate and contract risks in line with Scotland Excel's risk management methodology and plan • Continue to develop and implement a rolling plan for reviewing Scotland Excel's corporate policies to ensure they provide an appropriate and supportive framework for business activities and performance • Implement performance monitoring and reporting procedures to facilitate the provision of regular reports on all aspects of business performance
<p>(d) Develop and implement a strategy for gathering, analysing and distributing business intelligence within Scotland Excel and across the sector</p>	<ul style="list-style-type: none"> • Continue to manage data, information and intelligence across the organisation, ensuring that all staff have access to the knowledge they require to deliver their goals • Continue to investigate opportunities for extending business intelligence services to local authority customers, ensuring a clear value proposition that can be delivered effectively and sustainably by Scotland Excel
<p>(e) Develop and implement a clear, transparent and sustainable funding and delivery model for Scotland Excel</p>	<ul style="list-style-type: none"> • Continue to develop and implement a transparent funding model, based around core and chargeable services, to finance the organisation between 2015 and 2018 • Continue to review Scotland Excel's business delivery model, ensuring that all fixed and operational costs return optimal efficiency and value for money • Continue to explore opportunities for securing and managing rebates and/or supplier levies from collaborative contracts on behalf of councils to support reinvestment in Scotland Excel's future growth • Complete ongoing reviews of the funding and business delivery models, incorporating costs and revenues from the launch of new shared services as appropriate

Measuring performance

A set of ten key performance indicators (KPIs) will be monitored during 2016-17 to assess our performance in delivering against the outcomes supported by our corporate strategy. These are listed below, aligned to the most relevant outcome, and updates will be reported quarterly. Actions identified from our operating plan which do not have a quantifiable KPI measure will also be reported on a quarterly basis.

Key performance indicators	Link to outcomes
No. & value of contracts delivered v plan	<ul style="list-style-type: none"> • Our services support the effective and efficient delivery of public services
Percentage & value of savings v target ¹	<ul style="list-style-type: none"> • Our customers are satisfied with our services and achieve a measurable return on their investment
No. of PCIP assessments completed v schedule	<ul style="list-style-type: none"> • Our expertise supports continuous improvement in procurement performance
No. of Scottish suppliers & percentage SMEs	<ul style="list-style-type: none"> • Our services help to deliver positive and sustainable outcomes for communities and service users
No. of Community Benefits	<ul style="list-style-type: none"> • Our services support the implementation of national and local policy priorities
Customer satisfaction statistics & trends ²	<ul style="list-style-type: none"> • Our customers are satisfied with our services and achieve a measurable return on their investment
Website usage statistics & trends	<ul style="list-style-type: none"> • Our customers receive relevant communication and support
Media coverage v target	<ul style="list-style-type: none"> • Our reputation demonstrates the value of collaboration
Income from associate members v target	<ul style="list-style-type: none"> • Our reputation demonstrates the value of collaboration
Staff turnover v headcount	<ul style="list-style-type: none"> • Our people, policies, processes and technology optimise our value

¹ Excluding social care

² Benchmark will be set in 2016-17 and monitored thereafter