

Scotland Excel

To: Joint Committee

On: 16 June 2023

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

Procurement Commercial Improvement Programme (PCIP) Update

1. Introduction

This report provides an update on the status of the work undertaken by Scotland Excel to support councils with the Procurement Commercial Improvement Programme (PCIP).

2. Background

The Procurement and Commercial Improvement Programme was introduced in 2015 and is a maturity model designed to assess Scottish public sector procurement performance in a common format.

The annual assessments set out to build foundations of good public sector procurement and to signpost good practice. The assessments were demonstrably at the heart of procurement improvements across Scotland.

The PCIP is a continuation of the work undertaken by the Procurement Capability Assessment (PCA) carried out on an annual basis since 2008 until introduction of the PCIP. PCIP focuses on the policies and procedures driving procurement performance and the results they deliver.

PCIP Pulse Check is due to commence in 2023, with the offer of a new approach to further support the sector. This PCIP Pulse Check focuses on the policies and procedures driving procurement performance and, more importantly, the results they deliver. These pulse checks are undertaken with the assumption that the foundation elements identified and implemented since The McClelland report remain in place within organisations.

For PCIP Pulse Check, an assessment model has been developed which offers a reduced question set and streamlined process for organisations whilst still assessing and supporting current procurement priorities. This hybrid model allows for greater flexibility and consists of a blended question set that can be tailored by the assessing CoE to the organisation and the sectoral context.

The model consists of eleven mandatory questions and nine discretionary questions.

The questions, at the point of publication of this report, are enclosed in appendix 1. Each question has four levels that an organisation may indicate it has achieved and will be assessed on the day. The levels are:

1. Developing
2. Improving
3. Good Practice
4. Advanced

Further information on the PCIP can be obtained at the Scottish Government website: <https://www.procurementjourney.scot/pcip/pcip-overview>

3. PCIP Assessments 2023/24

Scotland Excel has worked with colleagues within Scottish Government and in conjunction with other public sector centres of expertise to consider the assessment route for 2023/24. Assessments will be undertaken between October 2023 and the end of March 2024.

Working with our own Procurement Improvement Steering Group, made up of local government procurement managers, we have discussed and agreed the route forward for the sector.

Of the thirty-two councils, eight have opted to not participate in the next tranche of assessments. Generally, these councils have made a strategic decision to focus their limited resources on more pressing matters. Irrespective of participation, all good practice and learning gathered as a result of the assessments will be shared with all members.

The eight councils are:

Angus Council
East Ayrshire Council
East Dunbartonshire Council
The Moray Council
Perth & Kinross Council
Shetland Islands Council
South Lanarkshire Council
West Dunbartonshire Council

- 3.1 A number of councils have volunteered to undertake pilot assessments over the coming months. Output from these pilot sessions will be shared with the wider community.
- 3.2 Most councils have asked for their assessments to be conducted at the end of the assessment period. To support this, Scotland Excel will assess using multiple teams and aim to undertake most assessments in February 24 and March 24. All councils who have requested this will be randomly allocated an assessment week over this period.

- 3.3 Scotland Excel will immediately undertake a series of workshops across the sector to review typical evidence and to discuss each of the mandatory questions as a group to achieve a common understanding.
- 3.4 Scotland Excel will explore the use and support of the additional voluntary questions and agree a route forward for these.
- 3.5 The sector has agreed to proceed with assessments on the understanding that council level results will not be shared beyond individual councils. Sector reporting, where possible, will be shared beyond individual councils.
- 3.6 Suitable output will be provided by Scotland Excel at a council level. Unlike previous PCIPs, there is no overall score that an organisation can compare with other organisations or sectors. Any comparisons will have to be undertaken based on the four levels indicated in section 2 above.
- 3.7 One of the main benefits of sectoral assessment is the location and signposting of good practice. This will be a key aim of this assessment cycle.

4. Recommendation

The members of the Joint Committee are invited to note Scotland Excel's progress in supporting sectoral procurement assessments and that a subsequent report on findings will be presented to the Executive Sub and Joint Committee in June 24.

Appendix 1

<p>Procurement Influence (Previously 1.2)</p> <p>What level of influence does your procurement function have over routine and major procurement activity? What does your procurement function deliver to your organisation</p>	<p>Procurement professionals set all sourcing procedures.</p> <p>Procurement procedures and national policy are being adhered to</p> <p>All influenceable spend has had Procurement input helping to deliver sustainable and wider socio-economic outcomes. Relevant support can be found here https://bit.ly/3bj05tF</p>
<p>Procurement Strategy (Previously 1.3)</p> <p>In what ways is your organisation's procurement strategy linked to your organisation's corporate strategy? Where applicable is this procurement strategy delivering the sector's strategic objectives?</p>	<p>This is to demonstrate that your procurement function:</p> <ul style="list-style-type: none"> - understand their sector environment - how they help your organisation deliver its objectives, embedding wider national ambitions, such as climate. <p>Is this procurement strategy delivering the sector's strategic objectives? e.g. demonstrating compliance using the recent sustainable procurement SPPNs (that address supply chain diversity, social impact, fair work, climate and circular economy in procurement) and the sustainable procurement tools to focus on your local priorities in a relevant and proportionate way so that the organisation has an audit trail of how they have captured and addressed the right elements at in the right projects</p>
<p>Learning & Skills: Capability (Previously 1.5)</p> <p>What does the organisation do to develop existing procurement individuals and future talent?</p>	<p>The organisation can provide evidence of what they do to develop existing procurement individuals and also future talent.</p>
<p>Risk Management (Previously 1.7)</p> <p>What is the organisation's approach to managing risk and contingency planning within procurement activity?</p> <p>Project Team agreement to stay as previous cycle.</p>	<p>The corporate level understands how procurement risks affect the organisation and manages them well</p> <p>There is a clear understanding of why a Counter Fraud Strategy (CFS) is required, with controls in place.</p>
<p>Commercial Awareness & Acumen (Previously 1.9)</p> <p>What does the organisation do to promote commercial competence and ensure it is embedded within its organisation and culture?</p>	<p>The direction of travel for procurement is that we need much more focus on commercial acumen; judgement and negotiation skills than on process & procedures. We need to keep up - Thinking commercially and spend wisely.</p> <p>This should be wider then just Procurement in L2, L3 & HPA.</p>
<p>Continuous Improvement of Procurement Activity (Previously 1.10)</p> <p>What does your organisation do to drive continuous improvement in its procurement activity?</p>	<p>The organisation measures performance. The organisation seeks to improve procurement activities, processes and procedures</p>

<p>Climate Change (New Question)</p> <p>Does your organisation embed climate and circular economy considerations into your corporate procurement strategy and delivery?</p> <p>Does your Senior Management actively measure and recognise the positive environmental impact that procurement can make in a planned, organisational approach?</p> <p>Are progress and achievements included in your organisation's annual procurement reports?</p>	<p>You and your organisation have a responsibility to understand the climate emergency agenda; to be climate/ carbon literate; and to have an appreciation of how contracting activity can support net-zero aspirations throughout the contract lifecycle, using the national tools and support available and maximising engagement with supply chains.</p>
<p>Implementation & Exit Strategies, Life Cycle Planning (Previously 2.4)</p> <p>How does your organisation use implementation plans and exit strategies efficiently?</p>	<p>Ensure new contracts will be: - successfully implemented - drive maximum benefits (timescales, uptake etc.). Show consideration has been given to the end of an agreement</p>
<p>Contract & Supplier Management (Previously 3.1)</p> <p>What does your organisation do to manage contracts and suppliers?</p>	<p>Your organisation can demonstrate: - an understanding of who your key suppliers are - how suppliers should be managed - the benefits from contract and supplier management</p> <p>With evidence of CSM being used to drive compliance with Ts & Cs and delivery of targeted outcomes – i.e. prompt payment through the supply chain; climate; etc.</p>
<p>Contractual Obligations & Additional Benefits (Previously 3.2)</p> <p>What does your organisation do to work with suppliers throughout the life of a contract?</p> <p>How do these activities: - ensure contractual obligations are met? -identify and deliver additional benefits to both parties?</p>	<p>Firstly ensure suppliers are delivering what has been agreed. Then move towards continuous improvement and partnership models to drive additional value.</p>
<p>Lessons Learned (Previously 3.5)</p> <p>What benefits have been delivered through reviewing lessons learned from procurement exercises?</p>	<p>Reviewing, collating and distributing lessons learned as part of continuous improvement.</p> <p>Lessons learned have been applied and shared across similar organisations to maximise cross sectoral benefits.</p>