

Scotland Excel

To: Joint Committee

On: 21 June 2024

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

Procurement Commercial Improvement Programme (PCIP) Update

1. Introduction

This report provides an update on the results 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.

The PCIP Pulse Check assessment programme commenced in August with the offer of a new approach to further support the sector. The 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 Centre of Expertise to the organisation and the sectoral context.

The model consists of eleven mandatory questions and nine discretionary questions. A number of these questions are from the previous assessment however some questions have additional elements included within the evidence criteria and an additional question focussed on climate. No council opted to utilise the discretionary questions.

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 Area
2. Improving Area
3. Good Practice Area
4. Advanced Practice Area

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

- 3.1 Scotland Excel worked with colleagues within Scottish Government and in conjunction with other public sector centres of expertise to consider the assessment route for 2023/24.
- 3.2 Of the thirty-two councils, twelve opted not to participate in the assessments. Generally, these councils 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. A list of participating councils is provided in Appendix 1.
- 3.3 Four councils volunteered to undertake pilot assessments and these took place before the end of the year. Learnings from all of these assessments were shared with the wider community.
- 3.4 The sector 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.
- 3.5 Throughout August, September and October last 2023, Scotland Excel undertook a series of workshops across the sector during which typical evidence was reviewed and each of the mandatory questions were discussed as a group to achieve a common understanding. These workshops were well attended and well received.
- 3.6 Suitable output is being provided by Scotland Excel at a council level. Unlike previous PCIPs, there is no score for each question and therefore no overall score that an organisation can compare with previous assessments or other organisations, or sectors. Any comparisons will have to be undertaken based on the four levels indicated in section 2 above.
- 3.7 Assessments have now completed although detailed reporting to each council is still underway.

4. Results

- 4.1 The initial sectoral results are shown in Diagram 1. This shows the number of councils achieving each of the four assessment levels (Developing, Improving, Good Practice and Advanced Practice) per question.
- 4.2 Each question is evidence based and comprises a number of required elements to achieve the level. Failure to evidence any of the elements typically means the organisation has not achieved the level.
- 4.3 The highest performing area for the sector is **Procurement influence** with 12 councils (60%) scoring the highest level. This question seeks to understand the level of influence the procurement function has over routine and major procurement activity.
- 4.4 **Procurement Strategy** was a strong area for many of the councils assessed. This shows that procurement team plans and objectives are closely linked with the overall council direction.
- 4.5 The area with the weakest performance is **Contract and Supplier Management**. This has always been a challenging area and suffered further during the pandemic period where focus was moved onto other priority areas. For this question, eight of the twenty councils (40%) were at the lower level of assessment.
- 4.6 The assessment of **contractual obligations** is strongly linked to contract and supplier management and therefore has a similar negative result.
- 4.7 For all areas of assessment, there are a number of councils achieving “Advanced Practice”, the highest level, and therefore affords the opportunity for sharing of best practice across the sector.
- 4.8 Statistical comparison with previous assessments is not possible due to the changing nature of the PCIP. Individual discussions have however taken place with councils where clear improvement has been evidenced.
- 4.9 A number of procurement teams invited other internal council colleagues to present evidence which was a useful practice overall. This was more evident with commissioning colleagues in a number of councils also joining the day.

Diagram 1



5. Sharing Best Practice and Development

- 5.1 One of the main benefits of sectoral assessment is the collection, sharing, and signposting of best practice. This is a key aim of this assessment cycle and Scotland Excel will be scheduling four workshops over the coming months to do this. Councils scoring Advanced Practice will be invited to share their methods with the wider local government procurement community.
- 5.2 Councils who undertook the assessment recorded actions that they felt could support development within the team or wider organisation. These will augment existing development plans.
- 5.3 The results of the assessments will support the delivery of any future development activities including skills development delivered by The Scotland Excel Academy.

6. Recommendation

The members of the Joint Committee are invited to note Scotland Excel’s progress in supporting sectoral assessment and community development.

Appendix 1

The following councils undertook an assessment:

ABERDEEN CITY COUNCIL
ABERDEENSHIRE COUNCIL
ARGYLL & BUTE COUNCIL
DUMFRIES & GALLOWAY COUNCIL
DUNDEE CITY COUNCIL
EAST LoTHIAN COUNCIL
EAST RENFREWSHIRE COUNCIL
EDINBURGH CITY COUNCIL
FALKIRK COUNCIL
FIFE COUNCIL
GLASGOW CITY COUNCIL
HIGHLAND COUNCIL
INVERCLYDE COUNCIL
NORTH AYRSHIRE COUNCIL
NORTH LANARKSHIRE COUNCIL
ORKNEY COUNCIL
RENFREWSHIRE COUNCIL
SCOTTISH BORDERS COUNCIL
STIRLING COUNCIL
WEST LoTHIAN COUNCIL