

## Scotland Excel

To: **Joint Committee**

On: **08 December 2017**

**Report  
by  
Director Scotland Excel**

### **Procurement Commercial Improvement Programme (PCIP) Update**

#### **1. Introduction**

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

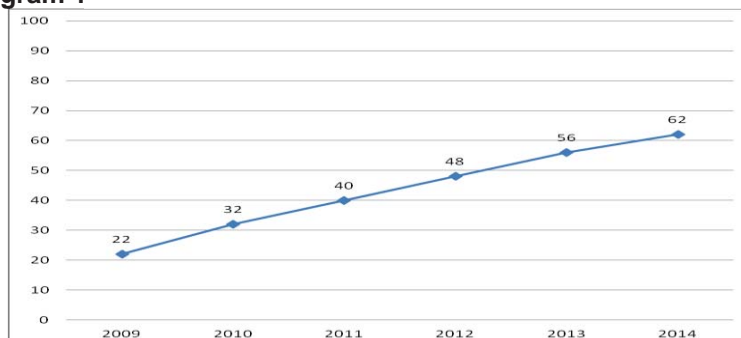
#### **2. Background**

Recognising the new membership of the Joint Committee, a more detailed background on procurement assessment and the journey to PCIP has been provided.

Part of Scotland Excel's remit is to work with councils to support them in improving procurement capability and performance. Between 2009 and 2014 Scotland Excel carried out Procurement Capability Assessments (PCA) across local government to measure organizational procurement performance. The PCA was a nationally developed maturity model designed to assess Scottish public sector procurement performance in a common format. The results of the assessments provided a rich source of information to help individual, sectoral and national organisations develop plans to improve procurement performance.

By 2014 councils had made significant improvements in its procurement performance since the PCA was first introduced in 2009. Diagram 1 provides a representation of the scores achieved by councils and the good progress made.

**Diagram 1**



After completion of the 2014 assessments, the sector average was 62% compared to an average of 22% in 2009.

Recognising the need to further improve procurement capability, a national working group involving Scotland Excel, other centers of expertise and Scottish Government developed a replacement for the PCA. The PCIP builds on the good work done to date with a continued focus on driving improvement and encouraging the sharing of good practices.

A number of changes emerged from the new model of assessment:

- A new and reduced question set;
- Each organization to undertake two assessments by June 2019;
- A new assessment methodology including the provision of information in advance of the assessment day;
- Use of a lite, medium and full assessment;
- Introduction of a new level 4 representing High Performance within the Full assessment.

A significant change between the PCA and the PCIP is the scoring bands (shown in Table 1 and which are **not** comparable between the two assessment methods. This is an important differentiator and therefore comparison between the last PCA score in 2014 and the PCIP score cannot be made.

**Table 1**

Full Assessment Performance Bandings	
Current Performance Band	% Score
F1	>70%
F2	66<->69%
F3	61<->65%
F4	56<->60%
F5	51<->55%
F6	46<->50%
F7	41<->45%
F8	36<->40%
F9	31<->35%
F10	26<->30%
F11	20<->25%
F12/Non-Conformance	<19%

<https://www.procurementjourney.scot/step-5-pcip-finalisation-bandings>

### 3. Assessments

The first PCIP assessments were carried out in 2016 with 16 councils undertaking assessments. The remaining councils choose, for various reasons, to delay their assessments until 2017.

As of 10th November 2017, 31 councils have undertaken a PCIP assessment, with the remaining one assessment due to take place by the end of December.

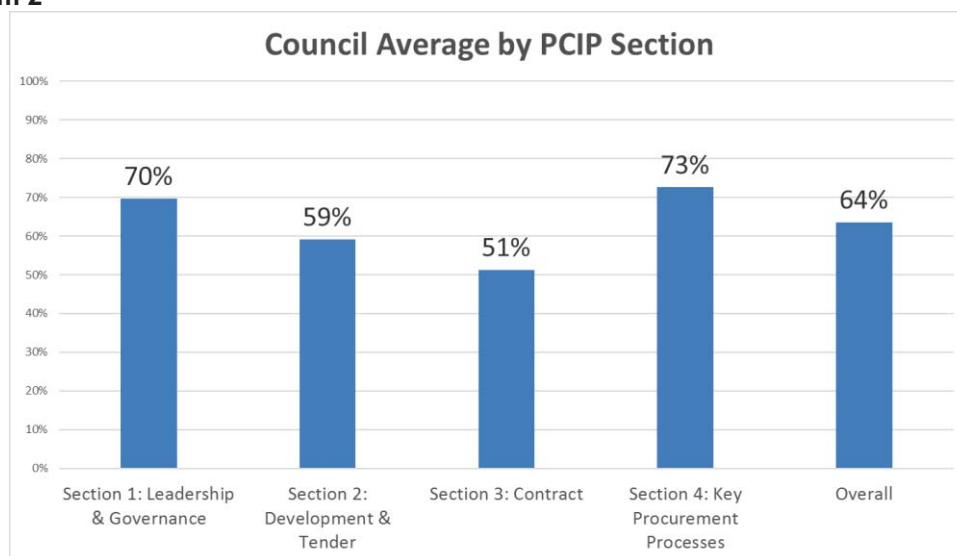
The average assessment score across the local government sector is 64% (Band F3). However, as of 10th November 2017, 35% of councils scored in the top performance band (F1) and no councils scored in the bottom five performance bands (F8-12). A summary of the results from the 31 assessments to completed date is shown below:

**Table 2**

Performance Band	Number of councils
<b>F1</b>	11
<b>F2</b>	2
<b>F3</b>	7
<b>F4</b>	5
<b>F5</b>	1
<b>F6</b>	4
<b>F7</b>	1

A breakdown of the average scores across the local government sector for each section of the PCIP assessment is shown in Diagram 2.

**Diagram 2**



As Diagram 2 shows, the key areas of development for the sector are the Development & Tender and Contract sections. The assessments have highlighted the following specific priority areas for development:

- Managing contracts and suppliers, including ensuring contractual obligations are met and additional benefits are both identified and delivered;
- Contract implementation plans and exit strategies;
- Delivering benefits from reviewing lessons learned from previous procurements;
- Securing benefits from demand management;
- Developing and using evaluation criteria to secure positive long term outcomes;

Over the last six months, alongside the completion of the assessments, officers have developed and delivered a programme of support focused on addressing the emerging areas of improvement identified through the PCIP. Building on the work undertaken previously by our Business Change Project Managers, this has included:

- Delivery of four practitioner workshops, with a further three to be delivered by the end of December 2017;
- Delivery of one expert master class, with a series of others planned in the coming months;
- Leading on the delivering of two cross-sector workshops focused on exploring and addressing key issues in contract and supplier management;
- Facilitating the sharing of good practice identified through the PCIP and supporting collaboration across the sector;

Work is currently underway to develop and deliver further support to the sector to enable councils to change and improve in response to the PCIP assessments.

#### **4. Recommendation**

Members are invited to note the progress of the 2017 PCIP programme.