

Scotland Excel

To: Joint Committee

On: 6 December 2019

**Report
By:
Director 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 PCIP is a continuation of the work undertaken by the Procurement Capability Assessment 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 first round of PCIP assessments was carried out with all 32 Councils in 2016/17. Following this, a lessons learned and consultation exercise was carried out with key stakeholders including the Procurement Improvement Programme (PIP) Steering Group to inform the approach for the next round scheduled for 2018/19.

The outcome of this was for two assessment routes to be offered to Councils in 2018/19: the existing full assessment route and a streamlined Focussed Assessment route. Any Councils that scored below 55% in the 2016/17 assessment were automatically subject to the full assessment. The Focussed Assessment was designed to maintain a proportionate balance between the resources required to undertake assessment, the need to maintain rigour and consistency, and the ability to support continuous improvement.

Following selection of the assessment routes, 25 Councils were subject to Focussed Assessment and 7 to the Full Assessment.

3. Results

Following 32 completed assessments in 2018/19, the average assessment score across the local government sector is 70% (Band F1), an increase from 64% (Band F3) in the 2016/17 assessments. The number of councils achieving 70% or above has increased to 17.

PCIP is a common benchmarking tool across the public sector and national comparisons will be available on completion by all sectors, expected by March 2020.

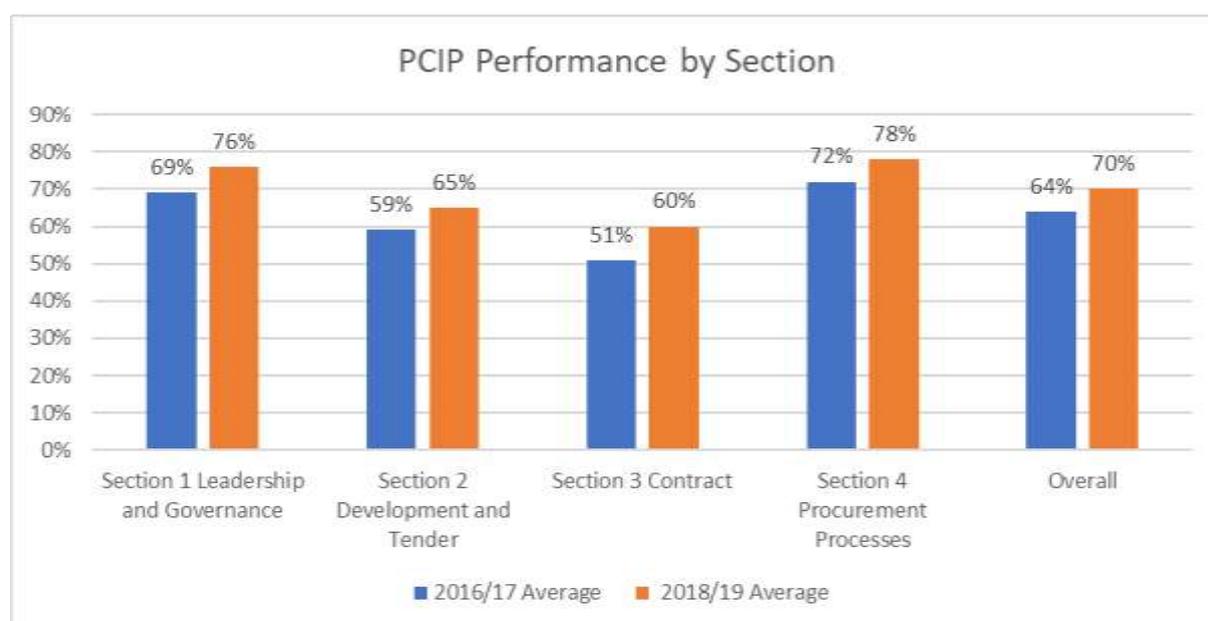
A summary of the profile of the number of Councils and performance band comparing 2016/17 and 2018/19 assessments is shown in table 1 below:

Table 1

| Performance Band | Number of Councils 2016/17 | Number of Councils 2018/19 |
|------------------|----------------------------|----------------------------|
| F1 (>70%) | 11 | 17 |
| F2 (66<->69%) | 2 | 6 |
| F3 (61<->65%) | 7 | 4 |
| F4 (56<->60%) | 5 | 1 |
| F5 (51<->55%) | 1 | 2 |
| F6 (46<->50%) | 5 | 2 |
| F7 (41<->45%) | 1 | 0 |
| Total | 32 | 32 |

A breakdown of the average scores across the local government sector for each section of the PCIP assessment comparing 2016/17 and 2018/19 is shown in Diagram 1 below:

Diagram 1



As Diagram 1 shows, the key development areas for the sector are the Development & Tender and Contract sections. Over the last 2 years, officers have implemented a programme of support focused on addressing the areas of improvement identified through PCIP including:

- Business Change Projects focussing on Contract and Supplier Management; Demand Management; and Support and Guidance
- Targeted Support – it is Scotland Excel’s aspiration to support councils in achieving performance Band F2 & F1 and we are providing targeted support to this group of councils to help them improve prior to the next PCIP assessment
- Workshops and masterclasses – covering a range of issues identified as key challenges across the sector including Contract and Supplier Management; Demand Management; Indexation; Project Development and Control and Working with Stakeholders
- Accredited work-based learning and development through the Scotland Excel Academy including accredited qualifications.

Work is ongoing with the PIP Steering Group to continue to develop and deliver further support to the sector to enable councils to change and improve in response to the PCIP assessments.

The Focussed Assessment approach delivered in 2018/19 was well received by Councils, with feedback on the proportionate resource requirements for the assessment and the focussed discussions on assessment day.

Scotland Excel will work with Councils, Scottish Government and other Centres of Expertise to share lessons from the 2018/19 programme and ensure that future programmes maintain value and meet the needs and aspirations of the local government sector. A workshop, including representatives from councils, is being scheduled by Scottish Government to help inform the future direction of PCIP 2021.

4. Recommendation

Members are invited to note the progress and completion of the local government sector 2018/19 PCIP programme.