

## WEST DUNBARTONSHIRE COUNCIL

### Report by the Interim Executive Director of Corporate Services Corporate and Efficient Governance Committee: 18 January 2012

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**Subject: Procurement Best Practice Indicators 2010/11**

#### **1. Purpose**

- 1.1** This report advises Members of Procurement Best Practice Indicators (BPIs) that have been produced for the year 2010/2011.

#### **2. Background**

- 2.1** BPIs for Public Procurement in Scotland were first introduced by the Scottish Government in May 2008. The objective of the Indicators is to enable organisations to track their procurement performance and deliver measurable improvements over time.
- 2.2** Data is input through a web based reporting tool in the Scottish Procurement Information Hub. This allows organisations to track their own progress over time and to make comparisons with other public sector organisations.
- 2.3** The 2007/08 and 2008/09 indicators were reported to the Corporate & Efficient Governance Committee for the first time in May 2010. The 2009/10 indicators were reported in February 2011.

#### **3. Main Issues**

- 3.1** Thirteen BPIs and one financial index have been compiled and the results for 2010/11 are contained in Appendix 1, together with last year's results for comparison purposes. As well as the WDC results, the appendix also shows the number of Councils that provided a response, the average result for the group that responded and WDC's ranking within the group.
- 3.2** It should be noted that these are not statutory performance indicators. They are produced so that individual bodies can measure their own performance and demonstrate improvements over time. Two of the indicators (BPI4 and FI1) were key corporate indicators for 2010/11 and were included in the overall report to Council in August 2011. From 2011/12 onwards, BPIs 1a and 5 will be the key corporate indicators for procurement.
- 3.3** It should also be noted that the gaps in the numbering system (2, 3 and 6) relate to the following three indicators which are not yet operational through the hub:
- BPI2 - Overall satisfaction score from Customer Satisfaction Survey
  - BPI3 - Overall satisfaction score from Supplier Satisfaction Survey
  - BPI6 - % of scorecard BPIs that show improvement since the previous report.

**3.4** It is encouraging that results for 2010/11 have improved in 7 of the 14 indicators since 2009/10. 3 have stayed the same and 4 have shown a decline. 3 of the 4 have declined by less than 1% however the notes below give reasons for this.

**3.4.1** BPI 1b Annual non cash saving achieved as a % of core spend (-0.39%)  
In 2009/10, non cash savings of £324,000 were reported in the annual efficiency statement. This represented 0.39% of the total core spend of £82.8 million. These were cost avoidance savings resulting from the Council not having to carry out full tendering processes for 72 different commodities that were tendered collaboratively. No non cash savings were reported in the 2010/11 statement.

**3.4.2** BPI 4 Annual Spend with collaborative contracted suppliers as a % of core spend (-0.54%)

The actual value of spend through collaborative contracts has increased from £8.7 million in 2009/10 to £9.1 million in 2010/11 however the baseline core spend figure has increased more significantly from £82.8 million to £91.1 million. This has resulted in a slightly reduced percentage figure.

**3.4.3** BPI 8 - % of Procurement staff in training (-16.67%)

In 2009/10, four of the six Procurement staff were undergoing training however one member of staff subsequently completed his studies and qualified MCIPS. This has resulted in an increase in BPI 7a but a decrease in BPI 8.

**3.4.4** F11 – Cost of Procurement as a % of total spend (-0.01%)

The cost of Procurement staff in 2009/10 was £251,413 which represented 0.30% of the total core spend of £87.8 million. The staff costs in 2010/11 were £263,686 which represents 0.29% of the total core spend of £91.1 million.

**3.5** It is also encouraging that in 8 of the 15 indicators, the Council's results for 2010/11 are better than the group average.

## **4. People Implications**

**4.1** There are no personnel issues associated with this report.

## **5. Financial Implications**

**5.1** There are no financial implications associated with this report.

## **6. Risk Analysis**

**6.1** The main risk associated with the Best Practice Indicators is being unable to show continuous performance improvement. The Council's Procurement Operating Model is being reviewed in the current year and this will take account of the need to demonstrate ongoing improvements in these areas.

## **7. Equalities Impact Assessment (EIA)**

**7.1** No significant issues were identified in a screening for potential equality impact of these indicators.

## **8. Strategic Assessment**

- 8.1** Effective procurement can make a positive contribution towards all of the Council's strategic priorities. The BPIs are a means of measuring how effectively procurement is being carried out.

## **9. Conclusions and Recommendations**

- 9.1** The Procurement BPIs for 2010/11 show a positive, improving picture in most areas and it will be necessary to monitor these trends as we move forward with the revised procurement operating model to ensure continuous improvement.
- 9.2** Members are asked to note the contents of this report and Appendix 1.

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Date: 12 December 2011

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<b>Appendices:</b>	Appendix 1 - West Dunbartonshire Council – Procurement Best Practice Indicators 2009/10 and 2010/11
<b>Background Papers:</b>	“Procurement Best Practice Indicators 2007/08 and 2008/09”. Corporate and Efficient Governance Committee 26 <sup>th</sup> May 2010.  “Procurement Best Practice Indicators 2009/10”. Corporate and Efficient Governance Committee 16 <sup>th</sup> February 2011
<b>Wards Affected:</b>	All

BPI no.	Description	2009/10				2010/11				WDC Result Trend	Comparison with group average
		WDC Result	No. authorities responding	Group Average	WDC Ranking in Group	WDC Result	No. authorities responding	Group Average	WDC Ranking in Group		
		%		%		%		%		%	%
1a	Annual Cash Saving achieved as % of Core Spend	<b>0.54</b>	<b>13</b>	<b>0.78</b>	<b>6</b>	<b>0.70</b>	<b>19</b>	<b>1.64</b>	<b>11</b>	<b>+0.16</b>	<b>-0.94</b>
1b	Annual Non Cash Saving achieved as % of Core Spend	<b>0.39</b>	<b>13</b>	<b>0.10</b>	<b>1</b>	<b>0</b>	<b>19</b>	<b>0.07</b>	<b>10E</b>	<b>-0.39</b>	<b>-0.07</b>
4	Annual Spend with Collaborative Contracted Suppliers as % of Core Spend	<b>10.48</b>	<b>22</b>	<b>6.50</b>	<b>4</b>	<b>9.94</b>	<b>31</b>	<b>7.72</b>	<b>8</b>	<b>-0.54</b>	<b>+2.22</b>
5	Annual Spend with Contracted Suppliers as % of Core Spend	<b>43.67</b>	<b>24</b>	<b>31.39</b>	<b>8</b>	<b>51.93</b>	<b>31</b>	<b>35.52</b>	<b>8</b>	<b>+8.26</b>	<b>+16.41</b>
7a	% of Procurement Staff MCIPS Qualified	<b>16.67</b>	<b>13</b>	<b>20.47</b>	<b>9</b>	<b>33.33</b>	<b>17</b>	<b>27.76</b>	<b>4</b>	<b>+16.66</b>	<b>+5.57</b>
7b	% of Procurement Staff with Appropriate Qualification	<b>50.00</b>	<b>13</b>	<b>32.11</b>	<b>4</b>	<b>83.33</b>	<b>17</b>	<b>63.45</b>	<b>7</b>	<b>+33.33</b>	<b>+19.88</b>
7c	% of spend actively influenced by Procurement staff	<b>16.26</b>	<b>13</b>	<b>44.73</b>	<b>11</b>	<b>24.22</b>	<b>19</b>	<b>52.92</b>	<b>15</b>	<b>+7.96</b>	<b>-28.7</b>
8	% of Procurement staff in training	<b>66.67</b>	<b>11</b>	<b>32.60</b>	<b>2</b>	<b>50.00</b>	<b>17</b>	<b>33.29</b>	<b>6</b>	<b>-16.67</b>	<b>+16.71</b>
9a	% of Contract Notices Published Electronically	<b>100.00</b>	<b>14</b>	<b>91.96</b>	<b>1E</b>	<b>100.00</b>	<b>19</b>	<b>94.09</b>	<b>1E</b>	<b>0.00</b>	<b>+5.91</b>
9b	% of Contract Award Notices Published Electronically	<b>100.00</b>	<b>14</b>	<b>97.67</b>	<b>1E</b>	<b>100.00</b>	<b>19</b>	<b>91.11</b>	<b>1E</b>	<b>0.00</b>	<b>+8.89</b>
9c	% of tenders managed electronically	<b>0.00</b>	<b>10</b>	<b>48.15</b>	<b>11E</b>	<b>0.00</b>	<b>19</b>	<b>44.61</b>	<b>12E</b>	<b>0.00</b>	<b>-44.61</b>
9d	% of transactions carried out electronically	<b>11.99</b>	<b>14</b>	<b>34.50</b>	<b>11</b>	<b>29.63</b>	<b>19</b>	<b>28.10</b>	<b>8</b>	<b>+17.64</b>	<b>+1.53</b>
9e	% of payments carried out electronically	<b>11.99</b>	<b>14</b>	<b>17.49</b>	<b>7</b>	<b>19.36</b>	<b>20</b>	<b>22.01</b>	<b>8</b>	<b>+7.37</b>	<b>-2.65</b>
F11	Cost of Procurement as a % of total spend	<b>0.30</b>	<b>13</b>	<b>0.41</b>	<b>9</b>	<b>0.29</b>	<b>20</b>	<b>0.5</b>	<b>12E</b>	<b>-0.01</b>	<b>-0.21</b>

