

**WEST DUNBARTONSHIRE COUNCIL**  
**Report by the Executive Director of Corporate Services**  
**Corporate & Efficient Governance Committee – 26 May 2010**

---

**Subject: Procurement Best Practice Indicators 2007/08 and 2008/09**

**1. Purpose**

- 1.1 This report advises Members of Procurement Best Practice Indicators (BPIs) that have been produced for the years 2007/08 and 2008/09.

**2. Background**

- 2.1 BPIs for Public Procurement in Scotland were first introduced by the Scottish Government in May 2008. The fundamental objective of the indicators is to enable organisations to track their procurement performance and deliver measurable improvements over time.

- 2.2 The indicators were developed by a cross public sector working group over the following three areas:

Core deliverables i.e. high level strategic objectives for public procurement;  
Key processes that have to be undertaken to achieve these objectives;  
Organisational capacity i.e. resources needed to do the job properly.

- 2.3 Data is input through a web based reporting tool which is part of the Scottish Procurement Information Hub. This allows organisations to track their own progress over time and to make comparisons with other public sector organisations.
- 2.4 Gathering of data to produce these BPIs has been onerous and time consuming because it is not readily available from Council systems. The Procurement Unit is working towards streamlining the information gathering process to make future reporting less onerous. The number of local authorities submitting BPI data has reduced considerably in 2008/09 and it is encouraging that we have been able to do so.
- 2.5 The 2007/08 indicators were not reported to Committee because it took longer than expected to gather the data and it was decided to consolidate it with the 2008/09 data to enable comparisons to be made. It is planned to start gathering data for the 2009/10 indicators as soon as possible so that these can be reported more promptly.

**3. Main Issues**

- 3.1 Thirteen Best Practice Indicators and two financial indices have been compiled and the results for 2007/08 and 2008/09 are contained in Appendix 1. The table shows both the 2007/08 and 2008/09 results for WDC in each of the BPIs gathered. It also shows the number of Councils that provided a response, the average result for the group that responded and the comparative trend.

**3.2** It should be noted that these are not statutory performance indicators and results are not published. They are produced so that individual bodies can measure their own performance and demonstrate improvements over time.

**3.3** It should also be noted that the gaps in the numbering system (2, 3 and 6) relate to the following indicators for which data was not readily available

- Overall satisfaction score from customer satisfaction survey
- Overall satisfaction score from supplier satisfaction survey

Standard customer and supplier satisfaction questionnaires have been developed and are currently being tested. It is anticipated that the first round of surveys will take place in May 2010 and these will be automatically generated by the Hub and sent to a sample of users whose e-mail addresses are provided by the Council. It is hoped that these results can be reported with the 2009/10 indicators.

- % of scorecard BPIs that show improvement since the previous report.

Not yet released – due to be included with Observatory re-release in the next few weeks.

**3.4** Ten out of the fifteen indicators for 2008/09 show a sustained or improving trend when compared with the previous year's performance. The five indicators which show a decline are discussed further below:

**3.4.1** BPI 1 Annual Cash Saving achieved as % of Core Spend

The reported cash savings for 2007/08 (£681,868) included £450,000 savings from the re-negotiated insurance contract. This scale of savings from a single procurement project is unusual and it would be difficult to sustain this level of saving year on year. The savings in 2008/09 were £403,532 and included a range of projects with individual savings figures ranging from £1,000 to £65,000. It should also be noted that the overall respondent group average in 2008/09 was 0.41% as opposed to 0.83% the previous year. This perhaps suggests that "quick wins" achieved in Year 1 were not able to be sustained.

**3.4.2** BPIs 7a, 7b and 8 – Staff Qualifications and Training

Although the number of staff qualified and/or working towards qualification through training were the same in both years, the total number of Procurement staff increased from 5 to 6 with the setting up of the e Procurement Team and back filling of posts in Corporate Procurement. This resulted in the relative percentages falling slightly in each case. However, it is encouraging that we have exceeded the group averages in BPIs 7b and 8. Also, three of the Procurement Team expect to qualify MCIPS by 2011/12 at the latest so BPI7a will improve in future years.

**3.4.3 Financial Index 1 - Cost of Procurement as a % of total spend,**

Although the cost of Procurement staffing in 2008/09 was higher than in 2007/08 to reflect the additional staffing investment, the total spend baseline was also higher as the supplier payment categories in scope were reviewed in 2008/09.

**3.5** Two of these BPIs – Annual Spend through collaborative contracts and Total cost of the Procurement function as a % of organisational spend are included in the Corporate Services indicators which have recently been input into Covalent.

**4. Personnel Issues**

**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 Indicators is being unable to demonstrate 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**

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

**8. Conclusions and Recommendations**

**8.1** The Procurement BPIs for 2008/09 show a positive, improving picture in most areas and it will be necessary to ensure that this trend continues under the revised Procurement arrangements. Steps will be taken to improve the information gathering processes so that results can be reported more promptly in future.

**8.2** Members are asked to note the contents of this report and Appendix 1.

.....  
**Joyce White**  
**Executive Director of Corporate Services**  
**Date: 7 May 2010**

---

**Person to Contact:** Alison Wood, Corporate Procurement Team Leader –  
Corporate Services Department. Garshake HQ,  
Telephone: (01389) 737664  
e-mail: [alison.wood@west-dunbarton.gov.uk](mailto:alison.wood@west-dunbarton.gov.uk)

**Appendices:** West Dunbartonshire Council – Procurement Best Practice  
Indicators 2007/08 and 2008/09

**Background Papers:** None

**Wards Affected:** All

BP I no.	Description	2007/08				2008/09				WDC Result Trend
		WDC Result	Respondent Group Average	No. authorities in group	WDC Ranking in Group	WDC Result	Respondent Group Average	No. authorities in group	WDC Ranking in Group	
		%	%			%	%			%
1	Annual Cash Saving achieved as % of Core Spend	<b>0.92</b>	<b>0.83</b>	<b>16</b>	<b>7</b>	<b>0.46</b>	<b>0.41</b>	<b>8</b>	<b>5</b>	<b>-0.46</b>
1	Annual Non Cash Saving achieved as % of Core Spend	<b>0.00</b>	<b>0.18</b>	<b>16</b>	<b>10E</b>	<b>0.04</b>	<b>0.14</b>	<b>8</b>	<b>4</b>	<b>0.04</b>
4	Annual Spend with Collaborative Contracted Suppliers as % of Core Spend	<b>9.40</b>	<b>8.15</b>	<b>24</b>	<b>9</b>	<b>12.27</b>	<b>7.57</b>	<b>13</b>	<b>3</b>	<b>2.87</b>
5	Annual Spend with Contracted Suppliers as % of Core Spend	<b>15.96</b>	<b>22.69</b>	<b>24</b>	<b>17</b>	<b>33.56</b>	<b>29.29</b>	<b>14</b>	<b>5</b>	<b>17.60</b>
7a	% of Procurement Staff MCIPS Qualified	<b>20.00</b>	<b>21.52</b>	<b>20</b>	<b>12</b>	<b>16.67</b>	<b>22.89</b>	<b>10</b>	<b>8</b>	<b>-3.33</b>
7b	% of Procurement Staff with Appropriate Qualification	<b>60.00</b>	<b>40.64</b>	<b>26</b>	<b>6</b>	<b>50.00</b>	<b>44.71</b>	<b>10</b>	<b>4</b>	<b>-10.00</b>
7c	% of spend actively influenced by Procurement staff	<b>0.24</b>	<b>41.00</b>	<b>15</b>	<b>15</b>	<b>17.52</b>	<b>50.83</b>	<b>7</b>	<b>5</b>	<b>17.28</b>
8	% of Procurement staff in training	<b>60.00</b>	<b>27.73</b>	<b>20</b>	<b>1</b>	<b>45.83</b>	<b>22.18</b>	<b>10</b>	<b>1</b>	<b>-14.17</b>
9a	% of Contract Notices Published Electronically	<b>100.00</b>	<b>83.28</b>	<b>20</b>	<b>1E</b>	<b>100.00</b>	<b>97.74</b>	<b>11</b>	<b>1E</b>	<b>0.00</b>
9b	% of Contract Award Notices Published Electronically	<b>100.00</b>	<b>83.94</b>	<b>19</b>	<b>1E</b>	<b>100.00</b>	<b>94.65</b>	<b>11</b>	<b>1E</b>	<b>0.00</b>
9c	% of tenders managed electronically	<b>0.00</b>	<b>18.89</b>	<b>19</b>	<b>10E</b>	<b>0.00</b>	<b>43.96</b>	<b>11</b>	<b>8E</b>	<b>0.00</b>
9d	% of transactions carried out electronically	<b>0.95</b>	<b>25.39</b>	<b>20</b>	<b>15</b>	<b>2.62</b>	<b>25.45</b>	<b>11</b>	<b>10</b>	<b>1.67</b>
9e	% of payments carried out electronically	<b>0.95</b>	<b>15.45</b>	<b>24</b>	<b>15</b>	<b>2.62</b>	<b>18.73</b>	<b>10</b>	<b>6</b>	<b>1.67</b>
FI1	Cost of Procurement as a % of total spend	<b>0.27</b>	<b>0.33</b>	<b>20</b>	<b>11</b>	<b>0.25</b>	<b>0.43</b>	<b>8</b>	<b>5</b>	<b>-0.02</b>
FI2	No of Procurement staff (FTE)	<b>5.00</b>	<b>13.24</b>	<b>24</b>	<b>18</b>	<b>6.00</b>	<b>14.12</b>	<b>11</b>	<b>10</b>	<b>1.00</b>

