

## Procurement

These pages contain performance information relating to Inverclyde Council's procurement practice to allow you to assess how we are performing in this area.

To find out more about the Council's procurement practices, please follow the web link below:  
[Inverclyde Council Procurement](#). You can view our Procurement Strategy by clicking on the link below:  
[Inverclyde Council Procurement Strategy](#)

### Performance Overview 2017/18

The Procurement Capability Assessment has been replaced by the Procurement and Commercial Improvement Programme (PCIP) which has a different criteria and scoring mechanism. A second audit of the Council's procurement service under the PCIP was carried out in November 2018 and a score of 69% was achieved; and improvement of 3% on the previous score.

The 2016/18 savings target of £28,000 has been achieved.

Inverclyde had the thirteenth highest procurement spend on local small and medium enterprises in Scotland.

### Procurement Workstream Savings

The Council sets procurement workstream savings targets and progress on this is reported to Committee. The Council's procurement services continues to look for further savings in conjunction with colleagues from Services and continue to look for possible opportunities in national as well as local collaborative contracts with neighbouring Councils.

### Workstream Savings Summary 2016/18

The Council's 2016/18 budget contained a £28,000 savings target which has been achieved.

	Annual Spend	Achieved or Planned	Projected 2014/16 savings	Full year savings
Water	£400,000	Achieved	£3,000	£6,000
High Volume Print	£60,000	Achieved	£2,000	£2,000
Stationery	£170,000	Achieved	£12,000	£20,000

Savings are now harder to achieve as the cycle of procurement improvement has come to an end and the uncertain economic environment has left to a higher likelihood of higher priced contracts. Procurement will continue to seek Best Value and assist services in seeking savings via innovation and strategic change. Innovations such as the use of changing technology in street lighting and Social Care have demonstrated ways to achieve more value for money and officers will continue to seek better ways to do business.

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## Procurement Capability Assessment 2018

The Procurement Capability Assessment (PCA) was replaced in 2016 by the Procurement & Commercial Improvement Programme (PCIP). The PCIP focuses on the policies and procedures driving procurement performance and more importantly, the results they deliver.

Inverclyde was most recently assessed under this framework in November 2018 and achieved a score of 69%, an improvement of 3% on 2016 performance.

The Council's Procurement Strategy is linked to the areas that can be improved and progress on the associated actions will see further improvement in the 2018 score.

## Local and SME Spend

The 2017/18 spend with SMEs has decreased by 1% to 59% while the local suppliers spend remained the same at 29%. The Council's total procurement spend is roughly £100M per year so a 1% change is equivalent to £1m

In order to provide context for these figures, Inverclyde Council's spend with its local suppliers comes 14<sup>th</sup> in comparison to the same measurement at all 32 Local Authorities, the highest figure being 45% and the lowest 9%.

As expected, the Local Authorities with the highest spend percentage are the largest cities with a high availability of local suppliers and also the island and rural authorities. The high costs of travel make it prohibitive for non-local suppliers to win contracts in rural and island communities. It would also be expected that large cities would have a high percentage of work being undertaken by their resident suppliers as they have the diverse range and volume of suppliers to support their requirements.

Inverclyde has a higher percentage spend with local suppliers than 18 other Councils. The Councils with a higher percentage include Glasgow, Edinburgh, the Highlands and Shetland. These figures do not indicate that Inverclyde has a significant issue in terms of abnormally low spend with its local suppliers.

## Percentage of procurement spend on local small / medium enterprises (LGBF)

This indicator is part of the Local Government Benchmarking Framework and is a measure of the proportion of procurement spend that is targeted at small and medium enterprises.

This indicator only includes enterprises defined as 'core trade' i.e. where the councils spend is over £1,000. The size of the enterprise is defined by the number of employees, large = 250 and above whilst small / medium = 1 to 249.

In 2017/18, Inverclyde had a higher proportion of procurement spend on small and medium enterprises than the national average.

Out of Scotland's 32 local authorities, Inverclyde had the 13<sup>th</sup> highest level of spend.

