

## **General Update on Changes to the Procurement Capability Assessments (PCAs) and Best Practice Indicators (BPIs) Programmes.**

### **Background**

The University and College sectors across Scotland had raised concerns in relation to the Scottish Government Procurement Capability Assessments (PCAs) and Best Practice Indicators (BPIs) programmes. APUC in Q3 last year took on the responsibility of representing the sectors' concerns and entered into dialogue with the Scottish Government to secure changes to these programmes to deal with the matters raised.

The PCA programme, despite original misgivings, has been well received in the University and College sectors with the overwhelming feedback being that institutional staff involved felt that it was a useful and value adding exercise. The results have helped to show the sectors in a very positive light, with a higher percentage of spend in the combined University and College sectors being in the Conformance or above scoring level than any other publicly funded sector in Scotland. However, the issues raised were still felt to be relevant so focus remained on resolving them.

Significant work has gone into moving these matters forward over recent months, this letter therefore is to provide you with the outcomes of this work. To start at the beginning, the concerns raised at a high level were:

#### **PCAs**

- Many of the Questions were not worded to enable easy contextualisation within the college and University sectors (they were based on an NHS model);
- The scale of the exercise (and the resulting work required of institutions to take part in the exercise) was not proportionate to the spend – 78 areas of review seemed excessive for organisations with limited non-pay spend;
- The frequency of annual reviews was felt not to give enough time to make material improvements to some areas of procurement performance.

#### **BPIs**

- The wording of some of the BPIs did not relate clearly to best practice and did not take account of the broader sector procurement model in place, for example the shared service facility provided by APUC, so in some cases it assumed institution's procurement resource to be an isolated resource;
- The work required in gathering and reporting BPIs was not proportionate to the level of spend;
- The quarterly frequency of reporting was overly onerous and added no value to most institutions due to the termly spend profiles of universities and colleges;
- Data that had not changed still had to be re-entered for each period, needlessly consuming institutional resources.

### **Changes Agreed**

After much hard work in addressing these issues, changes to both these programmes in how they apply to the University and College sectors has been reached, initially provisionally with the relevant officers within the Scottish Government's Procurement Directorate (SPD) and then

formally through the Public Procurement Reform Board and the Cabinet Minister, John Swinney MSP.

The changes that have been agreed to can be summarised as the following:

#### PCAs

- A process is now well under way to reword and reformat the PCA questions which will improve their relevance to the way that purchasing takes place in the University and College sectors. This is being done in partnership with the other publicly funded sectors including agreeing common improved wording to ensure that cross sector comparisons can still take place.
- Three different approaches to PCA management will be put in place for the 2010/11 year: (1) an improved format for the larger institutions (representing 77% of spend), albeit a full PCA will be applicable; (2) a much shorter version of the PCA (to be known as "PCA Lite") for most other institutions; and (3) an informal process using the APUC account manager model for the smallest institutions.
- No concessions on the frequency of annual reviews was reached at this time, partly it is felt due to the pressure on public finances and the increased focus that will be placed on effective procurement. However, it has not been permanently removed from the agenda and in the meantime, APUC will work with institutions to make the 2010/11 PCA as low impact as possible by undertaking the assessments in a way that allows as much as possible of the work done in prep for the 2009/10 assessments to be utilised again in 2010/11.

#### BPIs

- As with the PCA programme, a process is now well under way to reword and reformat the BPI's text which will improve their relevance to the way that purchasing takes place in the University and College sectors, but again, in partnership with the other publicly funded sectors;
- Two different approaches are now in place for BPI gathering. For the larger half of the combined University and College sectors (representing 90% of spend), while completion of data on the Scottish Government Hub will still be required, this has moved from a mandatory quarterly basis to only once per year (but retaining the option for the few institutions that wish to input data quarterly to still do so), after year-end each year.
- The technology will also be updated on the Hub so that data that had not changed can be rolled over to the next period, thus avoiding the needless waste of resources in keying in identical data.
- The other 50 % of institutions (representing of course the remaining 10% of sector spend), will no longer be part of the Hub data gathering exercise, instead a more informal approach to gathering of a smaller data-set will be managed through the APUC account management team (supported by the APUC eSolutions team) and through the PCA Lite process.

Letters are now being sent to all institutions identifying the level of engagement in each of the programmes which will be requested of them going forward, based on their spend profiles. In the meantime, please contact your APUC Client Account Manager or the following for more information:

PCAs: Stephen Connor on [sconnor@apuc-scot.ac.uk](mailto:sconnor@apuc-scot.ac.uk) – tel: 0131 442 8954

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