

Policy & Resources Scrutiny Committee – 9th June 2009

**Procurement Services
Performance Summary
31st March 2009**

Learning & Growth – there are 10 measures in this section. Apart from sickness absence, all other indicators are measured on a yearly basis.	
What we are doing well	<ul style="list-style-type: none"> • Short term absence routinely performs well against the corporate target of 4%. • 100% of PDR's were undertaken on 2008/09. • Long term sickness levels have improved compared to last years average figure of 4.35%, and has now fallen to 1.22%. • There are 10 staff with a CIPS qualification, three more than at this time last year. • 94% of staff within the service feel that they are an integral part of the team, although this is lower than the 100% achieved last year. • 100% of staff within the service feel that the service to clients is improving and that Procurement Services is a good employer. • The % Corporate Spend on local SME's has risen to 62.32% compared to 49% in 2007/08. This is well over the target of 50%.
Where we need to improve	<ul style="list-style-type: none"> • Although the % framework agreements are only just below target at 72.50%, performance is also below last year's performance of 86%.
Finance – there are 6 indicators under this objective, 5 are reported yearly.	
What we are doing well	<ul style="list-style-type: none"> • The average invoice value is £842.52 at year end, well above the target of £100. In most circumstances wherever possible, we should ensure that invoices are consolidated to reduce transaction costs. Organisations should therefore expect to see an increase in the average value of their invoices over time. • The target for savings on total spend was 2%, actual performance was 5.44% at year end. A good performance, but slightly less than the 8.2% reported last year.
Where we need to improve	<ul style="list-style-type: none"> • There is no data for the average cost of raising an order.

Internal process – this objective contains 12 indicators and there is a good mixture of reporting frequencies. Three of the indicators are also reported at officer level.

What we are doing well

- The % of Contracts that are issued within 5 days of commencement reached 96% at the end of the year, well above the target of 90%. This is a dramatic increase compared to last year's performance of 54.6%.
- Purchase requisitions or sales actioned and orders issued within 4 days routinely performed at a consistently high level at either just above or below the target of 99%.
- 62.97% of orders were placed electronically at the end of the year. The target of 75% has only been achieved on one occasion during the year. Although this appears to be some way short of the target, this indicator is linked to the % of orders placed via fax directly from a PC, which was 26.21% at year end. Combining performance of both indicators performance would hit almost 90%.
- The number of local suppliers requesting documents has exceeded the target throughout the year, with 104 more suppliers requesting documents than expected. This figure is also 125 higher than last year.
- The number of local suppliers invited to tender has also increased this year, with over 100 more suppliers invited to tender.
- Number of local suppliers awarded contracts has also exceeded the target and improved upon last year's performance with a total of 185 local suppliers awarded contracts within the year. Again this is an improvement compared to last year.
- Full implementation of P3 e-procurement achieved 96% of the 100% target. Although the target has been missed, performance has improved since last year when implementation stood at 90%.
- The average time spend on structured training Procurement related issues was 3.53%. This is a new indicator for 2008/09.

Where we need to improve

- Amendments issued to contracts 5 days before the commencement of the contract failed to reach the target of 100%, dropping to 79% at the end of the year. Performance in 2007/08 was 100%.
- At the end of the year only 0.5% of corporate spend was made via procurement cards, failing to reach the target of 6.5%.
- The % of Corporate Spend via electronic orders is red when compared to the target of 20%. However, performance has more than doubled compared to last year.

Customer – there are 6 indicators under this objective

What we are doing well

- 88% of customers questioned stated that they used Procurement Services over the year.
- 100% stated that they were satisfied with the services provided and the professional advice given.
- 100% of those questioned said that they were satisfied with the Corporate Procurement Function.
- 24.17% framework agreements and contracts were awarded following best practice on sustainable procurement, this is well above the target of 8%. This is the first time this indicator has been updated.

<p>Where we need to improve</p>	<ul style="list-style-type: none"> The number of products or specifications changed due to environmental alternatives being available has been red all year, failing to reach that target of 10. However this is an improvement on last years figure of 3.
<p>Value for Money The service is a member of the CIPFA Value for Money Benchmarking Club. The data reported in the table is for 2007/08. Data for 2008/09 will be reported to CIPFA in January 2010. Performance has also been compared with the median.</p>	
<p>What we are doing well</p>	<ul style="list-style-type: none"> It is expected that the cost of the Procurement Services as a % of organisational costs should reduce over time as the service becomes more cost-effective. Over the past year performance has remained consistent and has met the target set by the service. However, the reported figure of 0.32% is greater than the median of 0.22%. The cost of Procurement as a % of non-pay spend has gone down to 0.40%, this is an improvement compared to previous performance and is also lower than the median. Non-pay spend includes goods, services, works and utilities. It excludes employee costs, grants, trust payments and other non-controllable payments to other government departmental bodies. Actual spend against pre-established contacts was not reported last time, but has now been reported at 46.3%, which is more than the target of 40%. The median is slightly higher at 56.9%. The % of non-pay spend managed by Professionals has risen to 49.5% compared to 20% when reported last time. This is a considerable improvement, and is now only slightly below the median of 53.2%. The % of professionally qualified employees narrowly failed to reach the target of 68% and has remained consistent over the two year period. This figure is also better than the median of 42% Of the top 10 suppliers, 10 have framework agreements. The % of non-pay spend through SME's has risen to 48.60% when reported this time, an improvement on the 43.40% previously reported and much higher than the median of 25%. % of non-pay spend through collaborative agreements has been reported for the first time at 15.4%, above the target of 10% and above the median of 11.6%. % of non-pay spend represented by top 20% suppliers has risen from 20% to 96.20% since last reported. This is well above the target of 40% and a massive increase compared to the previous year. It would be useful if the service provided comments on why the increase has been so dramatic. % of non pay managed via e purchasing is 19%, almost 3 times greater than the figure reported previously of 6%.
<p>Where we need to improve</p>	<ul style="list-style-type: none"> The % savings for the 5 largest Procurement projects was not collected previously, and has reached 13.90%, only just failing to meet the target of 16% and slightly below the median of 17.3%.
<p>Scorecard Management and Use The card is routinely updated and has a good balance of measures and frequency of reporting. A number of indicators are reported on a monthly basis and at officer level, giving individuals an opportunity to look at the own performance against certain indicators.</p>	