PMA+ Report Final
Sirius Test - JR
Assessment Date: June, 2023
Assessor: Judith Russell

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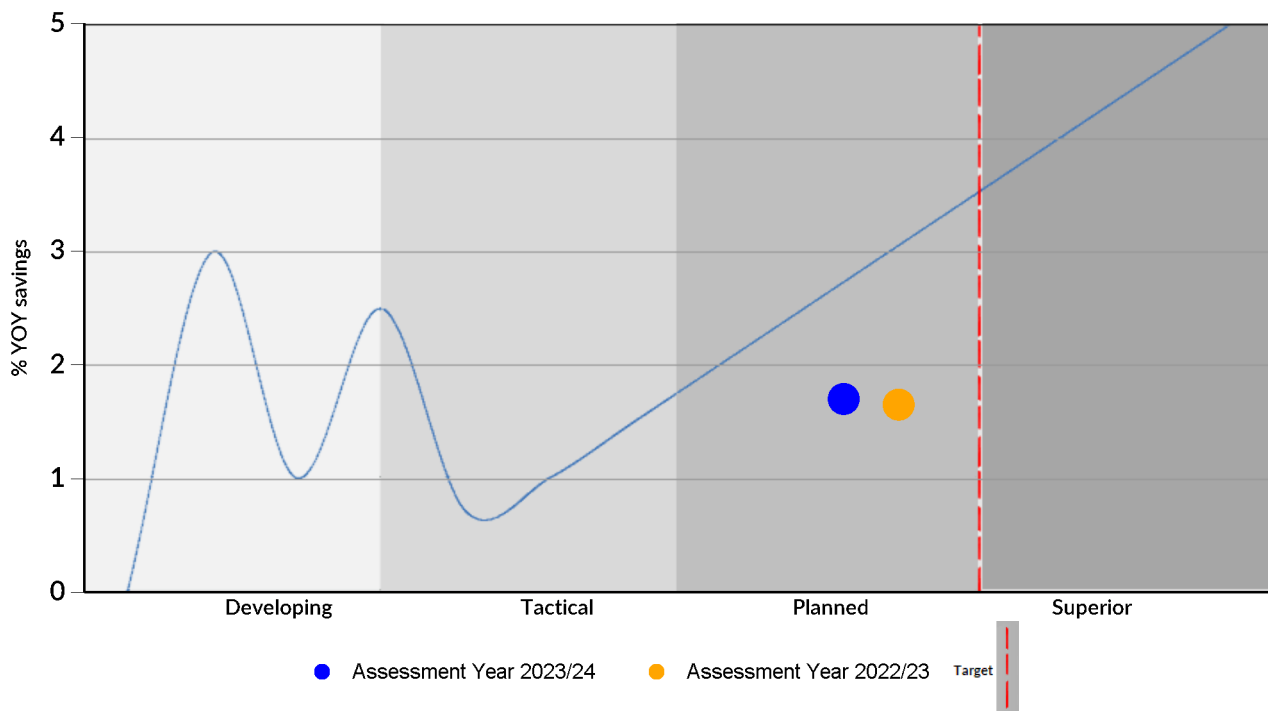
Sirius Test - JR

1.   Executive Summary

This assessment framework has been refreshed to reflect the importance and adoption of best practice of Responsible Procurement across procurement activities in the sector.

- Your organisation has been assessed as being in the **Planned** phase of procurement maturity.
- Your score of 69% is marked by the orange circle in Figure 1.
- This is in the **upper middle** quartile for procurement effectiveness.

An organisation in the sector of similar size to yours should be aiming to operate in the upper quartile and regularly be delivering cost savings in excess of 5% each year. Your savings this year were recorded as 1.65%.

If your organisation was operating at the Best Practice Indicator target of 3.5% savings then additional savings of £1,572,500 per annum would be released. However, an organisation in the sector of similar size to yours should be aiming to operate in the upper quartile and regularly be delivering cost savings in excess of 5% each year, then additional savings in excess of £2,847,500 per annum would be released.

Figure 1: Sirius Test - JR's position on the Maturity Curve

The level of procurement maturity heavily influences the ongoing procurement savings that an organisation will achieve. The characteristics of each stage are in Appendix A. Procurement in the superior stage sees a fully resourced team operating as a strategic function, fully utilising advanced systems and engaged in supplier and category management. At this stage savings are typically reaching 5% - 10% on a year-by-year basis.

Sirius Test - JR achieved savings this year of 1.65%.

2. Sirius Test - JR's position compared to the Sector
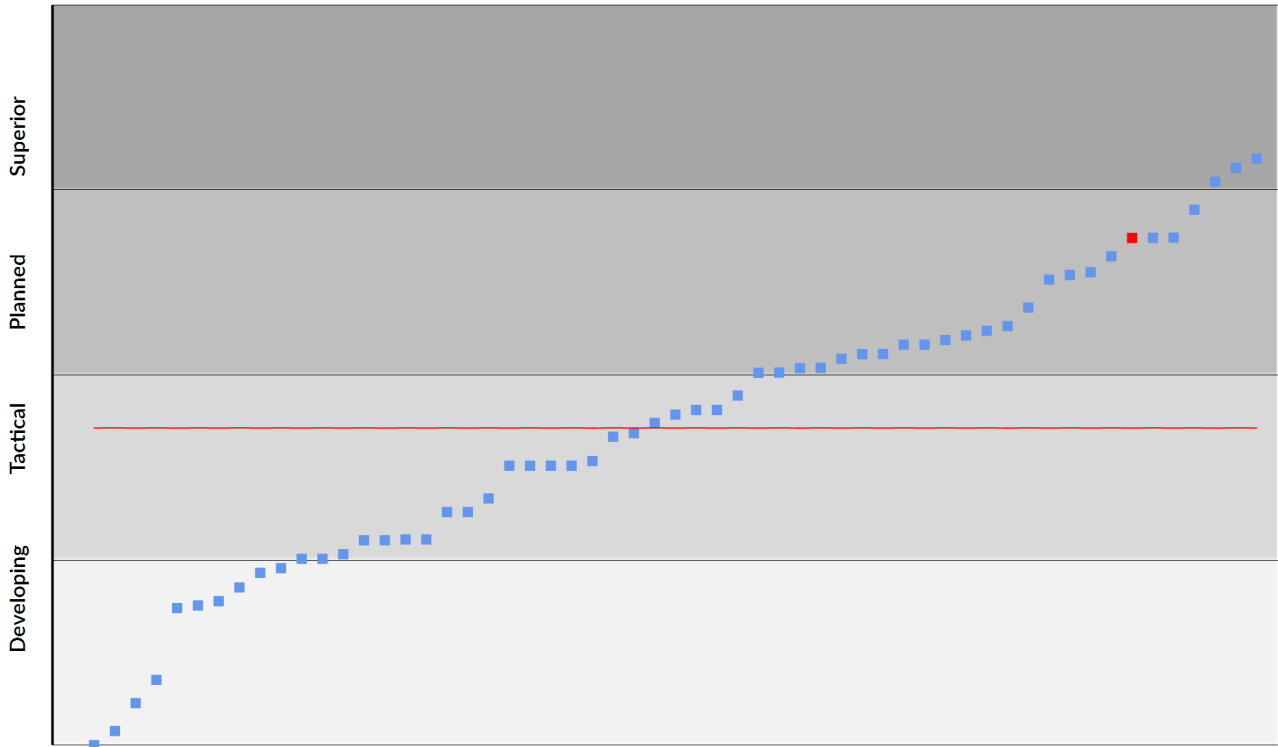
Figure 2: Sector Position

Figure 2 shows the latest level of maturity for large organisations.

Your position is marked by the red square and shows that you are operating above average (as indicated by the red line) for your size grouping.

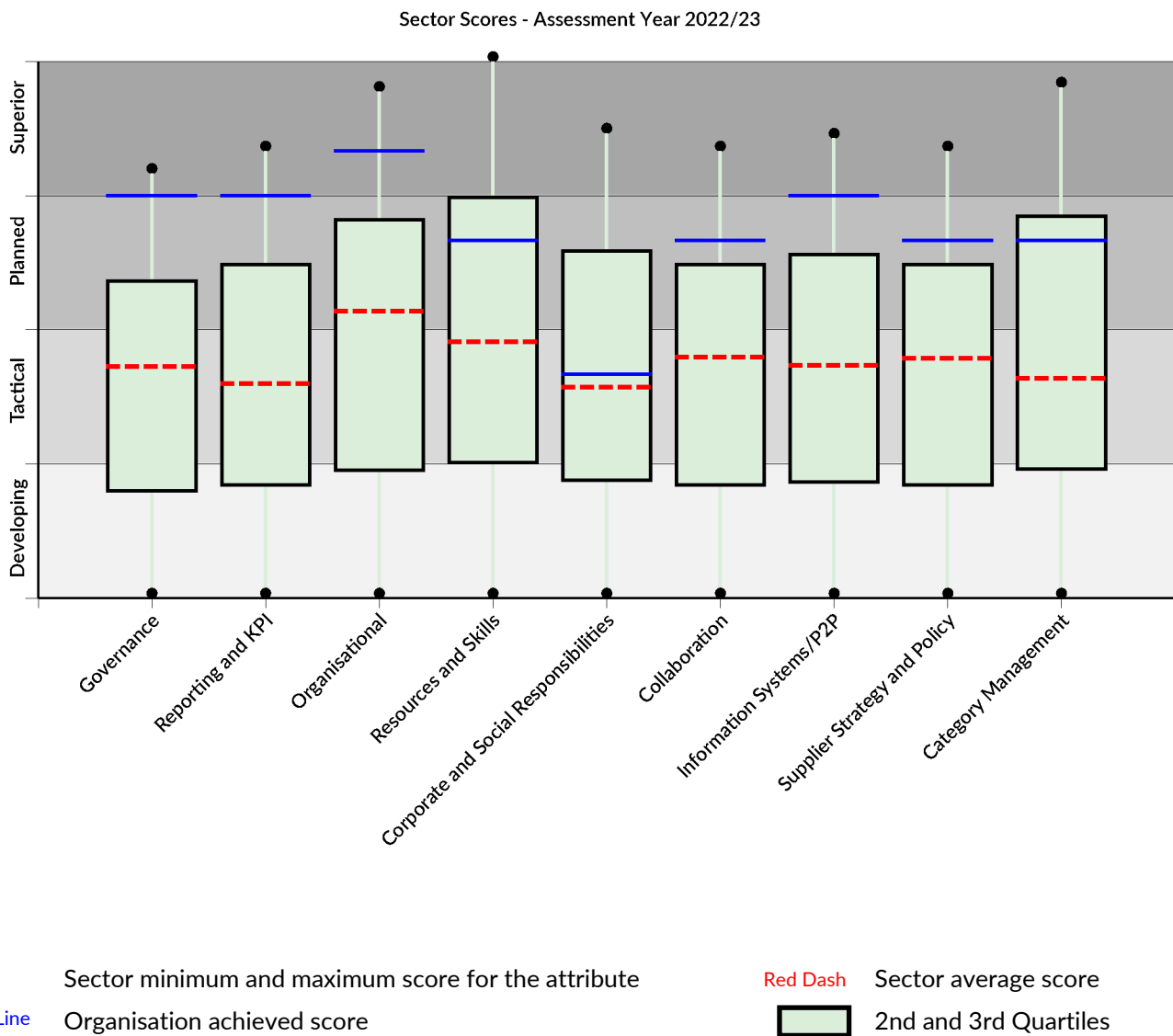## 3. Benchmarked Performance against UUK Procurement Attributes

We have mapped the nine UUK Procurement Attributes against the four stages of maturity, to illustrate your position in comparison to the sector average.

Figure 3 illustrates for each attribute, your score, the sector maximum and minimum scores and the quartiles around the midpoint of the range.

The sector data reflects the latest score from all organisations participating in the PMA+ Programme.

Sirius Test - JR's maturity by each attribute is illustrated by the solid blue line. The actual scores for each attribute are given in Appendix E.

Figure 3: Sirius Test - JR 's Attribute scores compared to the sector.

Sector Scores - Assessment Year 2022/23

Key

●	Sector minimum and maximum score for the attribute	Red Dash	Sector average score
Blue Line	Organisation achieved score	▭	2nd and 3rd Quartiles

4.   Sirius Test - JR's Attribute History

Figure 4: Performance against UUK Procurement Attributes

Attribute	2023/24	2022/23
Governance	67%	75%
Reporting and KPI	67%	75%
Organisational	75%	83%
Resources and Skills	67%	67%
Corporate and Social Responsibilities	58%	42%
Collaboration	58%	67%
Information Systems/P2P	67%	75%
Supplier Strategy and Policy	58%	67%
Category Management	58%	67%
Overall	**64%**	**69%**
Maturity	**Planned**	**Planned**

5.   Areas for Improvement

Comments on next steps/areas to focus for procurement development.

6. Terms of Reference

6.1 Objectives

The objectives of the review are to:

- Assist the Organisation to improve its procurement structure, capability, processes and ultimately performance by attaining the best standards that are appropriate to the Organisation.

- Review capability across key procurement attributes areas against common criteria and standards. In particular to assess capability and approach to Responsible Procurement across all procurement activities.

- Jointly identify where best practice already exists, where there are gaps and where continuous improvements and efficiencies can be implemented.

- Develop and, where appropriate, implement improvement plans as a result of the review.

- Establish a baseline which will allow the Organisation to benchmark itself against peer organisations and against which future improvements can be measured.

6.2 Approach

The following approach was followed:

- Information was provided by the Organisation through a remote assessment.
- Meetings were held with Organisation staff to help assess the current procurement capability against the procurement attributes.
- The detailed capability questionnaire was completed and the results assessed.
- Documentation that evidences the scoring is listed at Appendix B.
- A summary report and an associated action plan were agreed.

The Organisation will be able to continue to participate in the ongoing sector-wide PMA benchmarking.

6.3 Acknowledgements

We would like to thank Garry Smith, 1st stakeholder, 2nd stakeholder and CFO, for their valuable contribution to the assessment.

7. Procurement Measures

7.1 Procurement Value Survey and PPIs

The Procurement Value Survey is undertaken annually and enables organisational procurement teams to demonstrate their efficiencies. The PPIs are calculated using impactable spend as calculated in accordance with sector guidance.

The definitions and benchmarks are displayed in Appendix C.

Figure 7.1a : Your Organisations Value Survey

Metric	2021/22	2022/23
Impactable Spend	£ 80.00m	£ 85.00m
Construction Spend included in Impactable	£ 35.00m	£ 40.00m
Total Value of Collaborative Spend	£ 25.00m	£ 30.00m
Total Gross Efficiencies	£ 1.36m	£ 1.40m
Cashable Savings	*£ 0.36m*	*£ 0.38m*
Un-cashable Savings	*£ 1.00m*	*£ 1.02m*
Procurement Staff (full time equivalent)	3.00	2.00

The Annual Procurement Value Survey includes a set of six Procurement Performance Indicators (PPIs) measuring purchasing efficiency and effectiveness that have been developed by the sector; these are described fully in Appendix C.

Figure 7.1b : Your Organisations Procurement Performance Indicators

PPI	Procurement Performance	2021/22	2022/23	Sector Average Score
PPI1	Total cost of procurement as % impactable spend	0.86%	0.90%	0.53%
PPI2	% Impactable Spend channelled through collaborative procurement arrangements	31.25%	35.29%	24.00%
PPI3	% of impactable spend with SMEs	52.00%	50.00%	32.00%
PPI4	% impactable spend actually influenced by Procurement function	95.00%	90.00%	75.00%
PPI5	Annual procurement savings as % of impactable spend	1.70%	1.65%	4.74%

PPI6 Data - the impact of the procurement function on value for students
No data provided

Maturity Level Characteristics

Four levels of procurement maturity are characterised: Developing through to Superior.

Developing:

- A defined procurement role exists but it is primarily operational or transactional in focus. Procurement responsibility is likely to be fragmented within the Organisation and does not influence all major spend areas, or all faculties and departments.

- There is some strategic procurement direction and there may be limited objectives and targets. Procurement strategy is developed independently to the Organisation's strategy, but a sense-check is performed at a higher level to ensure some alignment is taken place.

- Procurement, Planning and Accounts Payable are managed as separate functions.

- There is no formal process for developing sourcing strategies and most negotiations are price-focused, purchasing savings delivered through negotiation and supplier rationalisation.

- Limited spend information exists. Procurement is using some collaborative agreements but does not seek to increase the proportion of influenceable spend channelled through its framework contracts. Suppliers are managed on a day-to-day basis and there are limited measurements of supplier performance.

- Purchasing transactions are largely paper-based or processed through a range of IT systems. Invoices are manually checked against purchase orders.

- There is limited reporting of procurement performance and benefits tracking is sporadic.

- The Organisation has not yet undertaken an assessment against any Responsible Procurement measurement tool and has no plans to implement Responsible Procurement processes or practices.

Tactical:

- Procurement is seen as a distinct function with a Director or Head of Procurement. A documented procurement strategy exists but might not have been widely communicated or signed off. The strategy supports the Organisation/Sector's strategy with the focus on maximising service and minimising total costs.

- The procurement team is adequately resourced or there are plans to address this including shared services/collaborations. Annual appraisals inform training plans which are focused on individual skills assessments. Training is primarily a mixture of internal training and 'on the job' guidance.

- Sourcing options are developed and reviewed but are variable in outlook. Major spend areas are covered by collaborative contracts and framework agreements and Procurement has explored joint working with other public sector bodies.

- Monitoring of supplier performance is assessed on an ad-hoc and reactive basis and is limited to qualitative measurements of contract KPIs and SLAs.

- Management information is mainly derived from the Finance System's Account Payable module.

- A good set of procurement performance measures exists incorporating the sector PVS/PPI return with some gaps. Procurement uses these indicators to demonstrate procurement performance.

- There is some automation of matching invoices and purchase orders.

- The Organisation has assessed itself against a Responsible Procurement measurement tool and has a plan with timelines of improvement activities required to achieve the next level of attainment.

Planned:

- The Head of Procurement operates at a senior level within the Organisation taking clear ownership and providing leadership for procurement matters. A strategic procurement role exists for at least 80% of impactable (including capital) spend. A fully documented procurement strategy exists and is communicated across the Organisation. The strategy includes well-defined objectives which demonstrate Procurement's impact on the business. All senior managers officially commit to the targets of the Procurement Strategy and demonstrate this commitment through active support.

- There are regular, planned and diarised reviews of procurement activity with early engagement allowing a focus on demand management.

- Historic spend information is at category and supplier level; some data is available at line item detail and some forecast data is available. This information informs category strategies.

- Suppliers can register their profiles on a publicly accessible website and the Organisation holds 'meet the buyer' style events. Post-project reviews are the norm with benefits and value for money outcomes identified.

- There are structured and formal reviews of contracts KPIs/SLAs where appropriate. Monitoring is in place with action on, key contracts for under and over consumption as well as spend, savings and performance against contract terms.

- The Organisation is actively pursuing opportunities to increase collaborative procurement.

- The Organisation has re-assessed itself under its Responsible Procurement tool and can evidence the outcomes of their achievement including the development of Responsible Procurement practices and procedures.

- There are clear objectives and actions within an improvement plan to build capacity for SME engagement.

- The Organisation uses an e-procurement solution (integrated or standalone) and the invoice/purchase order process is automated.

- Procurement staff have a strong understanding of Category Management. A developed set of performance measures exist which take a whole-life perspective. Spend information includes budget and variance analysis: areas of high cost are scrutinised and reviewed on a regular basis. The Organisation reports demonstrate ongoing procurement performance and targets seek year-on-year improvements.

Superior:

- The impact of procurement is widely visible and the role is considered part of a senior 'peer group' with the leadership team. The Procurement Strategy is fully documented, well communicated and defines the Organisation's position with regard to Responsible Procurement. The Procurement Strategy is agreed business-wide and cascaded to all key areas; it is fully aligned with the Organisation's corporate strategy. All areas of impactable spend are covered by category strategies, which are signed off by senior management. These strategies are reviewed regularly and delivery against forecast savings/benefits is recorded.

- Highly skilled and fully trained strategic procurement professionals are in place and are fully integrated within the Organisation's decision-making process. Procurement professionals also participate in wider commercial improvement activities.

- A 'total cost of ownership' approach is adopted and significant benefits are consistently delivered and reported.

- Detailed and accurate information exists on both current and future demand and Procurement is regarded as the key source of information for supplier spend. There is a clear and systematic process for disseminating lessons learned from post-procurement reviews and some independent reviews are undertaken.

- Contract management information is analysed and actioned by the Organisation as part of a programme of continuous improvement.

- A proactive supplier development programme has been implemented and there is evidence of benefits being realised.

- The Organisation can demonstrate Responsible Procurement outcomes and has well documented related processes and procedures. The Organisation is delivering and tracking community, local economic and environmental benefits and can convert to a value to the Organisation.

- The Organisation measures and reports performance against SME participation in procurement exercises.

- Clear performance measures are in place, covering the full range of PVS/PPI reporting plus additional, comprehensive metrics.

- The minimum of manual processes remain and the Organisation uses a variety of IT tools to actively control and manage the procurement function: an integrated P2P process is in place.

Key Evidence

Recorded - Governance

1.1	Action plan from Strategy.
1.1	Communication of Strategy.
1.1	Procurement Strategy with approach to Responsible Procurement.
1.1	Team objectives.
1.1	Evidence of review/continuous improvement within the organisation.
1.1	Individual objectives.
1.1	Stakeholder engagement in strategy development.
1.2	Audit reports - planned and spot.
1.2	Control system enhancements.
1.2	Separation of duties and authority levels.
1.2	Internal control systems development.
1.2	Robust and regular system testing.
1.3	Risk reporting including Responsible Procurement elements.
1.3	Risk mitigation plans.
1.4	Circulations of lessons learnt.
1.4	Post procurement reviews.
1.4	Value and other benefit outcomes identified.
1.4	Implementation of lessons learnt and benefits delivered.
1.4	Independent post procurement reviews.

Recorded - Reporting and KPI

2.1	Responsible Procurement measures.
2.1	SMART performance measures.
2.1	Efficiencies measured against target and secured.
2.1	Performance measures discussed at Board level.
2.2	Analysis of off contract spend and benefits from eliminating such.
2.2	Contract Register showing spend coverage.
2.2	Target to increase contract coverage.
2.3	Procurement reporting to stakeholders on opportunities and risks.
2.3	Responsible Procurement profile and reporting to clients.
2.3	Benefits realisation.
2.3	Risk mitigation.
2.4	Annual Spend Return to consortia.
2.4	Involvements with wider sector, commercial or procurement, developments.
2.4	Published procurement information.
2.4	PVS/PPI reporting.
2.4	Involvement in wider sector developments.

Recorded - Organisational

3.1	Finance Regulations and Procurement Policies.
3.1	Minuted meetings with Procurement input.

3.1	Procurement Organisational structure (with role descriptions, commodities and spend mapped to individuals) and where Procurement sits within organisation.
3.1	Reports from Procurement to SMT
3.1	Senior peer group membership.
3.1	Wider sector leadership.
3.2	Procurement teams involvement in specification and sourcing on locally arranged contract.
3.2	Responsible Procurement profile and impacts in specifications and sourcing activity.
3.2	Commercial sourcing approaches.
3.2	Coverage of involvement and impact on sourcing and specification development.
3.3	Defined stakeholder roles and engagement plans.
3.3	Regular recorded reviews.
3.3	Jointly - Procurement and stakeholders developed business case.
3.3	Widest relevant application of stakeholder management.
3.4	Feedback survey linked to Improvement Plan.
3.4	Procurement Improvement Plan including approach to Responsible Procurement.
3.4	Identified savings/benefits from Improvement Plan iterations.

Recorded - Resources and Skills

4.1	Competency Framework.
4.1	Exit interviews.
4.1	Fully resourced Procurement team.
4.1	Workplan for Procurement team.
4.1	Exit interviews and job market knowledge informing retention plans.
4.1	L-T capacity plan with succession plan in place and underway.
4.2	Appraisals informing strategic training planning and analysis.
4.2	Development opportunities.
4.2	Training follow up.
4.2	Benefits from training.
4.2	Clear link of training linked to Corporate Strategy.
4.2	Modern Apprenticeships and Graduate Scheme.
4.3	Delegated purchasing authority process and policy.
4.3	Role descriptions for individuals outside procurement with delegated purchasing authority.
4.3	Training documentation and register for delegated purchasers.
4.3	Competency testing of delegated purchasers.
4.4	Procurement detail, including the agreed approach to Responsible Procurement, in the Induction programme.
4.4	Procurement team involvement in commercial, Organisation wide options appraisal and decisions.
4.4	Development of commercial opportunities such as additional income generation, asset utilisation.
4.4	Example of Procurement lead on business improvement projects/initiatives.

Recorded - Corporate and Social Responsibilities

5.1	Modern Slavery Statement.
5.1	Responsible Procurement outcomes.
5.1	SME engagement.
5.1	Work towards scope 3 emission targets.
5.1	Coverage of Responsible Procurement outcomes.
5.1	Key suppliers management of Responsible Procurement.

5.1	Positive communication on Responsible Procurement outcomes.
5.1	Scope 3 emissions progress.
5.1	SME participation.
5.2	Overall level achieved in measurement tool.
5.2	Progress against the Responsible Procurement measurement tool/s.
5.2	Responsible Procurement measurement tool/s in use.
5.3	Corporate statement on Social Value.
5.3	HE TOMS
5.3	Qualitative assessment criteria for Social Value.
5.3	Evidence of Social Value being part of the organisation's culture.
5.3	Quantitative assessment criteria for Social Value.
5.4	Payment performance reporting.
5.4	Payment terms across the supply chain.

Recorded - Collaboration

6.1	Best practice development.
6.1	Active role in networks addressing procurement best practice.
6.1	Facilitating improved procurement performance outside of the Organisation.
6.2	Analysis to identify future local collaborative options.
6.2	Participation in local collaborative contracts.
6.2	Annual review of opportunities.
6.2	Leading local collaboration.
6.2	Reporting on locally arranged collaborative contracts.
6.3	Percentage participation in collaborative contracts.
6.3	Leadership of collaborative contract development groups.
6.4	Analysis of off contract spend and action taken.
6.4	Implementation plans for local and call off contracts.
6.4	Benefits from eliminating off contract spend.
6.4	Evaluation of Implementation Plans shared as appropriate outside of the Organisation.
6.4	Monitoring of consumption against targeted uptake on contracts.

Recorded - Information Systems/P2P

7.1	Procurement ICT Strategy.
7.1	Use of information from implemented procurement systems to inform, for example, Responsible Procurement reporting.
7.1	Benchmarking against ICT developments.
7.2	Spend data informing Category Strategies/Plans.
7.2	Standard commodity coding.
7.2	Volume forecast data.
7.2	Business intelligence provided by Procurement.
7.2	Desk top access.
7.2	Other strategies using MI.
7.2	Standard coding used across faculties/department with change control.
7.3	First time 3 way match rates.
7.3	P2P system and coverage across transactions.
7.3	Reporting on invoices without purchase orders.

7.3	Streamlining of P2P.
7.3	Use of catalogues/ marketplace.
7.3	Outcomes of streamlining/improving P2P.
7.4	Reporting to evidence realisation of savings/benefits against targets set.
7.4	Responsible Procurement outcomes on active contracts.
7.4	Scrutiny of high cost areas and variances reported to Procurement.
7.4	Procurement team involvement in setting future budgets.
7.4	Remedial action communicated and undertaken to ensure benefits on track.

Recorded - Supplier Strategy and Policy

8.1	Business continuity strategies for high risk segment.
8.1	Documented Contract and Supplier Management approach based on segmentation.
8.1	Measurement of Responsible Procurement impacts through contract management processes.
8.1	Minutes of supplier management meetings.
8.1	Business continuity strategies for high and medium risk segment.
8.1	Case studies of best practice on contract and supplier management shared.
8.1	Measurement of Responsible Procurement impacts extending across the supply chain.
8.2	Market research/engagement activity.
8.2	Responsible Procurement parameters included within specifications.
8.2	Training/guidance materials on specification writing.
8.2	Cost and service drivers fully understood.
8.2	Future proofing and WLC developments to specifications.
8.3	Responsible Procurement criteria.
8.3	WLC criteria.
8.3	Review of benefits forecast.
8.3	Scenario planning.
8.4	Contract review meetings.
8.4	Tracking and standardised reporting of performance/KPI Monitoring.
8.4	Use of standard templates for devolved contract management.
8.4	Benchmarking on going VFM/other benefits through contract life.
8.4	Supplier relationship continuous improvement objectives.
8.4	Work on maximising efficiency through the supply chain.

Recorded - Category Management

9.1	Demand management incorporated into contracts with delivered benefits.
9.1	Demand management process documentation.
9.1	Development of category strategy approach.
9.2	Category strategies/plan templates.
9.2	Market analysis.
9.2	Stakeholder input.
9.2	Development of category strategy approach.
9.3	Review of category strategies.
9.3	Spend against agreed category strategies.
9.3	Delivery of benefits/savings from category strategies.
9.4	Coverage over key purchases of review and challenge on existing products/services specifications.

9.4	Responsible Procurement challenge to the specification.
9.4	User intelligence/client group meeting minutes showing specification challenge.
9.4	Innovation in specification development securing benefits.

Procurement Performance Indicators (PPIs)

These PPIs should be considered together with qualitative/narrative Key Performance Indicators that may be in place in individual higher education organisation to provide a report on the extent to which procurement is helping deliver an organisation's strategic objectives.

The PPI's should be used to report on activity in your University and be primarily useful to you to record and measure the success of your function. You should be prepared to be able to explain to university stakeholders each result reported including year on year change.

Whilst no targets have been provided, a document, detailing sector averages for each PPI will be published shortly after the survey closes in January. This document will then serve as guidance for future years.
The Procurement Performance Indicators are as follows:

PPI 1   Total cost of procurement function as percentage of impactable spend
PPI 2   Percentage of impactable spend channelled through collaborative procurement arrangements
PPI 3   Percentage of impactable spend with SME's
PPI 4   Percentage of Impactable spend actively influenced by procurement function
PPI 5   Annual procurement savings as a percentage of impactable spend
PPI 6   The impact of the procurement function on value for students

PPI 1 Total cost of procurement function as a percentage of impactable spend.

The procurement function is defined as the procurement team responsible for category management activity in an organisation. It excludes transactional ordering staff, procurement systems staff and other support staff.
Total costs include salary and overhead costs. Some Heads of Procurement may have access to the true salary costs, or via HR teams may be provided with a clear calculation on how to reach this figure. For those not privy to this information the advice is to add 50% to salary costs to estimate the total cost figure (salary, NI, pension).
Other non-staff costs such as consortium membership fees and system licences should be excluded.

Impactable spend excludes spend in the following categories: -

• Bursaries and scholarships
• University subsidiaries (where they may be part of the overall legal entity BUT have separate finance systems so their spend is not available/not managed as part of the university's procurement remit)
• Payments to other organisation, charities, schools, NHS (e.g., franchised placements)
• Payments to banks, interest charges, etc.
• Payments to individuals (e.g., staff costs included under the Op Ex category)
• Payments in relation to research council grants, doctoral training, research bodies etc.
• Provisions relating to pension costs and bad debts
• Payments to HMRC
• Depreciation
• Membership and affiliation fees (including payments to professional bodies)
• Conference fees
• Rent and rates and planning fees to local authority
• Payment to students' union and trade unions
• Cost of student placements
• Major construction spend (over the OJEU Works threshold) unless you manage it*

The above list is indicative, you may find you have more or less areas to include.

*In a change to previous years major construction spend (previously referred to as capital spend) should now be included if your team manages the project. If you/your team has no direct influence over the procurement process for the spend, it should be excluded.

The aim should be to seek the optimum cost of the procurement function as a percentage of impactable spend.

PPI 2 Percentage of impactable spend channelled through collaborative procurement arrangements.

Spend through framework suppliers that cannot be robustly confirmed as "contract" (i.e. collaborative) spend should be excluded. For example, catalogue items bought from a laboratory supplier under a framework agreement would be included; supply of bespoke laboratory equipment won in competition by the same laboratory supplier would be excluded if that equipment is not covered by a framework contract.

Spend on national, regional and local framework agreements should be included.

Historically the target for this PPI was 30% as detailed in the Diamond report. It is recognised however, that as University Procurement matures, Heads of procurement should be free to identify the appropriate target for their organisation based on its own strategy and requirements. Collaborative procurement, where possible, is still expected and recognised as best practice.

PPI 3 Percentage of impactable spend with SME's.

SME's (small and medium sized enterprises) are defined as:

Turnover or balance sheet total	Headcount	Business size
<= €50 million or <= €43 million	<250	Medium sized
<= €10 million or <= €10 million	<50	Small
<= €2 million or <= €2 million	<10	Micro

Since 2010 the government has launched a number of initiatives to support opportunities for SME's including measures in the Public contracts regulations 2015. The Government target is that 33% of central government procurement spend should be going to small and medium sized enterprises (SMEs), directly or via the supply chain.

As a new reporting target, it is recognised that not all universities will have the ability to report on this PPI initially or that only estimates can be provided in the first year. Please refer to guidance on the HEPA website for support on how to measure spend in this area.

PPI 4 Percentage of Impactable spend actively influenced by procurement function.

Actively influenced is defined as "controlled" (direct management of the actual procurement), "directed" (via a framework managed by the procurement function) and "delegated" (establishment by the procurement function of robust processes, procedures, guidance or advice against which the procurement is managed).

The percentage should be calculated by dividing the influenced spend by the impactable spend figure in the Procurement Value Survey and multiplying by 100.

Whilst the aim should be to progressively increase this percentage, a balance needs to be struck between this PPI and PPIs 1 and 5.

It would be unrealistic to believe that 100% could ever be achieved without an increase in the cost of the Procurement team that would outweigh the benefits (BPI 1).

PPI 5 Annual procurement savings as a percentage of impactable spend.

Annual procurement savings achieved as a percentage of impactable spend. This should be the percentage calculated by the PVS (Savings as % of Impactable).

Whilst the aim should be to progressively increase this percentage, a balance needs to be struck between this PPI and PPIs 1 and 4.

PPI 6 The impact of the procurement function on value for students.

The Office For Students (OFS, previously HEFCE) is clear that all functions in Universities should soon be able to highlight how their work directly impacts and benefits students within their organisation.

This PPI asks that you provide a short narrative (250 words max) up to three projects with a significant procurement element which have positively impacted and enhanced student experience. You may wish to consider your comments in the context of the <u>National Student Survey</u>.
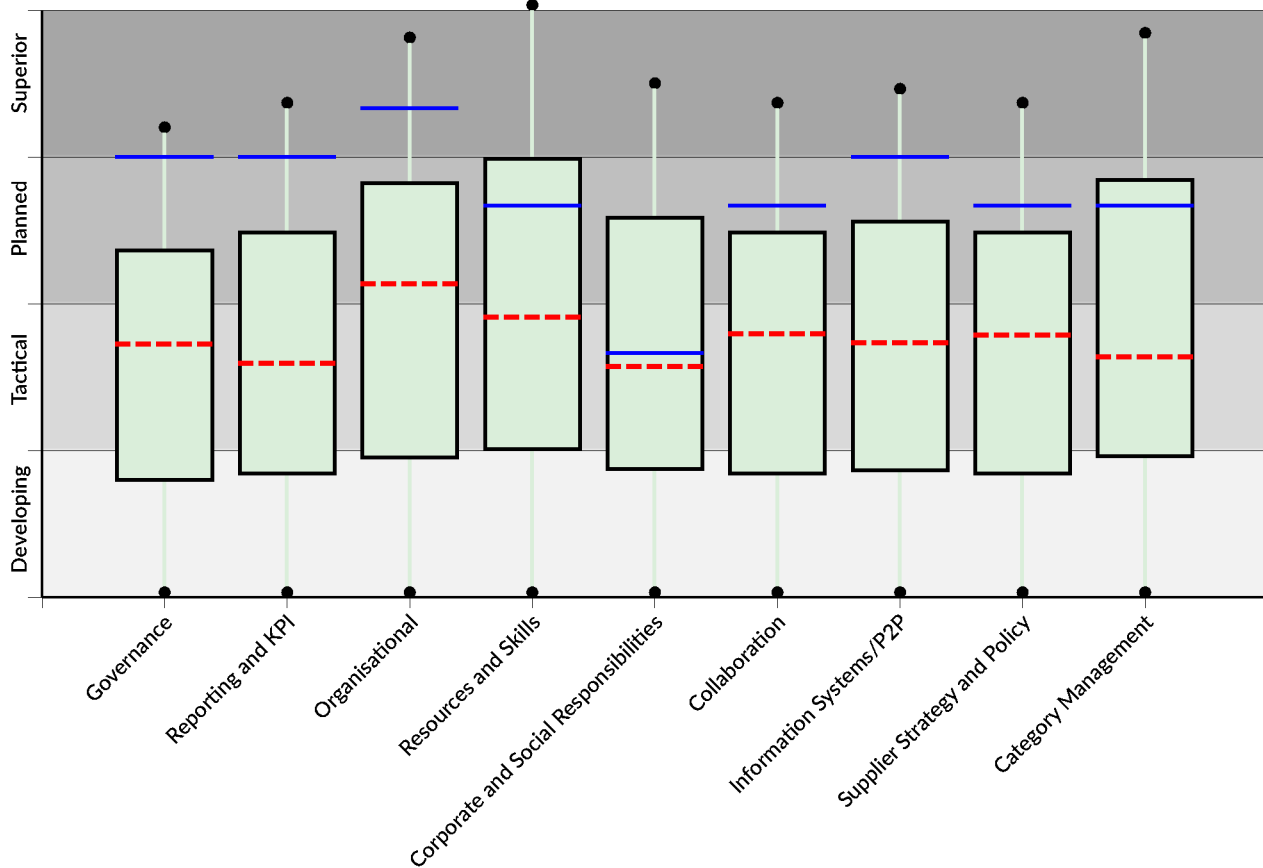
Whilst you are welcome to consider any aspect of value for students, you may want to focus your response on the following areas:

• Physical infrastructure (Buildings)
• Intangible (IT or VLE)
• Sustainability

Definitions

Governance	Governance in procurement relates to establishing a procurement strategy with accompanying cohesive policies, guidance, processes and decision-rights for purchasing activity across the Organisation. It creates a clear link to the Organisation's strategic plan.
Reporting and KPI's	Establishing clear objectives and targets and reporting on Key Performance Indicators to provide evidence of performance. Cascading these objectives through the Organisation such that individual staff objectives reflect the wider Organisation's objectives.
Organisational	Relates to the way in which responsibility for the procurement activities are directed, organised and managed across the Organisation.
Resources and Skills	Staffing and other resources directly or indirectly a part of the procurement process in the Organisation.
Corporate and Social Responsibility	Corporate and Social Responsibility as it relates to Responsible Procurement is the process to ensure that environmental, social and economic impacts are taken into account at every step of the procurement cycle and that such are considered of equal or greater importance than profitability and generation of value.
Collaboration	Collaboration within procurement relates to working together within an Organisation, with other Organisations and across the public sector to maximise the procurement performance and outcomes for all parties.
IS/P2P	Information Systems including Procure to Pay systems relates to the use of technology and communications in the procurement field.
Supplier strategy and policy	An agreed approach to the Organisation's supply base including a segmenting of suppliers and establishing a differentiated approach depending upon the spend and risk profile and in line with the Procurement Strategy.
Category management	Organising the resources of the procurement team in such a way as to focus externally onto the supply markets of an Organisation in order to fully leverage purchasing decisions.
	Category management is the strategic approach of managing these categories to satisfy business needs while maximising the value delivered from the supply base.

Figure 8: Sector Scores - Assessment Year 2022/23

Key

● Sector minimum and maximum score for the attribute

Red Dash — Sector average score

Blue Line — Organisation achieved score

▭ 2nd and 3rd Quartiles

Data Table	Sector Score			Organisation		2nd	3rd
Attribute	Min	Max	Average	Achieved	Diff	Quartile	Quartile
Governance	0	79	43	**75.0**	**32**	20	59
Reporting and KPI	0	83	40	**75.0**	**35**	21	62
Organisational	0	94	53	**83.3**	**30**	24	71
Resources and Skills	0	100	48	**66.7**	**19**	25	75
Corporate and Social Responsibilities	0	87	39	**41.7**	**2**	22	65
Collaboration	0	83	45	**66.7**	**22**	21	62
Information Systems/P2P	0	86	43	**75.0**	**32**	21	64
Supplier Strategy and Policy	0	83	45	**66.7**	**22**	21	62
Category Management	0	95	41	**66.7**	**26**	24	71
Organisation Score				**68.5**			

Procurement Maturity Assessment Scores

Governance

1.1 How developed and supported is the organisation's procurement strategy?

1 **Developing** - No documented Procurement Strategy for the organisation or some strategic direction documented, although not complete.

2 **Tactical** - A documented and current Procurement Strategy including an agreed approach to Responsible Procurement (see definitions) has been signed off by the SMT or appropriate committee.

Procurement Strategy is aligned to the organisation's strategic plan and core business and service objectives. It is communicated to the Procurement team and all those with delegated authority.

✓ 3 **Planned** - Strategy actively communicated across the organisation. Evidence of heads of service agreeing to a key set of priorities which flow from the Procurement Strategy across all departments in the organisation.

An action plan has been developed from the Procurement Strategy complete with objectives and performance measures and is updated regularly to demonstrate progress. Any deviations can be shown to have been approved by SMT.

Team objectives reflect the Procurement Strategy.

4 **Superior** - The Strategy is reviewed and any changes approved and communicated. The Strategy is fully aligned with sector strategies including the UKUPC Responsible Procurement Strategy and policies. Evidence that the Procurement Strategy is developed collaboratively by Procurement and its internal stakeholders and/or business partners.

The organisation's Procurement Strategy also covers continuous improvement of its procurement activities (e.g. PMA action plan) and of its approach to Responsible Procurement, collaboration and supplier management, with specific reference to core business and services strategies. Individual staff objectives reflect the procurement strategy.

1.2 What does the organisation do to ensure that the internal control systems for all procurement processes and systems (Finance system and Pcards), including delegated procurement and financial authority, are adequate and effective?

1 **Developing** - The published scheme of delegated purchasers sets out authority levels and separation of duties (for contracts and purchasing transactions) within the organisation.

There is no evidence of an audit being carried out within the last three years to provide assurance that basic standards of procurement practice are adequate.

2 **Tactical** - Compliance with the scheme of delegation is subject to regular audit in accordance with the organisation's audit schedule and can be evidenced.

Evidence that the audit service has reviewed procurement activity within the organisation. The audit scope is comprehensive and covers strategic (i.e. competition and contract award/management) and transactional aspects of procurement.

Actions in response to any significant gaps or issues have been fully implemented or have a plan for implementation.

3 **Planned** - The separation of duties and authority levels are embedded into all relevant business systems. Reports are available to demonstrate the separation between requisition and approval.

Regular audit, in accordance with the audit schedule, of procurement have highlighted no significant (red or highest level) risks in the past 3 years. There is evidence of regular and spot audits on devolved purchases and contracts to ensure compliance with policies and procedures.

Evidence that internal control systems and procurement processes are improved as a result of any audits or spot checks.

✓ 4 **Superior** - The Procurement Processes and Systems have undergone extensive testing using different scenarios to ensure the controls cannot be bypassed or compromised. There is a robust plan in place to test this going forward.

Regular audits, in accordance with the audit schedule, of procurement have highlighted only minor (lowest level) risks or issues in the past 3 years. A formal and scheduled review process is in place which is used to review and improve procedures.

The process reviews and documents the procedure, identifies any gaps and drives solutions.

1.3 How does the organisation manage and mitigate risk during the procurement process?

1 **Developing** - There is little evidence of risk management during procurement.

2 **Tactical** - Risk management takes place on an ad hoc, piecemeal basis and includes as a minimum:
- Separation of Duties
- Conflicts of Interest
- Financial stability
- GDPR

Obvious conflicts of interest are managed as they arise.

3 **Planned** - Risk reporting, covering some Responsible Procurement elements such as reputational, EDI, Modern Slavery and sustainability, is regular and proactive with mitigation plans in place such that there is evidence that all procurement risks and issues have clear mitigating actions, appropriate owners and a review date.

Management of all risk is proactive, based on segmentation of suppliers and contracts and includes mitigation plans and on-going monitoring of key risks.

✓ 4 **Superior** - Risk Management of procurement activity includes a process and mitigation plan to address:
- Fraud
- Bribery
- Serious Organised Crime
- Suppliers
- Contracts
- All elements of Responsible Procurement

Mitigation plans are shared and built into processes across the organisation.

1.4 Do post procurement reviews take place to identify lessons to be learned from the process and to determine whether planned benefits and VFM was achieved?

1 **Developing** - There are no post procurement reviews.

✓ 2 **Tactical** - Post procurement reviews are conducted for some contracts considered by the organisation as high risk, either in commercial or Responsible Procurement terms.

Lessons learned for these are sometimes circulated, but not consistently or systematically.

3 **Planned** - Post procurement reviews are conducted for all high and medium risk contracts included re-procurement activity. There is a clear and systematic process for post procurement reviews and circulating lessons learnt. Benefits and value for money outcomes are identified.

4 **Superior** - Procurement consistently review lessons learnt from post procurement reviews and adopt revised policies and/or practices and so delivering the value for money outcomes.

Some independent post procurement reviews can be evidenced for some high value, high risk procurement exercises.

Lessons learned shared and sought outside of the organisation, where appropriate.

Reporting/KPIs

2.1 How well defined are the procurement performance measures?

1 **Developing** - No specific procurement measures OR procurement measures are set but not understood or reported.

2 **Tactical** - Procurement measures defined but focus largely on financial benefits of tendering and PPIs.

Ad hoc reporting of performance against objectives reviewed by senior management.

✓ 3 **Planned** - SMART Measures beyond PPI reporting, and including Responsible Procurement measures such as carbon measurement/scope 3 emissions are captured and performance against them is monitored and reported to senior management regularly.

4 **Superior** - Measures are fully aligned to the procurement strategy and linked to organisational strategic priorities. The Procurement Manager provides a dashboard of these measures to appropriate stakeholders and also regularly reports and discusses measures and achievements at Board level. Actual savings/cost avoidance are reported against forecast/targets and secured.

2.2 Does the organisation have a clear understanding of its contract coverage across all spend, including capital?

1 **Developing** - Contract register does not exist or covers less than 50% of procurement spend.

    2 **Tactical** - Contract register in place covering over 50% of organisation's procurement spend.

    An organisational contract register contains most of the following: contract name, supplier name, contract start & end dates, total value, annual value, basic savings data, level of contract management (hi/med/lo), inclusion on risk register, contract manager, local/framework/mini-comp, procurement route applied.

    3 **Planned** - Contract register in place covering over 75% of organisation's procurement spend. Sustainability credentials and impacts on key contracts are recorded on the register.

    Target in place to increase contract coverage which has been shared with the organisation and a plan is in place to meet it.

✓   4 **Superior** - Contract register in place covering over 90% of organisation's procurement spend.

    Contract register (and/or benefits tracker where appropriate) also includes forecast and secured annual savings, actual savings realised (e.g. budget cut).

2.3 Do all appropriate stakeholders receive, and act on, relevant procurement reports?

    1 **Developing** - No clear approach, few reports.

    2 **Tactical** - Procurement reports provided for procurement line management and senior management team on demand.

✓   3 **Planned** - Reports are provided to some internal procurement customers highlighting opportunities, risks and trends in departments and their Responsible Procurement profile/ reporting such as on scope 3 emissions. Some actions are taken.

    4 **Superior** - All key procurement customers and stakeholders receive such reports. These highlight opportunities and risks, that Procurement work with them to realise and mitigate respectively, and benefits can be evidenced, such as positive Responsible Procurement impacts.

2.4 Does the organisation contribute to and support the development of HE and wider public sector procurement by supplying relevant information?

    1 **Developing** - Little reporting takes place or data is out of date.

    2 **Tactical** - The PPIs have been completed and reported.

    Annual Spend Return is submitted on time to relevant Consortia.

    An initial PMA is being undertaken to ensure some benchmark of procurement capability is undertaken as referenced in the in the UK Government white paper: Transforming Public Procurement.

✓   3 **Planned** - The Office for Students Annual Efficiency Return or the HEFCW Annual Procurement Reporting, Procurement Value Survey and all PPIs are completed and reported.

    A further PMA is being undertaken and scores reported for the organisation through the Procurement Shared Service. The organisation works with the relevant Consortia to provide commodity spend data and future demand spending patterns.

    Procurement information is shared widely with others in the sector to see/learn from for example Responsible Procurement Policy and Plans, Procurement Strategy, work with SMEs/local economy. The organisation takes active steps to remain informed about wider public sector developments including possible reforms to public sector procurement.

    4 **Superior** - The organisation participates in/feeds into UKUPC and wider public sector developments, reforms and initiatives in order to shape the development of commercial and procurement practice.

    Positive, active contribution can be evidenced.

Organisational

3.1 Does the organisation provide clear leadership of the procurement activity for all non pay spend?

    1 **Developing** - Responsibility for procurement activity is not defined. There is no distinct procurement function and no clear leadership for procurement in the organisation.

    2 **Tactical** - Procurement is seen as a distinct function. Responsibility for all aspects of procurement, both strategic and operational, is clearly attributed to an individual/team and defined within job description(s).

    3 **Planned** - The Head (leader) of Procurement is responsible for managing all expenditure including capital procurement activity and processes within the organisation including capital expenditure.

    Procurement provides reports to senior management at least annually and can access senior management team (SMT) level discussion to raise procurement issues.

✓ 4 **Superior** - Procurement leader is responsible and accountable for all procurement activity and provides regular management reports to the SMT or equivalent termly/quarterly.

The Head (leader) of Procurement is considered part of a senior 'peer group' with other business functions; sits on appropriate key steering groups, project boards etc.

Plays a full leadership role in wider public sector, professional and collaborative initiatives; provides active personal leadership of wider networks.

3.2 Is the Procurement function responsible for the effectiveness and quality of procurement activity across the organisation and all non pay spend?

1 **Developing** - Responsibility for non- pay spend is not formally devolved or controlled.

2 **Tactical** - Procurement has a high degree of influence over Purchasing Procedures, but has a low level of involvement in departments' sourcing research and specification activities.

3 **Planned** - The whole organisation follows corporate Purchasing Procedures established by the Procurement function.

Only a small proportion (less than 20% in terms of spend) of sourcing research and specification is conducted without Procurement involvement. Full consideration is given to the Responsible Procurement impacts/profile within the sourcing research and the development of the specifications.

Procurement is involved in the business planning process in the majority of key spending departments before the sourcing process is initiated.

✓ 4 **Superior** - All sourcing research and specifications for high value or high risk procurement have strong Procurement team input and the team are seen as having good market knowledge and understanding of specifications and are able to provide a Responsible Procurement assessment.

Procurement facilitates some change to procurement decisions before the sourcing process is initiated.

Procurement take a highly flexible and commercial approach to sourcing and spend time understanding the stakeholder's objectives.

3.3 Does the procurement function effectively manage relationships with internal stakeholders?

1 **Developing** - Procurement stakeholder management is on an informal, sometimes unrecorded basis.

2 **Tactical** - Ad hoc reviews with internal stakeholders.

Defined roles and responsibilities with some stakeholders.

Frequency and composition of meetings is inconsistent.

✓ 3 **Planned** - Clearly defined roles with key stakeholders, appropriate to needs.

Regular recorded reviews with stakeholders focusing on future procurement activity based on their business plans and strategies. Also a focus on relationship management.

4 **Superior** - Procurement department has a formal process for stakeholder management which is consistently applied.

Partnership approach focusing on joint development of business cases and strategy.

3.4 Has the procurement function sought customer feedback and developed, and acted on, an improvement plan for the organisation?

1 **Developing** - No plan in place or there are no clear benefits identified.

2 **Tactical** - An improvement plan, including ongoing development of the approach to Responsible Procurement has been developed and is being implemented.

The plan is largely resourced and owned by the Procurement function.

Benefits and savings are being measured, but it is early for results.

There is a process for customer feedback (on project or general basis), but it is not regularly used and there is no process for systematically acting on the feedback.

✓   3   **Planned** - The improvement plan is owned by Procurement Board, or equivalent, and jointly resourced across departments.

The plan is on schedule and delivering results. Consistent documented processes and two-way feedback is the norm.

Formal customer feedback survey is completed regularly (at least once a year).

Feedback is regularly acted on and customers are kept informed of progress.

    4   **Superior** - The improvement plan has been delivered and the organisation has adopted a continuous improvement approach to its procurement performance. Benchmarking has been undertaken against similar organisations and has presented performance improvement opportunities, these have been documented, an action plan put in place with improvements delivered and evidenced.

Procurement performance is owned by the SMT. Regular reports identify savings and benefits from further improvements. The feedback process results in a formal action plan to improve performance which is updated regularly.

There is clear evidence that results from previous customer feedback surveys are actioned and show improvements.

Resources and Skills

4.1 What resource and skills level requirements have been identified to deliver the procurement strategy, associated strategic objectives and business needs?

    1   **Developing** - No evidence of manpower planning, ad hoc based on cost, not requirement.

No clear links to recruitment, development & training. Procurement team managers not involved.

Not aware of Procurement Competency Frameworks.

Procurement Officers do not have their procurement related competency levels assessed.

✓   2   **Tactical** - A clear & comprehensive work plan is in place for the Procurement department.

Skills and resource requirements have been established based on the plan. This has focused on the skills required to deliver the procurement strategic objectives, primarily focusing on the skillset of the Procurement team and allowing for unscheduled and one-off procurements.

The procurement team is adequately resourced or there are plans to address this including shared services/collaborations.

Procurement staff have clear roles and responsibilities which are reflected in their job descriptions and performance reviews.

    3   **Planned** - The organisation has defined the roles and their skills and knowledge using a Competency Framework or similar for delivering its procurement strategic objectives.

Adequate resource is in place, or there is access to resource, to deliver the procurement strategic objectives in both the current and following years.

Exit interview outputs are explored for potential trends within the procurement function.

The organisation has explored ways to retain core staff.

    4   **Planned** - The organisation has defined the roles and their skills and knowledge using a Competency Framework or similar for delivering its procurement strategic objectives.

Adequate resource is in place, or there is access to resource, to deliver the procurement strategic objectives in both the current and following years.

Exit interview outputs are explored for potential trends within the procurement function.

The organisation has explored ways to retain core staff.

Plans are put in place to address any trends identified from exit interviews.

The organisation has a succession plan in place, is being delivered and reviewed to meet the organisational procurement objectives for the next 3 years.

4.2 What does the organisation do to develop existing procurement individuals and future talent?

1 **Developing** - No training plans exist or training plans are primarily focused on "on the job" training and guidance or in response to 'ad-hoc' requests by members of staff.

There is no specific budget allocated for the training of Procurement Professionals and Officers.

2 **Tactical** - A competency framework, or similar, including procurement is utilised to identify the current skills level of procurement team, as a minimum, every 3 years.

Annual appraisals inform training plans which are focused on individual skills assessments. Training is primarily a mixture of internal training and 'on the job' guidance.

Procurement staff have access to a shared training fund which is proportionate to that of other departments within the organisation and the forecasting of future training requirements is included for the next year.

Training record(s) for the procurement function can be evidenced.

✓ 3 **Planned** - Evidence of annual employee appraisal completion to inform strategic training planning and analysis.

Internal and external training is aligned to individual skills assessments and training requirements and there is evidence that training had been followed up and has been effective.

Some opportunities for development exist using tools such as mentoring, coaching, continuing professional development and secondments.

Organisation has considered the need for new entrants to procurement.

4 **Superior** - Internal and external training is aligned with the business strategy, individual skills assessments and training plans.

Evidence that an integral part of the training and development of staff includes the use of tools such as mentoring, coaching, job shadowing, tailored training programmes, continuing professional development, in-house promotion and secondments.

Evidence of benefits realised as a result of investment in training. Skills improvement identified at next competency assessment.

Evidence that the organisation provides opportunities for personal development and training that are out with a current job description.

Evidence that the organisation has considered potential modern apprentices and that procurement features on the organisation's graduate scheme, if such a scheme exists.

Evidence that the organisation actively promotes the procurement profession with external bodies.

4.3 Is there a process in place for ensuring that non-procurement staff who have authority to procure have the appropriate competency levels?

1 **Developing** - There is no process in place to identify non-procurement staff who are actively involved in the procurement process.

2 **Tactical** - A process to identify non-procurement staff who are actively involved in the procurement process is being developed.

A training programme is being produced which will form part of the delegated procurement process.

✓ 3 **Planned** - All delegated purchasing authority individuals who are actively involved in the procurement process complete an induction and training on Procurement which covers as a minimum, the agreed Procurement Strategy including the approach to Responsible Procurement and policies and procedures that they must adhere to in order to carry out their procurement responsibilities.

4 **Superior** - There is a well-established delegated procurement process in place, which is linked to financial thresholds.

Before non-procurement staff are given the authority to procure they have to successfully complete an appropriate level of training.

Their competency levels are assessed on a regular basis as part of the performance review/management process and their Procurement responsibilities are reflected in their job role descriptions.

4.4 What does the organisation do to promote commercial competence and ensure it is embedded within its organisation and culture?

1 **Developing** - Minimal awareness of the need to promote commercial awareness across the organisation.

2 **Tactical** - Evidence that procurement activity is referred to in the induction pack for all new employees.

Full accountability exists for budgetary control and there is evidence of a consistent drive to increase value for money and comply with the agreed approach to Responsible Procurement.

3 **Planned** - Evidence of commercial discussions between senior stakeholders and Procurement including the review of business cases or strategic plans which include consideration of key responsible procurement aspects.

When making commercial decisions, data is gathered to create an informed assessment of costs, benefits and risks to manage the commercial risk and exposure to customers.

The impact of commercial decisions are understood, measured, recorded and supported by senior management.

✓ 4 **Superior** - A commercial culture is embedded in the organisation, which includes: consideration of utilising assets, income generation and exploitation of opportunities benefitting both internal and external stakeholders (including suppliers).

Successful commercial actions which contribute to local, regional and national economies are evidenced.

Evidence of achieved cost efficiencies without necessarily impacting the service received by the end users.

Procurement regularly recommends opportunities for business improvement (not associated with the supply chain).

Corporate and Social Responsibilities

5.1 How does the organisation take account of Responsible Procurement in its procurement activities and demonstrate strong management of Responsible Procurement in the supply chain.

1 **Developing** - Procurement strategy, policy and procedures take no account of sustainability OR Strategy, policy and procedures in place, but no outcomes from these are in evidence.

2 **Tactical** – Responsible Procurement Strategy, policies and procedures are in place and are incorporated into major projects.

Some awareness and basic management with sustainability considerations in major contracts.

Some social, environmental and economic sustainability outcomes have been delivered.

A Modern Slavery Statement is in place and meets the minimum legal requirements.

Scope 3 emission targets have been agreed for the duration of the Corporate Strategy.

✓ 3 **Planned** - The organisation can demonstrate that procurement exercises have successful sustainability outcomes and are meeting the sustainability targets from the procurement strategy.

Detailed awareness of the reputational risk exposure from the supply chain with clauses in contracts. Demonstration of due diligence and key risks management.

There are clear objectives and actions within an improvement plan to build capacity for SME engagement. Organisations can evidence progress against the action plan.

The Modern Slavery Statement should go beyond the legal minimum and demonstrate some features of best practice as described by the UK government.

4 **Superior** - Evidence shows that sustainability is considered by all procurement practitioners at every stage of the procurement process across all areas of influenceable spend, covering supplies, services and works.

Strong management of reputational risk and mitigating actions identified. Sustainability as a core requirement and clauses in contracts. Positive PR achieved on sustainability where possible. Key suppliers manage sustainability in their own supply chain. Any gaps identified and action plans in place.

The procurement team can demonstrate the success of the above.

Organisation continuously seeks to increase opportunities for SMEs and review innovative supply ideas as well as measure and report performance against SME participation in procurement exercises.

5.2 How does the organisation monitor its progress towards demonstrating sustainable procurement practices and processes?

    1 **Developing** - The organisation has not yet undertaken an assessment against any Responsible Procurement measurement tool and has no plans to implement Responsible Procurement processes or practices.

✓   2 **Tactical** - The organisation has assessed itself against a Responsible Procurement measurement tool and has a plan with timelines of improvement activities required to achieve the next level of attainment. Or the organisation has completed an internal audit of Responsible Procurement practices- It may not have developed related initiatives however there are plans and timelines, with some progress shown against these, in place.

    3 **Planned** - The organisation has re-assessed itself under its Responsible Procurement tool or undertaken a further Responsible Procurement audit and can evidence the outcomes of their achievement including the development of Responsible Procurement practices and procedures.

    4 **Superior** - The organisation can demonstrate through outcomes that they have achieved ongoing improvement against their chosen Responsible Procurement measurement tool and has well documented related processes and procedures. The organisation is delivering and tracking community, local economic and environmental benefits and can convert to a value to the organisation.

5.3 Does the organisation incorporate Social Value into its procurement activities?

    1 **Developing** - The organisation does not make reference to a commitment to Social Value in any corporate statements/plans.

    2 **Tactical** - There is a stated corporate commitment to enabling some Social Value as a result of the organisation's procurement activities. The role of Responsible Procurement/sustainability champion has been allocated and delivering Social Value is a stated priority.

✓   3 **Planned** - The organisation can demonstrate that Social Value is embedded in the majority of contracts where it is proportional to the contract to do so. Qualitative assessment criteria are in place and benefits to be accrued are identified and managed.

    4 **Superior** – The organisation can demonstrate that Social Value is embedded in the majority of contracts as a matter of course and both qualitative and quantitative criteria are in place to assess the overall benefits, delivered or in the process of being delivered, with identified social benefits already accrued.

5.4 What is the organisation's performance in terms of payments to suppliers?

✓   1 **Developing** - No reporting available to measure payment performance and /or frequent cases of late payment and/or some instances of supply stoppages resulting.

    2 **Tactical** - 80% of payments meet statutory obligations and achieve organisational or sectoral target on receipt of a valid & approved invoice.

    3 **Planned** - 90% of payments meet statutory obligations and achieve organisational or sectoral target on receipt of a valid & approved invoice.

    4 **Superior** - Good payment terms are promoted in the supply chain with the organisation monitoring success.

Collaboration

6.1 What level of external collaboration exists to identify and adopt good procurement practice?

    1 **Developing** - No representation outside of the immediate organisation.

    2 **Tactical** - Collaboration with other HEI's, relevant consortia or other public sector bodies has led to sharing of best practice where appropriate.

    Best practice from other organisations has been sought and utilised as appropriate.

✓   3 **Planned** - Collaboration to develop best practice with peer organisations, relevant consortia or other public sector bodies.

    Collaborating with Consortia or professional procurement bodies on best practice.

    4 **Superior** - Recognised as a lead organisation in procurement best practice areas, including development of strategy and policy.

    Active role in networks (including non public sector organisations) addressing procurement best practice.

    The organisation demonstrates evidence of actively facilitating and promoting improved procurement performance across other organisations.

6.2 How is the organisation increasing its local/ regional collaborative procurement with other public bodies? i.e. Not via Consortia

    1 **Developing** - Not developing locally arranged contracts in collaboration with other HEI's or Public Sector bodies.

    2 **Tactical** - The organisation can demonstrate at least 1 local procurement collaboration contract within the past 12 months.

    The organisation's role may be solely as a participant rather than leading.

✓   3 **Planned** - The organisation can demonstrate participation in several local collaborative contracts within the past 12 months.

    The organisation has analysed spend, market conditions and other information internally and with potential partners to identify opportunities with anticipated savings and benefits. Shared statements/objectives are in place with these partners to express Responsible Procurement impacts.

    This has resulted in a plan for future collaboration which is incorporated into the organisation's procurement plan.

    4 **Superior** - The organisation regularly leads on local collaborations and has embedded local collaboration as part of its procurement procedures. The Responsible Procurement impacts, both positive and negative, of these contracts have been measured and shared.

    The organisation (at least) annually reviews the opportunities for collaboration with its partners based on market and demand analysis.

    The organisation tracks and is increasing the number, scope and share of spending on locally arranged contracts on an annual basis.

6.3 Is the organisation working with centres of expertise/consortia on collaborative procurement?

    1 **Developing** - Currently acting independently or utilising only a very small number of collaborative contracts.

    2 **Tactical** - The organisation achieves 15% of its impactable spend channelled through collaborative agreements.

✓   3 **Planned** - The organisation achieves over 20% of its impactable spend channelled through collaborative agreements and actively participates in Commodity Groups in the development of the contracts.

    4 **Superior** - The organisation achieves at least 30% of its impactable spend channelled through collaborative agreements.

    The organisation leads contract development groups where required and is involved in other aspects of the development of the contracts.

6.4 How does the organisation ensure that local contracts and frameworks are being used?

    1 **Developing** - No processes in place to ensure that procurement monitor contract usage and maverick spend.

    2 **Tactical** - Procurement ensure users know how and where to find contract information and are aware of purchasing procedures.

    Mechanisms have been put in place to promote use of contracts like catalogues, and targeted communications and training for delegated purchasers.

    Some contracts have an implementation plan to embed it across the organisation.

    Some attempt to monitor and address off-contract/maverick spend.

✓   3 **Planned** - The majority of appropriate contracts have an implementation plan and exit strategies which include targets and timescales to ensure uptake.

    There are clear procedures and plans in place to deal with off-contract/maverick spend.

    Action on off-contract spend is based on analysis of organisational spend data.

    Consumption is monitored against forecasts as appropriate.

    4 **Superior** - Evidence that implementation plans and exit strategies are evaluated against targeted uptake and lessons learned are captured for future procurement exercises. Evidence of sharing implementation plans and exit strategies with other organisations. The organisation can evidence how successful the drive to eliminate off-contract spend has been and the savings and benefits delivered. Consumption data informs demand management and future spend analysis.

Information Systems/P2P

7.1 Has the organisation assessed its procurement process automation and information requirements and implemented an ICT strategy to meet them?

    1 **Developing** - Systems are developed on departmental lines.

      2 **Tactical** - The organisation has assessed some aspects of its procurement process automation and information requirements and these have been actioned.

✓   3 **Planned** - A procurement ICT strategy and business case have been developed and approved by senior management. This includes:

       1. the automation of appropriate procurement processes to reduce cost, labour and errors

       2. the provision of easy access to information to:
- develop new contracts
- do effective supplier management and contract mobilisation
- continuously improve the procurement processes and performance of the organisation
- provide tailored reports to all stakeholder groups on procurement performance
- opportunities to work with, and exploit, national and sectoral information projects
- provide data to meet Responsible Procurement reporting such as carbon measurement value

      Implementation is underway.

      4 **Superior** - The full strategy has been implemented and embedded in the organisation. The requirements are re-visited on an annual basis. The organisation's procurement ICT strategy is continuously benchmarked against ICT markets capability and developments.

7.2 To what extent are the development and management of category strategies and the rationalisation of goods, works and services based on reliable and robust internal information?

      1 **Developing** - There is no internal spend data, or data is not sufficiently detailed at line item level to enable the development of strategies or identify opportunities to rationalise good, services or works.

      2 **Tactical** - Spend data is available and is used to develop some category strategies.

      Standardised item and commodity/service coding and pricing exists within departments.

      Some work done to identify opportunities to rationalise goods services and works.

      3 **Planned** - Some volume forecast data is available and used. Information informs category strategies including Responsible Procurement criteria. Procurement are responsible for ensuring effective corporate coding for organisation-wide procurement. Regular work done to identify opportunities to rationalise goods services and works.

✓   4 **Superior** - Detailed management information, including line item detail and forecast data, informs all relevant procurement decisions including category plans, category strategies, risk plans, contract & supplier management strategy.

      Procurement are responsible for ensuring effective corporate coding for all procurement activity and reports.

      Information is easily formatted and accessed. Procurement regarded as key source of business intelligence for internal customer strategies.

      Embedded process including change control for rationalising goods, services and / or works.

7.3 How effective is the process for receiving and authorising payment for goods, services & works?

      1 **Developing** - There is no corporate visibility and control over the process for payment of suppliers based on delivery or completion of work.

      Low (<50%) 1st time match rate on 2-way match (purchase order and invoice).

✓   2 **Tactical** - Goods deliveries are planned and are receipted against the order and a Goods Receipt Note (GRN) is registered against the order.

      There is a corporate process to authorise the completion of works or services prior to invoicing. Low to medium (50%-75%) 1st time match rate on 2-way match (purchase order and invoice).

      A purchase card procedure is in place with mechanisms to monitor and control spend where appropriate.

      3 **Planned** - A high percentage of receipt and payment transactions are processed through a P2P system according to organisational policy.

      High 1st time match rate (75%-90%) on 3-way match (order, GRN (or completion cert, etc.) and invoice).

      The organisation is reviewing its P2P processes to streamline workflow, lock-in efficiencies and deliver additional benefits.

    4 **Superior** - All receipting, matching and payments are controlled in line with organisational policies and delegation is embedded in software allowing for a high percentage of automation in the P2P process.

    1st time match rate is over 90%.

    The organisation has reviewed and implemented P2P processes delivering additional efficiencies and benefits.

    The organisation uses the MI generated from the system(s) to help support the management of performance indicators to support commercial decisions.

7.4 Is procurement spending monitored to ensure that it realises its anticipated benefits and savings against targets?

    1 **Developing** - No monitoring evident, few reports.

    2 **Tactical** - Basic attempts are made to monitor procurement outcomes on a contract by contract basis. There may be gaps in the analysis and no overall picture of performance is provided. As part of standard financial reporting, Procurement Officers and relevant managers routinely get relevant, timely and accurate statements of procurement spend against budgets.

    3 **Planned** - Procurement outcomes – financial, quality of goods / service and wider benefits and savings, including Responsible Procurement outcomes - are monitored and are on track to deliver against targets.

    Financial reporting includes spend against budget and variance analysis. Areas of high costs are scrutinised and reviewed on a regular basis. Budget holders report unusual patterns or variances to Procurement.

✓   4 **Superior** - Procurement benefits and savings are clearly defined at project and business level and are quantified in terms of clearly improving business performance.

    Performance information is highly accessible and easy to interpret.

    Any remedial decisions based on the performance information are communicated and documented appropriately. All benefits and savings are on track and some are being delivered ahead of schedule.

    Financial reporting is available to Procurement at line item level detail and Procurement is involved in setting future years budgets and performance targets.

Supplier Strategy and Policy

8.1 How are contracts and suppliers managed across the organisation?

    1 **Developing** - Contracts and suppliers are managed on a reactive basis by the end-user. No overall strategy for contract and supplier management e.g. no supplier segmentation in place.

    2 **Tactical** - The organisation is using elements of a contract and supplier management approach for some suppliers in line recognised best practice as referenced in the UK Government white paper: Transforming Public Procurement.

    There is a written commitment published for being open, fair and transparent with suppliers and a clear process for introduction of new suppliers. All contracts are advertised and all award notices are published, over the Organisation's tender threshold, on a freely accessible advertising portal.

✓   3 **Planned** - The organisation uses a contract and supplier management approach in line with recognised best practice based on segmentation.

    Measuring of Responsible Procurement impacts through the supply chain is underway.

    Contract users input to supplier performance rating for high and medium segments of supply base. Business continuity strategies have been developed for top segment of the supply base.

    Risk register includes agreed risks and contingencies and is reviewed on an ad hoc basis. Comprehensive web information for new suppliers.

    4 **Superior** - The organisation has a fully implemented supplier and contract management strategy and regularly achieves savings and benefits directly through contract and supplier management. On-going monitoring of Responsible Procurement impacts in the supply chain is the norm.

    High and medium segments have business continuity strategies in place. Supplier risk environment (e.g. importance of the contract to the supplier, impending mergers, etc.) is reviewed at regular contract review meetings for the top segment. Risks include regular review of external factors and are escalated to appropriate risk registers.

    The organisation has produced case studies of its best practice and has shared them across the sector.

8.2 Are specifications for the procurement of goods and services designed to maximise value for the organisation and its customers and based on detailed and rigorous supply market analysis?

1 **Developing** - Many specifications developed without market intelligence and supplier specifications are used as a matter of course.

✓ 2 **Tactical** - The organisation can demonstrate that some contracts are based on robust specifications and output specification where appropriate.

There is evidence that the Procurement function has actively challenged requirements and specifications and raises awareness of Responsible Procurement parameters.

3 **Planned** - Key contracts are based on output specifications (where appropriate) which have been developed based on some market research and in line with recognised best practice. There is clear consideration given to Responsible Procurement parameters within the specification development and market research activity.

4 **Superior** - Market engagement is undertaken prior to issuing the Invitation to Tender through supplier awareness days / open meetings etc. and the market intelligence obtained is used to develop specifications. Cost and service drivers fully understood and used to drive procurement decisions.

In addition, specifications for key contracts show an appropriate mix of (a) future-proofing commercial and legislative changes and (b) value for money review and benefit sharing on a whole-life cost or total acquisition cost basis.

8.3 Which evaluation criteria are used during local procurement exercises?

1 **Developing** - Lowest price, or lowest price with selective focus on operational requirements, e.g. delivery/availability.

2 **Tactical** - Most Advantageous Tender is used.

MAT takes into account technical and commercial criteria e.g. quality and a rigorous assessment of price/quality ratio (not just criteria used for last contract).

Responsible Procurement criteria appropriate to the commodity / project strategy are considered and reflected in tender evaluation.

3 **Planned** - Whole-life costs and total acquisition costs are incorporated for all appropriate (regulated) tenders and evaluation criteria also reflect lessons learnt from previous exercises within the organisation. Responsible Procurement criteria are reviewed with stakeholders and set with appropriate weighting.

✓ 4 **Superior** - Forecasted benefits from previous procurement exercises are evaluated against actual achievements.

The organisation utilises Scenario Planning to enable the buyer and the client to decide on the best (and least risky) Price / Quality / Sustainability Ratio split, taking into account the market, commercial considerations and budgets.

8.4 What does the organisation do to work with suppliers throughout the life of a contract to ensure contractual obligations are met and to identify and deliver additional benefits to both parties?

1 **Developing** - Supplier reviews result in ad hoc service, process or product improvements.

2 **Tactical** -The organisation can demonstrate that they are aware of the SLAs/KPIs and contractual obligations on both parties - for high value / high risk / business critical contracts. Processes and measures are in place to ensure that these suppliers meet the terms set out in the contracts.

The process for supplier failure dispute/resolution is widely communicated and implemented throughout the organisation.

A procedure is in place for contract variations.

✓ 3 **Planned** - The organisation can evidence:

- The tracking and standardised reporting of performance, across all commercial and Responsible Procurement criteria, of a large proportion of the supply base,
- Embedded two way process for monitoring KPIs/SLAs, reporting, and recording improvements.

Each contract as determined by segmentation, is subject to regular (e.g. quarterly) review meetings between Procurement, customers and suppliers with a named individual responsible for managing any corrective actions required. Monitoring is in place with action on, key contracts for under and over consumption as well as spend, savings and performance against contract terms.

4 **Superior** - The organisation works closely with suppliers and internal customers to minimise the total cost of ownership and to maximise efficiency throughout the supply to chain.

Organisation utilises benchmarking exercises as appropriate to re-visit value for money during the life of the contract.

Continuous improvement is expected and is a formal objective of the supplier relationship.

The organisation systematically utilises supplier feedback to:
- Support continuous improvement of overall procurement processes
- Develop products or services
- Deliver additional savings and benefits during the life of the contract

Category Management

9.1 Is there effective Demand Management early in the procurement process and what benefits have been delivered?

1 **Developing** - No effort yet made by procurement function to manage demand.

2 **Tactical** - Some examples of demand management exercises, e.g. review and challenge of internal requirements, service or product rationalisation, specification review, alternative service models, etc.

Evidence of some benefits achieved is available.

✓ 3 **Planned** - Review and regular challenge of demand embedded within the procurement process.

Organisation can demonstrate a minimum of 3 contracts where demand management has delivered benefit.

Procurement regularly engages with suppliers and stakeholders to review requirements, specification of goods / services and manage demand.

Some demand management processes and guidance in place.

4 **Superior** - Significant improvements and benefits can be demonstrated. Demand management fully integrated in procurement processes.

Demand management is considered for all high value, high risk, and business critical contracts to ensure that the quantity and specification of goods/services match, but do not exceed, the actual needs of the organisation.

Demand management reported at a senior (i.e. SMT) level. Current demand and usage data is linked to service improvements.

9.2 Are category strategies and business cases for local contracts and Framework mini-comp's developed in line with recognised best practice in order to deliver benefits and strategic objectives?

1 **Developing** - No standard approach consistent with the recognised best practice for developing appropriate category strategies.

2 **Tactical** - The procurement team develops category strategies based on best practice, including a statement on the Responsible Procurement impacts across the category.

Good practice procurement tools are utilised to identify appropriate market intelligence and stakeholder identification and then to analyse it to inform the strategy.

Market and supplier research is limited to what technical and procurement staff are aware of for the market that they work in, and to what can be easily gleaned from the internet or desk research.

✓ 3 **Planned** - There is an organisation-wide approach to developing category strategies in line with recognised best practice. This approach is reviewed to ensure it keeps pace with best practice.

Evidence can be provided on how the market analysis and stakeholder identification has informed the recommendations in the strategy and delivered benefits.

Detailed market analysis utilizing multiple sources is routinely carried out for all high risk/high value procurement exercises.

Key internal stakeholders actively input to the development of category strategies supported by the procurement team.

4 **Superior** - Examples of category strategies have been developed using recognised best practice and the organisation wide approach with all strategies are based on comprehensive research of the supply market.

There are strategies in place to cover all impactable spend.

A mechanism is in place for keeping the approach in line with best commercial and Responsible Procurement practice.

Category experts seek opportunities for innovation/improvement activities on an on-going basis and can provide evidence of the improvement/innovation identified. This is then utilised by the organisation.

9.3 How much of the overall spend (including local contracts and national/sector framework agreements) is covered by signed-off category strategies?

1 **Developing** - Less than 50% of spend covered by category strategies.

2 **Tactical** - Between 50% - 70% of spend covered with category strategies.

✓ 3 **Planned** - Between 70% - 90% of spend covered by category strategies that include forecast savings and/or benefits. Evidence of review of strategies.

4 **Superior** - Over 90% of spend covered by category strategies that include forecast savings and/or benefits. Evidence of review of strategies and recording of delivery against forecast savings/benefits.

9.4 During the life of the contract, how proactive is the organisation's approach to the review of specification of current products and services to deliver benefits?

1 **Developing** - No review or challenge of current products and services.

2 **Tactical** - Design of current products and services is assessed to achieve reduced cost only. Procurement is involved on a reactive basis.

✓ 3 **Planned** - Users and Procurement pro-actively review and challenge existing products & services for some key purchases, delivering benefits as a result.

Evidence that specifications are reviewed periodically throughout the life of the contract to ensure the specification is still relevant to the commercial and Responsible Procurement challenges and to clarify with a view to termination of contract if required.

4 **Superior** - Users and Procurement pro-actively review and challenge existing products and services for all key purchases, delivering benefits as a result.

The organisation can demonstrate proactive market engagement which influenced the supply market in order to change the product or service required to meet the requirement of the specification.

Evidence of an innovative specification providing significant benefits.

Areas of Procurement Strength

Areas of Strength are defined as those scores achieving the sector target in the Procurement Maturity Assessment.

The target is set at:

- · **Planned** for a small organisation (less than £100m total net income per annum) and
- · **Superior** for a large or very large organisation
    - large organisation (greater than or equal to £100m total net income but less than £400m per total net income per annum).
    - very large organisation (greater than or equal to £400m total net income per annum).

Governance

- · 1.2
  Superior - The Procurement Processes and Systems have undergone extensive testing using different scenarios to ensure the controls cannot be bypassed or compromised. There is a robust plan in place to test this going forward.

  Regular audits, in accordance with the audit schedule, of procurement have highlighted only minor (lowest level) risks or issues in the past 3 years. A formal and scheduled review process is in place which is used to review and improve procedures.

  The process reviews and documents the procedure, identifies any gaps and drives solutions.

- · 1.3
  Superior - Risk Management of procurement activity includes a process and mitigation plan to address:
  Fraud
  Bribery
  Serious Organised Crime
  Suppliers
  Contracts
  All elements of Responsible Procurement
  Mitigation plans are shared and built into processes across the organisation.

Reporting and KPI

- · 2.2
  Superior - Contract register in place covering over 90% of organisation's procurement spend.

  Contract register (and/or benefits tracker where appropriate) also includes forecast and secured annual savings, actual savings realised (e.g. budget cut).

Organisational

- · 3.1
  Superior - Procurement leader is responsible and accountable for all procurement activity and provides regular management reports to the SMT or equivalent termly/quarterly.

  The Head (leader) of Procurement is considered part of a senior 'peer group' with other business functions; sits on appropriate key steering groups, project boards etc.

  Plays a full leadership role in wider public sector, professional and collaborative initiatives; provides active personal leadership of wider networks.

- · 3.2
  Superior - All sourcing research and specifications for high value or high risk procurement have strong Procurement team input and the team are seen as having good market knowledge and understanding of specifications and are able to provide a Responsible Procurement assessment.

  Procurement facilitates some change to procurement decisions before the sourcing process is initiated.

  Procurement take a highly flexible and commercial approach to sourcing and spend time understanding the stakeholder's objectives.

Resources and Skills

- 4.4
  Superior - A commercial culture is embedded in the organisation, which includes: consideration of utilising assets, income generation and exploitation of opportunities benefitting both internal and external stakeholders (including suppliers).

  Successful commercial actions which contribute to local, regional and national economies are evidenced.

  Evidence of achieved cost efficiencies without necessarily impacting the service received by the end users.

  Procurement regularly recommends opportunities for business improvement (not associated with the supply chain).

Information Systems/P2P

- 7.2
  Superior - Detailed management information, including line item detail and forecast data, informs all relevant procurement decisions including category plans, category strategies, risk plans, contract & supplier management strategy.

  Procurement are responsible for ensuring effective corporate coding for all procurement activity and reports.

  Information is easily formatted and accessed. Procurement regarded as key source of business intelligence for internal customer strategies.

  Embedded process including change control for rationalising goods, services and / or works.

- 7.4
  Superior - Procurement benefits and savings are clearly defined at project and business level and are quantified in terms of clearly improving business performance.

  Performance information is highly accessible and easy to interpret.

  Any remedial decisions based on the performance information are communicated and documented appropriately. All benefits and savings are on track and some are being delivered ahead of schedule.

  Financial reporting is available to Procurement at line item level detail and Procurement is involved in setting future years budgets and performance targets.

Supplier Strategy and Policy

- 8.3
  Superior - Forecasted benefits from previous procurement exercises are evaluated against actual achievements.

  The organisation utilises Scenario Planning to enable the buyer and the client to decide on the best (and least risky) Price / Quality / Sustainability Ratio split, taking into account the market, commercial considerations and budgets.