

Corporate Services Benchmarking

Procurement

Customer case study

CIPFA's Procurement Benchmarking Club reports have assisted Warwickshire County Council in discovering the true cost of procurement service provision, furnished the team with comparative data and improved staff retention following a remuneration review.

'To assure myself that the council's procurement service was providing value for money, I needed to know how it compared with other public sector procurement services, so in 2014 I set about creating my own benchmarking club. It worked well, delivering excellent data but it had its limitations, so I approached CIPFA to discuss a potential collaboration.'

Paul White, Head of Procurement, Warwickshire County Council

As part of completing CIPFA's 2016 Procurement Benchmarking Club exercise, participants were invited to provide feedback on the exercise. It was at this point that a genuine partnership approach was adopted and the development of a collaborative and consolidated procurement benchmarking club was established that really hit the spot for Warwickshire County Council in terms of proportionality, relevance and usability.

CIPFA's team of data analysts welcomed the specialist procurement input that Warwickshire was able to contribute to the benchmarking club and Warwickshire County Council certainly welcomed CIPFA's expertise that helped bring data to life.

Why CIPFA?

Paul White explained, "Whilst it was great that participation in the Warwickshire County Council run benchmarking Club was growing, this brought additional challenges in relation to Club management, data analysis and increasing demand from club members for improved data manipulation capability.

The obvious solution was to join forces with another organisation that had a track record in managing procurement benchmarking clubs – CIPFA. I therefore approached



Customer:
Warwickshire County Council

Website:
www.warwickshire.gov.uk

No of Employees:
Over 10,000

Customer profile:
Warwickshire County Council's headquarters are located at Shire Hall, Market Square, in centre of the county town of Warwick. Politically the county is divided into five districts and boroughs: North Warwickshire, Nuneaton and Bedworth, Rugby, Stratford and Warwick. The council's principal functions are county roads and rights of way, social services, education and libraries, but it also provides many other local government services in the area it covers.

Warwickshire County Council provides a wide range of services to over half a million residents. It works with other public, private and voluntary bodies to make Warwickshire a better place for people to live and work.

Research and Analytics subscriptions include:

- CIPFAstats
- TISonline
- Social Care Benchmarking
- VfM Indicators
- Corporate Services Benchmarking

‘Working in conjunction with Warwickshire County Council through a programme of collaboration and teamwork, CIPFA’s Research and Analytics team provide valuable and insightful information about all aspects of procurement services to our club members.’

Jon Kefford, Research and Analytics Corporate Services Benchmarking Lead, CIPFA

CIPFA to discuss the possibility of pooling efforts to produce a consolidated benchmarking exercise, that utilised the extensive procurement knowledge of Warwickshire with the data analytics expertise of CIPFA.

It was my intention to work towards creating a consolidated procurement benchmarking exercise that was relevant, fit for purpose and provided benchmarking club participants with an interactive tool that enabled users to manipulate data.”

Paul White outlined his teams Business Challenges

“In order to ensure our procurement service was providing value for money, I needed to be able to measure, pinpoint and address the following challenges using the combined and consolidated exercise outputs.

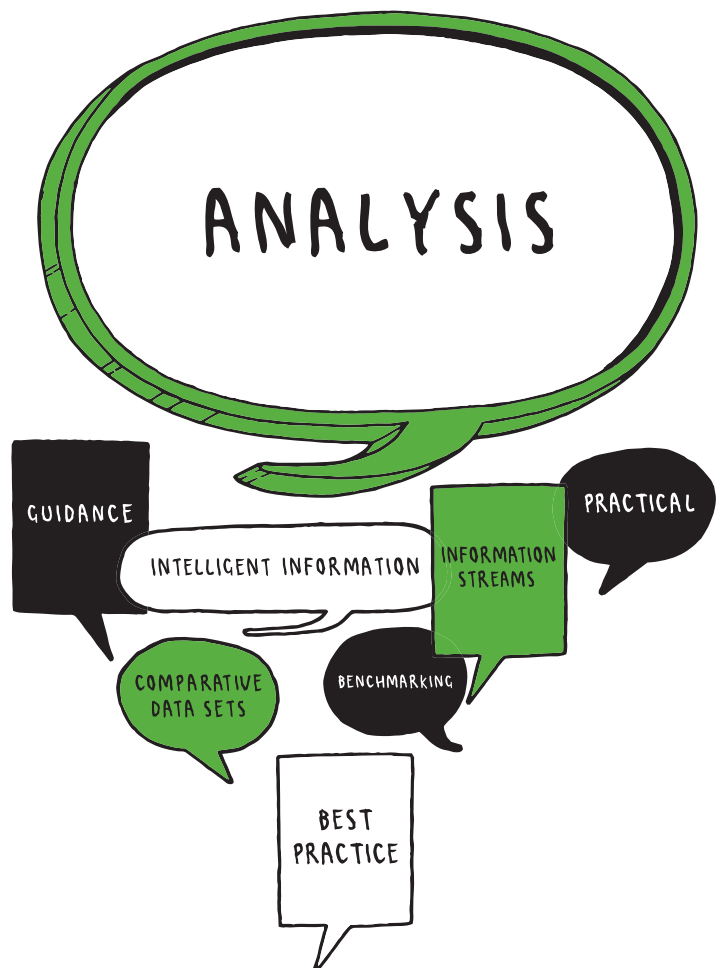
- Cost effective services
- Recruitment and retention through comparison of pay rates
- How investment in staff training compared with others
- How effective the procurement service income generation strategy was
- Identify the central procurement team’s ROI
- How the authority’s procurement collaboration programme compared to others
- How client satisfaction compares to others

From benchmarking information to policy changes

“There is a recognised shortage of good quality procurement professionals in the public sector currently, which has led to some neighbouring Councils ‘poaching’ staff. With the difficulties that local authorities face in recruiting staff, being able to retain existing staff had become a priority. The salary data available via the benchmarking exercise highlighted that:

- Existing staff have significant experience
- Existing staff are well qualified
- Existing staff are underpaid in relation to comparator roles, experience and qualification levels elsewhere

After identifying a real retention risk, procurement benchmarking data has subsequently been used to support a review of staff remuneration at all levels. This had led to more realistic salaries being paid which increases the likelihood of retaining the staff that we have.”



Procurement benchmarking – How does it work?

- Return completed questionnaire.
- Draft report sent to customer to validate returns which includes an overview.
- Customer receives final report showing comparisons across the full range of benchmarks.
- Executive summary available detailing key performance indicators.
- Access to anonymous interactive report tool enabling direct comparisons to be made.

Other CIPFA Procurement focussed indicators and guidance includes:-

TISonline Procurement – this online information source of best practice guidance and commentary encourages a corporate approach to the management of public sector bodies' purchasing processes and the procurement of goods, works and services. Content is provided by practitioners for practitioners and supports managers in their everyday activities. In addition

to information streams, customers have access to discussion forums and can register for e-alerts. Almost 90% of English authorities have TISonline membership.

www.cipfa.org/tisonline

VfM Procurement Indicators – is our proven approach for assessing performance and value to help **organisations** across public sector understand, compare and improve the performance of procurement services. We examine comparable organisations, so you can assess how cost and productivity indicators measure economy and efficiency, so you can deliver quality and value.

Our analysts use sourcing and procurements metrics such as these to calculate performance

- **Functional and process costs and staffing levels**
- **Overall cost as a percent of spend**
- **Transaction costs and productivities**
- **Percentage of Professionally Qualified Procurement FTEs**
- **Cost savings**
- **Return on investment**

www.cipfa.org/vfmindicators

CIPFA's benchmarking analytics are an essential tool for projects involving:

- Policy re-modelling
- Value for money reviews
- Restructure review fact finding
- Efficiency saving measures

For more comparative dataset analysis information, visit www.cipfa.org/benchmarking