

**South Ayrshire Council**

**Report by Chief Executive  
to Service and Partnerships Performance Panel  
of 09 June 2026**

---

**Subject: Procurement Commercial Improvement Programme  
update**

---

**1. Purpose**

1.1 The purpose of this report is to advise members on the Council's participation within the Procurement Commercial Improvement Programme (PCIP) administered by Scotland Excel.

**2. Recommendation**

**2.1 It is recommended that the panel:**

**2.1.1 notes the current status following the most recent PCIP assessment for South Ayrshire Council (Appendix 1);**

**2.1.2 notes and endorses the proposed action plan (Appendix 2); and**

**2.1.3 endorses the participation in the assessment again in June 2027.**

**3. Background**

3.1 The PCIP was introduced in 2015 and is a maturity model designed to assess Scottish public sector procurement performance in a common format. The model is a continuation of the work undertaken by the Procurement Capability Assessment (PCA) carried out on an annual basis since 2008 until introduction of the PCIP.

3.2 The assessment consists of eleven mandatory questions. Unlike previous PCIPs, there is no overall score that an organisation can compare with other organisations or sectors. Any comparisons would have to be undertaken based on the four levels indicated within this document. The levels are:

- Developing Area
- Improving Area
- Good Practice
- Advanced Practice

3.3 The assessment model focuses on the policies and procedures driving procurement performance and, more importantly, the results they deliver.

3.4 Twenty councils took part in the assessment programme during 2023/24 as part of the third round of such assessments of local authorities in Scotland. SAC could not

participate at that time due to implementation of the Fusion system and the impact on resources within the Procurement team which was accepted as a valid reason for not participating. However on 22<sup>nd</sup> October 2025 Scotland Excel carried out a Procurement and Commercial Improvement Programme (PCIP) Pulse Check Assessment with South Ayrshire Council. This was a voluntary assessment agreed jointly by both SAC and SXL to complete out-with the scheduled assessments for other authorities.

- 3.5 Initial observations of the assessment were that the Procurement team has implemented appropriate documentation and guidance across the organisation and this was discussed in more detail during the assessment day. The breadth of its utilisation across the whole organisation was discussed and evidence presented across a number of questions. However, when reviewing larger areas of spend it was clear that there was a gap in influence across areas of construction spend. This was discussed in more detail during the assessment day as it represents a significant percentage of the councils spend and is often an area of high risk and of high financial opportunities.
- 3.6 It was agreed that the Council is making great effort to make improvements and mitigate risk in this area and this was further evident with the approval of the Report to Cabinet for **Procurement of Capital Projects and Construction Works – Corporate Procurement Structural Changes** in August 2025 in relation to the Procurement of Capital Projects and Construction Works.
- 3.7 At the time of the assessment, there were several procurement related improvement changes about to be implemented following approval of the above Report to Cabinet therefore it was agreed that it would be beneficial for the Council to undertake an interim assessment review in around c.12-18months time. The assessors agreed that the levels achieved in a number of the assessment questions could be improved by providing evidence and examples of these improvements being embedded throughout the organization including capital spend.

#### **4. Detail**

- 4.1 As detailed in 3.2 above, the assessment consists of eleven mandatory questions. based on the four possible levels of compliance. As noted in Appendix 1, South Ayrshire achieved 'good practice' for three of the mandatory questions, 'Improving Area' for three and 'Developing Area' for five of the questions.
- 4.2 Key Opportunities for further improvement are shown in Appendix 1 and it's proposed that these opportunities will be actioned prior to the next PCIP assessment and monitored through an action plan which is provided in Appendix 2.
- 4.3 It is proposed, taking into account the Procurement team now have full responsibility for Capital works procurement, that the PCIP assessment is undertaken again in June 2027 and that the outcome be reported to this panel in due course.

#### **5. Legal and Procurement Implications**

- 5.1 The recommendations in this report are consistent with legal requirements.
- 5.2 There are no procurement implications arising from this report. Participation in the assessment is delivered at no cost to the Council.

## **6. Financial Implications**

6.1 Not applicable.

## **7. Human Resources Implications**

7.1 Not applicable.

## **8. Risk**

### **8.1 *Risk Implications of Adopting the Recommendations***

8.1.1 There are no risks associated with adopting the recommendations.

### **8.2 *Risk Implications of Rejecting the Recommendations***

8.2.1 The assessment is voluntary and although rejecting the recommendation would prohibit participation in 2027 the procurement team will still progress with their internal improvement plan regardless.

## **9. Equalities**

9.1 The proposals in this report do not require to be assessed through an Integrated Impact Assessment.

## **10. Sustainable Development Implications**

10.1 ***Considering Strategic Environmental Assessment (SEA)*** - This report does not propose or seek approval for a plan, policy, strategy or document otherwise described which could be considered to constitute a plan, programme, policy or strategy.

## **11. Options Appraisal**

11.1 An options appraisal has not been carried out in relation to the subject matter of this report.

## **12. Link to Council Plan**

12.1 The matters referred to in this report contribute to Priority 2 of the Council Plan: Live, Work, Learn/ Work and economy (Outcome 2).

## **13. Results of Consultation**

13.1 There has been no public consultation on the contents of this report.

13.2 Consultation has taken place with Councillor Ian Davis, Portfolio Holder for Finance and Corporate Services and the contents of this report reflect any feedback provided.

**Person to Contact**

**David Alexander, Service Lead - Procurement  
County Buildings, Wellington Square, Ayr KA7 1DR  
Phone 01292 612143  
E-mail david.alexander3@south-ayrshire.gov.uk**

**Date: 20 May 2026**

## Appendix 1

### South Ayrshire Council PCIP Pulse Check Assessment Report



#### Summary of overall performance

Overall performance

The table below provides a summary of the PCIP levels achieved by South Ayrshire Council during the assessment.

Question	Level Council Achieved
1 – Procurement Influence	Improving Area
2 – Procurement Strategy	Good Practice
3 – Learning & Skills	Developing Area
4 – Risk Management	Improving Area
5 – Commercial Acumen	Improving Area
6 – Continuous Improvement	Developing Area
7 – Climate Change	Developing Area
8 – Implementation & Exit Strategies	Developing Area
9 – Contract & Supplier Management	Good Practice
10 – Contractual Obligations	Good Practice
11 – Lessons Learned	Developing Area

## **Key Strengths**

Please note it is not intended to be an exhaustive list.

The corporate procurement unit has input and influence across the organisation resulting in effective sourcing decisions. Examples provided included the Service Lead - Procurement being a member of the organisation's assurance group. A standing agenda item presented by procurement at these meetings includes 'spend with no purchase order' i.e. discussing any invoices arriving at the organisation with no order being raised. Meetings take place quarterly and are chaired by Chief Executive. In addition to this, there was evidence of the procurement team's influence being widespread across the organisation as automated alerts are set up within the Fusion system to inform the team about purchase orders raised where the value is over £50k. These alerts allow the team to check or block payment and/or direct the service team to use an appropriate compliant framework where applicable.

Structural changes to the Corporate Procurement Unit in relation to the 'Procurement of Capital Projects and Construction Works' had recently been approved at the time of the assessment. These changes, approved by South Ayrshire Cabinet Board in August 2025, will take time to embed. It was discussed that the changes will provide consistency on how SAC procures and advertises its contract opportunities, ensuring relevant policy updates are applied to all tender documents, and ensure compliance across the council services by bringing all procurement activity into the Corporate Procurement team for works across all areas of capital project procurement.

Improving compliance is another aim of the changes as all capital works procurement documentation, including tender documents, previously prepared and issued by chartered quality surveyors will now be reviewed by qualified procurement officers. Whilst SAC achieved Improving level it is anticipated they would achieve at least Good Practice level once these changes are embedded as this would result in over c.80% of regulated spend being influenced by procurement via sourcing research and specification development.

There was good evidence of Contract and Supplier Management guidance on how contract and supplier management (CSM) should be carried out at SAC. Various examples of CSM taking place were discussed however it was highlighted that the process of completing 'Scorecards' could be improved through user training in particular the depth of feedback populated on the scorecards. It was also stated that the changes afoot for the procurement of capital projects and construction works would result in increased CSM activity.

## **Key opportunities for further improvement**

Please note it is not intended to be an exhaustive list.

To maximise input and influence in areas such as contract wave plans/pipeline and to increase visibility of priorities within each directorate across the organisation, the council may wish to consider forming an integrated 'Procurement Board'. The Board would be made up of Chief Officers from across the council, providing consistent representation.

SAC corporate procurement strategy is currently 12 months duration. It was discussed that typically other Council's Procurement Strategy's go beyond a 12-month period, the norm being 3 years or more. Increasing the duration would enable a targeted plan of progression and support the Council's broader priorities etc.

The procurement team may wish to ensure that over the coming months, staff with Delegated Procurement Authority (DPA) responsibilities are identified and training requirements in place to achieve agreed competency levels linked to Scottish Government's Competency Framework.

Further discussions relating to training requirements included the training on use of the Council's 'Fusion' P2P system for those with DPA and widening this to construction services and beyond such as Elected Members.

It was recommended that the induction for all new employees should include reference to the role of procurement and commercial activity in the organization. Currently, the Council's Standing Orders highlight certain responsibilities, however, this could be complimented with other reference material.

Discussions and evidence presented on Contract and Supplier Management (CSM) included the procurement team structure with dedicated officer roles in CSM activity. The comprehensive CSM Process & Guidance available was discussed. It was agreed that processes are in place for CSM however the implementation and roll out of the Council's Fusion P2P system has impacted on the team's capacity to continue to embed and support CSM across the organization due to the resource required within the team to operate the system. There are plans for the procurement team to train other officers out with the team as 'super users' on the Fusion system. This, along with other structural changes within the team relating to construction, will enable more dedicated time to CSM activity.

It was agreed that the team would have greater influence overall in the future once the Construction remit and new roles are embedded within the team. For example, in other strategic areas such as in-house/outsourcing decisions, implementation & exit strategies, and lessons learned on major projects. Templates and processes have been developed however these are not currently active across the organisation for the reasons mentioned above. In the future the team should consider creating a central accessible location of examples Lessons Learned and/or independent review where applicable. These changes would lead to achieving a higher-level outcome when the assessment is undertaken again in the near future.

## **Appendix 2 Procurement Improvement Plan 26-27**

Task	Description	Due Date	Progress
<b>Corporate Induction</b>	Procurement require a mention at the least within the corporate induction for new staff. At present there is no mention of the procurement service. Further material to be produced for the managers induction sessions regarding procurement.	May-26	100%
<b>Customer Feedback</b>	Central point of contact is required to be on the CORE page for Procurement feedback. For assistance please contact procurement@south-ayrshire.gov.uk or a feedback form allowing formal feedback to be monitored. External stakeholder version to be produced.	May-26	100%
<b>Competency Matrix</b>	Scottish Government Competency Matrix requires to be completed for all staff and updated annually	Sep-26	20%
<b>KPI Master</b>	Updates required to KPI's captured to match the Annex A format of the Procurement Annual report (Community benefits etc).	Aug-26	40%
<b>Implementation and Exit Plans</b>	These need to be completed for all High risk procurement exercises. Previously no capital works were covered by this.	Dec-26	0%
<b>Standing Orders training</b>	Standing Orders Relating to Contracts needs to be reiterated and communicated via DLT's, SLT's, team meetings etc across all services and training made available.	Mar-26	100%
<b>Annual report update</b>	Refresh of the annual report format plus include examples of sustainable projects/climate change.	Nov-26	25%
<b>100% of research and spec development to have procurement team input</b>	Fell short of this in the Oct 2025 PCIP due to not covering construction procurement tenders. Now all specifications will have Procurement input.	Jul-26	100%
<b>Lead on an in house vs outsourced discussion</b>	Procurement should be involved in considering options for in house vs outsourced requirements.	Mar-27	0%
<b>Proc Strategy update frequency</b>	Suggested update and review every 3 years, currently taken to Council for review every year.	Jan-27	50%
<b>Procurement Board</b>	Study other Councils set up and assess whether this is necessary at SAC in conjunction with SAC Standing Orders Relating to Contracts	Mar-27	0%
<b>Staff with DPA training</b>	All staff must be aware of their responsibility in terms of Procurement Standing Orders Relating to Contracts and Fusion P2P.	Aug-26	25%
<b>Super Users for Fusion</b>	Super users are required to alleviate the current helpdesk call workload on CSM team within Procurement plus improve on Order Status Maintenance across the Council	Aug-26	50%
<b>Embedded Construction/Capital works processes</b>	Procurement to inherit responsibility for all Capital works procurement activity	Jan-26	100%
<b>Benchmarking CSM indicators with other authorities</b>	Procurement can benchmark CSM Contract and Supplier Management metrics against Councils within our family group.	Mar-27	0%
<b>Short Term Audits</b>	Include some form of contractual clause regarding short notice audits. Complete short term audits on Council suppliers.	Dec-26	0%

<b>Contractual Obligations</b>	Mechanisms are required to be put in place to motivate suppliers to perform whilst continually improving and meeting the customer requirements, delivering incremental value and reducing costs where appropriate and results from supplier innovation are recorded by the organisation	Dec-26	0%
<b>Post Project Reviews</b>	Some independent post project reviews must be able to be evidenced for some high value, high risk procurement exercises	Dec-26	0%
<b>Lessons Learned</b>	Organisation must have a central location containing lessons learned which can be easily accessed by all relevant staff.	Aug-26	25%
<b>Contract Register</b>	To be updated via Power BI to provide a more interactive experience for members of the public	Jul-26	80%
<b>Use of AI in procurement</b>	Explore the benefits of using AI as a support tool to compliment procurement processes and professional judgement.	Dec-26	20%