

Local Government Open Data Breakthrough Projects 2014/15 Evaluation Report



Project title: ProClass Spend Classification Standard

Lead organisation: London Borough of Harrow
Improvement and Development Agency for Local Government
iESE (Improvement and Efficiency Social Enterprise)

Date report is submitted: 30th April 2015

Type of project: Standards

Total grant: £12,000

Summary of the project:

Proclass is a local government led procurement classification which has been in place for a number of years and is widely used by local authorities in England to classify products and services purchased by local government in a consistent way. This project funded the update and transfer of the existing ProClass classification system to open data and hosting on LG Inform Plus as part of the local government standards. The wider use of the data to encourage councils to analyse and compare procurement activity will help to achieve the wider outcome of making efficiency savings in local government.

Challenge/opportunity:

ProClass is local government's very own standard procurement classification system. It is not a finance classification, it is for classifying products and services that are purchased rather than people, projects or budgets. Designed by local government for local government, ProClass gives local authorities the power to share and compare financial information easily, quickly and accurately. The classification system has been in place for some years and is in use by a substantial number of councils to pinpoint new areas for collaboration and sources of new savings within procurement. The classification forms part of the transparency code guidance to determine merchant categories for publishing spending and contract information. However, there is no longer any funding to support its hosting through the existing provider and it was felt that it would be better hosted and promoted through LGInform Plus as open data. In addition the governance of new and amended coding will be done through the National Advisory Group for Local Government Procurement (NAG) which includes senior procurement officers from all the nine English regions and is convened by LGA.

LG Inform Plus publishes local open data standards which support the consistent use of data and tools across the local government sector.

Data published and uses:

- A small steering group from NAG oversaw collation of existing codes and agreed initial loading onto LG Inform Plus

- ProClass has more than 500 codes including for example social, community care supplies and services, broken down into 'adults' and 'children's' sub-categories, building construction materials, catering, consultancy, environmental services etc. The blue-light version, specifically coding items procured by the emergency services contains a further 100 codes
- The codes are available to download now, and we have a communications plan to advise users how to download and use the codes. We also plan to promote the benefits of a single classification system to those councils not using the system.

Approach to publishing data

- The National Procurement Strategy outlines, amongst other things, how councils can make savings through procurement. As part of this we recommend a supplier management approach. Councils are required to publish all spend over £500 under the Transparency Code. Using this data we have published the spend data relating to the top 20 suppliers to local government by value and have taken the lead in engaging with these suppliers on more strategic supply chain management issues. Use of ProClass by all councils will help us to gain a more accurate strategic overview of spend patterns going forward very quickly.
- Through ongoing established communication channels, such as our NAG quarterly newsletter, the Society of Procurement Officers (SOPO) monthly newsletter and through our formal and informal regional procurement groups and networks we can make sure that data users know about ProClass and how they can use it. We will promote through social media such as Twitter and our regular e-bulletins as well as highlighting on our website www.lg-procurement.org.uk.
- Downloading of the datasets is free of charge and is easy to use, being an excel spreadsheet.
- The Proclass codes can include three levels of classification plus further clarification information where appropriate. In addition we have mapped ProClass to other commonly used classifications such as UNSPSC (United Nations Standard Products and Services Code, see www.UNSPSC.org), Thomson codes (see www.thomsonreuters.com), CPV (Common Procurement Vocabulary, the EU procurement codes see www.simap.europa.eu), NSV (National Supplier Vocabulary, the UK Government standard for item level coding see www.standards.data.gov.uk) and the NHS e-class codes 2012, the health related classification system see (www.nhseclass.nhs.uk). We believe the data systems for ProClass are sufficiently robust and sustainable to help councils identify areas for future collaboration, leading to more efficient procurement and identification of cost savings. Any further updates (and we expect there to be more updates particularly in the field of public health) will be agreed by NAG and published when required.

Benefits and impact

ProClass provides a common, overarching standard for each local authority to analyse and compare (on a like for like basis) what they have spent money on. It supports:

- Collaborative working between multiple authorities
- Transparency and accountability
- Management reporting on what was spent and what is likely to be spent
- Analysis and future planning of expenditure

- Digital public service transformation

This is important because

- Commissioning and procurement is a major unexploited area for efficiency savings – over £50 billion is spent each year across English local government
- Collaborative working and shared contracting reduces direct costs
- Good quality, and easily comparable information is essential to identify and exploit these opportunities
- It supports the 2014 National Procurement Strategy for local government and the publishing and use of spending and procurement data under the Transparency Code.

We would like to acknowledge the vision of the Department of Business and Skills in promoting the wider use of data through common standards and processes.

Further information:

Contact Tina Holland tina.holland@local.gov.uk,

The ProClass codes can be found on the LGInform Plus website here <http://standards.esd.org.uk/?uri=group%2FproClass>

The LGA Procurement website is www.lg-procurement.org.uk

For up to date published data about your local area and the performance of your council see our LGInform website www.lginform.local.gov.uk

A number of case studies can be found at <http://proclass.org.uk/>

The Local e-Government standards Body LeGSB www.legsb.i-network.org.uk