

## Frequently Asked Questions

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| Q. What is ProClass?                                         | A. It is the English local government owned procurement classification standard.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Q. Why was it introduced?                                    | A. In simple terms, to provide a more meaningful breakdown on council expenditure using a sensible hierarchy of headings. This would also support the comparison of third party expenditure information on a like for like basis between UK councils, sub-regions and regions using one common standard. This now means that initiatives designed to reduce expenditure can be compared and monitored between council.                                                                                                                                                                                                                                                                                                                                                |
| Q. What is the difference between classification and coding? | A. Classification is a reference that groups related products or services together for analysis, e.g. Stationery or Cleaning Services. Some classifications do not have any numerical codes added e.g. Thomson, and some do, e.g. UNSPSC, this is because adding a number can be easier than adding a long description particularly when a computer is used for analysis. A complete coding system takes the hierarchical code and adds a further code to reference a specific product or service, e.g. NSV or GS1 (EAN). It was decided at the outset that ProClass should not be given numbers to emphasis that it is a classification.                                                                                                                             |
| Q. Why is procurement classification so important?           | A. It is quite nicely summed up in Efficiency in Civil Government Procurement (1998) Report ( <i>ISBN 0947819592</i> ), which says: <i>“to be effective, collaboration and joint procurement needs full and reliable information about who is buying what, from whom, and through what means. This will entail using a common classification system”</i> .                                                                                                                                                                                                                                                                                                                                                                                                            |
| Q. Why not adopt UNSPSC?                                     | A. UNSPSC is a classification structure of manufacturing origin, which means it is not suitable because it is: <ul style="list-style-type: none"> <li>• Not reflective of the local government expenditure profile</li> <li>• Far too big and complex (22,000 plus codes)</li> <li>• Difficult to change and adapt (it is owned by the United Nations)</li> <li>• Added to by organisations world wide, with widely different requirements</li> <li>• Written in American English</li> </ul> UNSPSC and other existing coding and classification structures were examined and evaluated in detail by a consortia of councils and it soon became apparent that none of them were appropriate for local government procurement classification purposes at a high level. |

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| Q. Does it cost anything to adopt?                                                    | A. No. It is available to anyone and is free of charge to use. Remember it is owned by English local government.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Q. Will I have to change my IT systems?                                               | A. No you don't have to. We know that some system suppliers have either embedded ProClass as standard and others are planning to do so. This is particularly the case with expenditure analysis and contracts registers. However, as a classification system, ProClass sits over most systems, which will already be using other procurement and/or financial codes. These either have or can be mapped to ProClass. For example, Coding International Ltd have also developed a mapping process to cover CIPFA financial codes and have published cross-references to UNSPSC and other commonly used structures. |
| Q. What should I use ProClass for?                                                    | A. For comparative analysis, sharing information and market intelligence. ProClass does not: <ul style="list-style-type: none"> <li>• Classify supplier types, but what you buy from them</li> <li>• Provide analysis into SMEs/BMEs and/or economic regeneration</li> <li>• Support Catalogue content and/or trade with the private sector</li> <li>• Replace the need for financial coding (subjectives and objectives)</li> </ul>                                                                                                                                                                              |
| Q. When should I apply ProClass?                                                      | A. Ideally, at source – when letting a contract or placing an order. However, in reality it can be applied retrospectively, often at the payment stage or through a cross-referencing exercise to analyse historical spend.                                                                                                                                                                                                                                                                                                                                                                                       |
| Q. Who is using ProClass?                                                             | A. Eight of the nine English regions actively support ProClass and an increasing number of authorities across the UK are implementing it in some way.                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Q. Who is responsible for managing ProClass?                                          | A. ProClass is owned by the English local authorities, although it is available for any one to use <i>free of charge</i> . The English Regional Centres of Excellence decided to outsource the day-to-day management to Coding International Ltd. They are now responsible for managing it, although they are fully accountable to a ProClass Management Board, which comprises representatives from each region.                                                                                                                                                                                                 |
| Q. Will there be a training / education programme available?                          | A. Yes, this will be available in early 2008, probably in the form of half-day programmes. There will also be a series of regional marketing events too and published guidance papers.                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Q. Where can I find out the latest on ProClass?                                       | A. ProClass will soon have its own website. In the meantime information will be available through the local Regional Centres of Excellence web site <a href="http://www.rcoe.gov.uk">www.rcoe.gov.uk</a> (soon to become RIEP) and also from the Coding International site <a href="http://www.codinginternational.com">www.codinginternational.com</a> .                                                                                                                                                                                                                                                         |
| Q. Can you recommend any background reading on procurement classification and coding? | A. We shall soon produce ProClass specific material. In the meantime, two publications will fill the gap (both are available from <a href="http://www.lcpe.gov.uk">www.lcpe.gov.uk</a> ): <p style="text-align: center;">CIPS White Paper <i>Maximising Returns from Purchasing Data</i> - Informed business decisions from coding and classification<br/>C-written by Ken Cole, FCIPS and Liz Watkins-Young<br/>(Revised Sept 2007)</p> <p>New Standards for Procurement Classification – Towards a Pan London Strategy</p>                                                                                      |