ProClass
Frequently Asked Questions

Q. What is ProClass?

A. It is the English local government owned procurement classification standard.

Q. Why was it introduced?

A. Greater collaborative working is a proven way to drive out more cashable savings. To do this, councils needs to have good quality, easily accessible and accurate third-party expenditure information which can be compared with other councils on a like-for-like basis.

Whether it is building business cases, identifying opportunities for joint contracting, or working to shape markets; each has the same requirements. ProClass creates one common standard, which improves and accelerates the ability of councils to work and plan collaboratively.

Q. What is the difference between classification and coding?

A. Classification is a reference that groups related products or services together for analysis, for example, 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). Initially, it was decided that ProClass should not be given numbers to emphasise that it is a classification. However, a numbered version is included for those organisations that have decided to embed ProClass in their existing IT systems.

Q. Why is procurement classification so important?

A. It is quite nicely summed up in Efficiency in Civil Government Procurement (1998) (ISBN 0947819592), which says: ***"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."***

Q. Why not adopt UNSPSC?

A. UNSPSC is a classification structure of manufacturing origin, which means it is not suitable because it is:
> Not reflective of the local government expenditure profile
> Far too big and complex (22,000 plus codes)
> Difficult to change and adapt (it is owned by the United Nations)
> Added to by organisations world wide, with widely different requirements
UNSPSC and other existing coding and classification structures were examined and evaluated in detail by a consortium of councils and it soon became apparent that none of them were appropriate for local government procurement classification purposes at a high level.

Q. What should I use ProClass for?

A. For comparative analysis, sharing information and market intelligence. ProClass does not:
> Classify supplier types, but what you buy from them
> Provide analysis into SMEs/BMEs and/or economic regeneration
> Support Catalogue content and/or trade with the private sector
> Replace the need for financial coding (subjectives and objectives)

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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.

Q. Who is responsible for ProClass?

A. ProClass is owned by English local government, and is available for anyone to use free of charge. The English Regional Centres of Excellence outsourced day-to-day management to Coding International Ltd.

Q. Is there a training/ education programme?

A. Yes, a half-day training and education programme is now available. There is also a series of regional marketing events and published guidance papers.

Q. Where can I find out the latest on ProClass?

A. ProClass has its own website, http://proclass.nationaliep.gov.uk Further information is also available at www.codinginternational.com

Q. Can you recommend any background reading on procurement classification coding?

A. Two publications are available at www.lcpe.gov.uk These are:
> *CIPS White Paper Maximising Returns from Purchasing Data – Informed business decisions from coding and classification*, written by Ken Cole, FCIPS and Liz Watkins-Young (Revised Sept 2007)
> *New Standards for Procurement Classification – Towards a Pan London Strategy*

Q. Will I have to change my IT systems?

A. No. We know that some system suppliers have 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 have been mapped to ProClass. For example, Coding International Ltd has also developed a mapping process to cover CIPFA financial codes and have published cross-references to UNSPSC and other commonly used structures.

Q. Does it cost anything to adopt?

A. No. It is available to anyone and is free of charge to use. It is owned by English local government.

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