



AGENDA PAPERS FOR STOCKPORT, TRAFFORD AND ROCHDALE (STAR) JOINT COMMITTEE MEETING

Date: Tuesday, 20 January 2015

Time: 6.00 p.m.

Place: Meeting Room 5, Stockport Town Hall, Stockport, SK1 3XE

A G E N D A	PART I	Pages
1. ATTENDANCES		
To note attendances, including Officers and any apologies for absence.		
2. MINUTES		
To receive and if so determined, to approve as a correct record the Minutes of the meeting held on 1 October 2014.		
		1 - 6
3. JOINT COMMITTEE CONSTITUTION UPDATE – GOVERNANCE UPDATE		
To consider a report of the Director of Legal and Democratic Services (Trafford).		
		7 - 12
4. CONTRACT PROCEDURE RULES UPDATE REPORT		
To consider a report of the Director of STaR Shared Procurement.		
		To Follow
5. PERFORMANCE FRAMEWORK - CORPORATE REPORTS		
To consider the following reports of the Director of STaR Shared Procurement.		
		To Follow
(a)	Budget Monitoring Report and 2015/16 Budget	
(b)	Human Resources - Statistics	
(c)	Risk Register	

6. PERFORMANCE FRAMEWORK - MILESTONE REPORTS

To consider the following reports of the Director of STaR Shared Procurement.

To Follow

- (a) The Transparency Code 2014 Implementation Update
- (b) Policy Update - Greater Manchester Combined Authority Social Value Policy and Framework
- (c) Strategy Overview (Presentation)

7. PERFORMANCE FRAMEWORK - PERFORMANCE STATISTICS (KEY PERFORMANCE INDICATORS)

To consider the following reports of the Director of STaR Shared Procurement.

To Follow

- (a) Financial Benefits
- (b) Social Value and Local Spend
- (c) Compliance

8. DATE AND TIME OF NEXT MEETING

To confirm the arrangements for the next meeting.

THERESA GRANT
Chief Executive

Membership of the Committee

Councillors A. Brett (Chairman), P. Myers and I. Roberts (Vice-Chairman)

Further Information

For help, advice and information about this meeting please contact:

Ian Cockill, Democratic Services Officer
Tel: 0161 912 1229
Email: ian.cockill@trafford.gov.uk

This agenda was issued on **Monday, 12 January 2015** by the Legal and Democratic Services Section, Trafford Council, Trafford Town Hall, Talbot Road, Stretford M32 0TH.

Any person wishing to photograph, film or audio-record a public meeting is requested to inform Democratic Services in order that necessary arrangements can be made for the meeting.

Please contact the Democratic Services Officer 48 hours in advance of the meeting if you intend to do this or have any queries.

STOCKPORT, TRAFFORD AND ROCHDALE (STAR) JOINT COMMITTEE

1 OCTOBER 2014

PRESENT

Councillor A. Brett (Rochdale) (in the Chair).

Councillors P. Myers (Trafford) and I. Roberts (Stockport) (Vice-Chairman).

In attendance

S Robson - Director of STaR Shared Procurement
S Houston - Director of Corporate and Support Services (Stockport)
I Duncan - Director of Finance (Trafford)
P Kane - Director of Finance (Rochdale)
R Smithson - Democratic Services Officer

1. GOVERNANCE

(a) ELECTION OF CHAIRMAN AND VICE CHAIRMAN

RESOLVED:

- a) That Councillor Brett be appointed Chairman of the STaR Joint Committee for Municipal year 2014/15
- b) That Councillor Roberts be appoint Vice Chairman of the STaR Joint Committee for Municipal year 2014/15

(b) JOINT COMMITTEE CONSTITUTION

The Constitution of the Joint Committee was reviewed by the Committee. In response to a Member's query it was explained that as paragraph 2 of the constitution was written, only another Executive Member from each of the respective Authorities could stand in as a substitute member for the appointed Committee Member. It was recognised that greater clarity was needed on how substitute members could be appointed to the Committee.

In regard to Paragraph 3 of the constitution the Chairman expressed the view that the position of Chairman should be rotated amongst the 3 authorities on an annual basis.

In regard to Paragraph 33, the Director of Procurement (STaR) explained that in practice she was working to the regulations and rules of each of the 3 Authorities.

A Member questioned how the Scrutiny Process would fit in with regard to this Joint Committee. Would this Committee make decisions subject to the Call-In process and if so how would this work in practice. This issue was referred to Trafford Legal and Democratic Services for a response.

RESOLVED: That the constitution be noted

(c) FREQUENCY OF MEETINGS AND ATTENDEES

RESOLVED: That

- a) The Joint Committee meet 4 times a year.
- b) The next meeting would be held at Stockport on the 20 January 2014.

2. PROPOSED PERFORMANCE FRAMEWORK - FOR COMMENT

A number of points and Comments were made by the Committee on a proposed Performance Framework including:

- Joint Procurement by the 3 Authorities would see greater use of cross border companies.
- Use of local firms was a key issue for each of the Local Authorities with a recognised need to ensure Local businesses were in a position to bid for Council Contracts on the same terms as other businesses.
- Contracts below £50,000 were a priority in terms of identifying a new approach in procurement procedures.
- The use of local firms could be more cost effective to the 3 local authorities with the delivery of savings through the location of firms in relation to services required e.g. delivery of social care.

3. PROPOSED REPORT FORMAT - FOR COMMENT

(a) CORPORATE REPORTS: BUDGET REPORT AND RISK REGISTER

The Director of Procurement for STaR Shared Procurement submitted a report to the Joint Committee outlining the STaR Revenue Budget Monitoring 2014/15 – Period 4 (April 2014 – July 2014 inclusive). The STaR Risk Register was also outlined to the Joint Committee.

RESOLVED: That the reports be noted.

(b) MILESTONE REPORT: SOCIAL VALUE - STATEMENT OF INTENT

The Director of Procurement STaR Shared Procurement submitted a report to the Committee. The document was an initial statement of intent regarding how social value and local benefit will be embedded within the ethos, principles and processes of the STaR procurement organisation.

In response to queries it was explained that:

- There was a need to engage the market place in a way that made clear the Local Authorities were listening to the ideas and concerns of businesses.
- Going forward and where appropriate STaR procurement will consult with companies engaged in the procurement process to understand where

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improvements can be made to the process to make it more proportionate and accessible for SME's.

RESOLVED: That the report be noted.

(c) KEY PERFORMANCE INDICATORS - TEMPLATE & KPI'S

A template of the Key Performance Indicators for STaR procurement was submitted to the Committee. In response to Members' queries it was explained that:

- It was expected that 'waivers' would only be used in rare circumstances. Officers at any of the 3 Authorities would be discouraged from not following the procurement process and would have to have strong reasons not to. Legally all procurement had to comply with Public Contract Regulations 2006, (OJEU regulations).
- Key Performance Indicators focused on objectives for STaR and Corporate Priorities for the three Councils. A range of Performance Indicators were behind the KPI's to ensure all necessary data capture.

Members felt the suggested KPIs were very good. This would create a transparent process with direct channelling of the selected data.

RESOLVED: That the report be noted.

4. KEY ISSUES FOR DISCUSSION

(a) CORPORATE PROCEDURE RULES

The Director of Procurement STaR Shared Procurement submitted a report to the committee. It was outlined that Contract procedure rules are in the process of being harmonised. The first draft of the document has been produced by Trafford Legal Services. Representatives from Stockport, Trafford and Rochdale (STaR) Councils are in the process of agreeing the format and content for the final draft. The STaR Board was looking for guidance from the Joint Committee as to their preferred approach to the consultation process. It was also highlighted that sub £50,000 procurement processes was a key issue to be discussed.

In response to Member's queries it was explained that:

- Currently any procurement less than £50,000 are not generally openly advertised.
- Advertising such opportunities would require additional resources to assess additional bids.
- It was felt advertising opportunities above £30,000 would increase the benefits to the Council though there may be an increased impact on resources as a result of additional bids to evaluate.
- The E-Tendering portal did allow firms to register themselves and an interest in applying for Authority contracts. Constructionline was also a

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business driven mechanism for allowing firms to show they met certain standards required for Council contracts.

- New European regulations were expected to be brought into English Law in the early part of 2015.
- In terms of the new Transparency Code, Councils are required to publish details of all tendered contracts over the value of £5000.

Members commented that there was a need to find the balance in terms of opening up the procurement process as much as possible and ensuring the procedures Council's had to go through such as call-ins and executive decision making did not negate the benefits. The impact of lowering the threshold to £30,000 would have to be monitored.

It was suggested a framework should be put in place for contracts worth under £30,000 to try and open it up as much as possible in a sustainable way. It was noted that in total there was significant sums being spent under the £50,000 threshold which illustrated the need for greater transparency.

In terms of the decision required members chose option A. This provided for the Joint Committee to be briefed on the paper prior to its consultation and approve the paper only after consultation. The benefits of this approach means that members are not asked to make a decision on the document until it has been fully consulted upon. Members did request sight of what went out for consultation

RESOLVED:

- a) That the report be noted
- b) That option A as outlined in the report be the approach to the consultation approach

(b) NEW EUROPEAN PROCUREMENT LEGISLATION

The Director of Procurement STaR Shared Procurement gave a report to the committee. The report explained that new EU Procurement Directives were formally approved by the EU in April 2014. The UK was still in the process of transposing these into UK law/regulations but despite stating that it intended to implement them before the end of 2014, it was more likely to be early 2015. This was in advance of the 2 year implementation period within the Directives. The report went on to provide a high level summary and interpretation of the new EU Procurement Directives at this time.

In response to proposed changes in the use of Frameworks and Dynamic Purchasing System Members expressed concern that this may lead to increased numbers of bidders for contracts beyond the point of manageable costs for the Local Authorities.

New initiatives which were intended to improve access to contracts by Small to Medium Sized Enterprises (SMEs) were generally welcomed however Members voiced concerns that whilst turnover ratios should not be used to exclude SMEs from a tender process, it could mean that there may be a greater financial risk for the Council when dealing with smaller firms on some larger contracts.

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In terms of how contracts could be split to make them more accessible by SMEs, there had been no guidance on this issue yet and it was expected that Government would leave it to each public authority to define how contracts would be split.

It was noted that the payment directly of sub-contractors was now possible for Local Authorities though this may cause additional problems if taken up as an option.

RESOLVED: That the report be noted.

(c) TRANSPARENCY

The report was submitted to the Committee by the Director of Procurement (STaR) Shared Procurement. The document was an initial review regarding the proposed enhancements to the transparency code and the proposed implementation plan.

RESOLVED: That the document be noted

(d) PROCUREMENT STRATEGY

The Director of Procurement STaR Shared Procurement gave a verbal update on the development of the Draft strategy for STaR. It was expected this would be ready by the end of October. The focus for the strategy would be the national principles of:

- Savings
- Supporting Local businesses
- Leadership
- Modernisation.

In terms of national checks on the Procurement Strategy it was noted that the Strategy would be presented at Council meetings. External Audit would be a check on the processes put in place by the Strategy with also the potential of the 'Secret Shopper system' coming into practice through Central Government.

RESOLVED: That the verbal report be noted.

5. DATE OF NEXT MEETING

The next meeting would be held on the 20 January 2015 at Stockport Council.

The meeting commenced at 6.05 p.m. and finished at 7.20 p.m.

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Report to: Stockport, Trafford and Rochdale (STaR) Joint Committee
Date: 20 January 2015
Report author: Director of Legal and Democratic Services (Trafford)

Report Title

GOVERNANCE – UPDATE

Summary

The Joint Committee asked for clarification about how scrutiny would work in practice. This report clarifies the arrangements.

Recommendation(s)

That the report be noted.

Contact person for access to background papers and further information:

Name: Peter Forrester, Democratic and Performance Services Manager
Trafford Council)
Extension: 01619121815

Background Papers:

None

Purpose of Report

- 1 The Joint Committee considered a report on the Constitution at its meeting on the 1st October. A question about how the scrutiny process would work was raised at the meeting and this report sets out the arrangements for that and for the procedures relating to advance notice of key decisions and items to be considered in private.

Notice of Key Decisions/Items to be considered in Private

- 2 Each Authority has a definition of a key decision and therefore any decisions which meet the criteria will need advance notice. Any possible decisions will need to be worked through in terms of the criteria for each Council. Appendix 1 sets out the definitions
- 3 The Local Authorities (Executive Arrangements) (Meetings and Access to Information) regulations 2012 and The Openness of Local Government Bodies Regulations 2014 set out the procedures which have to be followed depending on

the nature of the decision being taken. For example, if the Joint Committee was taking a key decision, a 28 day notice would have to be published to fulfil legislative requirements. Similarly, if a decision is to be taken in private (as an exempt item), then 28 day notice will need to be given.

- 4 Trafford will prepare such notices and Stockport and Rochdale will provide links to the notice. The notices will be published by the Director of Legal and Democratic Services of Trafford as lead authority for the Joint Committee.

Publication of Decisions

- 5 Any decisions will be recorded and published following the meetings. A decision notice will be prepared and published by Trafford – usually within two days of the meeting. Stockport and Rochdale will provide links to the notice. The notices will be published by the Director of Legal and Democratic Services of Trafford as lead authority for the Joint Committee.

Call – in

- 6 Each Council has Call in rules which are broadly similar and the following approach would be followed for decisions which are called in.
 - Trafford prepare and publish a decision notice following a meeting for any decisions and share with Stockport and Rochdale who will also publish the decision notice via a weblink.
 - The decision is then subject to call in by each of the Council's in accordance with their procedures (i.e. Scrutiny Members have a period of time to call in a decision)
 - If there is no call in from any of the Councils, then the decision can be implemented.
 - If any Council calls in the decision, then they follow their own internal processes
 - Any matters which are referred back would then need to be reconsidered by the Joint Committee at its next meeting or at a special meeting.

Substitute Members

- 7 Members also asked about the arrangements for substitute members at the last meeting. It was agreed that the constitution requires that the substitute members needed to be appointed by the respective 3 Councils in the same method they appointed their respective Committee member and they have to be Executive members. This arrangement is in hand.

APPENDIX 1 – KEY DECISION DEFINITIONS

Trafford

An executive decision taken by the Executive, an Executive Member or an officer will be a Key Decision if it comes within one or more of the following categories:

- i) It is likely to result in the Council incurring expenditure or making of savings which are significant having regard to the Council's budget for the service or function to which the decision relates; or
- ii) to be significant in terms of its effects on communities living or working in 2 or more Trafford wards.
- iii) It forms part of the development of, or the development of a change to, the Policy Framework or Budget.
- iv) It involves securing approval in principle to the acquisition or disposal of land or property the value of which is estimated to exceed £500,000.
- v) It involves securing approval in principle to the taking of, or the granting, renewal, assignment, transfer, surrender, taking of surrenders, review, variation or termination of any leases, licenses, easements or wayleaves, at considerations in excess of £250,000 per annum or a premium of £500,000
- vi) Its consequences are likely to result in compulsory redundancies or major changes to the terms and conditions of employment of a significant number of Council employees.

Rochdale

A decision of the Cabinet/a Portfolio holder/a Township Committee/an Officer acting in accordance with the Scheme of Delegation shall be a Key Decision if it falls within one or more of the following categories:-

- (a) It is likely to have a major impact on the life of a community within the Borough (e.g. the closure of a school or a major traffic regulation scheme)
- (b) It forms part of the development of, or the development of a change to, the Policy or Budget Framework
- (c) Either:
 - (i) it involves revenue expenditure or saving that is neither provided for within the Budget, or virement not permitted by the Constitution
 - or

- (ii) it involves revenue expenditure or saving in excess of £500,000
- (d) It involves capital expenditure that is estimated to exceed £500,000 or is not provided for within the budget
- (e) It involves a significant reduction in or significant change to a service or facility provided by the Council, such reduction or change not being within the Policy or Budget Framework
- (f) It consists of the declaration of land or property, the estimated value of which exceeds £500,000 as surplus to the Council's requirements
- (g) It involves securing approval in principle to the acquisition or disposal of land or property, the value of which is estimated to exceed £500,000
- (h) It involves securing approval in principle to the taking of, or the granting, renewal, assignment, transfer, surrender, taking of surrenders, variation or termination of any leases, licences, easements or wayleaves, at considerations in excess of £10,000 per annum or a premium of £100,000
- (i) A financial decision whose consequences are likely to result in compulsory redundancies or major changes to the terms and conditions of employment of a significant number of Council employees

Stockport

A decision of the Executive, or of a Chief Officer acting in accordance with the Scheme of Delegation will be a Key Decision if it comes within one or more of the following categories:

- (i) It is likely to result in the Council incurring expenditure or making savings which are significant having regard to the Council's budget for the service or function to which the decision relates; or
- (ii) it is likely to be significant in terms of its effects on communities living or working in 2 or more Stockport wards.
- (iii) it forms part of the development of, or the development of a change to, the Policy Framework or Budget.
- (iv) it involves revenue expenditure or saving that is neither provided for within the Budget, nor virement permitted by the Constitution.
- (v) it involves capital expenditure that is not provided for within:
 - (a) the capital estimate for a specific scheme; or
 - (b) a lump sum capital estimate;
 - (c) the capital programme at all, subject to rule 5.7 of the Financial Procedure Rules, which permits the Executive to utilise released capital funding for other projects where approved scheme costs are reduced or the approved scheme is deleted (unless the resources were specifically ring fenced).
- (vi) it involves a significant reduction in or significant change to a service or facility provided by the Council, such reduction or change not being within the Policy Framework or Revenue Budget.
- (vii) it consists of the declaration of land or property, the estimated value of which exceeds £250,000, as surplus to the Council's requirements.
- (viii) it involves securing approval in principle to the acquisition or disposal of land or property the value of which is estimated to exceed £250,000.

(ix) it involves securing approval in principle to the taking of, or the granting, renewal, assignment, transfer, surrender, taking of surrenders, review, variation or termination of any leases, licences, easements or wayleaves, at considerations in excess of £250,000 per annum or a premium of £250,000.

(x) its consequences are likely to result in compulsory redundancies or major changes to the terms and conditions of employment of a significant number of Council employees.

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