



AGENDA PAPERS FOR

STOCKPORT, TRAFFORD AND ROCHDALE (STAR) JOINT COMMITTEE MEETING

Date: Tuesday, 19 January 2016

Time: 5.30 pm

Place: Meeting Room 12, Trafford Town Hall, Stretford, M32 0TH.

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 28 October, 2015.		
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3. DECLARATIONS OF INTEREST		
Members to give notice of any interest and the nature of that interest relating to any item on the agenda in accordance with the adopted Code(s) of Conduct.		
4. PERFORMANCE FRAMEWORK - CORPORATE REPORTS		
To receive the following reports of the Director of STAR Shared Procurement.		
(a) Revenue Budget Monitor - Period 8 2015/16		5 - 8
(b) Proposed Budget 2016/17		9 - 10
(c) Human Resources Statistics		11 - 14
(d) Risk Register		15 - 18

5. PERFORMANCE FRAMEWORK - MILESTONE REPORTS

To receive the following reports of the STAR Board.

- | | | |
|-----|--|---------------|
| (a) | STAR Audit Report (i) - STAR Procurement Service | 19 - 22 |
| (b) | STAR Audit Report (ii) - Contract Register | 23 - 26 |
| (c) | Ethical Procurement | Verbal Report |
| (d) | New Business Partners | Verbal Report |
| (e) | iNetwork Awards | Verbal Report |

6. BALANCED SCORECARD

To receive the following presentation and report of the STAR Board.

- | | | |
|-----|----------------------------|---------------|
| (a) | Quarter 3 Performance | Verbal Report |
| (b) | Proposed 2016/17 Scorecard | 27 - 38 |

7. MEETING DATES TO BE AGREED

To confirm the arrangements for the next meeting(s).

8. URGENT BUSINESS (IF ANY)

Any other item or items which by reason of special circumstances (to be specified), the Chairman of the meeting is of the opinion should be considered at this meeting as a matter of urgency.

9. EXCLUSION RESOLUTION

Motion (Which may be amended as Members think fit):

That the public be excluded from this meeting during consideration of the remaining items on the agenda, because of the likelihood of disclosure of "exempt information" which falls within one or more descriptive category or categories of the Local Government Act 1972, Schedule 12A, as amended by The Local Government (Access to Information) (Variation) Order 2006, and specified on the agenda item or report relating to each such item respectively.

10. NEW PARTNERS AND STAR CONSTITUTION

To receive a report of the Director of STAR Shared Procurement.

Para. 4

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Stockport, Trafford and Rochdale (STAR) Joint Committee - Tuesday, 19 January 2016

11. MARKET MANAGEMENT

To receive a verbal update of the Director of STAR Shared Procurement.

Para. 4

Verbal Report

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:

Chris Gaffey, Democratic and Scrutiny Officer,

Tel: 0161 912 2019

Email: chris.gaffey@trafford.gov.uk

This agenda was issued on **Monday, 11 January 2016** by the Legal and Democratic Services Section, Trafford Council, Trafford Town Hall, Talbot Road, Stretford M32 0TH.

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STOCKPORT, TRAFFORD AND ROCHDALE (STAR) JOINT COMMITTEE

28 OCTOBER 2015

PRESENT

Councillor A. Brett (in the Chair).
Councillors P. Myers and I. Roberts (Vice-Chairman)

Also Present

Councillor Mrs Laura Evans (Trafford)

In attendance

Christine Buxton	- Head of Finance (Stockport)
Ian Duncan	- Director of Finance (Trafford)
Pauline Kane	- Director of Resources (Rochdale)
Habib Khan	- Head of Legal (Trafford)
Sharon Robson	- Director of Procurement (STAR Shared Procurement)
Chris Gaffey	- Democratic and Scrutiny Officer

Also in attendance

Nichola Cooke - Head of Strategic Procurement – Professional Category

APOLOGIES

An apology for absence was received from Steve Houston, Director of Corporate and Support Services (Stockport).

11. MINUTES

RESOLVED: That the minutes of the STAR Joint Committee meeting held on Wednesday 22 July 2015, be approved as a correct record.

12. DECLARATIONS OF INTEREST

No declarations of interests were made by Members.

13. PERFORMANCE FRAMEWORK - CORPORATE REPORTS

(a) Revenue Budget Monitor - Quarter 2

The Committee received a report of the Director of Procurement (STAR Shared Procurement) detailing the STAR Revenue Budget Monitor for Period 5, 2015/16.

RESOLVED: That the report be noted.

(b) Human Resources Statistics & Team Update

The Committee received a report of the Director of Procurement (STAR Shared Procurement) detailing the current human resources statistics. It was confirmed that one member of staff had recently changed to a flexible working pattern, and following changes in staffing it is anticipated that this will impact positively on future statistics.

Stockport, Trafford and Rochdale (STAR) Joint Committee
28 October 2015

RESLOVED: That the report be noted.

(c) Risk Register

The Committee received a report of the Director of Procurement (STAR Shared Procurement) highlighting the current risks faced by STAR and the actions being taken to mitigate them. The report detailed new risks added to the register, as well as risks which had been removed or downgraded.

RESOLVED: That the report be noted.

14. BALANCED SCORECARD

The Committee received a report of the Director of Procurement (STAR Shared Procurement) detailing STAR's performance against the four key indicators of the balanced scorecard. Members were reminded that these were annual performance targets and that 2015/2016 was the first attempt to articulate STAR's key performance indicators. To establish achievable targets going forward, the data from the financial year 2015/2016 would be used to baseline the data sets.

The Director of Procurement (STAR Shared Procurement) answered questions relating to STAR's processes when dealing with speciality and urgent contracts. It was noted that STAR would always challenge the suggestion that only one supplier in the market that could fulfil a certain contract, and where possible a market testing exercise would be recommended. For urgent contracts within regulation values, a quotation process could be completed within a two week timeframe pending the complexity of the purchase and the market. It was confirmed that processes were in place for exemption requests.

Discussions took place about the 'Social Value' indicator of the balanced scorecard and why the scores for this indicator were currently below target. The Director of Procurement (STAR Shared Procurement) stated that the incorporation of Social Value parameters required behaviour change from the procurement team and commissioners. It was recognised that behaviour change does take time. Further, after some scrutiny of the data, she believed that the current scores were generated because of under reporting. The systems used to capture and report such activity are now under review to make them more robust. Discussions were ongoing on how to set more appropriate parameters, and these new measures would be brought to the next meeting.

The Committee also discussed savings estimates and how these were formulated. The Director of Procurement (STAR Shared Procurement) advised that a robust process was in place, which included input from the finance team from each Council as well as the appropriate budget holders and service managers.

It was confirmed that a copy of the customer satisfaction questionnaire would be circulated to Committee Members.

RESOLVED: That the report be noted.

15. LEGAL RESPONSE TO REQUEST FOR VIRTUAL MEETINGS

The Committee received a verbal response of the Head of Legal (Trafford), detailing why virtual meetings of the STAR Joint Committee could cause some difficulties. Virtual meetings in this context would allow members to attend by way of video link etc.

The Head of Legal (Trafford) confirmed that no statutory provision could be found allowing the conducting of virtual public meetings of a Committee nor was there anything specific which would prohibit it. However, virtual meetings would raise some issues, including;

- (i) Whether everyone would be considered as 'present' (i.e. would the meeting be quorate) if Members were actually at different locations during the meeting?
- (ii) As these were public meetings, what would attendance implications be for members of the public who also wished to attend virtually?
- (iii) What would be the implications if the technology were to fail?
- (iv) How good was the technology?

All of the above could invite challenges to any decisions made by the Committee.

The meeting was advised that any decision to have virtual meetings could potentially lead to a challenge and that that any advantages had to be balanced with the risk. The limited research conducted could not find any examples of virtual public Council meetings.

RESOLVED: That the Committee agree that the meetings would remain in their current format.

16. INETWORK AWARDS

The Committee received a verbal update of the Director of Procurement (STAR Shared Procurement) confirming that STAR had been entered into the annual iNetwork awards.

STAR had been entered into three award categories; Connected Procurement, Innovative Service Redesign & Reform, and Effective Information Sharing & Security. Confirmation of shortlisted entries would be received in the coming weeks.

RESOLVED: That the verbal update be noted.

17. PROPOSED DATE AND TIME OF NEXT MEETING

The Chairman confirmed the arrangements for the next STAR Committee meeting. The meeting would be held at 5:30pm on Tuesday 19 January, 2016 at Trafford Town Hall, Talbot Road, Stretford, M32 0TH.

RESOLVED: That the arrangements for the next STAR Committee meeting be agreed.

18. EXCLUSION RESOLUTION

RESOLVED: That the public be excluded from this meeting during consideration of the remaining item of business because of the likelihood of disclosure of "exempt information" which falls within Paragraph 4 of schedule 12A of the Local Government Act 1972, as amended.

19. PERFORMANCE FRAMEWORK - MILESTONE REPORT: RESOURCES STRATEGY - GROW YOUR OWN

The Committee received a report of the Director of Procurement (STAR Shared Procurement) detailing STAR's ambition to establish a framework for succession planning.

RESOLVED:

- (1) That the Joint Committee agree to commence the process of establishing a framework for succession planning within STAR.
- (2) That the report be noted.

The meeting commenced at 5.30 pm and finished at 6.25 pm

Report to: STAR Joint Committee
Date: 19th January 2015
Report for: For Information
Report of: Director of Procurement

Report Title

STAR Revenue Budget Monitoring Report – Period 8 2015/16

Summary

The purpose of this report is to:

- Update the Joint Committee on the STAR Budget for 2015/16 Financial Year

Recommendations

The recommendation of this report is that the Joint Committee:

- Notes the content of the Report

Contact person for access to background papers and further information:

Name: Sharon Robson
 Phone: 07817 882169

Background

Financial Impact:	See contents of the report
Legal Impact:	No
Human Resources Impact:	No
Asset Management Impact:	No
E-Government Impact:	No
Risk Management Impact:	No
Health and Safety Impact:	No

Consultation

No public consultation required

Reasons for Recommendation(s)

Joint committee is to note the contents of the report and will have the opportunity to raise questions at the Joint Committee Meeting

1. Outturn

- 1.1 The approved expenditure revenue budget for the year is £1,276k. An additional £54k was transferred from Reserve in July 2015 and the revised budget is now £1330k. Going forward the budget monitoring report will report against the revised budget figure
- 1.2 The forecasted outturn at Period 8 (April to November 2015) is £1,326k

2. Summary of Variances for the Year

- 2.1 The main items contributing to the overall favourable variance of (£4k) are summarised below, and detailed in Appendix 1:
 - Staffing £24k adverse; There is £24k relating to interim staff costs covering vacancies and absences.
 - Running costs, £(13)k favourable; reduction in subscription costs for The Chest following a recent procurement exercise.
 - External Income, £(15)k favourable; various funding streams.

Report Appendices

1. Budget Monitoring 2015-6 P1-8

Appendix 1: Budget Monitoring 2015-6 P1-8

STaR Procurement Service Budget Monitoring
April 2015 - November 2015 Period 1-8

Appendix 1

	Original Full Year Budget £000's	Revised Full Year Budget £000's	Total Months 1 to 8 £000's	Projection Months 9 to 12 £000's	Forecast Year End Total £000's	Over / (Under) Spend for Year £000's
Employees	1,038	1,054	704	374	1,078	24
Agency	0	33	32	1	33	0
Training	40	40	25	15	40	0
Staff Advertising	5	5	0	5	5	0
TOTAL EMPLOYEE COSTS	1,083	1,132	761	395	1,156	24
Premises	2	2	0	2	2	0
Transport	20	20	9	9	18	(2)
Equipment	1	1	0	1	1	0
Catering	3	3	0	2	2	(1)
Office Equipment	4	4	0	4	4	0
Consultants/Training Fees	10	10	9	1	10	0
ICT Costs including telephones	22	22	16	6	22	0
Subscriptions	24	24	1	13	14	(10)
Conference Expenses - Officers	2	2	0	2	2	0
RUNNING COSTS	88	88	35	40	75	(13)
SUPPORT SERVICES COSTS	105	110	0	110	110	0
TOTAL EXPENDITURE	1,276	1,330	796	545	1,341	11
External Income	0	0	0	(15)	(15)	(15)
TOTAL INCOME	0	0	0	(15)	(15)	(15)
NET EXPENDITURE	1,276	1,330	796	530	1,326	(4)

STaR Reserve 2015/16	
Balance 1st April 2015	136
Forecast Spend 2015/16	(54)
Balance 31st March 2016	82

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Agenda Item 4b

	Full Year Budget 15/16 £000's	Full Year Budget 16/17 £000's	Variance 15/16 and 16/17 £000's	
Employees	1039	1122	83	Note 1
Professional Training	40	21	-19	
Staff Advertising	5	5	0	
TOTAL EMPLOYEE COSTS	1,084	1,148	64	
Premises	2	2	0	
Transport	20	18	-2	
Equipment	1	1	0	
Catering	3	4	1	
Office Equipment	3	3	0	
Consultants Fees	10	10	0	
ICT Costs including telephones	22	17	-5	
Subscriptions	24	14	-10	
Other	2	2	0	
RUNNING COSTS	87	71	-16	
SUPPORT SERVICES COSTS	105	105	0	
TOTAL EXPENDITURE	1,276	1,324	48	
External Income		-20	-20	Note 2
TOTAL INCOME	0	-20	-20	
NET EXPENDITURE	1,276	1,304	28	
CONTRIBUTIONS PER LA	425	435	9	

Note 1 - Variance of £48k to accommodate salary inflation, increments and increased NI. A further £35k relates to new/regraded posts but costs reduced from overhead (below) to make this cost neutral

Note 2 - External Income relates to Solutions SK

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Report to: STAR Joint Committee
Date: 19th January 2015
Report for: Review and Discussion
Report of: Business Improvement Manager

Report Title

HR Statistics

Purpose

The purpose of this report is to:

- Advise Joint Committee Members on the HR statistics for STAR Procurement staff for the three quarterly periods from April 2015 to December 2015

Recommendations

- STAR Procurement Joint Committee notes the content and of the statistical information provided

Contact person for access to background papers and further information:

Name: Mark Pearson Phone 07875 635562

Background

Financial Impact:	None
Legal Impact:	None
Human Resources Impact:	Subject matter of the report comprises the cumulative quarterly statistical information relating to HR matters within the STAR Procurement service
Asset Management Impact:	None
E-Government Impact:	None
Risk Management Impact:	None
Health and Safety Impact:	None

Consultation

No public consultation required

Reasons for Recommendation(s)

The HR Statistics update is issued for information only and the Joint Committee is asked to note its contents. The Joint Committee will be able to query any aspect of the report during the course of the Joint Committee Meeting

1. Summary

- 1.1 TMBC HR Service has provided its third quarterly report of 2015-16 on the STAR team HR performance
- 1.2 Key movement between the information provided in Appendix 1 to this report and the previous Q2 statistics are:
 - 1.2.1 Two members of staff have left the STAR Procurement
 - 1.2.2 STAR Procurement has employed three new members of staff
 - 1.2.3 The average FTE days lost has increased from 9.2 to 10.66 days
- 1.3 The sickness absence statistics have been skewed by two individual employees, accounting for 241 of the 272 (89%) days lost in the period 1 April 2015 to 31 December 2015. One of these individuals has resigned from the Service; the second has undertaken a successful phased return to work and has requested Flexible Working to permanently reduce hours
- 1.4 It is anticipated that the statistics will improve going forward

2. Recommendations

- 2.1 It is recommended that:
 - STAR Procurement Joint Committee notes the content of the statistical information provided

Appendix 1: HR Statistics Q1 to Q3

Appendix 1: HR Statistics Q1 to Q3

Part 1 – Leavers and New Starters

Starters/Leavers FTE & Headcount by Department (01/04/2015 – 31/12/2015)				
	Starters		Leavers	
	Headcount	FTE	Headcount	FTE
STaR	9	8.44	7	7

Part 2 – Sickness Absence by Reason

Short Term/Long Term & Absence by Reason			
Reason	Days Lost (headcount)	Short Term (headcount)	Long Term (headcount)
Anxiety/Stress/Depression/Other Psychiatric Illness	107 (1)	0 (0)	107 (1)
Cold, Cough, Flu Influenza	11 (2)	11 (2)	0 (0)
Ear, Nose, Throat	2 (1)	2 (1)	0 (0)
Gastrointestinal Problems (Abdominal Pain, Gastroenteritis, <u>Vomiting,Diarrhoea</u>)	49 (5)	7 (4)	42 (1)
Other Musculoskeletal Problems (Exclude Back Problems)	92 (1)	0 (0)	92 (1)
Other Known Causes - Not Elsewhere Classified, E.g. Malaise, Poorly	5 (2)	5 (2)	0 (0)
Third Party Accident	6 (1)	6 (1)	0 (0)

Part 3 – Sickness Absence Summary

Absence				
Days Lost/Trigger by Directorate 01/04/2015 – 01/12/2015				
	Average FTE Days Lost	Total FTE Days Sick	Short Term Average	Long Term Average
STaR	10.66	272	1.21	9.45

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Report to: STAR Joint Committee
Date: 19th January 2015
Report for: Review and Discussion
Report of: Business Improvement Manager

Report Title

STAR Risk Register

Purpose

The purpose of this report is to:

- Provide an update on the organisational Risk Register for STAR Procurement
- Advise Joint Committee members of movement in risk items
- Advice Joint Committee members of any new risk items added to the register

Recommendations

- STAR Procurement Joint Committee to note the content of the Risk Register provided

Contact person for access to background papers and further information:

Name: Mark Pearson Phone 07875 635562

Background

Financial Impact:	None
Legal Impact:	None
Human Resources Impact:	None
Asset Management Impact:	None
E-Government Impact:	None
Risk Management Impact:	Subject matter of the report comprises the quarterly risk management status for STAR Procurement
Health and Safety Impact:	None

Consultation

No public consultation required

Reasons for Recommendation(s)

The risk register is issued for information only and the Joint Committee is asked to note its contents. The Joint Committee will be able to query any aspect of the risk register during the course of the Joint Committee Meeting

1. Summary

- 1.1 In the period, three new risks have been added, one risk has been downgraded and it is proposed that two risks are to be deleted
- 1.2 New risks are:
 - 1.2.1 P009 – Changes in legislation impacting on both procurement and the partner Authorities. This captures issues such as the proposed Living Wage regulations and similar central government legislation that may impact on the procurement of goods and services and the implementation of changes to existing contracts
 - 1.2.2 F010 – Income generation. This risk has been added reflect the agreement that STAR will now work with Schools and other Partners (e.g. Link4life) direct, meaning that the risk and opportunity regarding maintaining this income will reside with STAR rather than the Partner Councils. The respective contributions which the Councils make to STAR establishment costs will reduce.
 - 1.2.3 C010 – reputational risk to STAR of not delivering on promises made to the partner Authorities and clients. This risk has been added to ensure that the potential impact of poor customer service is addressed via the development of a robust quality monitoring process.
- 1.3 Risk item S047 in respect of The Chest (the Electronic Procurement Portal used by the partner Authorities) has been downgraded from a score of 3 to 2. Version 3 of The Chest has been rolled-out across NW England by the AGMA Procurement Hub and whilst some minor issues remain, impact on procurement activity by a change of Portal structure has been minimal. The risk remains on the register whilst STAR Procurement satisfies itself that there has been no impact on suppliers' access to the Portal and particularly to notifications about new opportunities

- 1.4 STAR Procurement proposes to remove risk item S048 (appointment of a suitably qualified Systems & Data Analyst). A new appointment was made on 23 November 2015 and the new member of the team is proving to be a valuable asset
- 1.5 STAR Procurement proposes to remove risk item P006 (change management following roll-out of harmonized CPRs across the three partner Authorities). This has been mitigated by means of a series of successful CPR training events hosted by STAR Legal across all three Authorities.

2. Recommendations

- 2.1 It is recommended that:
 - STAR Procurement Joint Committee notes the content of the Risk Register provided

Appendix 1: STAR Risk Register

Appendix 1: STAR Risk Register



Risk Register
Revision: 07
Issue Date: 7 January 2016

Document Owner: Mark Pearson, Business Improvement Manager

Summary				Risk Description & Impact			Preventative Actions		
ID	Date Raised	Status	Type	Description of risk / impact	Prob (1-3)	Impact (1-3)	Score (P x I)	Mitigating actions / Countermeasures	Risk Owner
F005	17 Sep 14	On going	Finance	Not able to balance cost savings against "local agenda" aspirations	3	2	6	Market engagement with local and sub-regional suppliers has increased, to connect with companies capable of providing services to the STAR Authorities from within the localities. Training being given to Commissioners in respect of Social Value and the GMCA Social Value policy. STAR Authorities to identify specific Social Value requirements to inform both STAR Procurement and individual Commissioners	DoP / STAR Team
F009	17 Sep 14	On going	Finance	Do not identify and deliver enough savings opportunities.	2	3	6	STAR Procurement allocates savings under three headings - Contract Renewal Savings; Targetted Budget Reduction; and New Savings Opportunities. STAR will agree with each Authority by end March 2016 what each Authority's target is, and will identify savings and efficiencies for all three Authorities and agree a target with each	HoSPs / CMs
P003	17 Sep 14	On going	Process & Resources	STAR Procurement Contract Register does not include all contracting activity	3	2	6	Working through the recommendations provided by a recent Audit of the Contracts Register undertaken by SMBC on behalf of the STAR Authorities. Category Managers are further engaging with Commissioners and also analysing spend data provided by Finance Managers to identify all contracting activity	HoSPs / CMs
P008	30 Sep 15	On going	Process & Resources	Ability to recruit and retain suitably qualified staff at all levels	2	3	6	STAR Procurement is developing a 'Grow your own' policy to enable officers within the organisation to progress from Assistants to Officers to Category Managers and beyond. This has recently proven to be a success in terms of promotions within the team and recruitment of suitably qualified and motivated team members; in house and external training course provision will ensure officers maintain CPD and assist in maintaining STAR Procurement's image as an employer of choice	DoP / HoSPs / BIM
P009	7 Jan 16	New	Process & Resources	Changes in legislation impacting on both procurement and local authorities	2	3	6	Horizon scanning to plan policies and strategies in advance. Liaison with regional partners and stakeholders to ensure parity of approach and shared learning	DoP / HoSPs
S046	17 Sep 14	On going	Systems & Tools	ICT systems prohibit / constrain STAR Procurement from working across the three STAR Authorities	2	2	4	Access to Rochdale's ICT system by means of VPN has been arranged for the STAR Procurement team. Business Improvement Manager arranging for similar access to Stockport systems by the end of January 2016	BIM
F010	7 Jan 16	New	Finance	Income generation	2	2	4	STAR will undertake a full review of all SLAs and will introduce quarterly reporting to partner organisations, demonstrating value derived. STAR will also undertake horizon scanning to capture new requirements and ensure a clear definition of offer	DoP / HoSPs
C007	17 Sep 14	On going	Comms	STAR Procurement fails to consider the corporate priorities of each of the three STAR Authorities when carrying out procurement	1	3	3	Heads of Strategic Procurement and Category Managers are liaising with Service Leads to ensure that corporate priorities from those lead officers can be identified and captured. STAR Board to continue to advise any change in corporate priorities when identified by each Authority's Corporate Management Team	DoP / HoSPs / CMs
F008	17 Sep 14	On going	Finance	Not able to achieve targets	1	3	3	New monthly reviews of savings with Heads of Strategic Procurement and Finance Teams in each Authority are providing certainty of cost savings. Balanced Scorecard continues to be developed and new KPIs will be agreed with the Board	DoP / HoSPs / CMs
P007	30 Sep 15	On going	Process & Resources	Future partner integration impacts on STAR Procurement ability to deliver to existing Authorities	1	3	3	STAR Procurement has identified resourcing, governance and financial impacts of proposed new Partner organisation; HoSP (Professional) has separately identified risks and is managing a separate partner-specific risk register. Joint Committee retains ultimate decision-making powers in respect of any new partners	DoP / HoSPs / BIM
S048	30 Sep 15	New	Systems & Tools	Inability to recruit a suitably qualified Data Analyst	1	3	3	Recruitment process has identified one suitable candidate; second interview scheduled. If unsuccessful, recruitment process to be re-started. Mitigation in form of Business Improvement Manager ensuring handover of Data Analyst function to Business Improvement Manager	DoP / BIM
C010	7 Jan 16	New	Comms	Reputational impact of not delivering promises; e.g. Availability of website, responsiveness and following processes	1	3	3	Website to be launched by end of January 2016. STAR will undertake audits of processes by means of peer review and building a more robust quality monitoring system	BIM / HoSPs
SO47	16 Mar 15	On going	Systems & Tools	Risk of performance issues arising from a change of procurement portal provided following AGMA re-procurement of The Chest portal in 2015	1	2	2	The Chest has been rolled-out across all participating Authorities and whilst there are minor issues to work through, the new version is in use. STAR Procurement needs to be satisfied that the new version is fully operational, particularly in respect of supplier activity	AGMA
C006	17 Sep 14	On going	Comms	Services/Commissioners across the three STAR Authorities do not engage fully with STAR Procurement, limiting ability to deliver against KPIs	1	2	2	Heads of Strategic Procurement continue to conduct strategic discussions with Services across the STAR Authorities; Category Managers continue to engage with Commissioners to ensure visibility of STAR Procurement at officer level within the STAR Authorities	HoSPs / CMs
C009	17 Sep 14	On going	Comms	Standardisation of documentation and processes across the three STAR Authorities and STAR Procurement	1	2	2	Business Improvement Manager is leading on the formation of a new Standards Group comprising BI and Procurement officers; this will review all requirements for standardised documentation and processes. STAR will lead on determining priorities and establishing a timeplan for delivery, in conjunction with stakeholders	BIM
P006	6 Jul 15	On going	Process & Resources	Managing change process as a result of introduction of CPRs across the three STAR Authorities	1	2	2	Procurement Handbook will be launched w/c 19 October 2015. STAR-led roadshows in August and September have rolled-out CPR and Handbook training to 150 Commissioners across the STAR Authorities	BIM

KEY:
 = New Risk Added
 = Downgraded Risk
 = Upgraded Risk
 Text = Risk to be removed

DoP = Director of Procurement
 HoSPs = Heads of Strategic Procurement (People, Place, Professional)
 CMs = Category Managers
 BIM = Business Improvement Manager
 AGMA = AGMA Procurement Hub

Report to: STAR Joint Committee Meeting
Date: 19th January 2015
Report for: Information and decision
Report of: STAR Board

Report Title

Audit Review of STAR Procurement Service

Purpose

The purpose of this report is to:

- Provide a summary of the outcome of the Audit report on STAR procurement service
- Provide an update on action taken to date and further recommended activities

Recommendations

- STAR Joint Committee to note the report and approve the proposed actions

Contact person for access to background papers and further information:

Name: Nichola Cooke

Phone 07711 454555

Background

Financial Impact:	No
Legal Impact:	No
Human Resources Impact:	No
Asset Management Impact:	No
E-Government Impact:	No
Risk Management Impact:	Included on STAR Procurement Risk Register
Health and Safety Impact:	No

Consultation

No public consultation required

Reasons for Recommendation(s)

Joint Committee asked to approve the actions contained in the report to confirm agreement with the processes set out and the responses from STAR Procurement

1. Summary of Audit Report on STAR Procurement Service

- 1.1. The review of the STAR Procurement Service was commissioned by a working group which constituted:
 - The Director of Procurement, STAR Procurement
 - Stockport - Internal Audit and Risk Manager
 - Trafford - Audit and Assurance Manager
 - Rochdale - Head of Internal Audit
- 1.2. The objectives of the Audit were to review how effective the STAR Shared Procurement Service has been in achieving the primary objectives set out in the Business Case
- 1.3. The review concluded that there was moderate assurance.
- 1.4. As part of the Audit an Action Plan has been developed by STAR Senior Management Team (SMT) to ensure that all the recommendations are progressed and completed.
- 1.5. This action plan has been developed to address risks and recommendations contained in the report. It has been developed by members of SMT and has clear leads and deadlines for implementation. The progress against the action will be reviewed on a monthly basis at SMT meetings until all recommendations have been completed.
- 1.6. Where leads are identified, it should be noted that the lead may require input from the wider STAR team. Resources and time have been made available to facilitate the implementation of this action plan.

2. Action Plan

- 2.1. In summary the key recommendations are:
 - **Benefits Realisation framework** - STAR management should consider revisiting the financial metric “value of savings with a fully signed PID” with the aim of defining and clarifying it further
This is now complete
 - **Baseline data** - STAR service to establish a robust process for collecting the baseline data required for the savings/benefits.
This will be agreed in as part of the review of the Balanced Scorecard and KPIs prior to April 16/17
 - **PID Savings register** – The savings figures recorded within the Savings Register to be subject to a robust review. Ideally this should include senior finance staff to provide assurance that the figures can be substantiated and have been correctly apportioned to the respective financial year.
This is now complete

- A process should be in place for regular reviews of the Savings Register by STAR to ensure the integrity and accuracy of the data recorded
This is now complete
- STAR SMT satisfy themselves that the current method that they have adopted to monitor and track the benefits/savings is the best option and meets the need of the service both now and in the future, as opposed to the purchase of an 'off the shelf' procurement system or database
Action end Jan. 2016
- **Business Continuity**– SMT mitigate against the risk of the Data Analyst leaving the service at short notice and the absence of the Category Manager.
This is now complete
- **Savings related to rebates paid on existing contracts**
The process for the calculation of the rebates payable to the STAR service to be subject to an independent check to ensure the figures are accurate;
The Savings Register to be updated periodically to reflect the actual amounts of rebates received for the respective financial year.
This will happen going forwards

3. Recommendations

3.1. It is recommended that:

- STAR Joint Committee notes the report and approves the proposed actions.

End.

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Report to: STAR Joint Committee Meeting
Date: 19th January 2015
Report for: Information and decision
Report of: STAR Board

Report Title

Audit Review of STAR Contract Register

Purpose

The purpose of this report is to:

- Provide a summary of the outcome of the Audit report on STAR contracts register
- Provide an update on actions taken to date and further recommended actions

Recommendations

- STAR Joint Committee to note the report and approve the proposed actions

Contact person for access to background papers and further information:

Name: Nichola Cooke

Phone 07711 454555

Background

Financial Impact:	No
Legal Impact:	No
Human Resources Impact:	No
Asset Management Impact:	No
E-Government Impact:	No
Risk Management Impact:	Included on STAR Procurement Risk Register
Health and Safety Impact:	No

Consultation

No public consultation required

Reasons for Recommendation(s)

Joint Committee asked to approve the actions contained in the report to confirm agreement with the processes set out and the responses from STAR Procurement

1. Summary of Audit Report on Contracts Register

- 1.1. The review of the STAR contracts register was commissioned by the Director of Procurement of STAR.
- 1.2. The objectives of the Audit were to confirm:
 - There are procedures in place to ensure the contracts register is complete and accurate
 - Services are providing contract information to STAR on a timely basis
 - The roles and responsibilities for maintaining the contract register are clearly defined and understood
 - Procedures are in place to ensure the contracts register is supported by adequate and robust contract management documentation
 - Access to the contracts register is securely controlled
- 1.3. The review concluded that there was moderate assurance.
- 1.4. It was agreed that an action plan would be developed by STAR Senior Management Team (SMT) to address the issues raised. The plan was developed by mid-November and activity commenced thereafter.
- 1.5. The action plan was developed to address risks and recommendations contained in the report. It has been developed by members of SMT and has clear leads and deadlines for implementation. The progress against the action will be reviewed on a monthly basis at SMT meetings.
- 1.6. Where leads are identified, it should be noted that the lead may require input from other members of STAR SMT and the wider STAR team. Resources and time must be made available to facilitate the implementation of this action plan.
- 1.7. Stockport People category data will be used as a “pilot” to identify a suitable process by which spend data and the contract register can be reconciled. Following a lessons learnt session, any improvements or learning from the Stockport process will be implemented into the milestone plan for other categories and Authorities.

2. Action Plan Update and Proposed Further Actions

- 2.1. In summary the key actions are:
 - Undertake an options appraisal of the format of the contracts register
 - Review and provide clarity on roles and responsibilities for the contracts register and access rights
 - Review contracts register to ascertain what information is required, what is helpful and what can be removed
 - Identify a way for the contracts register to support work planning and future procurement plans
 - Implement a Quality Assurance procedure and ensure there are clear definitions as to what should and shouldn't be included in the contracts register and what information should be inserted in each column

- Following implementation of a Quality Assurance system and then undertake spot checks regarding information on the contracts register and the spend information in SpendPro
The above work has now commenced with a targeted milestones by the end of March 2016. The items above will continue to be an area of focus for STAR
- Undertake review of published data to ensure compliance with Data Transparency Act
Complete
- Undertake due diligence to identify any spend which is not currently captured on the Contracts Register
This is a major piece of work which has targeted milestones up to the End April 2016. It will continue to be an area of focus as new contracting opportunities are identified
- Implement a training plan and briefings for STAR staff and key personnel in the three Authorities
To be scheduled by End March 2016
- Review metrics used for the Balanced Scorecard and how the information contained in the contracts register can support this
This will be reviewed as part of January 2016 Joint Committee Meeting
- Review the progress made against the KPI for the filing of all contractual documentation
This metric continues to improve

3. Recommendations

3.1. It is recommended that:

- STAR Joint Committee notes the report and approves the proposed actions.

End.

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Report to: STAR Joint Committee Meeting
Date: January 2016
Report for: Review and Approval
Report of: STAR Board

Report Title

Balanced Score Card Proposal 2016/17

Purpose

The purpose of this report is to:

- Provide a revised Balanced Scorecard for review and approval
- To provide rationale for the proposed changes

Recommendations

- STAR Joint Committee to review proposals and approve for 2016/2017

Contact person for access to background papers and further information:

Name: Elizabeth McKenna

Phone 07811983687

Background

Financial Impact:	No
Legal Impact:	No
Human Resources Impact:	No
Asset Management Impact:	No
E-Government Impact:	No
Risk Management Impact:	No
Health and Safety Impact:	No

Consultation

No public consultation required

Reasons for Recommendation(s)

STAR Procurement is recommending a change in the weighting of the parameters that comprise the Balanced Scorecard against which the performance of STAR Procurement is monitored. The Joint Committee is asked to approve the change in weighting

1. Summary of Balanced Scorecard Proposal for 2016/17

1.1 Development of the 4 parameters

It is proposed that the balanced scorecard for 16/17 is as follows:

Finance	40%
Compliance	30%
Social Value	20%
Performance/Customer service	10%

This represents a change from 15/16 to reflect a 5% increase in Social Value weighting (from 15%) and a relative 5% reduction in Performance/Customer Satisfaction from 15% to 10%. It is proposed that all other parameters stay the same.

It is proposed that greater emphasis is placed on Social Value for 16/17 so that greater benefit is delivered to the Councils and communities they serve through the procurement process.

The Board proposes that the weighting for Compliance and Finance for 16/17 should remain the same at 40% for Finance and 30% for Compliance respectively.

It is proposed that Performance is reduced from 15% to 10%. This reflects the fact that the performance for 15/16 has considerably exceeded targets set and as STAR as an entity has matured, good customer service has become embedded as part of a business as usual approach.

1.2 Removal of weightings

The revised scorecard proposal removes the complicated weightings, providing a score for each metric which contributes to a total score out of one hundred.

1.3 Appendix one illustrates the 15/16 measures and provides a rationale as well as baseline statistics for the previous year. Appendix two provides a summary of the 16/17 proposed balanced scorecard.

1.4 The Board has reviewed the actual measures for the scorecard and recommends a number of changes. These reflect the relevance of the existing measures, acknowledging that as STAR has matured and some of the measures are no longer required. Similarly some measures are proposed to move to Performance Indicators (PI) rather than Key Performance

Indicators (KPI). It is proposed that others are refined or replaced to ensure that we are continuously improving, incentivising the most appropriate behaviours and activities

1.5 KPI's will continue to be reported on a quarterly basis to the Joint Committee.

1.6 PI's will be reported on a monthly basis to the STAR Board.

1.7 Proposed changes:

- C3 and C5 were measures used to indicate that STAR is engaged with services, understand when contracts are up for renewal and are better able to plan resources. These metrics have been delivered successfully, have served their purpose and it is proposed to change these measures to PIs.
- F2, the previous metric has served its purpose and the PID process is now embedded as business as usual. It is proposed that F2 is changed to an income generation target but measured as a PI. Targets are yet to be agreed. F1 savings will be quantified using the following parameters:
 1. Planned savings via contract renewals
 2. Targeted budget reduction as identified by Service Business Cases or Medium Term Financial Plans
 3. New savings opportunities identified by contract register/spend data reconciliation
- F1 will continue to be reported as an aggregate measure across all three Councils
- It is proposed to remove S1, S3 and S4. The true performance measure is S5 (SV KPIs embedded in contracts). S1 is the process by which social value is achieved and it is proposed that this is now a PI facilitated through the PID (Procurement Initiation Document) process and managed by SMT (Senior Management Team). SMT are to provide proportionate targets for S3 (local spend) and S4 (SME spend) based on the procurement plan for 16/17 not just an improvement on 15/16.
- P1 and P2, customer and supplier satisfaction respectively, have been developed to further promote continuous improvement. The proposal refines the P1 Performance parameter to include internal and external stakeholders. P1 previously measured only internal "customer satisfaction" we are extending this measure to include all stakeholders such as suppliers who attend market engagement events. Attendance at business forums or meet the buyer days is an important and resource heavy activity for STAR and the new measure will capture feedback on these activities too.
- P2 has been changed to measure the perceived "accessibility" of STARs processes and documentation by the market. It is proposed that all potential bidders who "express and interest" in tendering will be provided with a

questionnaire to comment on their experience in terms of the quality and relevance of the information provided, the proportionality of the documentation and general accessibility of the process. The intention is to use this learning to make documentation and processes more user friendly for bidders, particularly local SME's who often cite "barriers" to successfully tendering for public sector opportunities. P2 will be a PI in 16/17 therefore P1 is the sole measure for performance.

1.8 PI Measurements

In addition to STAR's KPI's it is proposed that PI's are introduced to further support continuous improvement. This data will be used by the SMT to promote, manage and report the positive behaviours within the team to ensure that process is followed and good service levels are maintained for clients, continuingly provide demonstrable value for money.

Further the data produced will constitute valuable information which can be used for management reports, promotion of the service, tender bids, award applications and general good news stories when delivering presentations and workshops for clients.

2 **Recommendations**

It is recommended that:

- STAR Joint Committee approve the proposals and a set of KPIs for 16/17

Appendix 1: 15/16 Balanced Scorecard with proposed revisions and rationale
Appendix 2: 16/17 Balanced Scorecard Proposal

Appendix 1: 15/16 Balanced Scorecard with proposed revisions and rationale

Balanced Scorecard

Compliance (Weighting 30%)								Forecas		Comments / Rationale
Ref	Current Metric	Proposed	Measurement Period	Current Target	Proposed Target	Current Score	Proposed Score	Mar. 2017	Achieving to date	
C1	Number of contracts in the work plan awarded without a successful legal challenge against the total number of contracts on the work plan.	Keep the same	Annually	100%	Keep the same	5.00	10.00	100.0%	100.0%	We aim to maintain our current position
C2	% of 'live' / compliant contracts in the Contracts Register against the total number of contracts in the Contracts Register	% of 'live' / compliant contracts in the Contracts Register against the total number of contracts in the Contracts Register in year	Annually	90%	Keep the same	10.00	Keep the same	90.0%	92.9%	We aim to maintain our current position
C3	% of planned exemptions to the Contract Procedure Rules against the total number of exemptions	Propose move to PI	Annually	50%	Propose move to PI	5.00	Propose move to PI	60.0%	79.4%	Remove from balance score card and use as a PI measure for SMT C3 were measures used to indicate that STAR is engaged with services, to understand when contracts were up for renewal and therefore better able to plan resources. These metrics have been delivered successfully, have served their purpose and it is proposed to move these measures to PIs.
C4	% of signed contractual documents filed on The Chest within 12 weeks from Contract Award	% of signed contractual documents filed on The Chest for contracts over 3 months	Annually	100%	90%	0.00	10.00	90.0%	51.7%	Wording amended to measure deliverables more accurately
C5	% of planned procurement activities in the work plan against the total number of work plan activities.	Propose move to PI	Annually	65%	Propose move to PI	5.00	Propose move to PI	65.0%	88.2%	Remove from balance score card and use as a PI measure for SMT C5 was a measure used to indicate that STAR is engaged with services, to understand when contracts were up for renewal and therefore better able to plan resources. These metrics have been delivered successfully, have served their purpose and it is proposed to move these measures to PIs.
Compliance Score >										

Finance (Weighting 40%)								Forecas		
Ref	Current Metric	Proposed	Measure ment Period	Current Target	Proposed Target	Current Score	Proposed Score	Mar. 2017	Achieving to date	Comments / Rationale
F1	% of achieved savings against target	Keep the Same	Annually	90%	Keep the same	35.00	40.00	100.0%	100.0%	Savings will be measured against the 16/17 target, target to be agreed; F1 will be the sole financial measure
F2	% of PIDs with Savings represented against all signed PIDs	Propose change to Income Target, Propose move to PI	Annually		TBA		Propose move to PI	100.0%	100.0%	Remove original F2 measure and replace with an income target, target to be agreed and measure as a PI. The previous metric has served its purpose and the PID process is now embedded as business as usual.
Finance Score >										

Social Value (Weighting 20%) from 15%								Forecas		
Ref	Current Metric	Proposed	Measure ment Period	Current Target	Proposed Target	Current Score	Proposed Score	Mar. 2017	Achieving to date	Comments / Rationale
S1	% of SV embedded in procurement documentation against the total number of work plan activities.	Propose move to PI	Annually	50%	Propose move to PI	3.00	Propose move to PI	50.0%	41.4%	Remove from balance scorecard and use as a PI for SMT. The true performance measure is S5 (SV KPIs embedded in contracts). S1 is the process by which this is achieved and it is proposed that this is now a PI facilitated through the PID process and managed by SMT.
S2	Number of local employment opportunities created as defined in GMCA Social Value Policy **	Keep the Same	Annually	TBA	150	5.00	10.00	150	157	Maintain metric
S3	% of overall spend that is spent in the Local area (based on the average between the three authorities)	Propose move to PI	Annually	30%	35%	3.00	Propose move to PI	35.0%	29.0%	Remove from balance scorecard and use as a PI for SMT. SMT are to provide proportionate targets for S3 based on the procurement plan for 16/17 not just an improvement on 15/16.
S4	% of overall spend that is spent with SME's (based on the average between the three authorities)	Propose move to PI	Annually	10%	12%	3.00	Propose move to PI	12.0%	9.0%	Remove from balance scorecard and use as a PI for SMT SMT are to provide proportionate targets for S4 based on the procurement plan for 16/17 not just an improvement on 15/16.
S5	% Number of tender exercises resulting in a measurable SV outcome.	% of tender exercises resulting in SV KPI's.	Annually	40%	50%	0.00	10.00	50.0%	24.1%	Wording amended to measure deliverables more accurately
Social Value Score >										

Performance (Weighting 10%) from 15%							Forecas			
Ref	Current Metric	Proposed	Measure ment Period	Current Target	Proposed Target	Current Score	Proposed Score	Mar. 2017	Achieving to date	Comments / Rationale
P1	% of satisfaction (Good or above) on completed Customer satisfaction surveys forms.	% of satisfaction (Good or above) on completed Customer/Stakeholder satisfaction surveys forms. (Customer to include internal and external customers)	Annually	50%	75%	-	10.00	85.0%	83.6%	Developed metric to include internal and external customers to be sole measure for performance. P1 and P2 have been developed to enhance the data measured for continuous improvement. The proposal refines the P1 Performance parameter to include internal and external stakeholders. P1 previously measured only internal "customer satisfaction" we are extending this measure to include all stakeholders such as suppliers who attend market engagement events. Attendance at business forums or meet the buyer days is an important and resource heavy activity for STAR and the new measure will capture feedback on these activities too.
P2	% of satisfaction (Good or above) on completed Supplier satisfaction surveys forms.	% satisfaction with STAR Procurement processes and documentation from entities who participate in procurment cycle. Propose move to PI	Annually	0%	45%	-	Propose move to PI	45.0%	-	Remove from balanced scorecard and use a a PI for SMT, metric to include satisfaction of procurement processes and documentation. P2 has been changed to measure the perceived "accessibility" of STARs processes and documentation by the market. It is proposed that all potential bidders who "express and interest" in tendering will be provided with a questionnaire to comment on their experience in terms of the quality and relevance of the information provided, the proportionality of the documentation and general accessibility of the process. The intention is to use this learning to make documentation and processes more user friendly for bidders, particularly local SME's who often cite "barriers" to successfully tendering for public sector opportunities.
Performance Score >										

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Compliance (Weighting 30%)
Finance (Weighting 40%)
Social Value (Weighting 20%)
Performance (Weighting 10%)
Final Score >

- Create x number of new jobs in the local economy
 - Create x number of traineeships (including apprenticeships) for local residents
 - Provide x number of days of meaningful work experience for local residents
 - Support x number of people back to work by providing career mentoring for job clubs, including mock interviews, CV advice, and careers guidance
 - Supporting young people into work by delivering employability support (e.g. CV advice, mock interviews, careers guidance) to x number of school and college students
 - Employ x number of ex-offenders (or other group of people who typically face additional challenges in competing in the labour market)
- ** As defined in the GWMCA policy

Appendix 2: 16/17 Balanced Scorecard Proposal

Balanced Scorecard

Compliance (Weighting 30%)				
Ref	Metric	Measurement Period	Target	Score
C1	Number of contracts in the work plan awarded without a successful legal challenge against the total number of contracts on the work plan.	Annually	100%	10.00
C2	% of 'live' / compliant contracts in the Contracts Register against the total number of contracts in the Contracts Register in year	Annually	90%	10.00
C3	% of signed contractual documents filed on The Chest for contracts over 3 months	Annually	90%	10.00
Compliance Score >				30

Finance (Weighting 40%)

Ref	Metric	Measurement Period	Target	Score
F1	% of achieved savings against target	Annually	90%	40.00
Finance Score >				40.00

Social Value (Weighting 20%)

Ref	Metric	Measurement Period	Target	Score
S1	Number of local employment opportunities created as defined in GMCA Social Value Policy	Annually	150	10.00
S2	% of tender exercises resulting in SV KPI's.	Annually	50%	10.00
Social Value Score >				20.00

Performance (Weighting 10%)				
Ref	Metric	Measure ment Period	Target	Score
P1	% of satisfaction (Good or above) on completed Customer/Stakeholder satisfaction surveys forms. (Customer to include internal and external customers)	Annually	75%	10.00
Performance Score >				10.00

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By virtue of paragraph(s) 4 of Part 1 of Schedule 12A of the Local Government Act 1972.

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