

Report to: STAR Joint Committee
Date: 9th August 2017
Report for: Decision
Report of: Head of Strategic Procurement

Report Title

Procurement Strategy 2017-20

Summary

The purpose of this report is to seek approval from the STAR Joint Committee for STAR to publish the harmonised Procurement Strategy for 2017-20 on its website and update copies published locally by each STAR Council

Recommendations

The recommendation of this report is that the Joint Committee:

- Approves the attached Procurement Strategy 2017-20
- Approves publication on the STAR Procurement website
- Approves circulation of the Procurement Strategy 2017-20 to the three STAR Councils for their policy repositories / local publication

Contact person for access to background papers and further information:

Name: Nichola Cooke
Phone: 07711 454555

Background

Financial Impact:	None
Legal Impact:	None
Human Resources Impact:	None
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 STAR Councils' current Procurement Strategy was published in 2014. It has been updated to align with the STAR Procurement Business Plan 2017-20 previously approved by the Joint Committee. A copy of the proposed new Procurement Strategy is included in this report.

1. Procurement Strategy 2017-20

- 1.1 A revised and updated Procurement Strategy for 2017-20, aligned to the STAR Procurement Business Plan 2017-20 is provided in Appendix 1

2. Recommendations

- 2.1 It is recommended that the Joint Committee:

- Approves the attached Procurement Strategy 2017-20
- Approves publication on the STAR Procurement website
- Approves circulation of the Procurement Strategy 2017-20 to the three STAR Councils for their policy repositories / local publication

Report Appendices

1. Procurement Strategy 2017-20

STAR

P R O C U R E M E N T

A Shared Procurement Service for Stockport, Trafford and Rochdale Councils



OUR PROCUREMENT STRATEGY
2017-2020

1. Introduction

What is procurement?

Procurement is the process of acquiring supplies, services and works. It includes acquisition from third parties and in-house providers. The process spans the full procurement cycle from identifying the need, through to the end of a contract or the end of useful life of an asset and lessons learnt. It involves early stakeholder engagement, assessing impact on relationships and linkages with services internally and externally, options appraisals and the critical 'make or buy' decision whilst determining the appropriate procurement strategy and route to market.¹ Procurement is therefore much wider than simply purchasing, and through the effective implementation of our procurement strategy we will be able to demonstrate the added value that procurement can bring.

Why is Procurement Important?

Local Government currently has a total revenue budget of £44billion² per annum. Therefore the procurement activity that buys in supplies and services is critical to ensuring that best value is being obtained.

- ★ Public procurement is about improving the delivery and cost effectiveness of quality public services to citizens
- ★ Procurement can be a mechanism to challenge current service arrangements and find new models for service delivery
- ★ Savings realised through better procurement can be channelled back into priority services
- ★ Procurement can achieve additional added value benefits to residents through effective use of supply chains
- ★ Ensures that we deliver best value
- ★ Our professionalism and planning can help prevent financial loss to the Council and support our services and reputation

Why do we have a Procurement Strategy?

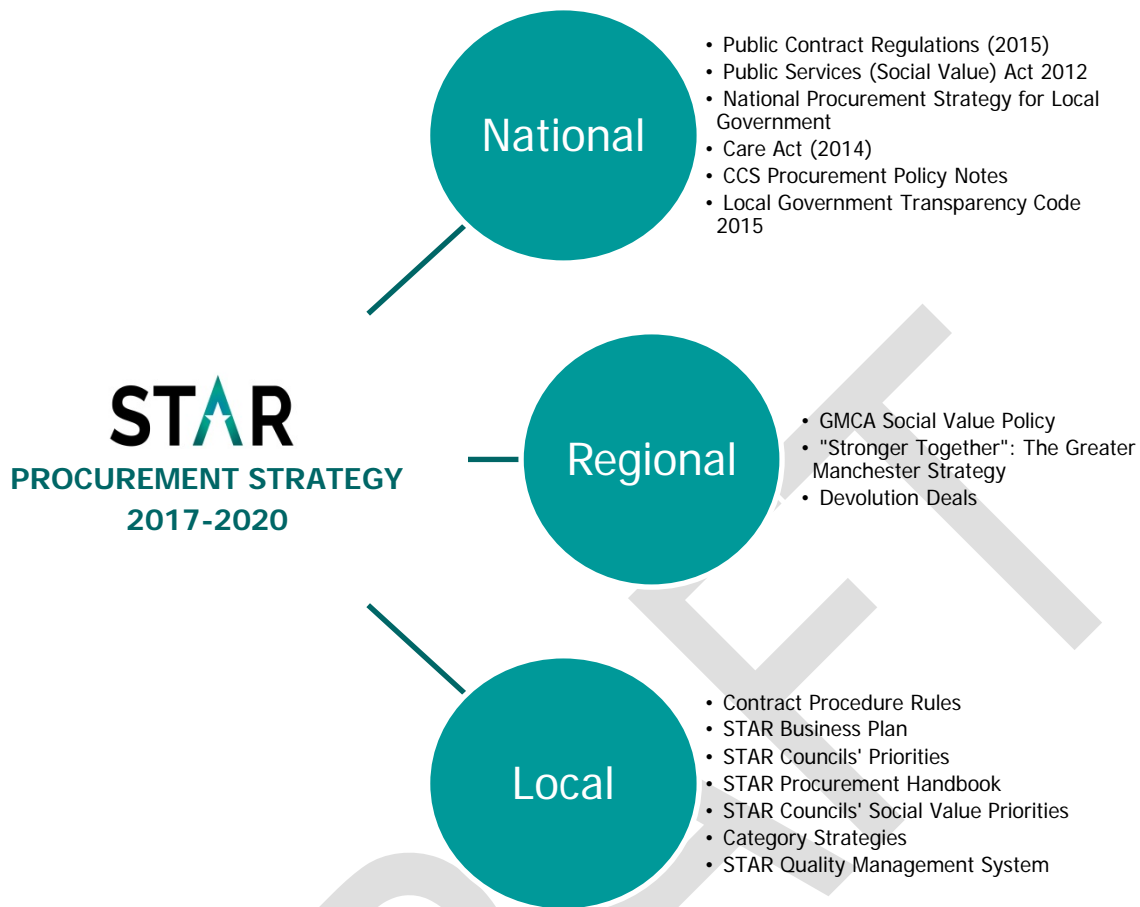
Our Procurement Strategy sets out our strategic approach to procurement activity. It is not intended to be an operational guide to procurement; however the objectives should be applied to all our procurement activity.

2. Strategic Influence

¹ National Procurement Strategy for Local Government, 2014

² Core spending power: final local government finance settlement 2017 to 2018

There is a wealth of national, regional and local strategies and legislation that influences our procurement activity. The diagram below is not exhaustive but gives an indication of the strategic context in which we operate.



In this complex and multi-layered context, our Procurement Strategy is designed to provide clarity as to how we will embed the strategic context into our procurement activity.

It will provide a consistent approach to procurement and practical guidance to buyers and suppliers as to how we deliver effective procurement activity.

3. Our Strategy

The STAR Procurement Business Plan identifies five objectives which will underpin all of our activity over the coming three years. Our Procurement Strategy demonstrates how we will deliver these objectives through procurement activity.

Objective 1: Commercial



We will deliver value for money and ensure we maximise the outcomes for our partners. There is no one way to deliver savings or reduce costs; we will deploy a wide range of approaches to ensure we get the maximum possible value for the money spent by our partners.

We will drive efficiencies from our partners' current contractual bases, particularly by adopting a collaborative and planned approach to contract review and commercial management.

As part of the public service reform agenda we will strive to make efficiencies in our service provision. This will be delivered through a robust category management approach and working collaboratively across all of our partners, driving economies of scale and increasing efficiencies.



Objective 2: Communities

Our key activity in this area will be to identify and strengthen our local and SME spend. There are a number of activities we will put in place to give local suppliers and Small to Medium Enterprises (SME) the best possible opportunity to supply and provide services to our partners.

We will embrace Social Value in all procurement where relevant and proportionate to ensure that all of the businesses we contract with are supporting our local communities and adding value beyond their contractual requirement.

We will also look to strengthen our e-procurement activity through our website and social media platforms, and maximise the use of our e-tendering platform, [The Chest](#). We recognise that one size does not fit all, and we will therefore continue to engage face to face with our stakeholders through events, drop in sessions, meet the buyer engagement, and training.

Objective 3: Collaboration



As a collaborative procurement service we have the skills and expertise to help drive this agenda and secure measurable outcomes.

We already collaborate across our three partners and the wider AGMA Procurement Hub. We will collaborate more effectively and deliver a wider range of outcomes across Greater Manchester and the North West. We value the fact that we are stronger together.

We will ensure that collaboration still supports our communities through the effective use of lotting strategies and through active engagement with our clients and suppliers.

Objective 4: Compliance



Procurement is rarely “black and white”, therefore we adopt a risk-based approach to ensure that we do not let the rules that focus on values stifle innovation and creativity.

We will maximise the opportunities for innovation that are allowed for in Public Contracts Regulations (PCR) 2015. Where rules and processes are in our gift to control, we will ensure that we provide an appropriate amount of structure, whilst allowing for flexibility and agility of approach based around risk first, but ensuring simplicity and speed to market.

STAR Procurement has a wealth of data. Through robust data analysis we can ensure that we manage, plan, monitor, and report on our activity. We can use the data to inform our strategic procurement and collaborative approach. Data is, and will continue to be, key to our success.

Objective 5: Champions



We aim to continue to champion procurement and collaboration to support public service reform. We will use our skills and expertise to develop our added value and ensure that we promote the very best world-class strategic procurement to share and support wider partners. We will also ensure that we champion Social Value in all that we do.

Where can I get more information?

There is a wealth of information for both suppliers and buyers on the STAR Procurement website: www.star-procurement.gov.uk