

Public Document Pack

AGENDA PAPERS MARKED 'TO FOLLOW' FOR STOCKPORT, TRAFFORD AND ROCHDALE (STAR) JOINT COMMITTEE

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
4. CONTRACT PROCEDURE RULES UPDATE REPORT		
To consider a report of the Director of STaR Shared Procurement.		1 - 2
5. PERFORMANCE FRAMEWORK - CORPORATE REPORTS		
To consider the following reports of the Director of STaR Shared Procurement.		
(a) Budget Monitoring Report and 2015/16 Budget		3 - 4
(b) Human Resources - Statistics		5 - 10
(c) Risk Register		11 - 12
6. PERFORMANCE FRAMEWORK - MILESTONE REPORTS		
To consider the following reports of the Director of STaR Shared Procurement.		
(a) The Transparency Code 2014 Implementation Update		13 - 14
(b) Policy Update - Greater Manchester Combined Authority Social Value Policy and Framework		15 - 28
(c) Strategy Overview (Presentation)		29 - 36

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

To consider a report of the Director of STaR Shared Procurement including: 37 - 38

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

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 **Friday, 16 January 2015** by the Legal and Democratic Services Section, Trafford Council, Trafford Town Hall; Talbot Road, Stretford, Manchester, M32 0TH

Item 4 Contract Procedure Rules – Consultation Process and Recommendations for Next Actions

1. Introduction

The first draft of the Contract Procedure Rules (CPRs) for STaR Councils has been produced by the CPR Working Group. This consists of a group of Finance and Legal Officers representing Stockport, Trafford and Rochdale (STaR) Councils and the Director of Procurement for STaR.

Consultation regarding the proposed harmonised CPRs started in December 2014 with wider operational teams across the three Councils. The consultation period has now ended.

As a result of the engagement process there has been significant positive feedback regarding the proposed draft.

Specific points include the following:

- Much clearer layout and formatting

- Straight forward and easy to understand

- More comprehensive

- The idea of a Procurement Handbook was well received, as was a simplified Scheme of Delegation

- The inclusion of a Schedule to the CPRs allowing for Authority-specific rules was a welcome addition

- The Projection Initiation Document was seen as a useful tool to inform the procurement process from the outset. A “light” version for lower value contracts would be beneficial

In addition there has been several questions, clarifications and concerns raised regarding key features of the CPRs proposed.

Issues which are of particular note include:

- The proposed move to £25,000 threshold for open advertising of procurement opportunities and the impact in terms of additional resources on service managers and STaR.

- Clarity regarding roles and responsibilities of STaR and client groups within the procurement cycle.

Requests for procurement training from Stockport.

2. Recommendations

In view of the response received the CPR Working Group and the STaR Board propose to defer the final ratification of the proposed CPRs until the Joint Committee Meeting scheduled for April 2015. All parties agree that extra time is needed to address the issues raised and ensure that the CPRs are effective.

Key actions have been agreed to ensure that the above issues are addressed. They are summarised below:

Legal to liaise with GM and LGA legal forums to establish how other Local Authorities are accommodating the £25,000 threshold. Also to establish whether a “step down” phased approach to implementation is possible.

Procurement Handbook to be developed for issue at the same time as the harmonised CPRs to provide the “how to guide” to procurement and working with STaR. This will support understanding, implementation and compliance.

Procurement documentation to be developed which is proportionate and appropriate for lower value contracts.

STaR to work with Stockport regarding the competencies required for “The Stockport Manager”.

Legal representatives to update the CPRs to incorporate all agreed drafting changes and identify all issues where consensus is required by STaR Council's

Legal representatives to identify local issues specific to STaR Councils and agree how they are accommodated in CPRs

End.

Item 5a Budget Report

Report to: STaR Procurement
Date: 18 December 2014
Report for: Joint Committee Meeting 20th January 2015
Report author: T&R Senior Accountant

<p style="text-align: center;">STaR Revenue Budget Monitoring 2014/15 – Period 8 (April 2014 – Nov 2014 inclusive)</p>
--

1 Outturn

1.1 The current approved expenditure revenue budget for the year is £1,232k and the forecasted outturn is £1,129k. This £(103)k favourable variance is 9.1% of the total expenditure budget.

2 Variations to Budget

2.1 The following details the £(103)k favourable variances and reasons to which the variances relate:

- a) **£ (122) k favourable, vacancy management;** Since the establishment of STaR there has been several vacant posts.
- b) **£(48) k adverse, agency, staff advertising, additional resources;** in order to increase the capacity of the STaR it has been necessary to buy in specialist support from another council to support staff in the first half of the year. There are other residual agency and advertising costs resulting from the formation of the shared service.
- c) **£ (30) k favourable, running costs;** the running costs budget is forecasted to be underspent mainly due to the lower than anticipated transport, subscription and other costs. This has been offset by the ICT set up costs for laptops and mobile phones £(10)k.
- d) **£103k– current forecasted underspend;** which will be carried forwards as an earmarked reserve.

Period 8 Forecasted Outturn revenue expenditure and income variances

	Full Year Budget £000's	Total Months 1-8 £000's	Projection to End of Year £000's	Forecast Year End Total £000's	Ove
Employees	1,005	531	351	882	
Agency	0	6	42	48	
Staff Advertising	0	1	0	1	
TOTAL EMPLOYEE COSTS	1,005	538	394	932	
Premises	4	0	1	1	
Transport	20	3	4	7	
Equipment	1	0	0	1	
Catering	4	0	1	1	
Office Equipment	4	1	1	2	
Consultants Fees	49	13	30	43	
ICT Costs including telephones	26	16	21	36	
Subscriptions	12	0	0	0	
Other	2	0	1	1	
RUNNING COSTS	122	33	59	92	
SUPPORT SERVICES COSTS	105	0	105	105	
Reserve Contribution			103	103	
TOTAL EXPENDITURE	1,232	571	661	1,232	

Item 5b HR Statistics and Workforce Matters

STaR shared procurement service is a new and ground breaking initiative and its success will be dependent on the capability and competency of the team and their ability to support the three Councils to deliver both operational and strategic business objectives.

The majority of the staff have come from the three Councils, with six new starters who have been recruited externally. Several of the team members have been newly promoted and there is understandably a mix of cultural and operational behaviours and activities.

It is therefore recognised that a robust, comprehensive and fully inclusive training plan is established for the team as a whole, as well as personalised development programmes which focus on the individual.

The training plan is attached in appendix 1 and demonstrates our commitment to this process.

Appendix 2 lists the current HR Statistics relating to the service.

Appendix 1 STaR Training Plan

For All Staff

		Source	Date
Understanding Category Management & its successful implementation	<p>Developing necessary skills for successful category management</p> <p>Understanding category management challenges</p> <p>Tools and methods to analyse and mitigate risks in category strategy</p>	3 x quotations and bidder selected	January - February 2015
Contract management approach to Procurement	<p>Purchasing cycle and key stages of influence of Procurement Managers</p> <p>The role of Procurement in specification development with key stakeholders</p> <p>Understanding performance management and supplier management</p>	As above	January - February 2015
<p>Excel Spreadsheets</p> <p>Using / inputting data for key management reports for STaR</p> <p>Contract Register</p> <p>Savings Register</p> <p>Work Plan</p> <p>Time sheets</p>	<p>Basic and intermediate skills</p> <p>Data conventions / how the spreadsheets work / connectivity / what is required of you?</p>	Data Analyst	<p>November 2014 complete.</p> <p>Follow up training to be provided by end March</p>
Improve commercial skills of team in terms of delivering savings	Demonstrate to the team how Cat Mgt is used to deliver business objectives in other organisations	TBC	January 2015

	Training / examples of best practice in terms of savings	Senior Category Managers	December 2014 Complete
Standard Documentation and work processes	Standard processes and templates to be implemented and used going forwards	Senior Category Managers	December 2014 Complete
KPIs	How KPI requirement are embedded into standard processes	Team Meeting & Senior Category Managers	November 2014 Further work needed (Social Value)
Legal Training to commence and ongoing programme of up skilling	Governance processes and how they relate procurement Contracting and T's & C's. TUPE regulations including impact on LG Pension obligations Data Protection Ad hoc Case Law - explanation & relevance	STaR Legal Formal training & "lunch time" learning sessions	February 2015 onwards
EU Procurement Directives	Understand the legal framework for public procurements as amended 2014	Legal and Senior Category Managers	February 2015
Risk, risk registers and risk mitigation	Introduction to risk registers for STaR and project specific	Phase 1 delivered Audit & Risk	October 2014 complete Phase 2

	procurement activity	Manger Stockport Phase 2 Team meeting activity	February 2015
The Transparency Code	Understanding the implications of requirements, and what we need to do to ensure compliance.	Rob Anderson/Legal	November 2014 Complete, follow up required March 2015
Social Value Act	How this will be embedded in our processes and documentation	DoP/SCM's	January 2015 Complete
Customer Services Training		TBC	TBC
Financial Training		LA Finance Officers	TBC
The Chest		Commercial Enablement	TBC

Training Plan for Category Managers & Senior Category Managers

Management Training		Source	Date
	Managing the Stretch and Strain of Change		
	Emotionally-Intelligent Leadership for Successful Change	Trafford Council North West via North West Employers Organisation	DoP, NM & GI completed Sept 2014.
	Creating Meaningful dialogue		NB & Cat Mgrs 2015

Personalised Training Programme

Self assessment questionnaire was issued to the team in November 2015

All managers to review and agree personalized training programme by end February 2015. Training Plan to be reviewed formally within 6 months

End

Appendix 2 STaR HR Statistics

Starters/Leavers FTE & Headcount by Department (Apr 2014 – Nov 2014)				
	Starters		Leavers	
	Headcount	FTE	Headcount	FTE
STaR	4	4	0	0

Absence				
Days Lost/Trigger by Directorate 01/04/14 – 30/11/14				
	Average FTE Days Lost	Total FTE Days Sick	Long Term	Short Term
STaR	7.8	157.5	6.7	1.1

Short Term/Long Term & Absence by Reason			
Reason	Days Lost (headcount)	Short Term (headcount)	Long Term (headcount)
Gastrointestinal Problems (Abdominal Pain, Gastroenteritis, Vomiting, Diarrhoea)	43 (5)	20 (4)	23 (1)
Anxiety/Stress/Depression/ Other Psychiatric Illness	21 (1)		21 (1)
Headache, Migraine	46.5 (1)		46.5 (1)
Other Known Causes - Not Elsewhere Classified, E.g. Malaise, Poorly	44 (1)		44 (1)
Other Musculoskeletal Problems (Exclude Back Problems)	2 (1)	2 (1)	
Back Problems	1 (1)	1 (1)	

End

This page is intentionally left blank

Item 5c Risk Register

Senior Responsible Owner: Sharon Robson
 Project Manager: Robert Anderson
 Rev (02) Issued (06/01/15)

KEY
L = Low (1)
M = Medium (2)
H = High (3)

Summary				Risk Description & Impact					Preventative Actions	
ID	Date Raised	Raised By	Status	Type	Description of risk / impact	Prob L/M/H	Impact L/M/H	Score (P x I)	Mitigating actions / Countermeasures	Risk Owner
F005	17/09/2014	Robert Anderson	On going	Finance	Not able to balance cost savings against "local agenda" aspirations	3	2	6	Options appraisal to review/agree objectives and most appropriate procurement strategy. Closer working with clients to understand opportunities, fortnightly review of progress, using contract register to understand when new contracting opportunities are coming up.	DoP / Full team
F009	17/09/2014	Robert Anderson	On going	Finance	Do not identify and deliver enough savings opportunities .	2	3	6	Work with finance and commissioners to ensure that we deliver greater value through the procurement process. Data interrogation to understand spend patterns and identify new opportunities. Aligned budget savings proposals and STaR savings programme. Robust and proportionate work plan which allocates time to identifying and delivering new savings opportunities.	DoP / Full team
PR003	17/09/2014	Robert Anderson	On going	Process & Resources	STaR Contract Register does not include all contracting activity	3	2	6	There has been significant progress made in this area as a result of the Transparency Code requirements. This will continue to be an area of focus on it will continue to be an area of focus through 2015. We are using data management expertise to identify gaps and focus STaR team members on completing the data with service managers.	SCM's / Full team
PR004	17/09/2014	Robert Anderson	On going	Process & Resources	Delay in agreeing Harmonised CPRs, and scheme of delegation document for all 3 STaR councils	3	2	6	Consultation process is complete and we now need to work on legal drafting and the Procurement handbook. Standardising processes will mitigate risks.	DoP / SCM's / Trafford Legal Service
COM06	17/09/2014	Robert Anderson	On going	Communications	LA clients do not engage fully with STaR, limiting STaR's ability to deliver against KPIs	2	3	6	Communications need to continue to improve and will be addressed via a number of activities in the next 3 months 1. Customer service training for all staff 2. Continued improvement in STaR intranet site and links 3. Agree comm's plan with the comms team for each of the 3 Councils 4. Training and workshops re. Contract Procedure Rules	DoP / SCM's
S046	17/09/2014	Robert Anderson	On going	Systems & Tools	ICT systems prohibit / constrain STaR from working across 3 x LA's	2	2	4	Progress is now being made but issues such as access to all 3 intranet sites are still to be resolved.	DoP / Enablement Team
COM09	17/09/2014	Robert Anderson	On going	Process & Resources	Standardisation of documentation and processes across the 3 x Councils and STaR team.	2	2	4	Senior Category Managers to lead on this over the next 3 months as part of the development of the STaR Procurement Handbook which will be published in conjunction with Contract Procedure Rules.	DoP / SCM's
F008	17/09/2014	Robert Anderson	On going	Finance	Not able to achieve KPI targets	1	3	3	Base line data to be established and targets set which stretch the team but are achievable.	DoP / Full team
PR021	17/09/2014	Robert Anderson	On going	Process & Resources	Work load is not equally distributed throughout 3 x categories and peaks and troughs in demand are not effectively managed	1	3	3	The work plan is mainly constructed around contract end dates and savings opportunities. The KPIs ensure that we focus on achieving these objectives for all 3 councils. We also ask all staff to complete timesheets to demonstrate where resource is being allocated. This currently demonstrates an equitable allocation of resources across all 3 Councils.	DoP / SCM's
COM07	17/09/2014	Robert Anderson	On going	Communications	STaR fails to consider the Corporate Priorities of each 3 STaR councils when carrying out procurement	1	3	3	Social Value training and workshop delivered 10th Jan. and GMCA Social Value Framework to become part of standard operating procedures	DoP / Full team
COM08	17/09/2014	Robert Anderson	On going	Communications	New Transparency requirements are not implemented	1	3	3	Contract Register information now published for all three Council's. Propose upload on monthly basis for first few months as required to complete data set. All other procurement and spend related mandatory requirements will be achieved to schedule (end Jan 2015). Thereafter we will review requirements to publish against recommended transparency proposals.	DoP / Enablement Team

Page 11

Low (L)	1
Medium (M)	2
High (H)	3

Item 6a

The Transparency Code 2014 – Implementation Update for Procurement Related Requirements

1. £500 Spend Declaration

Enhanced spend data declarations are due to be published at the end of January 2015.

All three Councils are on schedule to achieve this requirement.

As part of the process review the participants agreed that we would harmonise the data capture and data processing conventions associated with the spend data. This means that provision of all information is automated as far as possible and manual quality checks to redact personal information are kept to a minimum, furthermore, once identified, they are excluded from the data going forwards. The AGMA SpendPro team who receive, manipulate and publish the data to the Councils have been fully engaged in the project.

In order to achieve the objectives and to improve efficiency we have had to:

- a) Identify all data streams associated with spend
- b) Identify and agree exclusions / redactions from financial data supplied (e.g. personal data)
- c) Establish secure data storage and data transfer conventions
- d) Identify and agree process for quality assurance (manual redactions)
- e) Review and agree the process flow including timing, sequencing and responsibilities.

The process has been more complex and onerous than first anticipated but will result in harmonised, comparable, comprehensive data that we can use for a range of analysis activities such as reviewing local spend statistics.

2. Government Procurement Card expenditure

Trafford and Rochdale do not use Government Procurement Cards.

Stockport will be publishing the data in line with requirements at the end of January 2015.

3. Procurement Invitations to Tender over £5000

The requirement is to publish quarterly however STaR Councils will be providing a link on the internet to The Chest the online advertising portal so all information can be viewed "live". Trafford and Rochdale's link is now established and Stockport and Rochdale's links will be in place by the end January 2015.

4. Contract and Commissioning Activity over £5000

Stockport and Trafford have published a contract register with enhanced transparency information regarding contractual data and spend. The intention is for Rochdale to publish this information by the end of January 2015. Going forward each Council will comply with the requirement to publish on a quarterly basis.

5. Grants to Voluntary, Community and Social Enterprise Organisations

Data will be published to ensure a full financial years grants are available by 31st March 2015. Each Council will decide whether to embedded in the contract register or publish as a separate item.

End.

Item 6b Greater Manchester Combined Authority Social Value Policy and Framework

Introduction

The Greater Manchester Combined Authority (GMCA) has approved a Social Value Framework.

This framework was established through joint working of procurement leaders across GM which included:

- STaR
- Manchester
- Oldham
- Salford

Enworks, through the Environmental Sustainability Technical Assistance (ESTA) project, has been able to allocate resources to support the development of the framework.

Objectives

The framework was established to provide a consistent approach to embedding Social Value in procurement processes across GM. It also looks to provide a set of common key objectives which procurers, commissioners and the market can use to identify and deliver Social Value outcomes.

The six objectives are listed below:

Objective 1 - promote employment and economic sustainability;

Objective 2 - raise the living standards of local residents;

Objective 3 - promote participation and citizen engagement;

Objective 4 - build the capacity and sustainability of the voluntary and community sector;

Objective 5 - promote equity and fairness;

Objective 6 - promote environmental sustainability;

Implementation

STaR is the first procurement team in GM to receive specific training regarding the new policy and will be looking to embed the framework into procurement activity going forward.

A workshop was delivered to the full team on 10th January 2015 giving them the opportunity to understand and work through live examples of how the framework can be applied in practice. The training was very well received with all participants stating that it was good or excellent and that it was highly relevant to their job. This format will now be used to roll out to other Councils in GM.

There will be further consideration of how commissioners as well as procurers are engaged in an awareness raising and training programme.

GREATER MANCHESTER COMBINED AUTHORITY

Date: **28 November 2014**

Subject: **SOCIAL VALUE PROCUREMENT FRAMEWORK**

Report of: **THERESA GRANT**

PURPOSE OF REPORT

Following a previous report to the GMCA in September 2013, the CA endorsed the use of a procurement evaluation framework to be used for all tenders let for the Low Carbon Hub and also agreed that the evaluation framework should be disseminated to all local authority procurement teams for consideration beyond Low Carbon Hub Investments. The CA also requested a 6 month update on progress made on that dissemination.

The progress report in June 2014 recommended the following work; to:

- Develop a template Social Value Procurement Policy to be adopted by commissioning authorities which can be modified to be specific to each authority;
- Develop a legally robust wider social value evaluation framework which looks to encompass GM wide polices and bring this back to the CA for approval. Such a framework would be designed to enable local priorities to be identified and be based on the work undertaken by Oldham;

As a result the CA **AGREED:**

- That further work would be undertaken by the AGMA authorities to incorporate appropriate social value outcomes into procurement process and that the approach is standardised as far as possible.

This report provides feedback from the GM procurement teams on their approaches to social value and asks the GMCA to consider the adoption of a GM Social Value Policy and Framework that can be used as a template for GM Authorities.

RECOMMENDATIONS:

GMCA is recommended:

- To adopt the GM Social Value Policy and Framework (See Annex 1);
- To note the work being undertaken to further develop and build the case study resources available through the GM Social Value Framework;
- To consider a proposal that further work be undertaken by the AGMA Authorities, in conjunction with the AGMA Procurement Hub, to incorporate appropriate social value outcomes into procurement processes and that the approach is standardised as far as possible.

BACKGROUND PAPERS:

TRACKING/PROCESS		
Does this report relate to a Key Decision, as set out in the GMCA Constitution or in the process agreed by the AGMA Executive Board		Yes Low Carbon Hub on 6th September and GMCA September 2013 & June 2014
EXEMPTION FROM CALL IN		
Are there any aspects in this report which means it should be considered to be exempt from call in by the AGMA Scrutiny Pool on the grounds of urgency?		None
AGMA Commission	TfGMC	Scrutiny Pool
Low Carbon Hub on 6 September 2013		

1.0 BACKGROUND

- 1.1 This work takes place within the context of the Greater Manchester Strategy 2013-20 – Stronger Together, recognising the aspiration for Greater Manchester to close and then eliminate the £5billion ‘cost centre’ deficit to become a net contributor to the national economy.
- 1.2 This report provides an overview of the work to date, the initial findings, the developing core policy and social value framework to support work in this area. It also develops the scope of the project and the prospective work programme to develop and culturally embed social value approaches across Greater Manchester.
- 1.3 ENWORKS, through the Environmental Sustainability Technical Assistance (ESTA) project, has been able to allocate some resources to take these next steps forward and working closely with the AGMA Procurement Hub, a review of existing approaches across AGMA has been carried out to identify the common threads and linkages with best practice from other regions.
- 1.4 To enable social value outcomes to be incorporated into procurement there needs to be a “golden thread” showing a clear link between the commissioning body’s strategic objectives, a procurement evaluation framework which links the

objectives to outcomes, a compliant procurement process and contract monitoring against the social value deliverables.



1.5 The Draft Social Value Policy for the CA sets out six objectives which all have a clear strategic link to the Greater Manchester Strategy:

Objective 1 - promote employment and economic sustainability;

Objective 2 - raise the living standards of local residents;

Objective 3 - promote participation and citizen engagement;

Objective 4 - build the capacity and sustainability of the voluntary and community sector;

Objective 5 - promote equity and fairness;

Objective 6 - promote environmental sustainability;

2.0 PROGRESS UPDATE

2.1 Peter Schofield (Programme Manager of AGMA Procurement Hub) is leading on this work supported by Ian Brown, (Manchester CC, Head of Procurement), and a small working group consisting of Todd Holden (Growth Hub for the GM Low Carbon Hub), Sharon Robson, (Director of Procurement, STaR), Anne Lythgoe (Health and Wellbeing Board Strategy Manager, Salford CC,) Karen Lowes (Head of Procurement, Oldham MBC) and Michael O'Doherty (Assistant Director, GM Environment Team, Manchester CC).

2.2 The following initial activity has been undertaken:

- Review meetings with relevant procurement staff and interested parties across Greater Manchester.
- A desk review of other Social Value (SV) policies frameworks and research materials.

- 2.3 There has been a broad spectrum of responses to the provisions of the Public Services (Social Value) Act 2012 across Greater Manchester. Some have taken the opportunity to review and develop their policies so that they are overtly focused on SV, reflecting core Council policies and strategies. Others have embraced the principles of the Act but have incorporated SV issues within their existing approaches and policy, whilst some have addressed SV issues on a case-by-case basis, reflecting the 'light touch' approach that the Act facilitates.
- 2.4 All authorities have procurement policies/frameworks that would allow and encourage the development of social value to be considered and promoted through procurement exercises. All have welcomed the prospect of a simple GM wide SV policy that can be 'topped and tailed' and adopted for use by individual authorities.
- 2.5 There is general consensus that SV should be embedded within procurement activities at all scales and for both services and capital purchasing. Furthermore there is agreement that the commissioners of goods and services have a central role in designing in social value aspects at the earliest stages of the procurement exercise. It is believed that at that point, full consideration can be given to the opportunity the procurement exercise can offer towards SV and the scoring weighting that could be attached to the SV element.
- 2.6 This has been and will continue to be an area of further discussion at the heads of Procurement Meetings on this issue to establish commonalities in the approaches authorities take to determining the scoring for different types and scales of procurement exercises.
- 2.7 A broad range of SV themes have emerged across GM. Whilst these fall broadly into three categories; Economic (local jobs and growth), Social (resilience and strong VCS), Environmental (clean and protected environment) the spectrum of potential activities and measures is wide and varied, reflecting individual authorities priorities and to some extent the resources they may have to support this work. There is also a fourth overarching theme relating to Public Sector Reform (demand management and prevention), to which the other three contribute directly.
- 2.8 Following a workshop with the Heads of Procurement a set of six objectives have been developed which provide a framework for the themes that have emerged through the review (See para 1.5).
- 2.9 The assessment of suggested SV activities and the measurement of SV outcomes continue to be raised as difficult and contentious areas where support maybe required.

3.0 NEXT STEPS

- 3.1 In recognition that there is a strong commitment amongst the AGMA Heads of Procurement but acknowledging that resources are limited, it is proposed that the next steps in the development of a Greater Manchester Social Value approach include engagement with internal and external stakeholders to raise awareness and capture innovative approaches and ideas that can be shared

across the GM region.

3.2 Subject to the GMCA's agreement of the recommendations, the proposed next steps are:

1. Invite comments and views from suppliers in all sectors on the Social Value Policy for the GMCA.
2. Work with partners involved in the delivery of the PSR objectives to apply the Greater Manchester Social Value Framework to all appropriate procurement activity.
3. The Greater Manchester Social Value Framework will be a constantly evolving tool and it will continue to be developed to include case studies / and the 'art of the possible' examples that can assist in the discussions and innovations around social value at the pre-procurement stage.
4. Continue to develop and investigate appropriate social value measurement and benchmarking methodologies with a view to the adoption of a common approach across GM.
5. The AGMA Procurement Hub will continue to lead on the development of the SV Policy and Framework and will develop activity that will support authorities with suitable training and technical assistance. This work will aim to develop capacity and understanding to embed consistent and effective approaches to SV across GM.
6. Peter Schofield will continue to feed information on the SV work to the AGMA I&E Leadership Group who will then consider how the results will be presented to the Wider Leadership Team.

3.3 Manchester CC, through a Civil Service Fast Stream secondee, has staff resources which it can deploy to take these next steps forward, with the support of those individuals referenced in this paper.

4.0 REVIEW OF THE PUBLIC SERVICES (SOCIAL VALUE) ACT 2012

4.1 On September 26th 2014 the Cabinet Office announced a review of the Public Services (Social Value) Act 2012. The Act currently applies only to service contracts over the EU threshold, at the pre-procurement stage.

4.2 Lord Young, the Prime Minister's Adviser on Enterprise, will lead the review, supported by:

- the Federation of Small Businesses
- Chris White MP
- Hazel Blears MP
- Michael O'Toole (Crown Representative for the Voluntary Sector and shortly to be Chief Executive Officer of Mentor UK)

4.3 The review will help to decide:

- if the Act should be extended, for instance, to cover contracts for goods and works as well as services
- how it might be extended in a way that continues to support small businesses and voluntary, charity and social enterprise (VCSE) organisations to bid for public contracts

4.4 The review team will consider a range of evidence and aims to report on findings in early 2015. We will publish more information about how to contribute views to the review on later in the year.

4.5 As the development of the proposed GMCA Social Value Policy and Framework is in line with the thrust of the terms of reference of the Review, it is proposed that the work programme should continue and take on board the findings of the review as they emerge. Consideration will also be given to ensuring the work undertaken across GM, as well as the Policy and Framework is fed into the Review process.

4.6 More information on the review of the Act can be found at:

<https://www.gov.uk/government/consultations/social-value-act-review>

ANNEX 1 –

DRAFT Social Value Policy for the GMCA

1.0 Purpose

The aim of this Policy is to set out how the Combined Authority (and its members) will deliver social value through their commissioning and procurement activities and to set the Authority's priorities in relation to social value.

2.0 Background and Scope

The Public Services (Social Value) Act 2012 came into force on 31st January 2013*. It is now a legal obligation for local authorities and other public bodies to consider the social good that could come from the procurement of services before they embark upon it. The aim of the Act is not to alter the commissioning and procurement processes, but to ensure that, as part of these processes, councils give consideration to the wider impact of the services delivery. It allows authorities, for example, to choose a supplier under a tendering process who not only provides the most economically advantageous service, but one which goes beyond the basic contract terms and secures wider benefits for the community. It could be argued that this type of approach has been adopted as good practice across Greater Manchester Authorities before the Act came into force. However, together the Act and this policy provide an opportunity to deliver a cohesive yet flexible and innovative approach to generating social value through public procurement.

Statutory requirement of the Act only apply to public service contracts above EU thresholds, however in order to incorporate the good practice associated with Social Value into mainstream commissioning and procurement practice, it is the intention of the Combined Authority to embed this policy and associated Great Manchester Social Value Framework within all commissioning and procurement activity wherever proportionate and practicable. This policy statement sets out the Combined Authority's aims in this regard. In particular it seeks to:

- Set out a definition of Social Value for Greater Manchester
- Sets out the policy context for Social Value in Greater Manchester
- Set out the priority policy objectives
- Sets out a Greater Manchester Social Value Framework

3.0 Defining Social Value

The Act does not define what is meant by 'social value'. Therefore the Combined Authority will adopt the definition of social value as set out by the Sustainable Procurement Taskforce. Social Value is defined as:

A process whereby organisations meet their needs for good, services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits not only to the organisation, but also to society and economy, whilst minimising damage to the environment.

4.0 Policy Context

The Greater Manchester Strategy 2013-20 – 'Better Together' sets the overarching strategic framework for this policy.

The strategy recognises that despite the recession, Greater Manchester's economy has been shown to be more robust than most of the rest of the UK economy. Greater Manchester generates £48 billion GVA, a 4% share of the national economy. However, given the size of the GM economy, it is recognised that we should be achieving more. The Strategy outlines that we are currently a 'cost centre' for the UK, requiring £22 billion of public spending but only generating £17 billion in taxes. The aspiration is for Greater Manchester to close and then eliminate that £5 billion deficit to become a net contributor to the national economy.

This Public Service Reform agenda sets out a collaborative and ambitious programme with two linked aims:

- to re-design public services to build the independence and self-reliance of GM's residents; and,
- to collaboratively invest in public service interventions to help all GM partners sustainably reduce demand for their services.

These reforms are expressly designed to encourage families, individuals and communities to lead more productive and fulfilling lives. This Social Value Policy, the Greater Manchester Social Value Framework that supports it and the Social Value activities that it generates will form a key element in the delivery of Public Sector Reform.

5.0 Objectives

The objectives of this policy reflect the Combined Authority's definition of Social Value (set out in Section 3.0) and are as follows:

- promote employment and economic sustainability – tackle unemployment and facilitate the development of skills
- raise the living standards of local residents – working towards living wage, maximise employee access to entitlements such as childcare and encourage suppliers to source labour from within Greater Manchester
- promote participation and citizen engagement - encourage resident participation and promote active citizenship
- build the capacity and sustainability of the voluntary and community sector– practical support for local voluntary and community groups
- promote equity and fairness – target effort towards those in the greatest need or facing the greatest disadvantage and tackle deprivation across the borough
- promote environmental sustainability – reduce wastage, limit energy consumption and procure materials from sustainable sources

Theme	Outcomes: What are we trying to achieve?	What could this mean for suppliers? What could they deliver (Examples Only – this is NOT and exhaustive list)	Case Studies / the art of the possible – ideas to initiate discussions / innovations
a) Promote Employment & Economic Sustainability	Outcome 1: More local people in work	<ul style="list-style-type: none"> • 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) 	
	Outcome 2: Thriving local businesses	<ul style="list-style-type: none"> • Support x number of new business start-ups by running practical workshops with enterprise clubs • Support the local economy by spending x% of total expenditure in the local supply chain - this could be measured with tools such as LM3 • Support the local supply chain by spending x% of total expenditure in a xx-mile radius of / within Greater Manchester 	
	Outcome 3: Responsible businesses that do their bit for the local community	<ul style="list-style-type: none"> • Attract £x worth of inward investment into the borough • Secure positive profile for the Greater Manchester through x number of positive stories in the national media • Support the Fairtrade status 	

		<p>by ensuring that x% of food products in the supply-chain is Fairtrade</p> <ul style="list-style-type: none"> Secure £x-worth of investment in, or in-kind contributions to, fuel poverty initiatives in Greater Manchester 	
b) Raise the living standard of local residents	Outcome 4: A Local workforce which is fairly paid and positively supported by employers	<ul style="list-style-type: none"> Work towards paying staff the Living Wage Increase rates of pay for lowest-paid staff by x% Improve the skills levels of existing staff by training x% of the workforce to Level 2/3/4 (for example) Reduce average sickness absence by x% through an improved health, wellbeing and support package for staff Identify all staff who are carers and ensure flexible working practices are implemented to support these responsibilities within x weeks of contract start date 	
c) Promote Participation and Citizen Engagement	Outcome 5: Individuals and communities enabled and supported to help themselves	<ul style="list-style-type: none"> x% of service users supported to self-help Coordinate and run a befriending scheme to reduce social isolation (and thus prevent the consequences of social isolation) for x number of older people 	
d) Build capacity and sustainability of the Voluntary and Community Sector	Outcome 6: An effective and resilient third sector	<ul style="list-style-type: none"> Contribute x number of hours of business planning support / financial advice / legal advice / HR advice to community and voluntary organisations through an Employer-Supported Volunteering scheme Provide facilities for use by community and voluntary organisations for x number of hours per year Work with community and voluntary organisations to create x number of new volunteering opportunities in the Greater Manchester Support local third sector organisations through the supply chain by spending x% of total expenditure with community and voluntary 	

		sector providers based in Greater Manchester	
e) Promote Equity and Fairness	Outcome 7: A reduction in poverty, health and education inequalities.	<ul style="list-style-type: none"> • Work towards paying staff the Living Wage • Increase rates of pay for lowest-paid staff by x% • Reduce average sickness absence by x% through an improved health, wellbeing and support package for staff • Identify all staff who are carers and ensure flexible working practices are implemented to support these responsibilities within x weeks of contract start date • 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 	
	Outcome 8: Acute problems are avoided and costs are reduced by investing in prevention.	<ul style="list-style-type: none"> • x% overall spend disinvested from acute interventions and reinvested in prevention • Support prevention by running education and publicity campaigns with specific targets (e.g. support x number of staff / residents / service users to stop smoking / increase their physical activity / access money advice) 	
f) Promote Environmental Sustainability	Outcome 8: We are protecting our physical environment and contributing to climate change reduction.	<ul style="list-style-type: none"> • Reduce the amount of waste generated by x% compared to previous contract • Reduce the amount of waste sent to landfill by x% compared to previous contract • Reduce carbon emissions by x% per year • Reduce overall energy consumption / water consumption by x% per year • Increase the use of renewable energy / community generated renewable energy as a proportion of total energy consumption by x% over the lifetime of the contract 	

		<p>(without increasing overall energy consumption)</p> <ul style="list-style-type: none">• Support x number of households to better manage their energy demands through improvements in the fabric of their homes, bringing them out of fuel poverty and contributing to climate change goals	
--	--	---	--

This page is intentionally left blank



Procurement Strategy - Overview



Part 1 Introduction and Context

1. Introduction
 - National and Local Context
2. What is procurement?
 - Procurement and commissioning
3. STaR Shared Procurement Service
 - Establishment, governance
 - Vision and Objectives
 - Structure and Category Management
4. How STaR will contribute to Corporate Priorities
 - Stockport, Trafford and Rochdale Councils?



Part 2 Service Delivery

1. Clear service offer which:
 - Prescribes roles and responsibilities
 - Sets out what clients can expect from STaR
 - Sets out what we require from clients
 - Above to include Legal service delivery
2. Includes reference to:
 - Contract Procedure Rules
 - Procurement Handbook



Part 3 Inputs

1. Understanding strategic initiatives for each council and how STaR can contribute
2. Agreeing a procurement work plan for each Council
3. Working with Legal on an operational and strategic level to mitigate risks and deliver solutions
4. Maintaining the Contract Register which reflects expenditure across the three Councils
5. Understanding and contributing to relevant budget savings proposals
6. Understanding spend data profiles for each category
7. Utilisation of GM Social Value Framework
8. Standardised and proportionate documentation and processes



Part 4 Outputs

1. Category Strategies are developed with clients which:
 - Focus on risk and opportunity
 - Ensures value is achieved and outcomes are maximised
 - Proactively plans procurement activity which maximises pre procurement opportunities and ensures compliance
 - Supports budget holders to deliver budget savings
 - Identifies new savings opportunities
 - Delivers social value outcomes



Part 4 Outputs cont.

2. A reporting and performance management system which ensures that:
 - STaR Councils have compliant procurement processes (including Transparency Code requirements)
 - Value and savings are supported and delivered through STaR Procurement
 - The business model satisfies customer expectations
 - Social Value is embedded as a requirement in procurement activities across STaR Councils



Part 5 Key Enablers

1. Data management
 - Contract Register
 - Work plan
 - Savings Register
2. Skills and competencies of STaR team
3. Strategic and Operational working with Legal
4. Communication and engagement (clients and market)
5. Awareness raising and up skilling of clients
6. Standardised processes and documentation
7. ICT systems



Questions



Item 7 Performance Statistics (Key Performance Indicators)

1. Introduction

Members will recall that at the Joint Committee Meeting of 1st October 2014 the Director of Procurement presented a proposed performance framework identifying Key Performance Indicators (KPIs) which could be used to monitor and report performance of the shared procurement service. This is a useful framework and we have used it to develop our thinking on how this will be delivered in practice.

STaR is a new organisation, it is important that the performance mechanisms recognise the full remit of STaR's activities and the expectations of the three Councils. The Director of Procurement and the STaR Board have developed and summarised these expectations into four key themes for discussion and agreement by the Joint Executive Committee.

They are listed below:

Compliance

Financial

Social Value

Service Delivery and Customer Satisfaction

A balanced scorecard approach has been developed to capture this information which includes indicators as to how such activities can be measured and reported. The proposed score card is attached as Appendix 1.

The purpose of the report is to elicit comments and feedback from Members as to the appropriateness of the measures proposed for each of their Councils. It is recognised that a base line position is core to demonstrating improvement and data will be captured at the end of 2014/2015 financial year to populate the current position.

Going forwards the agreed indicators will constitute part of the monthly or quarterly reporting pack produced by STaR

STaR Balanced Scorecard

Compliance

- Harmonised Contract Procedure Rules (CPRs)
- Number of procurement challenges
- Comprehensive contracts register
- Transparency requirements
- Exceptions to CPRs
- Standardised process and documentation

Service Delivery and Customer Satisfaction

- Customer satisfaction surveys
- Supplier satisfaction surveys
- Communication and engagement plan
- Clear Service offer delivered consistently
- Standardised and proportionate process and documentation
- Procurement work plan delivered to schedule
- PID objectives achieved

Financial

- Identify and deliver new savings
- Supporting services to deliver budget savings
- Ensure that services achieve best possible value through the spend they have
- Cost of STaR as a % of spend (benchmarking)
- Income generation

Social Value

- SV objectives to be embedded in procurement documentation and process
- Contribution to Corporate Priorities:
- Employment, skills and apprenticeships
- Local spend, values & percentages
- SME spend , values and percentages
- Social Value outcomes to be reported
- Market engagement events and impact