



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

Date: Tuesday, 2 May 2017

Time: 2.00 p.m.

Place: Committee Room 1, Town Hall, The Esplanade, Rochdale, OL16 1AB

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 19 January, 2017.	1 - 4
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.	STANDING REPORTS	
	To consider the following reports of the Head of Strategic Procurement (Place) and the Business Improvement Manager:	
	(a) Finance Update	5 - 10
	(b) Risk Register	11 - 16
	(c) Human Resources Update	17 - 20
	(d) Balanced Scorecard 2016-17	Verbal Report

5. STAR PROCUREMENT UPDATE

To receive a report of the Director of Procurement, STAR Shared Procurement. 21 - 26

6. BREXIT - IMPACT ON PUBLIC PROCUREMENT

To receive a report of the Business Improvement Manager. 27 - 30

7. SOCIAL MEDIA STRATEGY

To consider a report of the Business Improvement Manager. 31 - 36

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. DATE AND TIME OF NEXT MEETING

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

10. 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.

11. BUSINESS PLAN 2017-20

To consider a report of the Head of Strategic Procurement (Place). Para. 3 37 - 60

THERESA GRANT
Chief Executive

Membership of the Committee

Councillors A. Brett (Chairman), P. Myers and D. Sedgwick (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 **Friday 21 April, 2017** by the Legal and Democratic Services Section, Trafford Council, Trafford Town Hall, Talbot Road, Stretford M32 0TH.

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Agenda Item 2

STOCKPORT, TRAFFORD AND ROCHDALE (STAR) JOINT COMMITTEE

19 JANUARY 2017

PRESENT

Councillor A. Brett (in the Chair).

Councillors P. Myers and K. Butler (deputising for Cllr D. Sedgwick)

Also Present

Councillor Dylan Butt (Trafford)

Councillor Mrs Laura Evans (Trafford)

Councillor David Sedgwick (Stockport) (present for minute numbers 40 - 42)

In attendance

Lorraine Cox	- Director of Procurement, STAR
Michael Cullen	- Borough Treasurer, Stockport Council
Joanne Hyde	- Corporate Director, Transformation & Resources (minutes 40-42)
Pauline Kane	- Director of Finance, Rochdale Borough Council
Elizabeth McKenna	- Head of Strategic Procurement (Place), STAR
Andrew White	- Head of Strategic Procurement (Place), STAR
Mark Pearson	- Business Improvement Manager
Dominique Adcock	- Interim Senior Solicitor, Trafford Council
Chris Gaffey	- Democratic and Scrutiny Officer, Trafford Council
Linda Jones	- PA to Director of Procurement, STAR
Anneka Kinning	- Data & Systems Analyst, STAR
Robert Rea	- Democratic Services Apprentice, Trafford Council

31. MINUTES

RESOLVED: That the Minutes of the meeting held on 18 October 2016, be approved as a correct record and signed by the Chairman.

32. DECLARATIONS OF INTEREST

No declarations were made by Members.

33. STAR REVENUE BUDGET MONITORING REPORT: PERIOD 1-8 2016/17

The Joint Committee received a report of the Head of Strategic Procurement (Place) and the Finance Manager, detailing the STAR Revenue Budget for Period 1 to 8, 2016/17.

RESOLVED: That the report be noted.

34. HR STATISTICS - 2016/17 QUARTER 3

The Joint Committee received a report of the Business Improvement Manager providing Members with the HR statistics for STAR Procurement staff for Q1-Q3 of the 2016/17 financial year.

RESOLVED: That the report be noted.

35. RISK REGISTER

The Joint Committee received a report of the Business Improvement Manager providing Members with an update on the Corporate Risk Register for STAR Procurement. The report highlighted the risks which had been reanalysed, as well as highlighting new additions and proposed removals from the register.

RESOLVED:

- 1) That the report be noted.
- 2) That the suggested changes highlighted in the report be agreed.

36. STAR BUSINESS PLAN - Q3 UPDATE & PLANS FOR 2017/18 BUSINESS PLAN DEVELOPMENT

The Committee received a report of the Head of Strategic Procurement (Professional) providing an update on progress made against the action plan in place to support the delivery of the STAR Business Plan 2016/17. The report also highlighted proposals for the development of the 2017/18 Business Plan.

RESOLVED:

- 1) That the progress against the action plan be noted.
- 2) That the process for the development of the 2017/18 Business Plan be agreed.

37. BALANCED SCORECARD 2016/2017 PERFORMANCE - QUARTER 3

The Joint Committee received a report providing an update on performance against the Balanced Scorecard for Quarter 3, 2016/17.

RESOLVED: That the report be noted.

38. BALANCED SCORE CARD AND PERFORMANCE INDICATOR PROPOSAL 2017/18

The Joint Committee received a report of the STAR Board detailing proposals for a revised Balanced Scorecard and Performance Indicators for 2017/18. It was agreed that a report on these Performance Indicators would be brought to the Joint Committee on a biannual basis.

RESOLVED:

- 1) That the proposals for the revised Balanced Scorecard and Performance Indicators for 2017/18 be approved.
- 2) That a Performance Indicator progress report be presented to the Joint Committee on a biannual basis.

39. TRAINING PLAN

The Joint Committee received a report of the Head of Strategic Procurement (Place) providing an update on the development of a training plan for STAR Officers, as well as the proposed timescales for delivery.

Members discussed the current training requirements for STAR staff and enquired about training opportunities for Members. The Chair requested that any available training be delivered in the form of a case study. It was noted that a further update on the Training Plan would be brought to the next STAR Joint Committee meeting scheduled for 27 April 2017.

RESOLVED: That the report be noted.

40. SOCIAL VALUE ACHIEVEMENTS AND FUTURE DEVELOPMENT

The Joint Committee received a report of the Head of Strategic Procurement (Place) providing an update on the delivery of social value by STAR, the social value audit undertaken at Trafford Council, and the Social Value Impact Study being undertaken by the Centre for Local Economic Strategies (CLES). The report also provided a summary of proposals for the continued development of social value for STAR.

RESOLVED:

- 1) That the report be noted.
- 2) That the Joint Committee supports the proposals for the continued development of social value for STAR.

41. URGENT BUSINESS (IF ANY)

(a) Joint Committee Substitute Arrangements

[The Chairman put this item forward as a matter of urgent business to provide clarity on the situation for Members]

The Chairman requested clarity on how substitute Members were appointed to the STAR Joint Committee and whether anything could be done differently to reduce the possibility of inquorate meetings in future. The Democratic and Scrutiny Officer would confirm the substitute arrangements in writing to the Chairman following the meeting.

42. ACKNOWLEDGEMENTS

The Chairman confirmed that this would be the Pauline Kane's final STAR Joint Committee meeting. The Joint Committee thanked her for all of her hard work and support, and wished her well for the future.

Stockport, Trafford and Rochdale (STAR) Joint Committee
19 January 2017

The meeting commenced at 2.50 pm and finished at 3.15 pm



Report to: STAR Joint Committee
Date: 2nd May 2017
Report for: For Decision
Report of: Head of Strategic Procurement

Report Title

Finance Update

Summary

The purpose of this report is to provide the STAR Joint Committee with an update on the STAR Procurement financial position; including budget, income target and income generation for the 2017-18 financial year

Recommendations

The recommendation of this report is that the Joint Committee:

- Reviews and comments on the contents of this report
- Confirms the income target for 2017-18, including both STAR Council contributions and SLA income targets

Contact person for access to background papers and further information:

Name: Elizabeth McKenna
 Phone: 07811 983687

Background

Financial Impact:	Discusses STAR Procurement income for 2016-17 and income targets for 2017-18
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 report provides an update on the budget for 2016-17 and planned budget for 2017-18 and also provides an update on the reserves. Through reputation and delivery STAR's income generation is increasing year on year. This report details the income generated in 2016-17 and provides the current forecast, including income target, for 2017-18. The report also provides an update on Service Level Agreements (SLAs) and temporary staff recruited to deliver those SLAs.

1. Budget

- 1.1 The final budget outturn for 2016-17 will be provided at the end of April 2017.
- 1.2 The current forecast indicates that the budget for 2016-17 will be at breakeven point and that there will be no residue to be transferred into reserves for 2017-18.
- 1.3 The net expenditure revenue budget for 2017-18 is set to be the equivalent of the 2016-17 requirements - £1,304k. This requires both STAR Board and STAR Joint Committee approval.
- 1.4 The current reserve balance is £131k. Due to the appointment of the new Director of Procurement in January 2017, requirements of the Business Plan 2017-20 being taken to Board in April and Joint Committee in May and changes to the current Legal SLA in development, the STAR Senior Management Team proposes to retain the reserve balance. STAR SMT will provide a board paper at a later date to establish the plan for these reserves.

2. **2016-17 Income**

2.1 The total income for 2016-17 is £206,795; the following table provides the details of that income:

Source	Type	Total Income
SSK	Annual SLA	£10,000
Link4 Life	Annual SLA	£14,000
Trafford Leisure	One-off project	£500
Schools	Buy back	£32,000
Stockport - DbD	Secondment agreement	£23,625
NW Libraries Consortium	Annual SLA	£13,000
Stockport Homes - CRM	One-off project	£3,000
Stockport Homes - HR	One-off project	£4,150
Stockport Together CCG	One-off project	£9,700
Salford	One-off project	£4,920
Parkfield Primary	One-off project	£1,050
Woodley School	One-off project	£1,925
St Margarets	One-off project	£1,925
HMR CCG	LD Ethical Procurement	£25,000
NM CCG	LD Ethical Procurement	£20,000
SMCCG	LD Ethical Procurement	£20,000
Trafford CCG	LD Ethical Procurement	£22,000
		£206,795

2.2 The income of £87,000 for Learning Disability (LD) Ethical Procurement is funding from the CCGs within Greater Manchester (GM) to run the LD Ethical Procurement on behalf of the 10 Authorities and 12 CCGs within GM.

2.3 STAR did not have an income target in 2016-17. As income generation is increasing, and following discussions with the STAR Board, it was decided to incorporate a target for 2017-18.

3. Forecast Income 2017-18

3.1 The current forecast income for 2017-18 is £156,500 the following table provides the details of that forecasted income:

Source	Type	Total Income
SSK	Annual SLA	£5,000
Link4 Life	Annual SLA	£14,000
Schools	Buy back	£32,000
NW Libraries Consortium	Annual SLA	£26,000
Work & Health	One-off SLA	£67,500
Dunham Massey	One-off SLA	£4,000
Stockport Together	One-off SLA	£8,000
		£156,500

3.2 The forecast income of £67,500 for the one off SLA for Work and Health Programme is a fee to run the procurement for the GM Devolved programme funded by DWP and EU funding to enable the unemployed citizens of GM to find employment.

3.3 The £8,000 for Stockport Together is not fully agreed at the time of writing this report; however STAR will receive income for this SLA.

3.4 There is an agreed additional income of £3,500 for Trafford Youth Trust however at the time of writing this report the figure had not been finalised and so is not included in the table above.

3.5 The funding of the 2 procurement officers that have been recruited on fixed term contracts to cover the SLAs for Work and Health Programme and the Stockport Together Programme are covered in the table above.

4. Income Target

- 4.1 The income target for 2017-18 will guarantee that the unfunded posts of 2 procurement officers that were appointed in 16/17 and pension increases from 2016-17 will not have a detrimental effect on the budget.
- 4.2 The 2 permanent posts and pension increases are at a cost of £87,000 and so the proposed income target for 2017-18 is £87,000.

5. Recommendations

- 5.1 It is recommended that:
 - 5.1.1 Reviews and comments on the contents of this report
 - 5.1.2 Confirms the income target for 2017-18, including both STAR Council contributions and SLA income targets

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Report to: STAR Joint Committee
Date: 2nd May 2017
Report for: Decision
Report of: Business Improvement Manager

Report Title

STAR Risk Register

Purpose

The purpose of this report is to:

- Provide an update on the Corporate Risk Register for STAR Procurement
- Advise Joint Committee members of movement in risk items
- Advise Joint Committee members of any new risk items added to the register, or risks proposed to be removed from the register

Recommendations

- Joint Committee notes the content of the Risk Register provided and approves the changes highlighted in this report

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 current 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 and the Joint Committee is asked to approve proposed changes. 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, one risk has been downgraded, two risks have been upgraded, and it is proposed that three risks are removed from the risk register

2. Changes to the Risk Register Entries

- 2.1 P003 – Contracts Register identification of all contracting activities
Risk downgrade; measures in place continue to mitigate this risk
- 2.2 P007 – Income generation opportunities impacting on service delivery
Risk upgrade; increase in income generation target in 2017-18 increases the risk of this occurrence. STAR Procurement will continue to ensure that measures are put in place to ensure service delivery remains focussed
- 2.3 C006 – Commissioner/Buyer engagement with STAR Procurement
Risk upgrade; this risk will be subject to Internal Audit investigation in 2017/18
- 2.4 P012 – Increase in procurement-related FOI Requests
New risk; introduced following issue of guidance from STAR Legal in respect of responding to certain FOI Requests previously rejected on the grounds of commercial sensitivity
- 2.5 C007 – Consideration of STAR Council corporate priorities
Risk deletion; this is now incorporated into the STAR Business Plan and the Social Value policies of each STAR Council. STAR will continue to remind Commissioners/Buyers of their obligations to consider the Councils' corporate priorities

- 2.6 F008 – Inability to achieve targets
Risk downgrade; STAR Procurement has consistently achieved established targets in each of the first three years of operation
- 2.7 F009 – Identification & delivery of savings opportunities
Risk deletion; STAR Procurement has consistently achieved savings targets set in each of the first three years of operation and this requirement is captured in our Business Plan
- 2.8 P008 – Recruitment & retention of staff
Risk deletion; all permanent positions are filled, subject to internal recruitment. We have had stability of staffing in the past financial year and measures in place to train the next generation of procurement staff indicate no risk to the organisation in year 4

3. Recommendations

- 3.1 It is recommended that the STAR Procurement Joint Committee notes the content of the Risk Register provided and approves the changes highlighted in this report

Appendix 1: STAR Risk Register



Risk Register

Revision: 12

Issue Date: 2 May 2017

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	2	2	4	This risk is addressed in the STAR Business Plan. Local spend will be delivered through each of the Five Cs of the STAR Business Plan 2017-20 and is specifically referenced in Communities. By way of example, a pilot project in Rochdale - 'Buy Local' will be delivered in 2017-18 before being rolled out across Stockport and Trafford	Board / DoP / HoSPs / CMs
P003	17 Sep 14	On going	Process & Resources	STAR Procurement Contract Register does not include all contracting activity	2	2	4	STAR Procurement has obtained influenceable spend data from each Council and has identified on- and off-contract spend with the top-300 suppliers in each Council. Combined with budget holder/stakeholder identification, STAR category managers are now better positioned to identify contracts missing from the STAR Contracts Register	HoSPs / CMs
P007	30 Sep 15	On going	Process & Resources	Securing and delivering income generation opportunities impacts on STAR Procurement ability to deliver to existing Authorities	2	2	4	STAR continues to recruit fixed-term posts to assist in managing any increased workload from wider partners. This helps to ensure that core focus on STAR Councils remains a priority. In addition, STAR has identified resourcing, governance and financial impacts to address when considering the integration of new partner organisations; DoP and HoSPs will identify such risks and manage separate partner-specific risk registers. The Joint Committee retains ultimate decision-making powers in respect of any new partners	DoP / HoSPs / BIM
C006	17 Sep 14	On going	Comms	Commissioners/Buyers across the STAR Councils do not engage fully with STAR Procurement as required under Contract Procedure Rules	1	3	3	Compliance needs to be audited in order to identify non-compliance (if any) and an action plan put in place to improve. An audit by Stockport Council on behalf of the three STAR Councils is planned for Q2 2017-18. STAR will work with Internal Audit to support the audit and any action plan arising	Board / HoSPs / CMs
P011	20 Jun 16	New	Process & Resources	Release of inappropriate freedom of information data. Bidders and potential bidders often request information from tenders to competitors which may compromise both the originating tenderer and the Council's ability to ensure competitiveness in future tender exercises	1	3	3	Tender submissions are stored securely on the Councils' eProcurement Portal (The Chest) and are not accessible by tenderers. FOI requests for release of such information are reviewed by the Business Improvement Manager, with DoP and Board Member (or authorised representative) review prior to release in critical cases. In addition, STAR maintains strong links with the Information Governance Teams in each Council and, with the assistance of STAR Legal, continues to review case law governing this matter	BIM
F010	7 Jan 16	On going	Finance	STAR Procurement is not able to deliver against the income generation target	1	2	2	STAR Procurement has reviewed all Service Level Agreements (SLAs) in place with existing partner organisations and is introducing quarterly reporting to those partner organisations, demonstrating value derived. STAR is also discussing with other Authorities, the STAR 'offer' with the intention of widening participation in the STAR Procurement Shared Service	DoP / HoSPs
P009	7 Jan 16	On going	Process & Resources	Changes in legislation impacting on both procurement and local authorities	1	2	2	Horizon scanning to plan policies and strategies in advance. Liaison with regional partners and stakeholders to ensure parity of approach and shared learning. Incorporation of best practice from UK Government and Local Government Association advice, policy notes, codes of practice and Regulations into the STAR Procurement Quality Management System	DoP / HoSPs / BIM
P012	2 May 17	On going	Process & Resources	Increase in FOIRs directed at each Council's Procurement function combine to increase workload for STAR Procurement in responding and meeting deadlines	1	2	2	STAR Procurement continues to seek advice on best practice from STAR Legal in respect of FOIR responses. STAR will identify common themes and consider increasing the extent of procurement information released through the Data.Gov.UK local authority transparency website in order to reduce repetition. STAR will continue to ascertain the extent to which FOIRs can be declined on the basis of commercial confidentiality	BIM / STAR Legal
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	1	1		
F008	17 Sep 14	On going	Finance	Inability to achieve targets	1	1	1	Monthly verification of savings between HoSPs and each Council Finance Team continues to provide savings certainty. Key Performance and Management Indicators for 2017-18 are to be ratified by the Joint Committee in May 2017	DoP / HoSPs / CMs

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
F009	17-Sep-14	On-going	Finance	Do not identify and deliver enough savings opportunities	1	1	1		
P008	30-Sep-15	On-going	Process & Resources	Ability to recruit and retain suitably qualified staff at all levels	1	1	1		

Key

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

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Report to: STAR Joint Committee
Date: 2nd May 2017
Report for: Decision & Information
Report of: Business Improvement Manager

Report Title

HR Update

Summary

The purpose of this report is to:

- Provide an update on the current HR position for STAR Procurement
- Seek agreement for future HR updates from STAR Procurement to be issued when required by changes / by highlight or exception

Recommendations

The recommendation of this report is that the Joint Committee:

- Notes the contents of the report
- Agrees to future HR updates being issued when required by changes / by highlight or exception

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:	None
Health and Safety Impact:	None

Consultation

No public consultation required

Reasons for Recommendation(s)

STAR Procurement (STAR) has issued quarterly HR Statistics updates since inception. Over the past 12 months, sickness absence and staff churn have both decreased significantly and STAR considers that it is now appropriate to only report on HR matters by exception or where a change in Establishment is being requested, which may impact on resources and require agreement of the Joint Committee

1. Current Establishment

- 1.1 STAR currently comprises an establishment of 30 permanent posts, equating to 28.1 FTE
- 1.2 STAR is currently carrying 3 vacancies, equating to 2.8 FTE. These comprise:
 - 1.2.1 2no. Procurement Officer vacancies; these vacancies have been created by internal interim promotions with two procurement officers given the opportunity of acting-up into Category Manager positions. This assists STAR with its current resourcing requirements and provides an opportunity for staff development. STAR proposes to temporarily backfill one of these vacancies by means of internal recruitment from the developing talent of Trainee Procurement Officers, again to offer a staff development opportunity
 - 1.2.2 PA to Director of Procurement (0.8 FTE) vacancy. STAR is carrying this vacancy pending an establishment review

2. Temporary Appointments

- 2.1 STAR has currently appointed 2 temporary Procurement Officers on 12-month fixed term contracts. These appointments are made to enable STAR to undertake additional commissions, namely Stockport Together and Working Health. Additional income from these commissions is funding these two appointments

3. Staffing & Sickness

- 3.1 In 2016-17, STAR has seen a decrease in long term sickness from average 9.27 days to 3.78 days, a reduction of 61%
- 3.2 In 2016-17, STAR has seen a reduction in staff turnover from 9 leavers in 2015-16 to 5 leavers in 2016-17. This reflects a more stable team establishment and reduces the risk to the STAR Councils which a more transitory establishment would provide
- 3.3 In October 2017, a member of staff (0.5 FTE) will be taking maternity leave. STAR will look at a range of options for backfilling this post, closer to this date

4. Future Plans

- 4.1 STAR is considering the appointment of a Business Administration Apprentice, which may lead to a permanent change in STAR establishment. This will be a full time opportunity taking advantage of the new national requirements for apprenticeships within the public sector. The appointment will also give STAR an opportunity to create a pathway from apprenticeship to Trainee Procurement Officer. STAR has previously provided a pathway to full time employment for two apprentices, one of whom was a Trafford employee on a voluntary basis; the second, a Stockport employee on its Apprenticeship programme. These two people now have full time employment as Trainee Procurement Officers within STAR

5. Recommendations

- 5.1 It is recommended that:
 - 5.1.1 The Joint Committee notes the contents of this report
 - 5.1.2 The Joint Committee agrees that future HR updates shall be given when required by proposed changes / by highlight or exception

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Report to: STAR Joint Committee
Date: 2nd May 2017
Report for: For Information
Report of: Director of Procurement

Report Title

STAR Procurement Update

Summary

The purpose of this report is to highlight to the STAR Joint Committee, the 'stocktake' position for STAR Procurement as at 31st March 2017

Recommendations

The recommendation of this report is that the Joint Committee notes the contents of the report

Contact person for access to background papers and further information:

Name: Lorraine Cox
 Phone: 07817 882169

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 Report

Since commencing as the new Director of STAR Procurement on 3rd January 2017, I felt it appropriate to undertake a 'Stocktake' of STAR Procurement (STAR) with my Senior Management Team, in terms of reviewing the 'as is' position and to celebrate the success to date. This has also enabled us to reflect on future planned activity and this has fed into the creation of the draft Business Plan 2017-2020.

1. Summary of Stocktake

1.1 Success to date

Awards:

- STAR Procurement was highly commended for Collaboration at the GO Awards ceremony on 21st March 2017.
- STAR Procurement was also a finalist at the LGC Awards 8th March 2017 for 'Team of the Year'.

Balanced Scorecard:

Position for 16/17 reports, is outlined below; a full and final position will be presented to the next Joint Committee:

Compliance

- C1: Number of contracts in the work plan awarded without a successful legal challenge against the total number of contracts in the work plan: Target 100% – Delivered: **100%**
- C2: % of 'live'/ compliant contracts in the Contracts Register against the total number of contracts in the Contracts Register in year: Target: 90% – Delivered: **94%**
- C3: % of signed contractual documents filed on The Chest for contracts over three months: Target: 90% – Delivered: **82%**.

Finance

- STAR has exceeded the savings target for 16/17: Target: £3.6M – Delivered: **£3.678M (102%)**
* this may improve again at financial close.

Social Value

- S1: Number of local employment opportunities created as defined in GMCA Social Value Policy: Target: 150 – Delivered: **303**.
- S2: % of tender exercises resulting in Social Value KPIs: Target: 50% - Delivered: **58%**.

Performance

- 87% satisfied customers

1.2 Staffing

Our established staffing structure has been static for some months now with only three vacancies, two of which we have promoted procurement officers into acting up positions into the two category manager roles. The third post is the P.A. to Director of Procurement, at present we don't feel this is required. We have two temporary agency staff supporting STAR on the Stockport Together project and Working Health project, both externally funded. Recruitment has commenced for an agency person for the Learning & Disability (LD) Tender but due to limited response from Reed Agency we will be searching with wider suppliers, this activity is also externally funded.

1.3 Income Secured (2017-18)

Income secured for 17/18 £156.5K as at April 2017; this is referenced in more detail in the finance report.

1.4 AGMA Collaborative Procurement

We have undertaken a quick audit of the 83 contracts on the AGMA Hub Contract Register as at March 2017. STAR has led on over half of this collaborative activity even though we only represent three of ten Councils and AGMA also includes wider partners such as GMP, Manchester Fire and Rescue, a number of associate members such as Warrington MBC, Cheshire East Council and Blackpool Council etc. This appears to be a 'growth' area for STAR as we are becoming the 'procurer of choice' but mainly as a result of other organisations across AGMA seeming to be 'scaling down' their procurement resource and/or others not able to resource leading collaborative procurements as often as they have done historically due to wider pressures. As more collaboration grows as part of GMCA we expect that STAR will become more in demand to lead collaborative procurement. We need to balance the business risk here in terms of STAR capacity, cost to STAR being the 'procurer of choice' and almost 'back-filling' reduced capacity across AGMA but also balance the opportunity to be seen as an excellent service provider.

1.5 Pipeline Growth Exploration Update

- SLAs agreed for 17/18; this is referenced in more detail in the finance report.
- Partner growth options for STAR

1.6 Members Engagement

- Rochdale: Informal Cabinet presentation delivered 13th February 2017.
- Rochdale: Audit Committee presentation delivered 13th March 2017.
- Stockport: Audit and Governance Committee presentation delivered 15th March 2017.
- Due to attend Trafford Audit Committee June 2017.
- Rochdale has requested an annual report to their Informal Cabinet from STAR. We are in discussion with the STAR Board Representative from Rochdale, as to the content and timing etc.

1.7 Business Engagement Examples

- Rochdale Business Forum 8th February 17 presentation delivered. May 17 a further session planned.
- BASE engagement.
- Local business contact relationships are being developed to act as 'consultation' for the wider business groups.
- Cllr Butt has invited STAR to attend Altrincham and Sale Chamber of Commerce group on 8th August.
- Planned event on 20th June 'Meet the Buyer' – across the three STAR Councils hosted at Stockport Town Hall.
- A number of Meet the Buyer events have taken place linked to tenders e.g. Insurance Tender at Rochdale. Excellent feedback on the social value presentation!

1.8 Social Value

- STAR attends the Trafford Council group (Lead - Adrian Bate) – Trafford has developed a Social Value guidance document.
- STAR is helping to create a Rochdale Council group – their Social Value guidance document has been well received by their Wider Leadership Team. Rochdale Development Agency officers are also supporting this and the 'Buy-Rochdale' project.
- STAR is also supporting Stockport to create a similar group and approach.
- Social Value features in 80% of all STAR procurement.

1.9 Networking for STAR

- Part of AGMA Hub for Procurement.
- Members of iNetwork North West+.
- Members of Connected Procurement North West+.

1.10 Wider Networking for STAR

- STAR/Trafford Council has been invited to host a visit from North East Commissioning Academy (11th July 2017).
- Commissioning Academy Cheshire Sub-Region – STAR delivering a workshop – 25th April 2017.
- Commissioning/Leadership Academy Wirral - STAR delivering a workshop – 25th April 2017.
- Ad hoc peer-support being provided for two additional Councils.

1.11 Internal Training & Development

- Team training undertaken in negotiation.
- Place Category/Professional Category planned workshop to develop stronger working relationships with STAR and client teams in Rochdale.

1.12 What Works Well (WWW) for STAR

- Launch of Quality Management System (QMS) – April 2017.
- Contracts Register is improving. This is key to driving the category work plans.
- Commenced a “Simplify Campaign” where the team are engaged with self-improvement ideas to reduce our own bureaucracy and which supports clients and the business communities.
- Re-scoping of the Business Improvement Team. Five work streams defined: Measure; Communicate; Simplify; Research and Support. Examples of work in progress are: CPRs review and below-OJEU Risk Based Sourcing approach to be considered.
- Below-OJEU and possibly a below ‘50K’ pilot planned with Rochdale Council to explore the opportunity to secure better value for money for the Council and transparency of opportunity for businesses. ‘Buy Rochdale’ project.

1.13 Projects / Planned Activity

- Spend Data Review – We value the importance of good spend data and are working closely with all three Councils to improve the baseline data sets. This will allow us to focus on increasing procurement activity, target SMEs and local spend.
- SpendPro – working with AGMA Procurement Hub to develop this tool further particularly focussing on local and SME agenda and to allow better collaboration planning.
- Category Management – ‘STAR Chamber’ event planned in May for the Category Managers to deliver an overview of their pipeline activity and approach etc. to STAR SMT.
- Contract management – A key area for improvement (defining the relationship/role between procurement and commissioning).
- Collaboration across STAR – focusing on getting more for STAR partners.
- Chest use – Contract Management module development, contract register and ‘quick quote’ tool to be explored.
- Business Engagement/‘Buy Local’ Project, pilot being developed for Rochdale.
- Social Value in ALL Procurement is a key driver for improvement.
- New Measures – these have been defined as part of the draft Business Plan currently out for consultation.
- Supplier Relationship Review – ‘cash now’ programme of action being scoped to challenge/negotiate with current contracted suppliers.
- Improving relationships with clients (commissioners/buyers) programme being developed.

1.14 What we need from STAR Board & Joint Committee

- Stronger steer to ensure we are ‘match fit’ for GMCA and GM devolution agenda.
- Cash and non-cash counting/reporting.

2. **Recommendations**

2.1 It is recommended that the Joint Committee notes the contents of the report



Report to: STAR Joint Committee
Date: 2nd May 2017
Report for: For Information
Report of: Business Improvement Manager

Report Title

Brexit – Impact on Public Procurement

Summary

The purpose of this report is to provide a briefing to STAR Board on current intelligence concerning the impact on Local Government procurement of the UKs withdrawal from membership of the EU

Recommendations

The recommendation of this report is that the Joint Committee notes the content of the briefing

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:	None
Health and Safety Impact:	None

Consultation

No public consultation required

Reasons for Recommendation(s)

The Joint Committee requested a briefing on the potential impact on public procurement of the UK decision to withdraw from membership of the EU. The attached paper sets out the position based on commentary reviewed by the Business Information Manager. In essence, there is no certainty at this time but it is the view of STAR Procurement that current UK legislation is unlikely to change in a manner which would require the STAR Councils to consider risk mitigation

1. Summary of Key Matters

- 1.1 UK will most likely retain Public Contracts Regulations in a form compliant with the EU Directive as various trade agreement models with non-EU trading partners require this
- 1.2 UK will lose 'membership' of the World Trade Organisation Government Procurement Agreement on leaving the EU; re-negotiation likely to be a priority
- 1.3 Thresholds will remain aligned to the EU Directive; trade agreements will stipulate OJEU advertisement/non-advertisement
- 1.4 Removal of the option for supplier selection (the Restricted Procedure) unlikely
- 1.5 Any new legislation likely to encompass the basis of EU law – proportionality, equal treatment and transparency
- 1.6 Local Government procurement post-EU membership likely to be 'business as usual'

2. Recommendations

- 2.1 It is recommended that the Joint Committee notes the contents of the attached briefing

Report Appendices

1. Post-EU Membership UK Procurement Regulation - Briefing for Joint Committee

Introduction

STAR Procurement has reviewed current commentary on the possible direction that UK procurement legislation might take, post-EU membership. Commentary is limited to speculation - the UK Government cannot say now, what a 'post-EU' UK will look like

Sources reviewed include commentary from UK lawyers, UK educational research establishments and procurement support businesses in the UK. This briefing is limited to considering the impact on Local Government procurement; no consideration has been given to the impact on national, defence or utilities procurement

Current UK and EU procurement legislation is founded in the EU Treaty fundamentals of equal treatment, proportionality and transparency; these principles are unlikely to be abandoned by the UK as it withdraws from membership of the EU

Summary & Likely Position in 2020

Recent UK Government statements have confirmed that procurement regulation will continue beyond EU membership. The UK was instrumental in defining the 2014 EU Procurement Regulations, so enacted them (the Public Procurement Regulations 2015) with little alteration. The resulting procurement legislation can be seen to be UK domestic procurement policy, not simply enforcing the relevant EU Regulations

It is unlikely that the UK will wholly revise procurement legislation following withdrawal from EU membership. The current trade agreement options being discussed will all require the UK to maintain EU-equivalent procurement regulation. Thresholds imposed by the EU are based on World Trade Organisation-level trade agreements. It is unlikely that these will change before 2020

The earliest date for UK withdrawal from EU membership is mid-2019. It is widely considered that the UK will not by then have concluded new trade agreements either with Europe or wider, global, trading partners. The UK is a member of the World Trade Organisation Government Procurement Agreement (WTO GPA) by default of its EU membership. On leaving the EU, the UK will have to negotiate new membership of the GPA. It is considered that this will be a priority action by the UK ahead of any individual trade agreements and that the UK will maintain existing procurement legislation in the interim

Reversion to Pre-EEC Membership Procurement Guidance

This is considered to be unlikely, given that the UK did not have specific procurement rules prior to joining the EEC in the 1970s. During the last 40+ years, a considerable wealth of UK procurement legal precedent has been established in the domestic courts, which will not be undone by virtue of the UK withdrawing from EU membership

Trade Agreements

Procurement legislation post EU membership is likely to be influenced by whatever trade agreement the UK negotiates with the EU and with wider global markets. Procurement regulation is a common strand of any international trade agreement. Any direct trade agreement with the EU is likely to require commonality of procurement regulation. If the UK simply re-joins the WTO GPA there is a potential for the introduction of more flexible of award processes. However, participation in the GPA requires countries to maintain their existing procurement regulation standards if better than the GPA minimum – so regulation is unlikely to change dramatically from the existing rules. A GPA solution will not mandate procurement regulation for any contracts not covered by the GPA (i.e. below threshold). It is unlikely that this area of procurement will be deregulated, but it presents an opportunity for the UK to create a more SME-friendly approach to lower value procurement

In any period of transition upon leaving the EU but without finalisation of alternative trade agreements, the consensus opinion in continuation of current procurement regulation without recourse to enforcement by non-domestic suppliers

If the UK adopts the 'Norway' solution of membership of the European Economic Area (EEA), then existing procurement legislation will remain and be subject to future change corresponding to EU Procurement Regulations. This is not seen by commentators as the most likely outcome of negotiations due to 'freedom of movement' requirements that EEA membership entails and which are perceived to be opposed by those voting to leave the EU. Similarly, if the UK pursues the 'Switzerland' solution of a bespoke trade agreement, it is equally likely that procurement regulation within such an agreement will be based on EU Procurement Regulations

Thresholds

There is a general consensus that the threshold for goods/services is too low, so any negotiation on trade agreements by the UK is likely to include a review of such thresholds. However, the current EU thresholds, due to be updated in 2017 for the period January 2018 – December 2019 are based on WTO agreements. It is unlikely that the UK thresholds (both domestic, sub-threshold procurement and what will need to be advertised to all new trade agreement partners (above-threshold) will substantially alter. It would need a revision to the WTO approach to thresholds, especially those agreed between the EU and wider global partners to impact on any trade agreements negotiated by the UK

Restricted Process & Supplier Selection

It is unlikely that the Restricted tender process will be removed from UK domestic procurement legislation. Selection process is transitioning to the European Single Procurement Document (ESPD) for Restricted tenders. This is unlikely to change unless the UK moves solely to WTO GPA based trade agreements. 'Norway' or 'Switzerland' style trade agreements will require compliance with EU procedures, including the ESPD. The UK favours the Open process, which is now the default tender mechanism in the Public Contracts Regulations. Removal of the option for supplier selection for procurement in supplier-rich sectors is unlikely

Report to: STAR Joint Committee
Date: 2nd May 2017
Report for: Decision
Report of: Business Improvement Manager

Report Title

Social Media Strategy 2017-18

Summary

The purpose of this report is to seek approval from the STAR Joint Committee for STAR Procurement to implement its proposed Social Media Strategy 2017-18

Recommendations

The recommendation of this report is that the Joint Committee approves the Social Media Strategy 2017-18 for implementation

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:	Aspects of the Social Media Strategy support e-Government principles
Risk Management Impact:	None
Health and Safety Impact:	None

Consultation

No public consultation required

Reasons for Recommendation(s)

STAR Procurement wishes to formalise its approach to using its website and social media accounts, including Twitter and LinkedIn. The Joint Committee are asked to approve the attached Strategy which sets out the manner in which this will be achieved

1. Summary of Key Matters

- 1.1 STAR Procurement is increasingly interacting online with the wider procurement community, via its website and Twitter accounts. In addition, it proposed to develop a LinkedIn account. The Social Media Strategy sets a baseline approach to such interactions to ensure acceptability and appropriateness of content
- 1.2 STAR Procurement wants to engage the wider team in creating content, to increase the variety of content. It also wants to develop and understand its audience to ensure appropriateness of content and to showcase STAR within the wider procurement community
- 1.3 The Social Media Strategy is initially a 12 month plan for 2017-18 to address the issues highlighted and embed social media interaction into the wider communication and marketing strategy that will be developed from the new 2017-20 Business Plan
- 1.4 The Social Media Strategy sets out acceptability and unacceptability of content as a benchmark when developing our website and social media platforms

2. Recommendations

- 2.1 It is recommended that the Joint Committee approves the Social Media Strategy 2017-18 for implementation

Report Appendices

1. Social Media Strategy 2017-18

Introduction / Background

STAR Procurement is an innovative shared procurement service for Stockport, Trafford and Rochdale Councils. STAR wants to ensure that it leads the way in public sector procurement, and as such has developed its own website and uses twitter to interact with peers and suppliers; targeting local and SME companies. This strategy aims to:

1. Raise awareness of benefits and risks of publishing on social media or online;
2. Identify who our main online customers are; and
3. Outline what STAR intends to achieve in respect of social media and online platforms in 2017-18

Social Media & Online Publishing: Risks and Benefits

There are many risks associated with publishing content online; once something is published the author cannot control its further electronic distribution. Additionally, anyone can potentially see what you have posted - privacy settings are not a guarantee of privacy

Users must be careful that what they are publishing does not compromise Data Protection. There is also a risk of damage to business or reputation through a comment or a criticism of a company. Even a passing comment about a logistical problem could highlight a company's weaknesses to competitors / potential customers. Equally, when posting images online, those posting must be careful that the image does not reveal personal information, or information about buildings, facilities, security or equipment

However, social media continues to be a fantastic resource for promoting a service and developing professional relationships. Social media is now very widely used and it is easier to reach much wider audiences; for example, Facebook has the most web traffic in the world after the Google search engine. The use of hashtags and retweets on Twitter has enabled STAR to reach a far wider audience than just their immediate followers

Users are more likely to engage over an informal platform, such as Twitter or LinkedIn

Our customers & target online audiences

To help develop our strategy, STAR has identified its customers/ audience. This is set out below, noting the types of people who would fall into that audience:

Council / Partner Stakeholders

Employees of Stockport, Trafford and Rochdale Councils and partner organisations for which STAR provides procurement support & services. Commissioners, who need to rely on STAR for procurement support

Bidders

Companies or organisations needing information about STAR, the three STAR Councils and partner organisations in order to identify current tender / request for quote opportunities. Prospective bidders needing to determine alignment between their products/services and our procurement needs. STAR

particularly wishes to target SMEs, Micro-businesses, VCSEs and suppliers local to the three STAR Council boroughs

Residents

Those seeking information on what their Council is spending money on

Clients

Current / potential clients of STAR Procurement and procurement professionals who may be interested in working for STAR Procurement all of whom may be seeking guidance, information sharing and professional best practice

Peers

Other Councils / public procurement groups who may be interested in the STAR shared service model and other procurement professionals with an interest in procurement policy and processes

Our diverse audience leads to the conclusion that STAR should be using a wide range of the electronic platforms currently available, to further its social media / online strategy; including:

1. STAR Procurement website (www.star-procurement.gov.uk)
2. STAR Twitter account (@STARProcurement)
3. LinkedIn (yet to be established)

Social Media & Online Strategy 2017-18

1. Develop our audience / expand our social media networks
 - Create a STAR Procurement LinkedIn account to target peers & clients. This will assist in promoting STAR as a professional organisation and will showcase the procurement professionals working for STAR (who currently list themselves as working for Trafford Council, the establishment provider for STAR Procurement)
2. Understand our audience
 - Undertake surveys and obtain feedback across the various platforms used, to enable STAR to better understand its wider audience
3. Standardise content
 - Provide guidance for those team members using the STAR social media platforms, setting out what STAR deems to be acceptable / unacceptable for sharing. This is set out in Appendix A
 - Create a content calendar; each month to have a theme/ focus on a particular area of STAR, helping to ensure that STAR does not miss an opportunity to share positive news
 - Create standard targets of online / social media interaction, based on recommendation from social media / online experts
4. Engage the wider STAR Procurement team in social media / online interaction
 - Encourage the wider STAR team to create content for the website and social media articles. This will lead to more varied content and whole-team engagement

Appendix A**Recommendations for acceptable and unacceptable social media and online content**

Endeavour to share an equal mix of:

- Internal good news stories; what's going on in the team; giving STAR a human face
- Self-promotion – e.g. opportunities on The Chest, our policies / procedures etc.
- Share topical stories / articles relating to procurement, local government spend etc.

A pre-requisite that all STAR staff have undertaken Trafford Council Data Protection training before curating and sharing online content

Acceptable Content

- Details of current opportunities on The Chest
- Good news stories about STAR Procurement
- Good news stories about any of the STAR Councils and partner organisations
- Good news stories arising from contract award (e.g. Social Value capture, etc.)
- Personal expertise within the STAR team
- Signposting to acceptable material already in the public domain
- Highlighting / signposting to positive media coverage about STAR Procurement
- Professional experience within the team
- What team members are up to that day / upcoming team or category meetings
- Details of upcoming events, e.g. meet the buyer, participation in business forum meetings, etc.
- Share content that might be relevant / useful to our identified audiences
- Use plain English wherever possible

Unacceptable Content

- Details of upcoming bidder meetings
- Details of a tender that might compromise that tender, or participating bidders
- Appearing to favour a bidder over other bidders, especially prior to contract award
- Commentary that would suggest favouritism of one STAR Council over the others
- Comment on, or share 'breaking news' stories
- Appearing to favour a particular political party; posting overtly Political content
- Criticising competition; other organisations
- Comment on shortcomings / errors in processes within STAR
- Sharing personal opinions that might impact negatively upon STAR or its Councils / clients
- Revealing any form of confidential information or personal information in breach of the Data Protection Act
- Swearing, defamatory or derogatory comments
- Use of jargon / acronyms that might confuse or alienate the intended audience

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