Report to: **STAR Joint Committee**
Date: **18th October 2016**
Report for: **Review and Discussion**
Report of: **Business Improvement Manager**

Report Title

STAR Risk Register

Purpose

The purpose of this report is to:
- Provide an update on the Corporate Risk Register for STAR Procurement
- Advise Joint Committee members of movement in risk items
- Advice Joint Committee members of any new risk items added to the register, 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:

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Background

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

Consultation

No public consultation required

Reasons for Recommendation(s)

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

1.   Summary

1.1   In the period, three risks have been downgraded, one risk has been upgraded and it is proposed that five risks are deleted

2.   Downgraded Risks

2.1   Following the quarterly review of the risk register, STAR Procurement has downgraded three risks. This reflects the maturity of the organisation and the work that has been undertaken to embed business as usual into many of the processes undertaken. The downgraded risks are:

2.1.1   F005 - Balance of cost savings with 'local agenda'
Delivery of the "local agenda" is not proving to have an impact on the delivery of cost savings. The balance between cost, quality and social value is specific to each procurement exercise

2.1.2   F010 - STAR Procurement income generation target
STAR is ahead of programme for meeting income generation targets for 2016-17

2.1.3   P009 - Legislation changes impacting on the Service
The increase in partnership working has led to an improved early-warning system for legislation changes

3.   Upgraded Risks

3.1   P011 - Release of inappropriate freedom of information data
As a result of ongoing scrutiny and the flow of FOI requests, it is considered that the impact of this risk occurrence should be increased from 2 to 3; the probability of risk occurrence remains low, due to the procedures in place across each Council to act as checks prior to information release

4.   Deleted Risks

4.1   Following the quarterly review of the risk register, STAR Procurement considers that the following risks have been fully mitigated:

4.1.1   C010 – Delivering communication promises
STAR website is fully operational and the proposed quality management system is being prepared and the risk has been mitigated further by inclusion in the STAR Business Plan

4.1.2   S047 – Performance of the new Chest portal
The new Chest portal has been operational for 12 months and supplier performance has improved significantly. In addition, STAR is participating in a regional contract management group with Due North and also contributing to product development

4.1.3   C009 – Standardisation of documentation
A range of standard documentation has been rolled-out across the three Councils; the harmonized CPRs have been reviewed and updated for Trafford and Rochdale. A report has been issued to Stockport's Monitoring Officer to identify mitigation in the interim period until Stockport conducts a whole-constitution review in 2017

4.1.4   P010 – New data capture process
The new data capture reporting structures have been working in practice for six months and have proved to be reliable

4.1.5   S046 – ICT systems across each STAR Council
The procedures in place which afford STAR Procurement access to each STAR Council system and allow the team to work across each Council location are in place and work to afford the necessary access required

5.   Recommendations

5.1   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

STAR PROCUREMENT

Risk Register
Revision: 10
Issue Date: 18 October 2016

Document Owner: Mark Pearson, Business Improvement Manager

ID	Date Raised	Status	Type	Description of risk / impact	Prob (1-3)	Impact (1-3)	Score (P x I)	Mitigating actions / Countermeasures	Risk Owner
	Summary			**Risk Description & Impact**				**Preventative Actions**	
F009	17 Sep 14	On going	Finance	Do not identify and deliver enough savings opportunities	2	3	6	STAR Procurement allocates savings under three headings - Contract Renewal Savings; Targeted Budget Reduction; and New Savings Opportunities. STAR has agreed with each Authority, the savings target for 2016-17. STAR is now in receipt of further financial data from each Authority which will enable it to identify cost savings in furtherance of targets set	HoSPs / CMs
P003	17 Sep 14	On going	Process & Resources	STAR Procurement Contract Register does not include all contracting activity	3	2	6	STAR is working with Finance Teams across the three Councils to analyse spend data so that non compliant spend can be identified and addressed	HoSPs / CMs
P008	30 Sep 15	On going	Process & Resources	Ability to recruit and retain suitably qualified staff at all levels	2	3	6	The recruitment process has commenced to replace the DoP and will take the same approach as the previous DoP recruitment exercise. An interim and delegation plan to cover all responsibilities of the DoP is now complete and agreed by the Board. It has been prepared by the outgoing DoP with the help of SMT. SMT is now fully staffed and the DoP and SMT are confident that these arrangements will suffice. Further the outgoing DoP has agreed to return for 3 days (as directed by the Board) to provide support, guidance information to SMT and the new DoP. STAR has implemented a training programme for its Trainee Procurement Officers (TPOs) to assist their transition into Procurement Officers, Category Managers and beyond. In house and external training course provision ensures officers maintain CPD and assist in maintaining STAR Procurement's intention to be an employer of choice. We also need to do an analysis of key roles where skills are limited to key individuals and ensure that such risks are mitigated e.g. data analysis	DoP / HoSPs / BIM
F005	17 Sep 14	On going	Finance	Not able to balance cost savings against "local agenda" aspirations	2	2	4	Market engagement with local and sub-regional suppliers has increased, to connect with companies capable of providing services to the STAR Authorities from within the localities. STAR is working to deliver the procurement startegy, which involves upskilling local supply chains to engage successfully in the procurement process. STAR continues to give training to Commissioners in respect of Social Value and the GMCA Social Value policy. STAR Authorities need to consider what specific Social Value requirements they require in their localities, to inform both STAR Procurement and individual Commissioners for the pre-procurement process	DoP / STAR Team
C007	17 Sep 14	On going	Comms	STAR Procurement fails to consider the corporate priorities of each of the three STAR Authorities when carrying out procurement	1	3	3	STAR Procurement has captured the three Authorities' corporate priorities in its new Business Plan and these requirements will be embedded in the team's approach to procurement for each Authority. STAR Board to continue to advise any change in corporate priorities when identified by each Authority's Corporate Management Team, to ensure that STAR Procurement remains informed of any change in priorities	DoP / HoSPs / CMs
C010	7 Jan 16	On going	Comms	Reputational impact of not delivering promises; e.g. Availability of website, responsiveness and following processes	1	3	3	STAR Procurement launched its website in February 2016 and this acts as a central communications resource together with the STAR Twitter account. The website contains information for Buyers within each Authority, held in a secure area, which is regularly updated, replacing information previously uploaded to individual Authority intranet sites. The STAR Procurement Business Plan 2016-17 details the introduction of a Quality Management System for STAR Procurement	BIM / HoSPs
F008	17 Sep 14	On going	Finance	Not able to achieve targets	1	3	3	Monthly verification of savings between HoSPs and each Authority Finance Teams continue to provide savings certainty. Key Performance Indicators for 2016-17 and the Balanced Scorecard have been agreed with both STAR Board and Joint Committee. In addition, a series of Management Indicators for SMT and STAR Board have been developed	DoP / HoSPs / CMs
P007	30 Sep 15	On going	Process & Resources	Future partner integration impacts on STAR Procurement ability to deliver to existing Authorities	1	3	3	STAR Procurement has identified resourcing, governance and financial impacts of proposed new Partner organisation; HoSP (Professional) has separately identified risks and is managing a separate partner-specific risk register. Joint Committee retains ultimate decision-making powers in respect of any new partners	DoP / HoSPs / BIM

STAR PROCUREMENT

Summary				Risk Description & Impact				Preventative Actions	
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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 Director of Procurement and the relevant Council's STAR Board Member (or authorised representative) prior to release of such information to the relevant Council's FOI team. 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
SO47	16 Mar 15	On going	Systems & Tools	Risk of performance issues arising from a change of procurement portal following AGMA re-procurement of The Chest portal in 2015	1	3	3	The Chest (NW England Procurement Portal) has been rolled-out across all participating Authorities. The AGMA Procurement Hub continues to work with Proactis, owners of Due North (the provider of the portal) to resolve user issues. The AGMA lead has confirmed that thier performance is improving and development milestones are being met. STAR Procurement is working closely with the AGMA Procurement Hub to manage both expectations and quality of product	AGMA
C006	17 Sep 14	On going	Comms	Services/Commissioners across the three STAR Authorities do not engage fully with STAR Procurement, limiting ability to deliver against KPIs	1	2	2	HoSPs are refreshing the communications plan regarding senior stakeholders across the STAR Authorities; Category Managers continue to engage with Commissioners to ensure visibility of STAR Procurement at officer level within the STAR Authorities. Spend analysis will help identify off contract spend	HoSPs / CMs
C009	17 Sep 14	On going	Comms	Standardisation of documentation and processes across the three STAR Authorities and STAR Procurement	1	2	2	Business Improvement Manager is leading a new Standards Group comprising BI and Procurement Officers; this is reviewing all requirements for standardised documentation and processes. STAR Legal has provided new legal documentation, including aligned terms and conditions for use across all three Authorities. STAR continues to liaise with Client leads from all three Authorities to determine further priorities and timescales for implementation	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 Procurement is also discussing with other Authorities, the STAR 'offer' with the intention of widening participation in this 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	DoP / HoSPs / BIM
P010	21 Apr 16	On going	Process & Resources	New data capture and reporting systems	1	2	2	HoSPs to ensure continuous review of statistics from new reporting to ensure that new systems are adopted, updated and provide the required reporting solutions	HoSPs
S046	17 Sep 14	On going	Systems & Tools	ICT systems prohibit / constrain STAR Procurement from working across the three STAR Authorities	1	2	2	Access, via VPN, to both Rochdale and Stockport systems has now been arranged and the STAR Procurement team have the ability to access the intranets, printing, scanning and room booking systems of each Authority	BIM

KEY:

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

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