



P R O C U R E M E N T

**Report to:** STAR Joint Committee  
**Date:** 2<sup>nd</sup> 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 31<sup>st</sup> 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:**

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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:	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