



PROCUREMENT

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

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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)		