

TRAFFORD COUNCIL

Report to: Council
Date: 25 JULY 2018
Report for: Decision
Report of: Executive Member of Finance

Report Title

STAR Procurement Collaboration and Executive Joint Committee

Summary

The purpose of this report is to:

1. Provide information on the strategic proposal to expand the current STAR Shared Procurement service ("STAR") from three partner councils to four partner councils, and potentially to further expand the collaboration from four partner councils to five partner councils.
2. Outline the rationale for STAR's growth strategy, provide details of proposed commercial arrangements, governance arrangements and implementation strategies.

Recommendation(s)

It is recommended, to the extent that the activities of the new STAR Joint Committee are not executive functions, that the Council delegates to the Joint Committee the power to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of the procurement functions delegated to it – in particular the power to make staffing appointments and the power to make standing orders as to contracts.

Contact person for access to background papers and further information:

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Background Papers: Executive Reports submitted by the Executive Member for Finance

Relationship to Policy Framework/Corporate Priorities	Collaboration across four and five local authorities that helps support the delivery of low council tax and value for money through more effective procurement arrangements.
Relationship to GM Policy or Strategy Framework	None

<p>Financial</p>	<p>The Council will be responsible for all outgoings of the proposed new Strategic Procurement Unit.</p> <p>The cost of the Unit will be shared equally by the Four or five participating councils.</p> <p>A fourth Partner will secure a wider scope for delivering economies of scale benefiting all, but will bring income to strengthen further sustainability of the Shared Service. This will be further secured if a fifth Partner participates in the shared service.</p>
<p>Legal Implications:</p>	<p>The joint committee is established by the participating councils in exercise of their powers under sections 101(5) and 102 of the Local Government Act 1972, section 9EB of the Local Government Act 2000 and the Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2012/1019.</p> <p>The Joint Executive Committee will oversee all decisions of the Shared Service. An Inter authority agreement will be required in order to establish the operating arrangements for the new four or five partner Strategic Procurement Unit.</p>
<p>Equality/Diversity Implications</p>	<p>None.</p>
<p>Sustainability Implications</p>	<p>None directly associated with this report but the STAR will be able to ensure that its procurement activities are conducted with focus on sustainable practise.</p>
<p>Resource Implications e.g. Staffing / ICT / Assets</p>	<p>Trafford Council and any new Partner will have to consider TUPE implications. Where TUPE does apply and also, in order to operate differently the expansion a re-structure to accommodate a different service delivery model may be required.</p> <p>Where a revised organisational structure is necessary, full consultation will take place with staff and trade unions.</p> <p>Staff will move to the new arrangements and the implementation strategy will form part of the consultation arrangements.</p>
<p>Risk Management Implications</p>	<p>Approval to bring a new Partner needs to comply with legal requirements but also ensure risk is managed in terms of delivering a successful, larger Shared Service across four Authorities. This will also be a consideration if a fifth Partner subsequently becomes a full participating Authority in the Inter-Authority Agreement.</p> <p>A risk register has formed part of the overall project management with all risks categorised and mitigations highlighted.</p>

Health & Wellbeing Implications	None.
Health and Safety Implications	None.

1. Background

The Part One Executive Report, STAR Procurement Collaboration and Executive Joint Committee Report provides details of proposals to expand the STAR shared procurement service and establish a new Joint Committee to include new partners.

For commercially sensitive reasons and reasons linked to potential TUPE implications for staff, the Part One Report refers to a Fourth and a Fifth Partner without disclosing the authority identity.

At its meeting on the 25th July 2018 the Executive:

- Approved the disestablishment of the current STAR Joint Committee
- Approved the expansion of the current shared procurement service to include the Fourth Partner which will continue to be hosted by Trafford Borough Council in accordance with the provisions detailed in the main body of the report.
- Approved the establishment of a new STAR Joint Committee for Stockport, Trafford, Rochdale and the Fourth Partner that will support the delivery of the Shared Service and provide delegated authority to the Procurement Service to operate across Stockport, Trafford, Rochdale and The Fourth Partner areas.
- Approved the further expansion of the shared procurement service to include The Fifth Partner Council in accordance with the provisions detailed in the report subject to the prior approval of appropriate due diligence by the STAR Joint Committee.
- In the event that the shared procurement service is further expanded to include the Fifth Partner Council, approves the disestablishment of the four partner STAR Joint Committee and approves the establishment of a new five partner STAR Joint Committee for Stockport, Trafford, Rochdale, the Fourth Partner and the Fifth Partner that will support the delivery of the Shared Service and provide delegated authority to the Procurement Service to operate across Stockport, Trafford, Rochdale, the Fourth Partner and the Fifth Partner areas.
- Approved the governance arrangements and Terms of Reference of the new STAR Joint Committee as set out in the report.
- Delegated authority to the Director of Legal and Democratic Services to agree the terms and conditions of, and to complete, an Inter Authority Agreement (“IAA”) in respect of the STAR Procurement shared service in similar terms to the existing IAA.
- Noted and approved the proposed approach to those circumstances whereby staff would transfer to the new procurement unit, and therefore to Trafford Council under TUPE, as outlined in the report.

2. Governance

The member authorities and the Executive have agreed the basis on which the joint committee will operate and the Terms of Reference as set out in the report. The Terms of Reference will be set out in an inter-authority agreement (IAA).

To the extent that the activities of the STAR Joint Committee are not executive functions the Council needs to decide whether to delegate to the new Joint

Committee the non-executive powers to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of the procurement functions delegated to it – in particular the power to make staffing appointments and the power to make draft standing orders as to contracts for agreement and incorporation into the constitution of each participating STAR Council but not the power to set budgets.

Consultation

Should any staff be affected by TUPE as a result of the proposed arrangements, consultation with staff affected by TUPE will be undertaken in accordance with TUPE Regulations and with the advice of the HR Director.

Reasons for Recommendation

1. The creation of a collaborative approach in procurement has already brought significant financial and reputational benefits to the participating authorities of STAR. It has enabled greater influence over the market and provided for more effective control over the spending of limited resources.
2. The report details the rationale for expanding the collaborative service beyond the founding three member authorities.
3. Any change of membership of the current STAR Procurement Shared Service and the STAR Executive Joint Committee is a matter for the Executive to determine.

Key Decision

No

Clearance

Finance Officer Clearance	<i>PC</i>
Legal Officer Clearance	<i>DS</i>

CORPORATE DIRECTOR'S SIGNATURE (*electronic*).....

To confirm that the Financial and Legal Implications have been considered and the Executive Member has cleared the report.