

Item 4 Balanced Scorecard and Performance Metrics

Compliance 30 %

- Number of contracts in the work plan awarded without a successful legal challenge against the total number of contracts in the work plan
- Harmonisation of Contract Procedure Rules

Finance 40 %

- Savings achieved
- Value of saving proposals with fully signed PIDs

Social Value 15%

- To improve the % of overall spend that is spent in the Local area when compared against the baseline, (based on the average between the three authorities).
- To improve the % of overall spend that is spent with SME's when compared against the baseline (based on the average between the three authorities).
- To deliver and report on the number of local employment opportunities created as defined in GMCA Social Value Policy
- % of procurement activities resulting in SV outcomes.

Performance 15 %

- % satisfaction rating to improve against base line. Ratings to be good or above on completed customer satisfaction surveys.
- % satisfaction rating to improve against base line. Ratings to be good or above on completed supplier satisfaction surveys.
- % PID objectives achieved

Compliance (Weighting 30%)

The metric is the aspect of STaR's activities regarding compliance which can be measured and has a positive impact on the performance of the team as a whole.

Ref	Metric	Aim / Target	Achievement at 20.3.15
<i>i</i>	Harmonised Contract Procedure Rules to be recommended for approval by Joint Committee	April 2015	On schedule
C1	Number of contracts in the work plan awarded without a successful legal challenge against the total number of contracts in the Work Plan	100%	100% (188 contracts awarded since April 2014)

Financial (Weighting 40%)

The following metrics will be used for the finance section of the balanced scorecard

- F1 Savings achieved across STaR Councils
- F2 Value of savings with a fully signed off Procurement Initiation Document (PIDs)

The savings achieved represent an aggregate figure and will be produced in a graphical format identifying progress on a monthly basis. The values listed on the report will include all elements of savings achieved via the procurement process. This will include the following savings classifications:

- Cashable, recurring budget savings
- Cashable one off savings
- Non cashable savings i
- Capital savings

The second measure gives us an opportunity to identify the savings pipeline. It will measure the value of savings initiatives which have been agreed by clients and fully "signed off" via a Procurement Initiation Document (PID). PID sign off will be measured when all participants in the process, STaR, Budget Holder (Client) and Finance have signed up to the savings delivery. This is classified as "green" on the RAG rating we will use.

Reporting the PID status provides us with a higher level of confidence that clients and finance are aware of and in agreement with the savings proposals.

Again, this will be reported to the Joint Committee on the basis of aggregate values for all three Councils.

The second measure will be mapped on the same graph as F1 so that the relationship between the two values are visible.

See separate Appendix One which represents savings delivery for 2014/2015 reports for detail.

Social Value (Weighting 15%)

The following metrics will form the Social Value (SV) quadrant of the STaR Balanced Scorecard.

- To improve the % of overall spend that is spent in the Local area when compared against the baseline, (based on the average between the three authorities)
- To improve the % of overall spend that is spent with SME's when compared against the baseline (based on the average between the three authorities). To increase the % of overall spend that is spent in the Local area
- To deliver local employment opportunities
- % procurement activities resulting in social value outcomes

(i). Local Spend (S1)

SpendPro will be used as the tool to deliver these numbers. The baseline position for financial year 2014/2015 will be published at the next Joint Committee and will be used as a baseline going forwards. The indicator requires an improvement against this baseline and as our intelligence regarding this indicator improves we can begin to set targets accordingly.

(ii) Spend with SME's (S2)

SpendPro will be used as the tool to deliver these numbers. Obtaining reliable SME information has proven challenging due to the lack of an accessible and reference-able master data source of SME classifications. For example, we have been able to retrieve an SME indicator for only 18% of spend for STaR spend in 2013-14. SpendPro uses a 3rd party data provider (MINT UK) to provide these statistics.

The data provider has now released a new SME indicator (a simple yes or no) which appears to have a much broader coverage of our supplier data-set (perhaps up to 40%-50%). The SpendPro team is currently evaluating this and will look to apply this to the current data-set to allow further analysis.

The baseline position for financial year 2014/2015 will be published at the next Joint Committee and will be used as a baseline going forwards. The indicator requires an

improvement against this baseline and as our intelligence regarding this indicator improves we can begin to set targets accordingly.

(iii) Local Employment Opportunities (S3)

The overall outcome will be to get more local people in work. We will aim to do this by looking to increase the number of local employment opportunities through the procurement process. One of the aims of the GMCA Social Value Policy is to “Promote Employment & Economic Sustainability” with an outcome of getting more local people in work.

The policy suggests this can be measured by using the following:-

- Create x number of new jobs in the local economy.
- Create x number of traineeships (including apprenticeships) for local residents.
- Provide x number of days of meaningful work experience for local residents.
- Support x number of people back to work by providing career mentoring for job clubs, including mock interviews, CV advice, and careers guidance.
- Supporting young people into work by delivering employability support (e.g. CV advice, mock interviews, careers guidance) to x number of school and college students.
- Employ x number of ex-offenders (or other group of people who typically face additional challenges in competing in the labour market.

Each one of the above achieved will be counted as an employment opportunity. This is a new measure and there is previously no historic data to create a baseline.

(iv) % of Procurement Activities Resulting in a Social Value Outcome (S4)

A measure will be established to understand the % of procurement activities where there is a social value outcome.

We will use the Procurement Initiation Document (PID) as the reporting tool to identify the measure and we will then compare against the total number of procurement activities on the work plan.

This is a new measure and there is previously no historic data to create a baseline.

Ref	Metric	Aim / Target	Achievement at 20.3.15
S1	To improve the % of overall spend that is spent in the Local area when compared against the baseline, (based on the average between the three authorities	Pending Baseline	To be established
S2	To improve the % of overall spend that is spent with SME's when compared against the baseline (based on the average between the three authorities).	Pending baseline	To be established
S3	To report on the number of local employment opportunities created as defined in GMCA	To be established	New metric, no historical data but will be reported for

	Social Value Policy.		2015/2016
S4	% of procurement activities resulting in SV outcomes.	50%	New metric, no historical data but will be reported for 2015/2016

Performance Weighting 30%)

The following metrics will form the Service Delivery and Customer Satisfaction Quadrant of the STaR Balance Scorecard.

- % satisfaction rating to improve against base line. Ratings to be good or above on completed customer satisfaction surveys.
- % satisfaction rating to improve against base line. Ratings to be good or above on completed supplier satisfaction surveys.
- % PID objectives achieved

(i) Customer Satisfaction Surveys (P1)

A customer satisfaction questionnaire was circulated in early March which focussed on two principal areas of enquiry:

- Communication issues, responsiveness and customer awareness of the service offer.
- The second relates to the quality of the service itself in terms of the timeliness, quality of engagement and satisfaction with the outcome.

Responses to the questions will be scored against a four point scale measuring the satisfaction with the element of the service.

A metric will be developed and reported based upon the overall satisfaction scoring achieved over each period.

(ii) Supplier Satisfaction Surveys (P2)

The supplier satisfaction surveys was also circulated and follows a similar format to that of the customer side. Again the questionnaire focussed on two principal areas of enquiry:

- Communication issues, responsiveness and supplier awareness of the service offer.
- The second relates to the quality of the service itself in terms of the quality of engagement, support and overall satisfaction with the process.

Once again responses to the questions will be scored against a four point scale measuring the satisfaction with the element of the service.

A metric will be developed and reported based upon the overall satisfaction scoring achieved over each period.

(iii) PID objectives achieved (P3)

The Procurement Initiation Document (PID) will identify the expected outcomes for each procurement exercise. A simple report which reconciles, planned versus achieved objectives will be used to provide a % PID objectives achieved.

Ref	Metric	Aim / Target	Achievement at 20.3.15
P1	% satisfaction rating to improve against base line. Ratings to be good or above on completed customer satisfaction surveys.	Pending baseline See note 1	
P2	% satisfaction rating to improve against base line. Ratings to be good or above on completed supplier satisfaction surveys.	Pending baseline See note 1	
P3	% PID objectives achieved	80%	New metric, no historical data but will be reported for 2015/2016

Note 1

The baseline will be established from the surveys which are currently with clients and suppliers. The baseline data will be used to set the target figures for 2015/2016

Appendix One

Financial Saving achieved 2014/2015

F1 STaR Financial Benefit 2014/15

