

Balanced Scorecard & Customer Satisfaction

Report to: STAR Joint Committee
Date: 28 October 2015
Report from: STAR Board

Recommendation: To note the contents of the report

1. BACKGROUND

1.1 The Joint Committee Meeting of 22nd April 2015 agreed that the performance of STAR should be monitored by a balanced scorecard approach which recognised the breadth of activity and expectations of the partner Councils. The parameters are listed below:

- Finance 40%
- Compliance 30%
- Social Value 15%
- Customer Satisfaction 15%

1.2 All measures collected are on basis of aggregated data from across the three Councils.

1.3 The balanced scorecard is the first attempt to articulate key performance indicators for the STAR team and in many instances there is no base line data. The financial year 2015/2016 will be used to baseline the data sets and establish what is achievable.

1.4 All of the measures are monitored regularly but final assessment of performance will be at a yearend position. The rationale for this is twofold:

- Many of the parameters are cumulative e.g. savings figures;
- The performance reporting mechanism will require behaviour change from STAR employees and our clients within the partner Councils. We recognise that changing behaviours and doing things differently does take time to embed. We would therefore expect increased levels of performance as the year progresses. Further this appears to be the trend with improvements between quarter one and quarter two data.

1.5 Performance meetings between Senior Management and staff are held on a rolling fortnightly basis to cover each of the four parameters. This has proved to be particularly successful in seeing performance improvement in all areas but most specifically for compliance, finance and customer satisfaction.

2. CURRENT POSITION

2.1 Appendix one lists the detail behind the balanced scorecard. In summary the following results have been achieved to date.

Compliance (Weighting 30%)	25%
Finance (Weighting 40%)	40%
Social Value (Weighting 15%)	6%
Performance (Weighting 15%)	15%
Final Score >	86%

2.2 Considering that these are annual measures the results to date are very promising indicating that on the vast majority of issues the team are performing well. There is room for improvement in social value indicators and this was referenced in the previous report to the Joint Committee. Further detail is listed below.

2.3 In order to provide some context regarding how we are going to improve performance we have added a forecast figure for the end of year position.

3.0 COMPLIANCE

3.1 The compliance position has improved significantly for the contracts which we are aware of. This is impacting positively on the performance of the team allowing them to plan their work programme more effectively and work with clients on a more proactive basis. We are about to commence a piece of work to reconcile spend and contracts declared on the contract register and this may demonstrate areas where additional procurement activity is required.

4.0 FINANCE

4.1 The savings target identified in April 2015 was £5m across all three Councils. To date we have delivered £4.4m with a revised forecast figure of £6.5m.

5.0 SOCIAL VALUE

5.1 In the last quarter there has been a significant increase in the number of procurement activities which incorporate consideration of Social Value. However, the half year position indicates that we may fall short of our target. Mitigating actions include:

- One to one training/coaching of STAR team
- Review and senior level sign off of Social Value (SV) provisions included in all new Procurement Initiation Documents to ensure SV is considered and incorporated where-ever possible
- Training in terms of Contract Procedure Rules which referred to SV obligations (over 150 officers across the three Councils have been trained).
- Specific SV training has been delivered to 30 officers across the three Councils. We have used the pilot to review feedback from participants and develop a training offer that than be delivered to a wider cohort
- SV training has been offered to the Supply Chain, specifically via a business event in Rochdale and a Meet the Buyer event in Stockport

5.2 Public procurers are mandated to consider SV for procurement of services which are above the OJEU thresholds. STAR's expectations exceed this baseline and we are looking to ensure that consideration includes all types of third party spend, including that below OJEU levels. It is important that we continue to equip our team with the skills and knowledge to engage in persuasive and productive dialogue with clients and budget holders.

5.3 Local and SME spend data represents an aggregated position for all three Councils. We expect to achieve the target set by the end of the year. STAR has had significant engagement with local businesses and SMEs, attending business and Meet the Buyer events. As part of the role of the Business Improvement Manager STAR will be putting together a "calendar of events" which helps us engage more proactively with the market and work to equip local businesses and SMEs with the information and skills to successfully engage in the procurement process.

5.4 As we progress through to March 2016 and contract conditions are delivered through our procurement activity we forecast an improved position in SV scores overall.

6.0 CUSTOMER STISFACTION

Customer satisfaction questionnaires are sent to clients at the end of every procurement activity or after there has been some other type of significant engagement with STAR. We have been canvassing views in this manner since 1st April 2015 and have received 44 responses to date. The survey results demonstrate an 84% preference rating where clients "agree" or "strongly agree" that the service from STAR has been good.

7.0 SUMMARY

7.1 The fortnightly meetings will continue to focus effort and drive improvement in the key indicators. Further, the Senior Management Team and STAR Board will continue to review how we work with partner Councils to improve performance further and maximise outcomes.

End.

Compliance (Weighting 30%)					STAR		Forecas	Comments
Ref	Metric	Measure ment Period	Target	Weighting	Achieved	Score	Mar. 2016	
C1	Number of contracts in the work plan awarded without a successful legal challenge against the total number of contracts on the work plan.	Annually	100%	5%	100.0%	5.00	100.0%	We aim to maintain our current position
C2	% of 'live' / compliant contracts in the Contracts Register against the total number of contracts in the Contracts Register	Annually	90%	10%	92.7%	10.00	90.0%	We are about to commence a piece of work to reconcile spend with the contract register This may impact on our compliance position so forecast reflects current target
C3	% of planned exemptions to the Contract Procedure Rules against the total number of exemptions	Annually	50%	5%	70.5%	5.00	60.0%	This measure demonstrates how well STAR understands the compliance position across the Councils. Non planned exemptions generally indicate where contracts are not listed on the contract register. Moderate improvement in target in view of further compliance work referred to above
C4	% of signed contractual documents filed on The Chest within 12 weeks from Contract Award	Annually	100%	5%	41.0%	0.00	80.0%	There has been significant improvement in this indicator since it has been measured. We will aim to achieve year end position of 100% but forecast that there may be a shortfall given current performance.
C5	% of planned procurement activities in the work plan against the total number of work plan activities.	Annually	65%	5%	87.8%	5.00	65.0%	We are about to commence a piece of work to reconcile spend with the contract register We would expect that this will identify new areas of work which may lead to non planned procurement activity so forecast reflects current target
Compliance Score >					25.0%	25/30		

Finance (Weighting 40%)								
F1	% of achieved savings against target	Annually	90%	35%	100.0%	35.00	100.0%	Savings position is measured against the £5m aggregated forecast at April 2015 Current forecast savings is £6.4m
F2	% of PIDs with Savings represented against all signed PIDs	Annually	90%	5%	100.0%	5.00	100.0%	There has been significant improvement to this indicator to the point where all savings proposals now have PIDs established
Finance Score >					40.0%	40/40		

Social Value (Weighting 15%)								
S1	% of SV embedded in procurement documentation against the total number of work plan activities.	Annually	50%	3%	23.7%	0.00	40.0%	There has been a significant improvement in this indicator however the half year position indicates that there may be a shortfall against target. Mitigating actions are listed in the attached report
S2	Number of local employment opportunities created as defined in GMCA Social Value Policy (Comprising New Jobs & Apprenticeships)	Annually	TBA	3%	74.00	5.00	100	There was no target set on this parameter but progress to date indicates a forecast 100.
S3	% of overall spend that is spent in the Local area (based on the average between the three authorities)	Annually	30%	3%	28.0%	3.00	30.0%	Further action to be taken to achieve forecast
S4	% of overall spend that is spent with SME's (based on the average between the three authorities)	Annually	10%	3%	9.0%	3.00	9.0%	Further action to be taken to achieve forecast
S5	% Number of tender exercises resulting in a measurable SV outcome.	Annually	40%	3%	3.6%	0.00	30.0%	There needs to be significant improvement in this indicator and as contracts are put in place this should be reflected in the data. Half year position indicates that there may be a shortfall against target. Mitigating actions are listed in attached report.
Social Value Score >					6.0%	11/25		

Performance (Weighting 15%)								
P1	% of satisfaction (Good or above) on completed Customer satisfaction surveys forms.	Annually	50%	15%	84.0%	15.00	85.0%	There has been a huge improvement in this indicator and we intend to maintain / improve the position.
P2	% of satisfaction (Good or above) on completed Supplier satisfaction surveys forms.	Annually	50%	0%	-	-	-	Baseline to be established
Performance Score >					15.0%	15/15		

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