

Place and External Relations Scrutiny Panel

6 November 2018

Commenced: 6.00pm

Terminated: 7.50pm

Present: Councillors Glover (Chair), Bailey (Deputy Chair), Bowden, Bowerman, Boyle, Chadwick, Choksi, J Fitzpatrick, A Holland, S Homer, Lewis, Patrick, Pearce, Sharif, Sidebottom, Sweeton.

Apologies for absence: Councillors J Lane, Taylor.

21. MINUTES

The minutes of the meeting of the Place and External Relations Scrutiny Panel held on 11 September 2018 were approved as a correct record.

22. TAMESIDE PROCUREMENT

The Panel welcomed Councillor Bill Fairfoull, Deputy Executive Leader; Tom Wilkinson, Assistant Director of Finance; and Nichola Cooke, Assistant Director of STAR Procurement to provide information on procurement arrangements and delivering value for money.

The Panel heard that the Council spends approximately £300m per annum with third party suppliers. A decision was made in October 2017 to review internal procurement arrangements, with the headline finding that major investment was required and that there had previously been:

- Insufficient analysis and overview of spend.
- Missed opportunities for savings.
- Limited social value and local market spend.
- Risks of non-compliance to public procurement regulations.

Cllr Fairfoull advised that in June 2018 a business case was developed with the inclusion of five future delivery options. A report to conclude this process was presented to Executive Cabinet in July 2018 and sought approval for the Council to move forward with a preferred option to join a shared service known as STAR Procurement. Tameside Council entered the shared service agreement from September 2018.

The Panel heard that STAR Procurement is a shared service between Rochdale, Stockport, Tameside and Trafford Councils. The service is hosted by Trafford Council and has made significant savings for original members of over £20m since 2015/16, equating to more than £1m per year for each authority.

Mr Wilkinson reported that STAR membership would create additional operating costs of £185,000 on top of the existing budget, with all associated costs for procurement to total £435,000 per annum. This was approved as the most viable and positive option for the Council to deliver significant improvements in compliance and achievable savings.

It was reported that strong governance arrangements are in place to ensure all four councils maintain strategic oversight of activity. Cllr Fairfoull holds a position on the STAR Joint Committee and Mr Wilkinson joins senior finance officers on the STAR Board. The shared service has recruited a professional and qualified team, with a key priority for the collaboration to deliver savings and improve value for money.

The Panel heard that some of the immediate priorities for Tameside include the development of a comprehensive contracts register and a related report is to be presented at Executive Cabinet in the near future. To date the service has supported local spend analysis and identified the need to improve business engagement and social value elements within contracts.

Panel members expressed support for the decision to review local procurement arrangements and the need to address some of the identified problems. Concerns were voiced in relation to the rise in procurement operating costs and the dependency placed on STAR Procurement to continually grow the level of delivered savings.

Cllr Fairfoull advised that the decision had been taken based on the proven ability of the shared service to deliver value for money and savings above that of associated costs. The Council has a role to play in supporting this work and to set ambitious targets for in-year savings. This will be closely monitored by the STAR Board and Joint Committee.

Panel members are extremely keen for the Council to achieve improved levels of social value within contracts and for increased levels of local spend to remain a priority. A question was also asked on how the shared service, hosted by Trafford Council, was able to provide the required level of support at a local level.

Mr Wilkinson advised the Panel that while the service is hosted by Trafford Council procurement officers are located within the Council's finance teams, which allows them to gain knowledge of local practice and the ability to advise and support services. The agreement will provide opportunities to increase the amount of collaborative procurement that is undertaken and a priority is to increase social value, local spend and to better engage local businesses. The service welcomes the support of the scrutiny panel and will seek to routinely share reports and monitoring information.

Resolved: That Councillor Fairfoull, Mr Wilkinson and Ms Cooke be thanked for attending the meeting.

23. IMPACTS OF WELFARE REFORM

The Chair advised members that the Impacts of Welfare Reform is a topic included within the Panel's current work programme and that work will now start to plan future activity. The Scrutiny Manager was invited to present information and insight on a number of specific and concentrated impacts to inform future lines of enquiry for the Panel. The Chair confirmed that an agreement had been reached with the Integrated Care and Wellbeing Scrutiny Panel for a joint working group to be established to progress this work early in 2019.

A concern was raised by a panel member in relation to the short notice of information being presented on the Impacts of Welfare Reform and that the statutory notice period for meeting papers to be circulated had not been met.

The Chair advised the Panel that the item was to be received as a supportive tool to both inform and direct future activity. As such, the presenter and content of the presentation was not, by nature, official scrutiny business and the decision to prevent any delay to receive this information was viewed in the best interest of the Panel.

The Chair sought agreement from the Panel for the item to be delivered in the way it was intended. A general consensus was reached to proceed as planned.

Resolved: That members are to be contacted by email outside of the meeting to express an interest in becoming a member of the joint working group.

24. CHAIR'S UPDATE

The Chair provided a verbal update on recent activity and future priorities for the Panel. The Panel confirmed future work priorities to include:

- Air Quality – a commitment to progress this work, with the aim to complement work of Greater Manchester and Green Summit.
- Economic Strategy – a future role for the Panel to be involved in strategy development. In addition to this, there is currently an open consultation on Greater Manchester's Local Industrial Strategy which closes on 25 November. Details to be circulated by email to all members outside of this meeting.
- Welfare Reform – information presented to inform future work and focus.
- Monthly update emails - all scrutiny members are now receiving a monthly update email to raise awareness and participation in a range of open consultations and engagement exercises, including resources to support members in their scrutiny role.

25. DATE OF NEXT MEETING

To note that the next meeting of the Place and External Relations Scrutiny Panel will take place on 8 January 2019.

26. URGENT ITEMS

The Chair reported that there were no urgent items for consideration at this meeting.

CHAIR