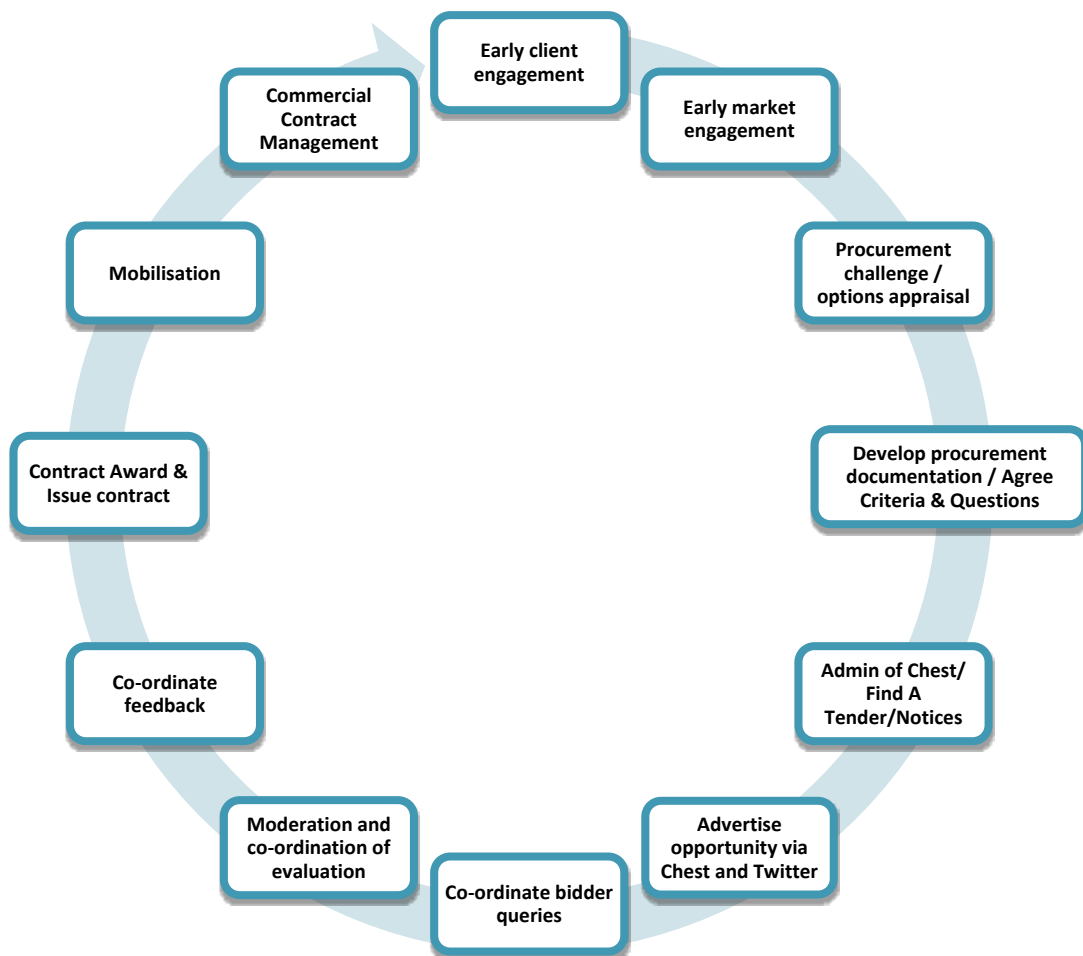


Report to:	AUDIT PANEL
Date	14 March 2023
Reporting Officer:	Lorraine Cox
Subject:	STAR Procurement Update
Report Summary:	To provide an update on the work of STAR Procurement
Recommendations:	To note the report
Corporate Plan:	Efficient and effective procurement supports the priorities within the Corporate plan
Policy Implications:	Effective procurement supports the policy objectives of the Council
Financial Implications: (Authorised by the statutory Section 151 Officer & Chief Finance Officer)	Effective procurement helps ensure best use of the Council's assets, ensure Value for Money and support good governance
Legal Implications: (Authorised by the Borough Solicitor)	<p>There are no immediate legal implications arising from this update report.</p> <p>STaR provides a critical support to ensure that procurement exercises are undertaken compliantly and also deliver best value for the council.</p> <p>Ongoing oversight of STaR ensures that performance is monitored and that all opportunities such as collaborations are explored particularly in the challenging economic climate.</p>
Risk Management:	Effective procurement minimises a range of risks, financial, legal and reputational
Access to Information:	The report is to be considered in public.
Background Information:	<p>The background papers relating to this report can be inspected by contacting Lorraine Cox, Director, STAR Procurement</p> <p> e-mail: Lorraine.Cox@star-procurement.gov.uk</p>

1. INTRODUCTION

- 1.1 STAR Procurement was formed in 2014 as a three-partner shared service (Stockport, Trafford and Rochdale Councils). In 2018 Tameside commissioned STAR to undertake a performance review of their procurement and subsequently joined STAR as a partner.
- 1.2 STAR is the internal procurement team for Tameside and the other three Councils but operates as a formal collaborative service governed by a Joint Committee with equal representation from each of the four partner organisations.
- 1.3 STAR has a core offer to deliver to its partner organisations and provides collaborative strategic leadership, management and operation support, advice and guidance to all officers for all procurement.
- 1.4 The core offer and procurement delivery set out that STAR Procurement is involved in all aspects of the procurement cycle and supports our Partners through the process. The level of support provided is tailored depending on experience, risk, and value of the Partner service. Full support will be provided to any procurement over £25k, whilst under this limit, advice and guidance will be provided, but is not mandated. The STAR Procurement responsibilities are set out in the procurement cycle, from Partner engagement through to commercial contract management.



2 PROCUREMENT ACTIVITY IN 21/22, COMPLIANCE AND COLLABORATION

Activity

- 2.1 In 21/22 STAR undertook 109 procurements for Tameside Council. These consisted of:
- 21 Above Threshold Tenders (Above the Public Procurement Regulation Value Thresholds for Goods and Services £213,477K and for Works £5,336,937)
 - 22 Call off from a Framework/direct award (These are compliant routes to market)
 - 12 Exemptions/Modifications, this is where a Tameside officer wishes to utilise the Council's Constitution rules (CPRs - Contract Procedure Rules) to directly award/extend a contract without competition, exemptions must be approved by Tameside legal team
 - 54 Below Threshold Tenders/Risk based sourcing (RBS)

Compliance

- 2.2. Utilising spend data from Tameside's finance system, STAR reviews all spends against the STAR contract register; if the spend/supplier is on the contract register, the spend is marked as compliant spend. The spend 'off contract' is audited to work with budget holders/commissioners to ensure compliance is secured. This is a rolling programme and the position isn't ever static.

- 2.3 Examples of non-compliance include:

- A service has undertaken a procurement and appointed a supplier but not informed STAR, so it isn't on the contracts register, we audit this regularly to drive compliance and we have undertaken a contracts amnesty.
- A service cannot or has not followed due process, meaning an exemption is required and a procurement plan put in place to ensure compliance.
- Spend has exceeded the contract procedure rules (CPR) thresholds which requires a review and a plan to ensure compliance. This is picked up quarterly from our spend analysis.
- A contract has expired, and a new contract is not in place, so a plan is required to ensure compliance. There have been issues around communication of contract expiry from both a STAR and a Tameside perspective which is now much improved due to better procurement 'pipeline' planning, and new ways of working. Procurement training and monthly service meetings will improve relationships going forward.

- 2.4 Tameside Performance on Compliance:

- 21/22 Tameside Council have 91.6% of 3rd party spend on the contract register, which is deemed as high compliance.
- Average over 4 years 89%
- Compliance in 18/19 stated at 81% when Tameside joined STAR.
- Compliance is robust at 91.6% and following the reporting of this position we do review the non-compliance activity to seek a complaint solution. This is a 'moving picture' as we are continually cleansing this position.
- STAR have had zero legal challenges for any of the four STAR partners.

3. COLLABORATION

- 3.1 As part of working as a shared service we strive to collaborate where possible. The performance on collaboration is currently recorded where one or more of the STAR partners participates in a collaborative procurement led by STAR or where they participate in a GM regional collaborative procurement. See Appendix 2 (Live Collaborative Contracts as at February 2023).

- 3.2 Examples of where this is a challenge and possible solutions/actions:

- We don't have a mandate to make collaboration a first option. This is currently being

explored with STAR Board.

- End dates of contracts across multi-partners need aligning which require exemptions to extend current arrangements.
- Sometimes individual organisations take the decision to 'go it alone' as they feel their requirement is bespoke.
- Resistance from service departments.
- Governance to navigate to get approval from multiple organisations to work in the same way. Different cultures, processes and practices.
- A need to educate and support officers to realise the benefits of collaboration and promote evidence of success.
- A need to breakdown the information in Appendix 2 to outline the collaborative contracts where Tameside have participated.

4. CONTINUOUS IMPROVEMENT FOR STAR AND ITS PARTNERS

- 4.1 STAR has a Continuous Improvement (CI) group which has representatives from each of the four STAR partners. This helps us to drive improvement and challenge process and practice. This is reported quarterly to STAR Board and Joint Committee.
- 4.2 We are reviewing performance measures on Efficiencies and ROI with STAR Board and STAR Joint Committee. The Continuous Improvement (CI) group have been involved in developing new performance measures.
- 4.3 Current projects within STAR and the CI Group:
- National Procurement Policy Strategy (NPPS) and how STAR and its partners work towards the requirements
 - New Public Contract Regulations/Procurement Bill preparation for implementation
 - Intend system development

5. CONTINUOUS IMPROVEMENT FOR STAR AND TAMESIDE

- 5.1 STAR has a working group with representatives from Tameside Assistant Directors' Delivery Group to review and develop areas of concern – Areas under discussion are roles and responsibilities between STAR, Tameside and STAR Legal, timelines management to ensure procurement is efficient, Social Value improvement in terms of contract management and capturing impact from delivery.
- 5.2 Examples of this group working together to drive improvement include:
- Processes and Procedures Review:
STAR and Tameside focussed on processes and procedures, as there have been some unprecedented delays around sign off of PIDs/Exemptions/Modifications and the extension of contracts in some service areas. This has been resolved and since the new Contract Procedure Rules (CPRs) were implemented and the requirement for modifications to extend contracts has been removed.
 - Training:
STAR have delivered a number of training sessions across Tameside Council for example:
 - Social Workers uploading for mini competitions for Learning Disability (LD) Flexible Procurement System;
 - Health and Social Care Commissioners regarding best practice procurement and re-visiting roles and expectations as part of a procurement process;
 - Back to basic training has been delivered and will be offered continuously through

2023/24 to ensure compliance and procurement standards are maintained;

- Contract Procedure Rules training was rolled out during July and August 2022 to ensure everyone was familiar with the changes ahead of the approval from our four Partner organisations – this training is still available upon request;
- Tameside Council mandatory training on Procurement has been updated based on the new CPRs.

5.3 Pipeline work planning:

STAR regularly attends Assistant Director Delivery Group (ADDG) to share pipeline planning and collaborative opportunities (contracts due to expire), discuss any changes to STAR and National Procurement updates from the Local Government Association (LGA) and Regionally from GM Heads of Procurement. For example, preparing for the new Procurement Bill, National Procurement Policy Statement, market pressures/Global Crisis, supplier risks and general updates.

5.4 Process Review:

We recognise that our processes are somewhat onerous for low-risk activity, and we are undertaking an end-to-end review to assess our processes, practices, forms, and approaches in order to reduce the process further to allow a more efficient service to our clients. This also links to changes in Public Procurement ahead of the new Procurement Bill. This also plays into process automation where we hope to have a more automated case management system and documents to be online/live to reduce email exchanges etc.

5.5 Audit Plan 2023:

STAR works closely with the four Chief Auditors across the four STAR partner organisations, this relationship is strong. We plan a procurement joint audit programme annually to not duplicate effort and to share findings, so we all learn from their own organisation and share with each other. Examples of planned audits are contract extensions; risk-based sourcing; delivery of social value and fees and charges (income activity).

5.6 Exemptions/Modifications:

The Contract Procedure Rules clearly set out the circumstances in which an exemption or modification could apply. Exemptions and modifications are monitored and recorded by STAR and procurement comments are provided as part of the process. The approvals for exemptions and modifications are the responsibility of each Council. Exemptions can be a useful tool for procurement, particularly when needing to align contracts for collaborative procurement.

6. PERFORMANCE

6.1 STAR reports to STAR Board and STAR Joint Committee quarterly on the collective performance for STAR as a shared service and covers:

- Savings/efficiencies
- Return on investment
- Income
- Social value
- Local spend
- Compliance/On-contract spend

6.2 This performance is also broken down into each individual STAR organisation and this is now being shared with the STAR Board representative from each organisation. This report also includes a summary of 21/22 performance for Tameside Council (see Appendix 1).

- Contract Procedure Rules training was rolled out during July and August 2022 to ensure everyone was familiar with the changes ahead of the approval from our four Partner organisations – this training is still available upon request
- Tameside Council mandatory training on Procurement has been updated based on

the new CPR's

6.3 Definitions of Performance Measures:

6.3.1 Savings (Now reported as Efficiencies)

STAR collate efficiencies quarterly which are ratified by the Council finance teams. This is calculated in general from the budget against the new contract price. This is consistent with most other methods of calculation of savings/efficiencies such as AGMA/GM Procurement Hub and other GM Authorities. Any decision to remove such efficiencies from budgets remains with the Authority that owns the contract. We do split this into capital, revenue, cost avoidance when reporting to STAR Board and Joint Committee to allow clarity that not all efficiencies can be removed from budgets.

6.3.2 Return on Investment (ROI)

The ROI is a calculation based on annual efficiencies and the annual membership fee paid into STAR.

6.3.3 Local Spend

Local spend is based on the operating post code of the supplier/contractor (from Tameside's finance payments system for 3rd party spend activity) and in terms of its location being within the Borough boundary of Tameside Council.

6.3.4 GM Spend

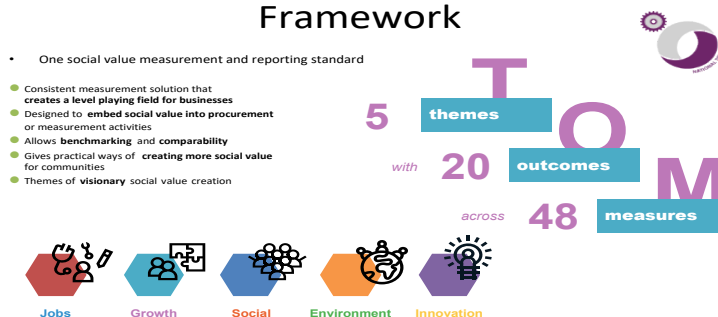
GM spend is based on the operating post code of the supplier/contractor (from Tameside's finance payments system for 3rd party spend activity) and in terms of its location being within the regional boundary of Greater Manchester which includes the Tameside Borough spend.

7. SOCIAL VALUE

7.1 Social value has always featured in procurement but from April 2019 we launched the use of the Social Value Portal (SVP) to capture and report on social value secured. We have also identified that on average per annum we do have 20% (15% over threshold) weighting in all procurement above contract value £25K.

7.2 We have used National TOMs (Themes Outcomes and Measures) since April 2019, and this has been successful in terms of supporting commissioners and procurers in understanding and valuing the importance of social value in procurement and has also allowed the business communities to understand and offer more meaningful social value in their tenders. We believe this has been instrumental in improving local and regional spend activity from SMEs and VCSEs being able to bid and complete more fairly. We also target the GM market ahead of procurement commencement with our pre-engagement protocol. But there is some way to go to drive more local and diverse success in our winning contractors/suppliers.

Social Value and the National TOMs Framework



6.3 Social Value Return (Secured)

To date STAR has captured social value from the winning bidder at the point of contract award. We do intend moving to reporting on 'delivered' social value, this will be in place from April 2023. This will be part of a rollout programme to identify and support areas for improvement in social value contract management within Council departments and will also allow us to identify any non-delivery risk. We do have some examples of contractors/suppliers over performing and delivering even more than secured at contract award stage.

Performance:

- 21/22 reported 25% accumulative social value secured as a % of contract value over 3 years, this meets the STAR target.
- Social value was at 19.5% in 19/20 after joining STAR and the first year that this measurement was captured for Tameside.
- Social value is embedded into all procurement above £25K and recorded via the Social Value Portal for activity over £50K for Tameside.
- Tameside case studies (see Appendix 3).

Areas for Development:

- STAR intends providing a report from April 2023 to partners to show the delivered social value against that secured at contract award stage. This will allow us to see where contract management is robust and areas for improvement within your organisation. This will also allow us to report on the actual social value being delivered against Tameside's Corporate Priorities so you can see the impact this is having to the residents and businesses within the Borough.
- Tameside need a bespoke set of Measures (TOMs) linked to Corporate Priorities. This will aid us securing the RIGHT social value rather than what bidders want to offer. This will be presented to SLT in Tameside for approval. This has some work to do to ensure we work with Tameside to develop a more bespoke approach to ensure outcomes link to Corporate Priorities. Social value can support improvement in delivering real outcomes.
- Social value could be viewed across the whole organisation, not just in procurement. There are examples from other Councils that apply this in planning processes. It can be used to bring out better jobs/employment and as Tameside is a supporter of the GM Good Employment Charter, this could be a key focus that could be applied to Tameside's approach to social value.
- GMCA committed to six key priorities in March 2022 to drive more social value through procurement. These focus on; Real Living Wage, GM Good Employment Charter, Inclusivity, Local Spend, Diversity in the supply Chain (SMEs and VCSEs etc.) and Carbon reduction. STAR is developing ways that we can drive towards these priorities in procurement activity. This needs to be explored further with Tameside as we do have progress in other STAR partner organisations with respect to Real Living Wage and GM Good Employment Charter which commends this to potential bidders through the procurement processes.

8. **RECOMMENDATIONS**

- 8.1 To note the work of STAR Procurement, its performance and plans for further development.

Appendix 1:

Tameside Council and STAR Performance 21/22:

Savings (Now reported as Efficiencies)

Tameside Performance:

- 21/22 Efficiencies for Tameside £957,950
- Tameside have achieved Savings/Efficiencies of on average £1.9M per annum over the last three years

Efficiencies vary considerably based on procurement activity in each year and contracts due to expire as well as market conditions. Therefore, an average over multiple years gives a better position of efficiency outcomes.

Return on Investment (ROI)

Tameside Performance:

- For 21/22 the ROI for Tameside is 2.3 (based on £957,950K Efficiencies). So for every £1 paid for the membership to STAR there is a 'return' of £2.30 based on efficiencies secured.

Local Spend

Tameside Performance:

- For 21/22 Tameside spent 53.6% of its 3rd party contracted spend within Tameside Borough
- Average local spend for Tameside over the past 4 years: 59.1%

GM Spend

Tameside Performance:



- Greater Manchester retained spend for Tameside contracts: 75.2%
- Average GM spend for Tameside contracts over the past 4 years: 77.5%
- We are collating SME and VCSE activity to create a baseline to drive improvement. 22/23 data to be used for the baseline.

(Current live collaborative contracts as of February 2023)

Live Collaborative Contracts	Collaborative Group
Alternative Provision Flexible Procurement System	STAR Collaboration
Appropriate Adult Service	AGMA Collaboration
Assurance Audit: Housing Benefit (Subsidy), Assurance Process (HBAP), Teachers' Pension Scheme Assurance, and Use of Capital Receipts Assurance - Rochdale	AGMA Collaboration
Bikeability Cycle Training	AGMA Collaboration
Children and Young People Foster Care Flexible Procurement System	AGMA Collaboration
Children's and young people's Residential Placements	AGMA Collaboration
Chlamydia and Gonorrhoea Screening Support Service	STAR (External Partner) Collaboration
Citizen Advice Service	STAR Collaboration
Collection and Delivery of Letters, Large letters and Parcels	AGMA Collaboration
Compostable Liners (Caddy Liners)	AGMA Collaboration
Cost Manager RDA Town Hall	AGMA Collaboration
Description of Requirement Collection and Delivery of Letters, Large Letters and Parcels	AGMA Collaboration
Design Engineer Construct Sponsorship COYO	AGMA Collaboration
Dynamic Purchasing System for Home to School Transport including Special Educational Needs and Disabilities and Vulnerable Adults Transport	AGMA Collaboration
Early Payment Scheme - Early payment of suppliers	STAR (External Partner) Collaboration
E-Procurement Tender Portal	AGMA Collaboration
GM Libraries eBooks and eAudiobooks	AGMA Collaboration
GM Temporary Staffing Supply	AGMA Collaboration
Greater Manchester Learning Disability and Autism FPS	AGMA Collaboration
Health and Social Care Network (HSCN) connection	AGMA Collaboration
Highways Framework	STAR Collaboration
Hosted People and Organisational Development System	STAR (External Partner) Collaboration
HR & Payroll Solution	AGMA Collaboration
Hublet Purchase	AGMA Collaboration
Independent Mental Capacity Advocacy service	STAR Collaboration
Independent Support Service to Birth Parents	STAR (External Partner) Collaboration
Insurance Broker Services	STAR Collaboration
Integrated Sexual Health Services for Oldham, Rochdale and Bury (ORB)	STAR (External Partner) Collaboration
Integrated Sexual Health Services for Stockport & Tameside	STAR (External Partner) Collaboration
Integrated Sexual Health Services for Stockport & Tameside (ST)	STAR (External Partner) Collaboration
L6 SOCIAL WORKER SEPT 21 COHORT	AGMA Collaboration
Liquid Logic Systems - Children's and Adults	AGMA Collaboration

Mediation and Disagreement Resolution Service	STAR Collaboration
Mobile Voice and Data Services	AGMA Collaboration
Mobile Voice and Data Services Aggregation – NFC137	AGMA Collaboration
Multi-functional devices (MFD's) 2	STAR Collaboration
NFC126/EA21 Hardware for Local Authorities	AGMA Collaboration
North West Foster Care FPS	AGMA Collaboration
North West Regional Supported and Independent Living Service (SaLLS)	AGMA Collaboration
North West Regional Supported and Independent Living Services (SAILS) FPS (16+)	AGMA Collaboration
North West Residential Placements FPS	AGMA Collaboration
NORTHERN POOL PROPERTY MANAGEMENT FRAMEWORK	STAR (External Partner) Collaboration
NORTHERN POOL PROPERTY MANAGEMENT FRAMEWORK	STAR (External Partner) Collaboration
Occupational Health Provider	STAR(External Partner) Collaboration
Offsite Storage 1	STAR Collaboration
Open Library System	AGMA Collaboration
Owners Engineer Contract	STAR (External Partner) Collaboration
Parking Enforcement and Associated Services	AGMA Collaboration
PaSH GM (PARTNERSHIP) Contract	STAR (External Partner) Collaboration
Provision of Public Analyst: Emergency Call Out Service	AGMA Collaboration
Provision of Short Breaks for Children and Young People with Disabilities FPS	STAR Collaboration TEST
Provision of Supported Living Services (5)	AGMA Collaboration
Public Analysts Service For Greater Manchester	AGMA Collaboration
Purchase of Wheeled Bins	STAR Collaboration
Rochdale & Oldham Collaborative Substance Misuse Treatment & Recovery Service	STAR (External Partner) Collaboration
Rochdale Treasury Management Service	AGMA Collaboration
Supply and Delivery of Groceries/Chilled Foods and Frozen Foods	AGMA Collaboration
Supply and Servicing of Materials to Public Library Authorities	NW Libraries Consortium
Supply of Water and Ancillary Services	STAR Collaboration
Supply, Repair and Fitment of Tyre Services	STAR (External Partner) Collaboration
Support of Intelligence Collection of Business Rates	STAR (External Partner) Collaboration
Tameside Integrated Community Equipment Service Contract	STAR (External Partner) Collaboration
The Chest eProcurement Portal	AGMA Collaboration
The provision of Short Breaks for children and young people with disabilities	AGMA Collaboration
Winter Bureau Service and Maintenance	AGMA Collaboration
Winter Service Weather Forecasting - Stockport	AGMA Collaboration
Zinio / eMagazines	AGMA Collaboration

Social Value Case Studies

	
Social Value Case Study	
Uniform System Support	
<p>Contracting Authority – Tameside Council</p> <p>Winning Bidder - Idox Software Ltd</p> <p>Supplier Location – National</p> <p>Supplier Type – Large</p> <p>Contract Start & End Dates – 01/04/2021 to 31/03/2022</p>	<p>Contract Length – 1 year</p> <p>Contract Value - £171,000</p> <p>Committed Social & Local Economic Value - £135,230</p> <p>Delivered Social & Local Economic Value in 21/22 - £48,305.50</p> <p>% of 21/22 Delivered Social Value against the contract value – 28.24%</p>
<p>Delivered Evidence 21/22</p> <ul style="list-style-type: none"> • NT1 – No. of local people (FTE) employed on the contract – In 21/22 Idox Software Ltd delivered 1.75 which amounts to £46,805.50. Delivery evidence submitted = Between 01/04/2021 - 31/03/2022 9 staff worked at the Manchester office and lived within Manchester. The total number of units is 1.75. • NT28 - Donations or in-kind contributions to local community projects – In 21/22 Idox Software Ltd delivered 1500 which amounts to £1500. Delivery evidence submitted = A PO of GBP1500 has been issued. PO number 2017177. <p>NT1 is mapped TOMs that feed directly into Tameside Council’s corporate priorities.</p>	



Social Value Case Study

The Provision of a Mental Health Community Recovery Service

Contracting Authority – Tameside Council

Winning Bidder - Creative Support Ltd

Supplier Location – Greater Manchester

Supplier Type – Large

Contract Start & End Dates – 01/04/2021
to 31/03/2026

Contract Length – 5 years

Contract Value - £836,449

Committed Social & Local Economic Value -
£170,959

**Delivered Social & Local Economic Value in
21/22** -
£150,345.70

**% of 21/22 Delivered Social Value against the
contract value** – 17.97%

Delivered Evidence 21/22

- NT1 – No. of local people (FTE) employed on the contract – In 21/22 Creative Support Ltd delivered 5.44 which amounts to £145,498.24. Delivery evidence submitted = Please see attached NT1 - Local Staff Details and NT1 - Tameside MH CR - Local Staff.



Social Value
Evidence Template -

- NT9 – No. training opportunities on contract Level 2 3 or 4+ - In 21/22 Creative Support Ltd delivered 5 weeks which amounts to £1231.95. Delivery evidence submitted = Please see attached NT9 - Staff Qualification and NT9 - Staff Qualification Evidence.



NT9 - Staff
Qualification.docx

- NT12 - No. of weeks spent on meaningful work placements or pre-employment course – In 21/22 Creative Support Ltd delivered 17.5 weeks which amounts to £2606.52. Delivery evidence submitted = Please see attached NT12 - Student Placement.



NT12 - Student
Placement.docx

- NT18 – Total amount spent in local supply chain through the contract - In 21/22 Creative Support Ltd delivered 210.45 which amounts to £138.89. Delivery evidence submitted = Please see attached NT18 - Local Spend GBP and NT18 - Tameside Taxis POs.



NT18 - Tameside
Taxi POs.xlsx



NT18 - Local Spend
£.docx

- NT20 - Employee access to multidimensional wellbeing programmes – In 21/22 Creative Support Ltd delivered 7 which amounts to £870.10. Delivery evidence submitted = Please see attached NT20 - Multidimensional Wellbeing Programme NT20 - EAP Leaflet and NT20 - Staff on Contract.



NT20 -
Multidimensional W



NT20 - Staff on
Contract.xlsx

NT1, NT9, NT18 and NT20 are mapped TOMs that feed directly into Tameside Council's corporate priorities.