

**Report to:** Tameside Audit Panel  
**Date:** 12<sup>th</sup> March 2024  
**Report of:** Assistant Director (Delivery), STAR Procurement

**STAR Procurement Update – Tameside Council**

**1. Background**

STAR Procurement was 10 years old in February 2024, and is now a six-partner shared service as St Helens Council and Knowsley Council joined the shared service in October 2023. The addition to the shared service brought with it 11 TUPE staff to enhance the STAR team and deliver a robust procurement service to all six partners.

STAR is the internal procurement team for Tameside and the other five Councils and operates as a formal collaborative service governed by a Joint Committee with equal representation from each of the six partner authorities.

STAR continues to deliver the Core Offer to its partner authorities and provides collaborative strategic leadership, management and operational support, advice, and guidance to all officers for all procurement and facilitates procurement activity over £25k. STAR delivers on the Responsible Procurement Strategy [Ethical & Sustainable Procurement \(star-procurement.gov.uk\)](https://star-procurement.gov.uk) as well as the Business Plan [Business Plan \(star-procurement.gov.uk\)](https://star-procurement.gov.uk). The Business Plan expires in 2024 and STAR Leadership Team, STAR Board and Joint Committee are working on a review of the business plan ready for a launch of a new Procurement Strategy later in the year.

**2. Procurement Activity in 22/23 Compliance and Collaboration:**

**2.1 Activity:**

In 22/23 STAR undertook 125 procurements for Tameside Council.

These consisted of:

- 18 Above Threshold Tenders (Above the Public Procurement Regulation Value Thresholds for Goods and Services £213,477K and for Works £5,336,937)
- 31 Call off from a Framework/direct award (These are compliant routes to market)
- 19 Exemptions, 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
- 53 Below Threshold Low Risk Procurements (Risk Based Sourcing)
- 4 Below Threshold High Risk Procurements (Risk Based Sourcing)

## Historical Data

	18/19 Part Year	19/20	20/21	21/22	22/23
Above FTS Threshold	0	15	12	11	18
Framework Call offs	9	23	34	31	31
Exemptions	1	15	25	14	19
Low Risk RBS	9	60	40	38	53
High Risk RBS	16	2	12	6	4
Total	35	115	123	100	125

The volumes of work will fluctuate year on year depending on contract end dates, the general trend is more work is now being undertaken by STAR, particularly for above Find a Tender Threshold and Risk based Sourcing activities. Tameside joined STAR part way through the financial year in 18/19.

### 2.2 Compliance:

Utilising spend data from Tameside's finance system, STAR officers review all third party spend against the STAR Contract Register (Intend); if the spend/supplier is on the Contract Register, the spend is marked as compliant spend. Any spend/supplier that is not identified on the Contract Register is marked as non-verified spend and STAR officers work with budget holders/commissioners to ensure compliance is secured either by adding contract to the contract register or planning the appropriate procurement. This is a rolling programme, and the position isn't ever static.

#### Tameside Performance on Compliance:

- 22/23 Tameside Council have 89.1% of third party spend on the contract register.
- When Tameside joined STAR in 18/19 compliance was 81%.
- The 22/23 compliance figure for STAR is 92.2% and so Tameside were positioned below the STAR average at the end of 22/23.
- There is some targeted work continuing in 23/24 within Tameside to drive improvement for compliance.
- Targeted work has taken place to ensure there are accurate 5-year pipeline plans produced via Intend (systemised).
- Over the last twelve months quarterly data weeks have been diarised with category managers to focus on compliance and non-verified spend, this is in addition to the standard data month processes that already take place.
- STAR attends the Assistant Directors Delivery Group (ADDG) meetings to ensure any issues or problems are discussed and resolved.
- STAR have had zero legal challenges for any of the STAR partners.

### 2.3 Collaboration:

In March 2023 STAR launched 'Collaboration First' which is a focussed programme of reviewing the procurement pipeline to identify collaborative opportunities across the STAR partners as well as regionally which will bring efficiencies from being a bigger buyer which will in turn provide resource efficiencies. In 23/24 STAR are setting a benchmark of collaboration data with a view to Joint

Committee setting a collaboration target in 24/25. Regular updates on progress are provided to STAR Board and Joint Committee.

#### **2.4 Collaborative Audit Group:**

STAR work closely with the six Chief Auditors across the six STAR partner authorities, with a quarterly meeting to agree the shared audit plan. Bringing in the fifth and sixth partner to STAR has brought efficiencies for Tameside Audit team as previous STAR audits were split between the four partners and now split between six partners, in addition to enhancing the knowledge sharing between the six audit teams.

Audits undertaken in 22/23 and 23/24:

##### **1. Income Audit (In Progress)**

Tameside delivery auditing STAR income and invoicing

##### **2. Risk Based Sourcing Audit**

Trafford delivery auditing the STAR approach to Risk Based Sourcing

Outcomes:

- Use the contract criticality tool to ensure risk was assessed more scientifically.
- Roll out refresher training for all staff on market engagement and Procurement Initiation Document (PID) completion.

##### **3. Intend Audit**

Stockport Delivery auditing the Contract Register System and utilisation of the Contract Management Tool

Outcomes:

- Contract Management group set up for STAR Partners.
- Further developed training and guidance documentation.
- Created a contract criticality tool and graded all contracts.
- Regular meetings now take place with the Intend account manager.

##### **4. Contract Extensions (in progress)**

Rochdale Delivery auditing compliance with Contract Procedure Rules and governance on Contract Extensions

The current shared Audit Plan includes:

- Social Value Delivery
- New Procurement Regulations implementation
- Supply Risks
- Real Living Wage

Tameside are currently undertaking the income audit, the audit function is rotated across the six STAR Partners, so Tameside will not be directly involved in any of the audit plans next year, but results from the audits will be circulated to all STAR Partners.

### **3. Performance:**

#### **22/23**

£571,072 efficiencies

22.4% Social Value return secured on total contract value, accumulative over the past 4 years.

49.4% spend retained within Tameside.

74.7% spend retained within Greater Manchester.

#### Historical Data

	18/19	19/20	20/21	21/22	22/23
Efficiencies (£)	Part Year	1,900,029	2,975,716	957,950	571,072
Social Value Return (%)	Part Year	19.5	18.9	25.0	22.4
Local spend-Tameside (%)		53.0	62.0	67.8	53.6
GM Spend		70.0	68.0	62.3	75.2

The trends in this table demonstrates an increase in Social Value and although local spend is decreasing the GM spend is increasing and efficiencies are on a downward trajectory. Efficiencies is a focus for STAR and Tameside officers, working together to plan, record and implement procurement efficiencies to increase the capture and delivery of revenue efficiencies.

### **4. Continuous Improvement for STAR and its Partners:**

STAR has a Continuous Improvement (CI) group which has representatives from each of the six STAR partner authorities. This helps us to drive improvement and challenge process and practice. This is reported quarterly to STAR Board and Joint Committee.

The focus of the CI Group is the New Public Contract Regulations which are expected to come into force in October 2024, there is a Task and Finish Group set up with representatives from each partner authority to collectively work on the effect that the new regulations will have on procedures and processes within each partner authority. The regulations come with them a requirement for more transparency in particularly around contract management, the Task and Finish Group are exploring what that will mean for each partner authority and will be reporting directly to the Assistant Directors Delivery Group on any changes required.

#### **Continuous Improvement Update for STAR and Tameside:**

Since the last report to Audit Panel STAR has worked closely with the Assistant Directors Delivery Group (ADDG) within Tameside and improved relationships between procurement and officers within directorates, working with ADDG monthly has improved communication and regular sharing of pipeline as well as improved the process around Exemptions and Modifications and any blockages in the system are dealt with quicker. There are further improvements planned to implement online forms for Procurement Initiation Documents (PIDs), Exemptions and Modifications which is due to launch in April 2024.

## 5. **Risk**

STAR utilises the Three Lines of Defence Model for managing risk, examples of the potential risks that STAR consider whilst delivering the shared procurement service are:

### **Potential Risks**

Budget pressures	Market Conditions	Climate Emergency
Global Financial Crisis	Market Stability	GM Employment Charter/RLW
Modern Slavery	Regulation/Policy changes	Specific Project Risks
S114 Risk	STAR SLA's	
Moratorium on Spend	Complexity of Documents	

### **Managing Risks**

First Line:

- STAR has Management Controls including escalation within the STAR structure, via the STAR Board representative for Tameside, Ashley Hughes, then up to STAR Board then STAR Joint Committee.
- STAR also have Internal Control Measures such as being the 'gatekeeper' on procurement governance for each partner authority, a robust Quality Management System, continuous training offer, regular communication within STAR and partner authorities, regular reporting, analysing, monitoring data and robust escalation processes.

Second Line:

- STAR facilitates Financial Control by including checks on budget availability for procurement within processes, assessing supplier/contractors at tender stage and STAR utilise the Trafford Finance SLA for the management of the STAR budget.
- Security includes upholding the integrity/availability/confidentiality of each partner authority's data, adhering to data sharing protocols STAR utilise the Stockport Data SLA for STAR data and the whole STAR team complete annual GDPR training via Trafford Council as host authority.
- Risk management is monitored via the STAR Risk Register which supports the Corporate Risk Registers within each partner authority. In addition, STAR have support from the STAR Legal team which is an SLA with Trafford's legal service.
- Quality is managed through the PID requirement, regular assessments from colleagues and Board members from each partner authority to ensure that STAR is of an appropriate quality and feedback from users of the STAR service both internally and externally to improve services, this is in addition to the cross-partner Continuous Improvement Group described earlier in the report.
- STAR governance has been inspected by external experts to ensure efficiency and effectiveness, STAR had a legal review in 2022 by Trowers and Hamlin to ensure that the STAR trading and income activity was robust.
- Compliance is reported and monitored by STAR Board and Joint Committee.

Third Line and External:

- Collaborative Audit Group has a joint plan for 6 partner authorities.
- STAR contribute to the Annual Governance Statement where required.
- STAR engage with External Audit when required.

- STAR influence and manage external factors including Procurement Regulations, relevant National Policy and Strategy requirements, implement Procurement Policy Notices (PPNs).
- STAR report quarterly to STAR Board, STAR Joint Committee on emerging risks and present an annual risk register.
- STAR attend Audit Committee annually and attend Cabinet and Scrutiny Committee when required.

## **6. Recommendations**

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