

Report to:	AUDIT PANEL
Date:	24 November 2020
Executive Member:	Cllr Ryan – Executive Member (Finance and Economic Growth)
Reporting Officer:	Tom Wilkinson, Assistant Director of Finance Nichola Cooke, Assistant Director, STAR Procurement
Subject:	PROCUREMENT UPDATE
Report Summary:	<p>Tameside Council have now been part of STAR Procurement for just over 2 years, having joined in September 2018. STAR Procurement is a shared service operating across Stockport, Rochdale, Tameside and Trafford Councils, and more recently Trafford CCG and Tameside CCG. STAR Procurement is hosted by Trafford Council. Governance is through STAR Joint Committee.</p> <p>This report provides an update on what has been achieved over the last twelve months both for STAR Procurement as a whole and Tameside Council. It covers how we have responded to COVID-19 and how we have continued to improve our service.</p>
Recommendations:	Note the contents of this report and presentation
Corporate Plan:	Effective procurement underpins all aspects of the corporate plan in enabling the cost effective and efficient procurement of goods and services. The Council's social value policy supports local businesses and inclusive growth elements of the corporate plan directly.
Policy Implications:	The Council has a social value policy which is embedded in the procurement approach delivered by STAR.
Financial Implications: (Authorised by the statutory Section 151 Officer & Chief Finance Officer)	The effective procurement of goods and services is a key part of the Council being able to demonstrate value for money. Across STAR partners over £7m of procurement savings were released in 2019/20 with a target of £6m for 2020/21 from which Tameside will benefit.
Legal Implications: (Authorised by the Borough Solicitor)	<p>Procurement legal support is provided via Trafford Council's dedicated STAR legal team, through an agreed SLA arrangement.</p> <p>Given the current financial challenges facing local authorities it is advisable to continue to build on the work to date to develop a robust commissioning, procurement and contract management process in order to drive continued improvements in services and value for money.</p> <p>It will be important going forward to understand the specific reduction in costs achieved for the cost of the STAR Procurement involvement and to understand the value added. It is not clear from the presentation what has been achieved across all parties and what is specific to Tameside.</p>
Risk Management:	Tameside Audit is part of the STAR Audit Group who meet Quarterly to agree an Audit Plan for STAR Procurement, and to

share outcomes and actions. STAR maintains a Risk Register which is reported regularly to STAR Board and STAR Joint Committee.

Effective and compliant procurement reduces the risk of legal challenge from unsuccessful suppliers as well as ensuring value for money is delivered when purchasing and commissioning supplies and services.

Access to Information: www.star-procurement.gov.uk
<https://democratic.trafford.gov.uk/mgCommitteeDetails.aspx?ID=340>

Background Information: The background papers relating to this report can be inspected by contacting Tom Wilkinson, Assistant Director of Finance
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1. INTRODUCTION

- 1.1 Tameside Council have now been part of STAR Procurement for just over 2 years, having joined in September 2018. STAR Procurement is a shared service operating across Stockport, Rochdale, Tameside and Trafford Councils, and more recently Trafford CCG and Tameside CCG. STAR Procurement is hosted by Trafford Council. Governance is through STAR Joint Committee.
- 1.2 This report provides an update on what has been achieved over the last twelve months both for STAR Procurement as a whole and Tameside Council. It covers how we have responded to COVID-19 and how we have continued to improve our service.

2. 2019/20 POSITION

- 2.1 2019/20 was another successful year for STAR Procurement and its partners. Key achievements include:
- Over £7m in-year savings
 - 25% Social Value return on contract value, equating to over £31m
 - 126 trainees and apprentices secured
 - 363 employment opportunities
 - 57% of all winning bidders from Greater Manchester
 - 37 training events and workshops held
 - Won highly commended in Leadership at National Social Value Awards
 - Secured 12 SLA's/commissions

3. 2020/21 POSITION TO DATE

- 3.1 2020/21 has been a challenging year as we supported the COVID-19 response and continued with our Business as usual activities.
- 3.2 Our COVID response included:
- Communications plan to Partners, key stakeholders, and businesses
 - Support implementation of Supplier Relief
 - Task and Finish Group to support the procurement of PPE
 - Proactive procurement planning to take account of Partners and business capacity and resources
 - Prioritised vendor approvals to ensure prompt payment of suppliers
 - Established new flexible procurement approaches to allow procurement to continue in a volatile and complex marketplace
 - Re-mobilisation framework established
- 3.3 Our Business as usual activities include:
- Implementation of Tableau for performance management and spend analysis
 - New spend analysis process
 - New website under development and implementation of on-line forms
 - Virtual Meet the Buyer (MTB) event held
 - New Business Plan developed, ready to be launched in January 2021
 - Promoted our achievements on Social Value at a national and international level
- 3.4 Our performance to date includes:
- £1.6m savings
 - Over £100k income secured through 6 commissions

- Over 600 bookings for the MTB event
- Improvements in local spend and compliance
- 25% social value return on contract value

3.5 We have also set in place a 10 point plans to support our local businesses and SME's during the COVID crisis: <https://www.star-procurement.gov.uk/Suppliers/Local-business-support-during-and-beyond-Covid-19.aspx>

3.6 Given the current financial position of our Partners, savings remain a high priority for STAR Procurement. Our Business Plan states, "*There is no one way to deliver savings or reduce costs; we will deploy a wide range of approaches to ensure we get the maximum possible results for our Partners. Savings will be delivered through a robust category management approach and working collaboratively across all of our partners, driving economies of scale and increasing efficiencies*". We have therefore developed a Savings Strategy to ensure that we continue to proactively identify and secure savings now and in the future.

4. CONCLUSION

4.1 STAR Procurement had another successful year in 2019/20.

4.2 In 2020/21 STAR Procurement has so far focused on supporting our Partners respond to COVID-19, as well as continuing to improve our service offer. We have developed and implemented strategies that are helping to support our local businesses and SME's and a new savings strategies to proactively identify and secure savings.

5. RECOMMENDATIONS

5.1 As set out at the front of the report.