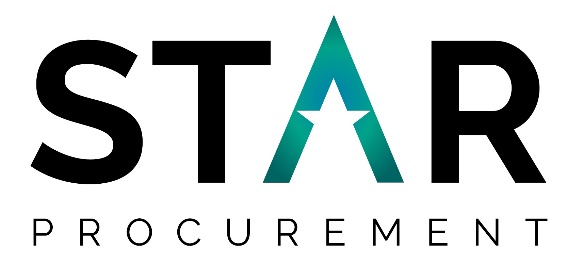
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**Category Strategy:**

**People**

**Written: Peter Walpole and Lewis Sinkala**

**Dated: January 2021**

**Approved: STAR WLT**

**Head of Strategic Procurement: James Hunter**

**Introduction**

This document sets out the People Category’s High Level Strategy for 2021 - 2024 for the partners of STAR Procurement (Stockport, Trafford, Rochdale and Tameside Councils, Trafford and Tameside CCG’s).

Its purpose is to provide an understanding of the context of the Council’s strategic direction for the procurement of Children’s, Adults and Public Health services across the People Category.

Our focus for 2021-24 is to deliver first class procurement and demonstrable cashable savings as well as investing locally to deliver Social Value for our partners and clients.

The strategy takes into account the following:

* The National Procurement Strategy
* The STAR Procurement Strategy
* The STAR Procurement Business Plan for 2021-2024
* The STAR Savings Strategy 20-21
* The STAR Delivery Plan 19-22
* The STAR Board Targets (Balanced Scorecard / 5 STAR)
* The Corporate Priorities of the founding partner Councils;
* The GMCA Social Value Framework
* Manchester Devolution (Stronger Together)
* Stockport Together
* Greater Manchester Health and Social Care Plan
* NHS Long Term Plan
* Green Paper: Transforming Public Procurement
* Green Summit 2020 - Greater Manchester Goes Greener

This high level strategy will be reviewed six monthly to ensure that it continues to reflect additional category specific strategies.

**Background to the People Category**

The People Category covers a wide range of services and goods and, as such, the category is further split into 6 key management areas: Adults, Children’s, GM and GM Devolution, Publicealth, H Health, Food and, latterly, Trafford and Tameside’s CCG’s.

These key management areas contain a large variety of spend, this spend falls into the following areas:

|  |  |
| --- | --- |
| **Adults:**  Extra Care; Intermediate Care; Supported Living; Home Care; Shared Lives, Housing Needs and Short Term Housing; Prevention, Re-ablement, Wellbeing and Independence; Residential & Nursing; Telecare; Advocacy; Carers Support; Healthwatch; Community and Day Care; Deprivation of Liberty Safeguarding | **Children’s:**  Residential; Fostering; Adoption; Special Educational Needs and Complex Additional Needs; Arts and Leisure Services; Young People and Early Help; Nurseries**;** Respite/ Short Breaks; Education Care Leaver Provision; Bikeability |
| **GM and GM Devolution:**  Working Well Expansion Programme; Mental Health and Employment - Talking Therapies; Work and Health Programme; LD Ethical Framework | **CCG and H&SC Partnership:**  As required – working with commissioners to establish work plan going forwards |
| **Public Health:**  Healthy Lifestyles; Sexual Health; Young People e.g. health visiting; Mental Wellbeing; GPs / Pharmacies; Substance Misuse; Domestic Abuse; Infection Control; Rape Crisis services; Toxicology; Occupational Therapy; Oral Care | **Food:**  Groceries and Frozen Foods; Meat; Milk, Bread & Dairy; Fresh Produce; Beers, Wines, Spirits & Soft Drinks; Street Food |

**Spend Profile**

In 2019/20 there was £201,331,015 of controllable spend. That means spend that STAR and the Partners are able to influence in some way, through procurement activity or contract management.

79.9% of this spend was within Greater Manchester.

The below provides up-to-date (Dec ’20) information regarding committed Social Value for awarded contracts (this only includes contracts managed through the Social Value Portal):£10,008,908 delivered social & local economic value
£69,593,523 committed social & local economic value
14.38% of commitments delivered
265 live projects on the SV Portal
£195,020,615 of contract value on SV Portal
5.13% social & local economic value add

The people category team will provide a category specific update at the next review of this document.

**COVID Update:**

In response to COVID, STAR implemented with legal approval an extended tender validation period from 30 days to 180 days. Due to the uncertainty in the market this was also a buffer in case STAR needed to invite suppliers to re-price their submissions, potentially due to unavailable raw materials or local sourcing.

STAR has worked with Social Value portal to implement the option for use of 18 COVID TOMs in our tenders. This gives suppliers viable alternatives available for delivery during COVID times. Suppliers can deliver COVID TOMS in replacement of their commitments that are now undeliverable, or new commitments as part of a tender.

Innovation of their SV offer is encouraged and supported during this difficult time where the suppliers can offer support to the councils and the wider Community.

**Where we are now**

| **Business Objectives** | **Current Position** | **Ideal Position** |
| --- | --- | --- |
| Commercial | STAR Procurement supports stakeholders to deliver savings and efficiencies.  Work planning has supported the category in providing a more pro-active service to stakeholders, however further work is required to fully detail all commissioning activity, both in the short and long term.  The percentages for on contract spend are better than previous years, however we acknowledge there is further work to be done. | STAR Procurement are proactively involved in all procurement matters; work is planned and commissioning intentions are provided and signed off in the short and long term to support with targeted savings.  All controllable spend is on contract and identified. |
| Communities | The Social Value Portal is embedded into the category’s processes and systems.  The category is involved in ensuring that Social Value is delivered.  The category team is aware of the committed Social Value from tenders.  Local and GM spend for the authorities is high for the authorities. | Social Value continues to be embedded into the category’s processes and systems.  Where possible, the category works to increase local and GM spend.  The category is fully involved in monitoring the Social Value outcomes of contracts. |
| Confidence | The work plan is an embedded process within the category which is regularly shared with stakeholders and updated.  The category team updates spend data on a monthly basis.  Training has been delivered to key stakeholders across our partner organisations, however there is further training that is to be delivered. | Work planning activity continues to be embedded and fully monitors all procurement activity.  Spend data continues to be updated monthly and ensures that the category team is aware of any unverified spend.  All stakeholders are aware of procurement policies (internal and government) and annual refresher training is delivered. |
| Collaboration | Where possible, the category teams provide options for collaborative opportunities.  This has been done successful in some areas, however we acknowledge that there is potential for further collaborative opportunities.  Certain areas of the category team have strategic working groups to ensure all partners are working to shared objectives and outcomes. | Collaboration is a key consideration for any procurement.  Each subcategory, as defined in the management areas, have a strategic working group comprising of key stakeholders from each authority to share ideas, benchmarking information and innovation. Stakeholders are fully mapped and identified for each subcategory |
| Courageous | The people category is confident in using alternative procurement processes to deliver successful outcomes to our partner organisations. We acknowledge that continuing to identify alternative processes will lead to further successful outcomes.  Further planning with stakeholders will allow for alternative procurement processes to be considered at the pre-procurement phase.  Reactive requirements sometimes mean that alternative routes are not considered. | Work planning activity allows STAR to engage with the services in enough time and advice on alternative routes to procurement.  Subject to post-Brexit regulations, the category will continue to utilise flexible procurement routes to achieve outcomes. This will be considered at the pre-procurement phase. |

**Where we want to be -**

**Business Objectives & Methodologies**

Objective 1: Commercial

Objective 2: Communities

Objective 3: Confidence

Objective 4: Collaboration

Objective 5: Courageous

| **Objective** | **Summary of how we are going to get there** | **Short Term  (1 yr)** | **Med**  **Term**  **(1-2yrs)** | **Long Term**  **(+2 yrs)** |
| --- | --- | --- | --- | --- |
| 1 | Strategic collaboration between all partner authorities |  |  |  |
| 1 | Strategic collaboration between Children’s, Adults and Public Health for commonly procured goods/services |  | Annual review | Annual review |
| 1 | Involvement in budget setting/pre-procurement engagement to deliver value for money |  | Annual review | Annual review |
| 1 | Review of strategic contracts to deliver ongoing value for money and savings/efficiencies where applicable |  |  |  |
| 1 | Increase % of controllable local/GM spend |  |  |  |
| 1 | Identify and reduce controllable % unverified spend |  |  |  |
| 1 | Delivery of STAR Procurement’s Saving Strategy (20-21) |  | Annual review | Annual review |
| 1 | Partnership with other GM authorities and bodies to capitalise on team’s commercial expertise |  |  |  |
| 1 | Delivery of STAR Procurement’s Business Plan (20-21) |  | Annual review | Annual review |
| 1 | Delivery of additional income streams |  |  |  |
| 1 | Market positioning and market research to be completed for subcategories and reviewed periodically |  | Annual review | Annual review |
| 1 | Options appraisal to provide market snapshots |  |  |  |
| 2 | Ongoing management of committed Social Value to realise actual benefits |  |  |  |
| 2 | Increasing Social Value weightings in procurements (20%) to improve STAR Procurement’s Social Value |  |  |  |
| 2 | Ongoing utilisation of TOMS and Social Value Portal to target and manage specific SV areas to ensure its delivery |  |  |  |
| 2 | Review of TOMS to identify those of utmost importance to services and Council priorities prior to procurement |  |  |  |
| 2 | Ongoing training with suppliers during pre-procurement phase |  |  |  |
| 2 | Growth of VCSE sector and establishing how procurement can support |  |  |  |
| 2 | Risk based sourcing approach to keep spend within Greater Manchester and the boroughs |  |  |  |
| 3 | Ongoing work planning to tackle off contract spend |  |  |  |
| 3 | Implementation and ongoing management of contract management processes to ensure procurements are delivered on time |  | Annual review | Annual review |
| 3 | Annual training and refresher training to all stakeholders within our partner organisations |  |  |  |
| 3 | Utilisation of spend management system on a monthly basis to tackle off contract spend |  |  |  |
| 3 | Commissioning intentions to be agreed 12 months prior to contract award/procurement where possible |  |  |  |
| 4 | Maintain standardised processes/systems to ensure quality |  |  |  |
| 4 | Establishment and maintenance of strategic working groups between Councils and partners |  |  |  |
| 4 | Strategic collaboration between all partner authorities |  |  |  |
| 4 | Strategic collaboration between Children’s, Adults and Public Health for commonly procured goods/services |  |  |  |
| 5 | Utilisation of different procurement techniques and processes to deliver outcomes |  |  |  |
| 5 | Pre-procurement service review and redesign support |  |  |  |
| 5 | Standard market engagement held for all applicable procurements (bidder’s days/soft market testing) |  |  |  |
| 5 | Pre-market engagement to identify alternative solutions |  |  |  |

**Future Challenges**

| **Issue** | **Challenges** | **Opportunities** |
| --- | --- | --- |
| **Responding to the Pandemic/COVID Recovery Plan** | * Uncertainty around severity and duration of Covid impacts * Budget reductions * Increased demand for some services * Revised procurement planning * Service redesign | * Relook at specifications and delivery models * Service redesign and efficiencies * Look for collaborative opportunities * Increased likelihood of short term contracts due to budget uncertainty – may impact negatively on value for money * Covid Recovery Plan |
| **Green Agenda** | * GM Goes Greener | * GM Goes Greener * The Greater Manchester Social Value Framework 2020 * 2038 Carbon Neutral Plan and GM Clean Air Strategy |
| **Budget – Uncertainty** | * Uncertainty around severity and duration of Covid impacts * Budget reductions * Increased demand for some services * Revised procurement planning * Service redesign * Increasing numbers of contract variations and contract cancellations * Protecting SME’s and local providers under mounting pressure for collaboration * Minimum Wage/Living Wage | * Relook at specifications and delivery models * Service redesign and efficiencies * Scope for Innovation and new procurement routes * Look for collaborative opportunities * Increased likelihood of short term contracts due to budget uncertainty – may impact negatively on value for money * Closer working with commissioners and finance leads to manage and mitigate impact on costs and provider market * STAR Savings Strategy * In-Tend Contract Management System, including integrated work planning function * Use of Tableau system to analyse spend across all STAR authorities |
| **Governance** | * Increased likelihood of short term contracts – increased numbers of extensions / modifications * Increased legal support * Green Paper | * Green Paper * Opportunity to review current requirements and methodology post Covid-19 * Scope for increased use of on-line technologies |
| **Internal (STAR Procurement and intra Council)** | * Workforce changes * Loss of expertise specific to Health and Social Care procurement * Delays in procurement activity | * Training for incoming procurement regulation changes * Training for revised Contract Procedure Rules for the Councils * Development of People category team * Development of growth strategy for Health and Social Care procurement to become procurement leaders within Greater Manchester |

**Market Position Statement**

The below details a high level statement specific to public sector procurement. A market position statement specific to the People category will be provided at the next review of this document.

| **Issue** | **Considerations** |
| --- | --- |
| Current State of the Market | * Brexit * Covid * Uncertainty and change * Increase in demand * Large supplier base available within Greater Manchester to meet needs |
| View and Future Predictions | * Increase in costs * Austerity * Greater scope for flexibility and changes from current arrangement * Potentially unstable going forwards due to the Covid-19 pandemic and loss of providers within the market |
| Gaps in the Market | * Use of technology * Doing things differently * Improving supplier relationship engagement and management * Development of closer relationships with voluntary sector |
| Innovation and Development | * New and different working methodologies, revisiting specifications and KPI's * Reviewing different service delivery methods * All parties looking together at how services could be delivered more effectively * Arm’s-length through to collaborative approach with contactors |

**PESTLE Analysis**

The below details a high level analysis of factors affecting public sector procurement. The People category team will provide a Health and Social Care specific analysis at the next review date.

| **Factor** | **Information** |
| --- | --- |
| **Political** | **Brexit; Spending Review; Devolution;** |
| **Economic** | **Austerity; Jobs and skills improvement; local investment; market position** |
| **Social** | **Community cohesion; aging population; higher patient expectations; increasing demand** |
| **Technological** | **Shared services; new ways of working; new ways of delivering services; social media and access to internet; improved healthcare** |
| **Legal** | **National Living Wage; welfare reforms; sleep in backdate pay; changing procurement regulations post Brexit** |
| **Environmental** | **Utilisation of Energy (Efficiency – Green Energy); Use of Single Use Plastic (SUP) under review; GM Green Summit 2020, aiming for significant reductions in its carbon footprint** |

**Summary and next steps**

Since the previous category strategy, the People team has worked closely with its partners and stakeholders to develop better working relationships and understanding of the category.

This document addresses how the People category team intends to further its strategic objectives to ensure that STAR Procurement is at the forefront of supporting not only its partner organisations, but also the service users, suppliers and citizens interacting with the supplies and services bought.

The category team will work with all stakeholders within the Councils to ensure that the Category Strategy is embedded and understood by all parties. We will provide training as part of our standard back to basics and refresher training sessions.

The category team will review this document periodically to ensure that all information is up-to-date and relevant.