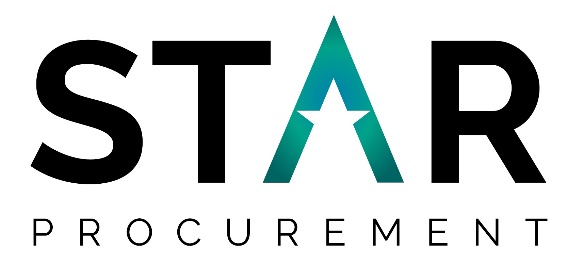
****

**Category Strategy:**

**Professional**

**Written: Dan Hart, Gary Lee & Michael Halsall**

**Dated: January 2021**

**Approved: STAR WLT**

**Head of Strategic Procurement: Michael Crook**

**Introduction**

This document sets out the Professional Categories Strategy for 2021-2024 for STAR Procurement’s partners (Stockport, Trafford, Rochdale and Tameside Council’s).

Its purpose is to provide Officers, Members, current and future suppliers to the Council, and the public an understanding of the context of the Council’s strategic direction for the procurement of Goods and Services across the Professional Category remit.

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 Corporate Priorities of the founding partner Councils;
* The GMCA Social Value Framework;
* The STAR Board Targets (5 STAR);
* Manchester Devolution (Stronger Together);
* Stockport Together
* Green Paper: Transforming Public Procurement
* Green Summit 2020 - Greater Manchester Goes Greener

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

**Background to the Professional Category**

The Professional Category covers a vast range of goods and services, as such; the category is further split into 2 key management areas: ICT & Office, and Professional Services. These key management areas contain a large variety of spend, this spend falls into the following spend areas:

|  |  |
| --- | --- |
| **ICT & Office**   * Cleaning Products; * Facilities & Management; * Design;   + Printing;   + Photography; * Health & Safety Products and Maintenance; * ICT;   + Hardware;   + Software;   + Services;   + Telecommunications;   + Website;   + Reprographics Equipment; * Mail Services; * Stationery; | **Professional Services**   * Cleaning and Janitorial Services; * Consultancy; * Library Books; * Facilities and Management;   + Advertising;   + Marketing/PR/Communications;   + Document Storage; * Financial Services; * Housing Management Services; * Human Resources;   + Interpretation/Translation Services;   + Recruitment;   + Temporary and Agency Staffing;   + Training and Conferences;   + Travel and Subsistence; * Legal Services; * Parking Fines Collection; * Health and Safety Services; * Coroners Support Services; |

**Key Stakeholders**

The Professional Category touches every Directorate and Service of each of the STAR clients, all with different priorities and concerns. Key Stakeholders will be included in the individual Category Strategies for each spend area.

**Spend Profile**

In 2019/20 there was £207,019,724 of controllable spend. That means spend that STAR and its Partners are able to influence in some way, through procurement activity or contract management.

77.7% of this spend was within Greater Manchester.

**Where we are now**

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

Social Value maturity is now being tested on the councils, and following this development plans will be put in to place. A more tailored approach will be taken that depends on the councils individual corporate priorities.

**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 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. STAR is fully committed to supporting the councils and communities through the COVID recover process, in the future.

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

**Current position of work streams across the Professional Category:**

| **Budgets** | **Current Position** | **Actions-**  **Improve communication** | **Outcomes** |
| --- | --- | --- | --- |
| Capital Projects | **Reactive/Planned**  (dependent on service area) | Monthly Programme Management Meetings | Establish pipeline of work & Build relationships |
| Professional | **Reactive/Planned**  (*Stakeholder Led*) | Work Group planning; arms-length through to collaborative and cooperative relationships | Procurement Influence/ Collaboration opportunities |
| IT | **Reactive/Planned** | Regular pipelines to be monitored by finance leads that trickle down to services. | A robust procurement cycle and less reactive work. |

**Where we want to be:**

| **Council** | **Actions** |
| --- | --- |
| Rochdale | * With Rochdale, ICT spend needs to be managed, mostly with lower value contracts to avoid waivers. Clear procurement plans need to be put in place so normal cycles can resume. Longer contracts need to be put in place to stop reactive processes. * Greater Manchester spend is quite positive in Rochdale, however, focus needs to be applied on the local areas. * More cyclical training will be rolled out across the professional team |
| Stockport | * Stockport has high spend areas in consultancy -- procurement conversations with seniors in how to reduce external spend. * A systems review to understand similar contracts and areas of duplications and aggregation * More cyclical training will be rolled out across the professional team |
| Tameside | * On contract spend is positive at Tameside, but there needs to be a greater understanding on the contracts we are dealing with. Regular procurement meetings and pipeline reports to find savings and opportunities. * Direct awards are frequent in the council; needs an official statement of position on what to do with direct awards and how to encourage more competition. * More training requirement will be rolled out across the professional team |
| Trafford | * Refinement of STAR legal processes so they are more embedded in procurements with other councils. * Closer working with stakeholders to establish better planning processes * Working closer with Amey and partners * More cyclical training will be rolled out across the professional team |

**Collaboration**

Professional has noted that collaboration opportunities need to increase across the four councils; consultancy is a difficult area to find opportunities, however, ICT, Office and other areas in professional i.e. finance can be reviewed. Usual pitfalls are out of place contracts and different end dates, but managing contracts to aggregate agreements will be a worthwhile exercise, especially in ICT, where similar systems are used across each council. There are trends of similar types of contracts across all areas which has become more evident during the Covid-19 pandemic.

**Market Position Statement:**

| **Issue** | **Considerations** |
| --- | --- |
| Current State of the Supply | * Potentially volatile due to the coronavirus pandemic - need to closely monitor the market over the next few years. * Reactive work streams due to COVID and backlog due to schools and furloughed organisations |
| View and Future Predictions | * Potential increases in supply and labour costs, which will impact the authority given current budgetary pressures * Revised provisions or reduced specifications due to budget pressures |
| Gaps in the Market | * Opportunities for consortia bidding. * Closer relationships with Tier 2 & 3 (Local & SME) contractors. * Closer relationships with voluntary sector. * Driving more competitive procedures |
| Innovation and Development | * Arm’s-length through to collaborative approach with contactors * External training for contractors around Social Value * Development of Framework/DPS for routine/frequent procurement activity |

**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)** | **Medium Term**  **(1-2 yrs)** | **Long Term**  **(+2 yrs)** |
| --- | --- | --- | --- | --- |
| 1 | Implementation of Saving Strategy;   1. Targeting revenue budgets 2. Exploration of new opportunities when we move to use the Intend System 3. Utilising negotiation techniques (BAFO)/Negotiation training for all STAR members 4. Managing stakeholder expectations 5. Determining leverages and efficiencies 6. Relevant Market Intelligence applied to tender process and work plan opportunities. 7. Use and follow the new savings strategy 8. Increase controllable Local and GM spend 9. Delivery of STAR procurements business plan 10. Delivery of additional income streams 11. Market positioning and market research to be completed for subcategories and reviewed periodically | Y | Y | Y |
| 1 | Reducing Unverified Spend   1. Monthly review of spend data via Tableau to identify off-contract and unverified spend 2. Fortnightly meetings with key sub-category stakeholders to review spend and on-going procurement activity | Y |  |  |
| 2 | Standardised Social Value Approach;   1. Training plan for stakeholders and clear process maps 2. Collate Social Value information and report as part of STAR SV Champion data. 3. Ongoing management of committed Social Value to realise actual benefits 4. Increasing Social Value weightings in procurements (20%) to improve STAR Procurement’s Social Value 5. Follow guidance from social value maturity review 6. Support the councils on Community Wealth Building 7. Ensure we support the council through the COVID recovery process 8. Growth of VCSE sector and establishing how procurement can support 9. Risk based sourcing approach to keep spend within Greater Manchester and the boroughs | Y |  |  |
| 2 | Build On Local Spend;   1. Working closely with third parties like the STEM Group to help with school and college engagement 2. More targeted local spend through the National TOMs and using council priorities | Y | Y |  |
| 2 | More work on sustainable materials in procurements;   1. Work in line with the Manchester Zero Carbon to hit the target for 2038 2. Looking to highlight and reduce single use plastics, and renewable energy procurements and electric charge points. 3. Helping to deliver Government initiative’s for Decarbonisation programme |  |  | Y |
| 2 | Continue with market engagement strategy;   1. Early supplier involvement through market engagement events, bidders days, market testing, request for information and expressions of interest | Y |  |  |
| 3 | Introduction of Intend to manage contracts   1. Compile all contract data across STAR partners into a more manageable system. 2. Quarterly sub-category reports to be issued to lead stakeholders | Y |  |  |
| 3 | Better forecasting of future requirements   1. Using Intend as our contract management system to support with work planning 2. Engagement with stakeholder to provide programmes of work to assist with resource planning 3. Market intelligence to provide a wider scope of opportunities 4. Annual training and refresher training to all stakeholders within our partner organisations 5. Ongoing training for internal Procurement team (CIPS) 6. Continue to support ongoing internal development and mentoring to ensure there is good succession planning and internal opportunities 7. Ethics Training | Y | Y | Y |
| 4 | More proactive with collaborative opportunities;   1. Continuing to work and develop the work plan with key stakeholders across the four authorities to identify any collaboration opportunities 2. Sharing the work plan when conducting stakeholder engagement | Y | Y | Y |
| 4 | Internal Working Groups (Squads)   1. Monthly sub-category working group with STAR partners to identify areas for collaboration and potential saving opportunities. 2. Review of ongoing needs of requirement to allow for whole life costing processes and specification changes. | Y | Y | Y |
| 4 | Responsible Procurement and Growth Strategy | Y | Y | Y |
| 5 | Looking at more innovative solutions to drive cost savings;   1. Contract/Specification Reviews 2. Thinking ‘outside the box’ with all procurement activity 3. Challenging stakeholders to ensure that the best solution is put forward 4. Opportunities to feed into GM collaborations and gain relevant experience of changing markets and potential new opportunities. | Y | Y | Y |
| 5 | Continue to work with TPOs in line with our grow your own policy;   1. Further training opportunities 2. Continue with skill gap analysis to identify areas for improvement | Y | Y | Y |
| 5 | Internal & External Training Opportunities;   1. Continue with Back to Basics Training 2. Sub-Category specific training for stakeholders 3. SV training for internal clients and suppliers | Y | Y |  |
| 5 | Marketing/Communications – New STAR website and more social media coverage   1. Website to be launched 2. More proactive with social media activity to not only identify opportunities, but achievements. 3. Build the STAR Brand 4. Place specific updates via social media/website | Y |  |  |

**Future Challenges & Opportunities**

| **Issue** | **Challenges** | **Opportunities** |
| --- | --- | --- |
| **Responding to the Pandemic / COVID Recovery Plan** | * GM have a Build back better Social Value framework launched in June to replace Manchester’s previous SV Framework from 2014. COVID had a massive impact and we need to work towards this and look how our TOMs can support the 6 themes this is built around, Key ones are creating skills gap support and employment opportunities to build back employment opportunities for GM residents. Other elements link into clean air and being a greener organisation which * Uncertainty around severity and duration of Covid impacts * Budget reductions * Increased demand for some services * Revised procurement planning | * Adapt our SV objectives to support GM targets and enable opportunities and build * Look for collaborative opportunities * Covid Recovery Plan * Service redesign and efficiencies |
| **Green Agenda** | * STAR working in alignment with Manchester aiming to be a zero-carbon city by 2038 or before – at least 12 years earlier than the national 2050 target * Reducing single use materials in procurements * Sustainable Purchasing for De Carbonisation Commitment | * Chance to be an innovator in the area * Build relations with supply chain and suppliers to ensure sustainable alternatives * SV and collaborative working with GM * Collaborative working with Councils and GMCA |
| **Budget – Uncertainty & Reductions** | * Uncertainty around severity and duration of Covid impacts * Reduces specifications. Savings Targets * Increased demand for some services * Protecting SME’s and local providers under mounting pressure for collaboration * Minimum Wage/Living Wage | * Service redesign and efficiencies * Proactive savings strategy. Increased contract management under STAR remit * Negotiated procedures * Look for collaborative opportunities * Closer working with finance leads to achieve savings strategy * In-Tend Contract Management System, including integrated work planning function * Use of Tableau system to analyse spend across all STAR authorities |
| **Governance** | * Green Paper * Ensuring compliance with procurement contract regulations through wider training with stakeholders | * Green Paper * Increased compliance |

**Summary**

STAR has continued to hit savings targets and increase the local/GM spend for its partners. This new strategy will continue to build on these tried and tested measures, responsible procurement and delivery of the savings strategy. The professional category will be focusing on stakeholder management and increased training and communication plans with key stakeholders to target identified areas of off contract spend and greater local opportunities for our suppliers under RBS.

STAR will continue with COVID recovery, and the ‘new business as usual’ with more remote working and online meetings. There are new challenges identified in this strategy, such as increased budget cuts and cancellation of existing requirements. The new procurement world is also moving into a greener one, with STAR embedding the green agenda into its procurements and pushing towards reducing single use plastics in specifications.

Post Brexit procurement is now also taking place with FTS replacing OJEU adverts. STAR will increase market intelligence and any effects that Brexit may have for our partners.