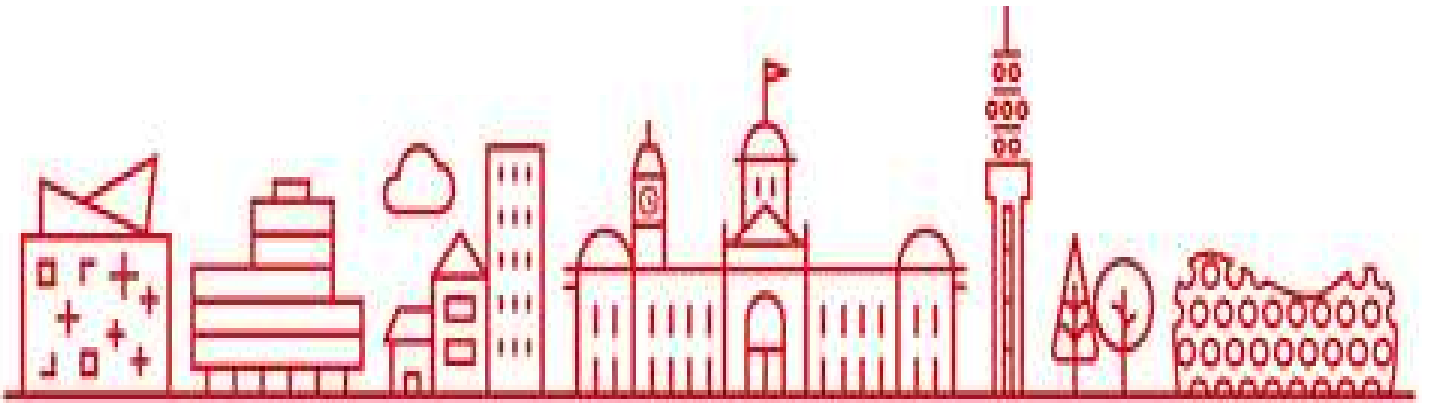


# Commissioning Strategy 2017+

**Councillor Majid Mahmood, Cabinet Member for Value for Money and Efficiency**

**Nigel Kletz, Director of Commissioning & Procurement**



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# 1. Foreword – Councillor Majid Mahmood, Cabinet Member for Value for Money and Efficiency

The Council's Vision is for Birmingham to be a city of growth where every child, citizen and place matters. To achieve this, the Council has to become an Enabling Authority – not solely delivering services itself but by working with partners to achieve shared outcomes and understanding local needs through citizen engagement through directorates' co-commissioning models of working with communities and partners. The Council's Commissioning Strategy is central to delivering its Priorities of Children, Housing, Jobs and Skills, and Health.



A great deal has already been achieved though adopting a commissioning approach, supported by effective and efficient procurement and contract management. Examples include: A redesigned Early Years' service, the Youth Employment Initiative and Youth Promise Plus, creation of a 1000 new jobs, 400 work placements and 200 apprenticeships through the Birmingham Business Charter for Social Responsibility plus over 600 contracted workers uplifted to the Birmingham Living Wage.

Although there is still much left to do to address the financial challenge, we can through transformation and an increased focus on commissioning, commercialism and exploration of wider investment and funding approaches meet this challenge.

This Commissioning Strategy highlights the substantial progress made since our previous strategy was issued and in delivering the recommendations of the Kerslake review and the Improvement Panel. For example we have improved working with Partners, both strategic and those in the supply chain and have involved them as co-commissioners which has led to substantial savings being achieved, whilst at the same time additional Social Value has been secured.

As the largest Local Authority in the country the Council contributes significantly to the development of the West Midlands Combined Authority, to regional devolution and to exert national influence including with government directly and through the LGA and the Procurement National Advisory Group.

I am therefore pleased to endorse this commissioning strategy as a means to help us achieve the outcomes we seek for the citizens of Birmingham.

Our vision for this strategy is therefore **“Enabling the right outcomes for citizens through commissioning”**.



## 2. Executive Summary - Nigel Kletz, Director of Commissioning & Procurement

### Executive Summary

The Commissioning Strategy for Birmingham City Council has been developed in consultation with our key partners and stakeholders, to ensure we address key challenges and priorities and have a consistent commissioning approach across the council. It highlights the substantial progress since our previous strategy issued in 2011 and now incorporates the recommendations of the Kerslake Review and the Improvement Panel.

Commissioning means delivering the right outcomes for citizens by putting in place the right solutions that deliver the priorities for Birmingham. We work with citizens and partners to fully understand what is needed and how that will be best achieved, delivering value for money.

For us to be an Enabling Authority we are working more in partnership with providers and stakeholders with an increasing focus on different service delivery models, commercialism and exploration of wider investment and funding approaches.

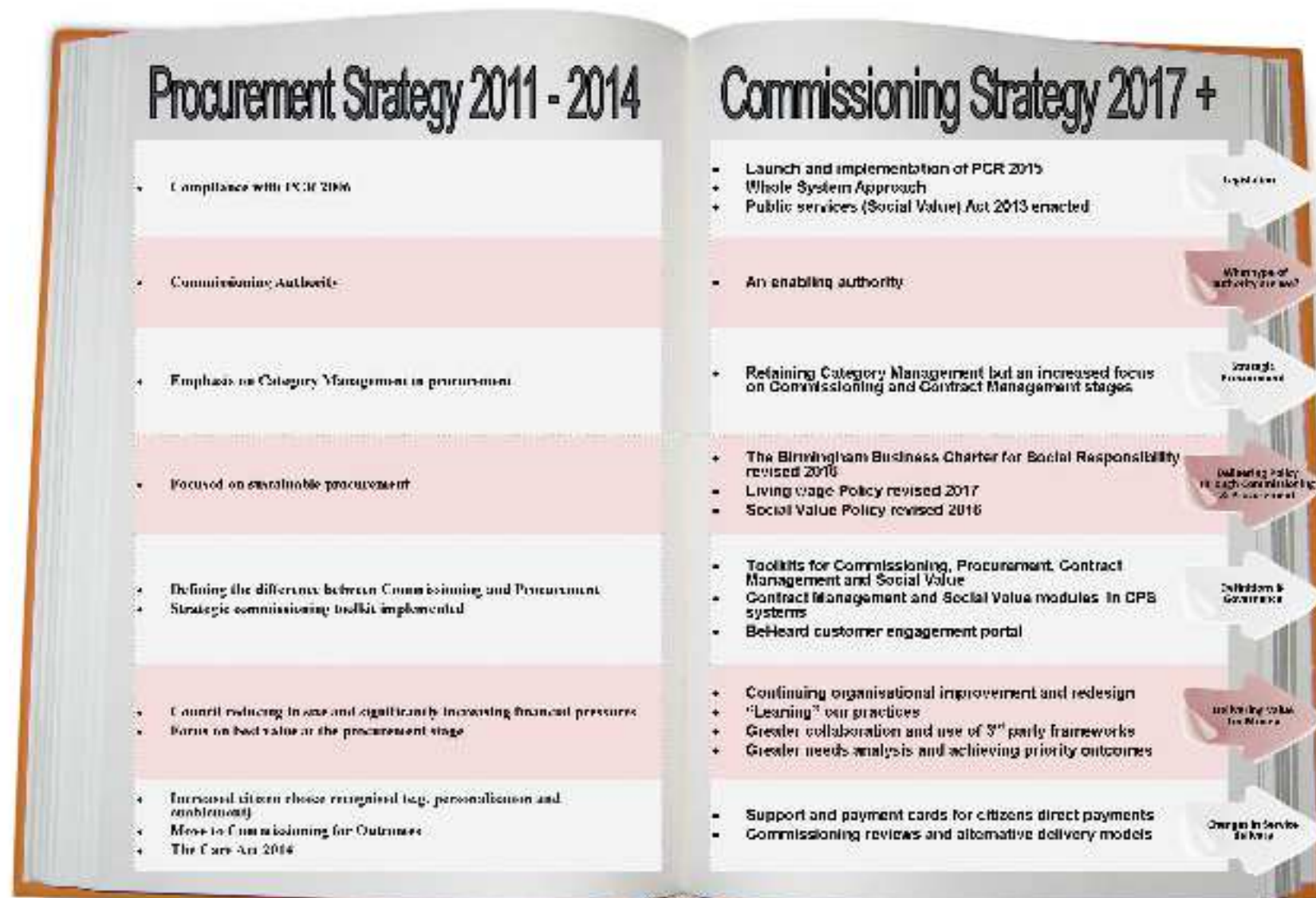
Our commissioning strategy sets out 7 key objectives that are aligned to our values and each will drive the Council's Commissioning activity, with a focus on delivering the Council's priorities for Children, Housing, Jobs and Skills and improving the Health and Wellbeing of all residents in Birmingham.

The strategy provides an overarching framework for commissioning related activity in Birmingham, taking account of changes at a national level, regional growth and local level (WMCA and the West Midlands Engine) and drawing on legislative changes, policies, Public Services (Social Value) Act 2012 and other evidence sources.

This Commissioning Strategy is one of a series of enabling strategies, which along with the front line service strategies, recognise that the Council of the future will be smaller; more strategic and partnership based. They link together to address the Council priorities and provide citizens with the services they require to help their neighbourhoods and communities thrive.

**Nigel Kletz**  
**Director, Commissioning and Procurement**  
**Corporate Procurement**

# 3. Development Timeline



## 4. ADDRESSING THE ISSUES

**Following the Kerslake Review in 2014, the report of the Independent Financial Review Team December 2016 stated:**

“The delivery of savings in 2017/18 and beyond will require robust and focussed management, with clear accountabilities and delivery plans in place. There is some good evidence that these arrangements are in place but not consistently across all service areas. The Council therefore has work to do to strengthen this important aspect of their governance.”

**Recommendations included:**

- “In the light of any potential slippage in the existing planned savings, the Council should consider additional proposals as part of a contingency savings plan;
- A consistent set of delivery plans should be prepared, which identifies officers responsible for delivery, clear accountabilities, and robust risk and impact assessments”.

**This strategy supports the measures to address these recommendations:**

- Savings are achieved throughout the commissioning cycle, with value for money, risk management and contingency planning being managed accordingly. (9.1)
- Commissioning reviews, with appropriate citizen and provider engagement deliver new and innovative solutions to drive efficiencies (9.3, 9.4).
- Improved commercialism to drive income generation and better use of assets, resources and intellectual property. (9.5)
- Governance will be reviewed and be more joined up, ensuring we target resources in a way that compliments achievement of related strategies to minimise disruption and maximise opportunity. (9.6)
- Further cost reduction by development of our systems and processes to make best use of our data and further enhance our capacity (9.7).
- Investing in our people to ensure they have the skills and capabilities to meet the challenges and deliver excellence. (9.7)

**Action Plan:**

- An action plan will be implemented for each 12 months period of the implementation plan.



## 5. THE COUNCIL OF THE FUTURE

### Delivering Council Priorities through enabling strategies

In 2016 the Council created this programme as a way of harnessing and coordinating several key improvement programmes to:

- Create a foundation for longer term change.
- Ensure we target our limited resources on those activities or significant projects that will help us achieve our purpose - our 'big moves'.
- Embed and share the 'Golden Thread' - from our purpose to the things all of us do every day.
- Find new ways of achieving our purpose and helping Birmingham and the people who live and work here to thrive in a time of reducing resources.
- Deliver on agreed budget savings.
- Change our culture - make the Council of the future 'come to life' for us all - and change the way we do things.
- Find new ways of actively encouraging collaboration, change and innovation in all parts of the Council and with our partners and stakeholders.

#### Our Council of the Future will be:

**Smaller and more strategic** - The role of the Council will be less about direct service delivery and more about supporting a wider range of partnerships and providers, including social enterprises and the contribution of voluntary effort and the community.

**Partnership based** - The new role of the council will be more about empowering bottom up action and brokering partnerships between communities and organisations that contribute to the future of the city.

This strategy is part of a suite of strategies to drive forward change and deliver the Council of the Future. Appendix A shows the strategies that are being implemented and their inter-related themes of:

Citizen enablement; effective service delivery; innovation; insight;  
Developing capabilities; council values; commissioning with partners; governance.

The improved capability and approach of the organisation will support future commissioning in delivering the outcomes required.

## 6. A COORDINATED APPROACH

### Local and regional priorities

#### Engaging with Partners and Communities

The Social Value Policy, the Birmingham Business Charter for Social Responsibility and the Birmingham Living Wage Policy were adopted by the Council in April 2013 and updated during 2016/17. The purpose of these policies was to address Birmingham's social, economic and environmental issues through the engagement of business and third sector partners.

Implementation of the Charter is now embedded in the Council's commissioning, procurement and contract management processes. This continues to be an emerging agenda and the Council will continue to develop its approach to maximise the volume and quality of social value delivered for the citizens of Birmingham.

#### Regional growth – WMCA and the West Midlands Engine

Development and implementation of the West Midlands Combined Authority is a catalyst for collaboration and includes the sharing of best practice; opportunities for joint commissioning; increasing social value and supporting the Mayor in driving forward regional growth.

Embracing devolution ensures that citizens benefit from improvements in the region.

#### National Procurement Strategy

At a national level, the Council will continue to work through the National Advisory Group for Local Government Procurement (NAG), to influence, shape and develop national procurement policy as defined in its Terms of Reference: <http://www.local.gov.uk/web/lq-procurement> and through ongoing implementation of the National Procurement Strategy work streams, in particular:

- **Making Savings**, through collaboration, targeting appropriate solutions to meet needs and improved contract management outcomes.
- **Supporting local economies**, through Social Value and providing opportunities for the 3<sup>rd</sup> sector and Small and Medium Enterprises. Ensuring commissioning outcomes and priorities are brought together to focus on and be coordinated around places with the highest (and multiple needs)
- **Leadership**, through delivering strategic outcomes in relation to assessed user needs; managing demand through the commissioning process & developing capabilities.
- **Modernisation** through innovation & commercialisation.

The Council will seek to influence a New National Procurement Strategy through NAG, adapt this Strategy to take on board new recommendations and join others in influencing policies locally, regionally and nationally. Developments as a consequence of Brexit will be considered in conjunction with this and other fora over the duration of this strategy.



## 7. HOW COMMISSIONING WORKS WITH OUR VALUES

| OUR VALUES                     | OUR APPROACH  |
|--------------------------------|---|
| <b>Putting Residents First</b> | <ul style="list-style-type: none"> <li>• Determining the best approach to deliver successful outcomes for the citizens of Birmingham, both now and in the future</li> <li>• Outcomes vs outputs and targeting social value</li> </ul>   |
| <b>Acting Courageously</b>     | <ul style="list-style-type: none"> <li>• A process that will lead each service area, whether front-line or support service, to challenge its purpose and find the best possible way to deliver. To think originally and innovatively</li> </ul>   |
| <b>Achieving Excellence</b>    | <ul style="list-style-type: none"> <li>• Targeting delivery, demand management and managing risk proportionately. Solutions delivered by whoever is best placed to achieve the required outcomes</li> <li>• Taking an asset based approach which recognises supports and invests in the city's tangible and intangible assets (including resources, systems and Intellectual Property)</li> </ul> |
| <b>Being True to our Word</b>  | <ul style="list-style-type: none"> <li>• Connecting with key stakeholders, listening to service users, being honest about what we can and will deliver and responding to changing needs</li> <li>• Having a commissioning strategy which complements a coherent council vision and one council approach</li> </ul>  |

## 8. GUIDING PRINCIPLES IN DEVELOPING THE STRATEGY

**We established the following guiding principles to ensure the relevance and focus of the strategy development and implementation. Specifically that it:**

- Enables delivery of the Council strategic priorities, reducing inequalities between different people and communities.
- Promotes the Council's values and behaviours.
- Increases the focus on achieving outcomes rather than outputs.
- Creates social value locally.
- Improves commissioning with partners and engagement of Citizens.
- Promotes evidence-based commissioning and sustaining a continual approach to service improvement.
- Promotes innovation and new service delivery models.
- Demonstrates equality, transparency and accountability.
- Includes the whole commissioning cycle within its scope.
- Commits to build on existing capabilities.
- Ensures lean systems are in place and that value for money can be demonstrated at every step in the process.
- Communicates a clear commissioning approach to internal and external stakeholders.

## 9. OBJECTIVES OF THE STRATEGY

|     |   |
|-----|---|
| 9.1 | Delivery of outcomes and value for money              |
| 9.2 | Increasing social value locally                       |
| 9.3 | Improving commissioning with partners                 |
| 9.4 | Enabling Citizens through solution design & delivery  |
| 9.5 | Improving commercialism and income growth             |
| 9.6 | Appropriate governance and assurance                  |
| 9.7 | Enhancing capability and capacity to deliver outcomes |

## 9.1 DELIVERY OF OUTCOMES AND VALUE FOR MONEY

| What   | How  |
|--|--|
| <b>9.1.1 Evidenced based outcomes</b>  | <ul style="list-style-type: none"> <li>• Engage citizens to ensure relevant outcomes sought</li> <li>• Target interventions to maximise impact within available budget</li> <li>• Appropriate supporting data to inform commissioning strategy</li> <li>• By demonstrating the performance of our partners and the supply chain</li> </ul>   |
| <b>9.1.2 Savings achieved throughout the commissioning cycle, with value for money, risk management and contingency planning being managed accordingly</b> | <ul style="list-style-type: none"> <li>• Appropriate forecasting through benchmarking and demand profiling</li> <li>• Effective procurement and contract management delivering cashable savings and quality services</li> <li>• Innovative contracts that are outcome focussed</li> <li>• Achieving value for money from our contracts and through our relationships</li> <li>• Managing unintended consequences of commissioning decisions</li> </ul> |
| <b>9.1.3 Reducing Demand on council services</b>   | <ul style="list-style-type: none"> <li>• Working with partners to provide alternative solutions and investment in services.</li> <li>• Improved use of technology</li> <li>• Investment in prevention by identifying causes, raising awareness &amp; providing alternative support to citizens</li> </ul>  |
| <b>9.1.4 Minimising whole life costs</b>   | <ul style="list-style-type: none"> <li>• Strategic relationships with partners/providers</li> <li>• Solutions and decisions based on robust and sustainable financial modelling of options</li> <li>• Recognising that things change and building affordable flexibility into contracts and solutions to accommodate this</li> </ul>   |

## 9.2 INCREASING SOCIAL VALUE LOCALLY

| What   | How   |
|--|---|
| <b>9.2.1 Implement the updated Social Value Policy, Living Wage Policy and Birmingham Business Charter for Social Responsibility</b> | <ul style="list-style-type: none"> <li>• All commissioning activity considers social value in accordance with the policies</li> <li>• That commissioners, procurers and contract managers are capable of using the toolkits and systems to ensure a consistent approach.</li> <li>• By incorporating in the contract those relevant high priority community projects that have been identified by the SV Coordination panel</li> <li>• Promoting the Birmingham Living Wage through our commissioning activities</li> </ul>   |
| <b>9.2.2 Ensuring specific social value outcomes are included in commissioning activity</b>  | <ul style="list-style-type: none"> <li>• By carrying out additional consultations with citizens where appropriate</li> <li>• Apprenticeships and employment for vulnerable citizens</li> <li>• Priority SV projects e.g. under “Partners in Communities “in accordance with the Social Value policy</li> <li>• Recognising the importance of investing in places, neighbourhoods and communities to achieve longer-term outcomes for citizens</li> </ul>  |
| <b>9.2.3 Maximise the social value achieved from key suppliers in the region</b>   | <ul style="list-style-type: none"> <li>• Working within the West Midlands Combined Authority to coordinate our social value activities</li> <li>• Promote the uptake of the Social Value Maturity Index amongst our suppliers</li> <li>• Agree a set of Themes Outputs and Measures that may be used across the region as a basis for measurement along with supporting values</li> <li>• Develop 3 partner groups to help identify and deliver specific social value objectives, involving suppliers from various sectors</li> <li>• To promote and develop the potential use of Social Value as a part of the Planning process</li> </ul> |

| What   | How   |
|--|---|
| <b>9.2.4 Promote the BBC4SR brand to increase awareness, support and pride of the joint commitment to social value</b>   | <ul style="list-style-type: none"> <li>• Monthly breakfast events</li> <li>• Promotional marketing and communications</li> <li>• Celebrating the achievements of accredited organisations</li> <li>• Highlighting the benefits realised by citizens through case studies</li> </ul>   |
| <b>9.2.5 To increase the number of organisations voluntarily signed up to the BBC4SR who are providing commitments to address social value needs in Birmingham</b> | <ul style="list-style-type: none"> <li>• By using new system functionality to capture action plans and matching to local need through engagement of 3rd sector</li> <li>• By developing improved techniques to create further capacity and increase uptake</li> </ul>   |
| <b>9.2.6 Determine if a sustainable model can be achieved to meet SV needs and maximise impact locally without the reliance on public sector funding</b>           | <ul style="list-style-type: none"> <li>• Carry out an initial pilot study that engages suppliers and reviews the market position</li> <li>• Engage third sector organisations and Charter signatories to build sustainable relationships as well as deliver high impact outcomes</li> <li>• Establish the degree of opportunity for innovative solutions and implement accordingly</li> </ul> |
| <b>9.2.7 Continue to push this agenda forward to enable greater achievements, leaner systems, and more unified approaches</b>                                      | <ul style="list-style-type: none"> <li>• Support the national social value taskforce with ongoing development work to bring greater clarity and uniformity</li> <li>• Be involved in the legislative reviews</li> <li>• Review systems to ensure they remain fit for purpose</li> </ul>   |



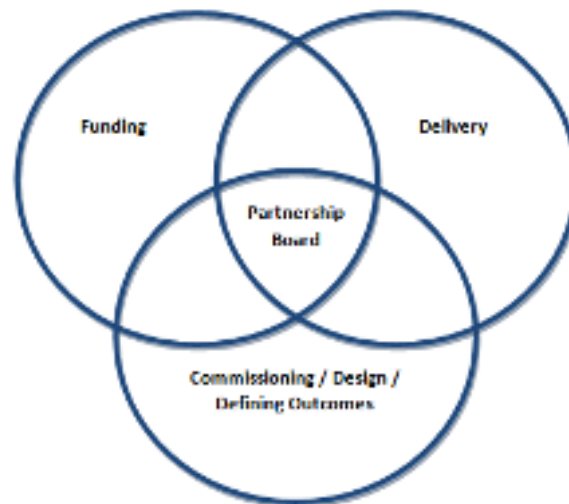
## 9.3 IMPROVING COMMISSIONING WITH PARTNERS

| WHAT  | HOW   |
|---|---|
| <b>9.3.1 Creation of more innovative solutions</b>  | <ul style="list-style-type: none"> <li>Continuing the move to commissioning for outcomes</li> <li>Use of Procurement Contract Regulation 2015 - Innovation Partnerships approach where appropriate</li> <li>Setting the outcomes rather than specifying solutions to encourage innovation and efficiencies from the supply market</li> <li>Use of whole-system approach to commissioning where multi-agencies/providers have a coherent 'plan' to work to</li> <li>Recognising 'we don't always know best' by seeking market engagement and Public/Private Sector Best Practice</li> <li>By being less risk averse and more open to new ideas</li> </ul>  |
| <b>9.3.2 Ensuring there is a diverse market to commission from, including within the supply chain</b> | <ul style="list-style-type: none"> <li>Market sounding and shaping to identify and address gaps in the market</li> <li>Promote alternative commissioning approaches and models, which place a greater emphasis on the assets and roles of community-based organisations so that they can better compete</li> <li>Explore ways to develop or highlight the capabilities of the local supply market and their value to the city</li> <li>Develop the role of providers and partners in securing funding to deliver citizen outcomes</li> <li>Establishing the extent to which external grant funding is required e.g. around health, children and families</li> <li>Ensure the needs and concerns raised in Lord Young's Review are recognised and considered <i>"contract size and the optimal circumstances for procuring on a large scale versus purchasing through smaller procurements"</i></li> </ul> |
| <b>9.3.3 Improving outcomes by more effective working with partners</b>                               | <ul style="list-style-type: none"> <li>Recognising and benefitting from the experience and best practice of partners.</li> <li>To do more work to explore a virtual partnership commissioning hub as shown in <b>9.3.4</b></li> </ul>   |

## 9.3.4 PARTNERSHIP COMMISSIONING HUB

Reviews of council practice have identified the need for more flexible & effective working with partners. This can be reflected in how we support and engage the local supply markets to achieve effective outcomes.

The differing and potentially complimentary or conflicting roles of partners can be explored further as outlined below:



### Further considerations may comprise:

- Determining what a Partnership Board needs to look like in the future to meet the funding challenge and community needs.
- Determining appropriate governance to mitigate budget shortfalls by working with other organisations that support the delivery of common outcomes.
- Exploring each of the interfaces in different environments and against delivering the Council's 4 priorities; the constraints and benefits they provide.
- Ensuring that external funding relates to council priorities and is co-ordinated with commissioning activities.
- Involving providers; consider risks of challenge; any conflict of interests; the on-going role of that provider in the delivery of services and the need to retain some form of Commissioner-Provider split (See case studies in Appendix B showing this approach working in practice).
- Building and nurture effective relationships between the interfaces to create trust and support.
- Creating feedback loops to share information and best practice
- Identifying what works, potential duplication and promotion of opportunities with external grant funders. Link to funding programmes, insights and awareness of projects and local organisations operating in the city.
- Improving working relationships between the partners and the city.
- Delivering flexibility & responsive service, which meets the needs of partners & community.
- Increase satisfaction and relationship between the Council and the Voluntary and Community Sector.

## 9.4 ENABLING CITIZENS THROUGH SOLUTION DESIGN & DELIVERY

| WHAT  | HOW  |
|---|--|
| <b>9.4.1 That the needs of the citizen are clearly understood</b> | <ul style="list-style-type: none"> <li>• Engaging with and involving the Citizen, understanding their needs and priorities</li> <li>• Using appropriate data to achieve customer insight</li> <li>• Engaging with 3rd sector providers who understand citizen needs and the supply market who can provide innovation</li> <li>• Understanding trends and intervention strategies</li> </ul>  |
| <b>9.4.2 That solutions are fit for purpose</b>                   | <ul style="list-style-type: none"> <li>• Co-producing solutions with people and their communities</li> <li>• That a coordinated approach is taken to related solutions and providers</li> <li>• Considering the individual and local requirements on provision and changes in funding, e.g. personal and devolved budgets</li> <li>• Where appropriate contracts allow flexibility for service levels to reflect local needs</li> <li>• Setting the outcomes rather than specifying solutions to encourage innovation and efficiencies from the supply market</li> <li>• That any legal implications are suitably addressed</li> </ul> |
| <b>9.4.3 That citizens make informed choices</b>                  | <ul style="list-style-type: none"> <li>• Supporting and signposting Citizens to alternative provision where services are decommissioned</li> <li>• Engaging with and involving the Citizens to understand their needs and priorities</li> <li>• Communicating clearly, offering choice and educating Citizens through common language and explanation</li> <li>• Clear and transparent content in Public Procurement reports</li> <li>• Greater public awareness of contracts and solutions that can make a positive impact to the residents of Birmingham</li> </ul>  |

## 9.5 IMPROVING COMMERCIALISM AND INCOME GROWTH

| WHAT  | HOW  |
|---|--|
| <b>9.5.1 Increase the ability of the Council to be more commercial.</b>             | <ul style="list-style-type: none"> <li>• Identify areas of high commercial opportunity, agree the ambition regarding growth / surplus, monitor and drive the achievement of commercial business plans – leading to income or cashable savings</li> <li>• Unblock issues and barriers to achieving commercial success across the organisation – leading to an infrastructure and practices that facilitate successful commercialism</li> <li>• Embedding Across the Organisation the development of an innovative, empowered commercial culture – leading to commercial initiatives being developed and implemented by staff</li> <li>• Enabling Innovation and Assessing New Opportunities – Operate as a ‘think tank’ and decision making forum for areas with high risk / potential to move in to new ground – including decisions on how services should be delivered (i.e. in-sourced, JV, mutual or outsourced) – leading to robust and effective business cases being produced around innovative approaches</li> </ul> |
| <b>9.5.2 Increase the commercial return to the Council and to the local economy</b> | <ul style="list-style-type: none"> <li>• Promoting and developing traded services in competitive markets</li> <li>• Investing in commercial opportunities through our access to capital</li> <li>• Maximising our assets</li> <li>• Utilising our relationships and influence</li> <li>• Develop partnerships that deliver financial and service benefits</li> <li>• Explore opportunities through alternative commercial opportunities</li> </ul>   |

## 9.6 APPROPRIATE GOVERNANCE AND ASSURANCE

| WHAT  | HOW  |
|---|--|
| <b>9.6.1 Ensuring that governance for implementation of strategies enables effective co-ordination of effort and achieves the outcomes and financial savings required</b> | <ul style="list-style-type: none"> <li>• That Corporate Commissioning Board continues to drive best practice and compliance</li> <li>• Links to other internal and external governance boards to coordinate activity</li> <li>• Ensuring rigour and accuracy shines through the quality of reports to underpin the transparency of informed decision making</li> <li>• Promoting this strategy to ensure it is embedded in the structure at all levels</li> <li>• Supporting implementation of the recommendations from the Improvement Panel</li> </ul> |
| <b>9.6.2 That timely commissioning decisions can be made to ensure required outcomes are achieved</b>   | <ul style="list-style-type: none"> <li>• Effectively managing delegated authority in accordance with Standing Orders and Procurement Governance Arrangements</li> <li>• Implementing Lean systems and processes</li> <li>• That all appropriate toolkits are maintained and used to ensure consistency of approach and quality outputs</li> <li>• Greater foresight and planning in order to deliver timely solutions</li> </ul>   |
| <b>9.6.3 Effective delivery through the West Midlands Combined Authority</b>  | <ul style="list-style-type: none"> <li>• WMCA constitution enables joint commissioning.</li> <li>• Work with partners to develop and implement a Common WMCA Social Value approach</li> </ul>  |

## 9.7 ENHANCING CAPABILITY AND CAPACITY TO DELIVER OUTCOMES

| WHAT   | HOW   |
|--|---|
| <b>9.7.1 In-house capability to manage the delivery of a greater range and complexity of contracts</b> | <ul style="list-style-type: none"> <li>• Developing skills across the council and sharing knowledge with partners to enable commissioning and commercialism to deliver outcomes</li> <li>• Adopt partnership approaches to developing commissioning talent e.g. secondments, apprenticeships etc</li> <li>• Recognising 'we don't always know best' by seeking market engagement and best practice</li> <li>• Shared learning with our supply chain and other partners</li> <li>• Developing learning networks and partnerships with other LAs and potential funding organisations</li> </ul> |
| <b>9.7.2 Increased organisational capacity to deliver the scale of commissioning activities</b>        | <ul style="list-style-type: none"> <li>• Improved use of data and technology to inform decision making, share information and report on performance to provide greater transparency</li> <li>• Improved visibility corporately of projects and contracts to increase compliance to corporate contracts, reduce abortive/duplicated work &amp; provide greater efficiencies from corporate systems</li> <li>• Greater partnership working to share resources and expertise</li> <li>• Process rationalisation where appropriate</li> <li>• Prioritisation and risk management</li> </ul>       |



## 10. THE DIRECTION OF TRAVEL

Potential changes from each theme over the 3 year life of this strategy

| THEME                   | OBJECTIVE   | FROM   | TO   |
|-------------------------|---|--|--|
| 9.1                     | <b>Delivery of outcomes and value for money</b>                 | Cashable savings from service delivery   | Engineering Value through prevention, innovation and demand management   |
| 9.2                     | <b>Increasing social value locally</b>                          | Suppliers offering short-term social value commitments   | Targeted matching to needs and sustainable relationships   |
| 9.3                     | <b>Improving commissioning with partners</b>                    | A linear, tiered provision, having fewer, larger providers   | More responsive provision, either System-led or through self-organised, local providers                                  |
| 9.4                     | <b>Enabling Citizens through solution design &amp; delivery</b> | Delivering services to people  | Greater Citizen Engagement with co-production & personalisation  |
| 9.5                     | <b>Improving commercialism and income growth</b>                | Recovering costs within business units   | Generating a surplus within business units   |
| 9.6                     | <b>Appropriate governance and assurance</b>                     | Process heavy governance through Council's Standing Orders/Procurement Governance Arrangements         | Governance that ensures probity but is seen more as an enabler to achieve local and regional outcomes                    |
| 9.7                     | <b>Enhancing capability and capacity to deliver outcomes</b>    | Re-alignment of skills due to staff reductions, managing the financial pressures and the change agenda | A flexible workforce with the breadth of skills to deliver the Council of the Future as part of the West Midlands Engine |
| <b>OVERALL STRATEGY</b> |   | A Commissioning Strategy for Birmingham City Council   | The potential for a Joint Commissioning Strategy city wide with partners   |

# 11. THE COMMISSIONING CYCLE

The diagram below shows the 4 stages of the commissioning process that we follow, along with the toolkits that govern each stage.



# 11.1 CORPORATE FUNCTIONS THAT ENGAGE THROUGHOUT THE COMMISSIONING CYCLE

## Commissioning

- Citizen and outcome focused - strong commissioning ethos
- Market engagement and management – understands the value
- Sector strengthening – understands the needs
- Demand Management
- Impact on Council of Commissioning decisions
- Governance: relevant legislation,
- Member engagement

## Procurement

- Work with clients to develop procurement strategies
- Negotiate best value innovative contracts
- Implement category management
- Implement policies through procurement
- Delivery of savings

## Contract Management

- Identifying and delivering financial benefits through CM
- Promoting and recognising the value of positive supplier relationships
- Identifying and working with the supply chain to achieve mutually beneficial goals
- Engineering value through flexible and adaptable contractual relationships
- Implement Policies through CM

## Service Development, Improvement and Performance

- Supporting development and implementation of policy,
- Ongoing implementation & review of Social Value approach
- Promoting Collaboration e.g. through West Midlands Heads of Procurement,
- Sharing and incorporating best practice
- Technical training to develop capabilities,
- Collaborating with schools and the wider public sector to purchase together and generating greater savings & income.
- Ensuring city wide compliance to policies and procedures
- Provide procurement helpdesk
- Development of procurement IT systems
- Performance monitoring & improvements

## Commercialism

- Taking a more business-like approach to everything we do by:
- Planning for and Investing in Growth
- Realising efficiencies
- Embracing and Embedding a culture of innovation and empowerment
- Managing and generating revenue from city assets

## 11.2 WORKING TOGETHER TO DELIVER THE COUNCIL'S VISION

Commissioning means delivering the right outcomes for citizens by putting in place the right solutions that deliver the priorities for Birmingham. We work with citizens and partners to fully understand what is needed and how that will be best achieved, delivering value for money.

This does not mean outsourcing, but does mean that we will look at what the right service delivery models are to deliver services in the most efficient and effective way, in order to achieve the best outcomes for our citizens.

The Council's Corporate Commissioning team works intrinsically with services across the whole and is currently leading or supporting on the following commissioning projects:

- **Waste Strategy:** Supporting the options appraisal for the Waste Strategy for the replacement Veolia contract
- **Early Years:** Supporting the commissioning and leading on the procurement for the rationalisation of the Early Years and Health Visiting services
- **Acivico:** Leading the commissioning, market sounding and providing Senior Responsible Officer (SRO) role for engaging with the market for the delivery of Design, Construction and Facilities Management services
- **Security:** Leading the commissioning of Security provision, considering in-house, contracted and CCTV options
- **Review of Montague St Depot:** Supporting the commissioning of the provision of the Montague St depot (to tie in with the Council's Transport Strategy and Waste Strategy).
- **Education Services:** Developing options for the provision of Education services
- **Children's Trust:** Supporting the Governance and Commissioning work streams for the establishment of the new Children's Trust
- **Building Consultancy:** Leading the options appraisal for Building Consultancy
- **Community energy Co:** Supporting the market sounding and the options appraisal for the establishment of a BCC Energy company
- **Occupational Health:** Leading on the commissioning of the Occupational Health provision, undertaking market sounding and considering partnering approach with other Authorities.

## 12. PERFORMANCE MEASURES

Our performance will be monitored annually and measures built into business plans and personal targets.

| STRATEGIC THEMES  | MEASURES  |
|---|---|
| <b>Delivery of outcomes and value for money</b>               | <ul style="list-style-type: none"> <li>• Cashable Savings Target from procurement and contract management achieved for 2017/18. Increased contract compliance levels (£9m)</li> <li>• Commissioning &amp; procurement strategies are evidence based and reflect Council priorities (Commissioning Reports) to deliver a quality service</li> </ul>  |
| <b>Increasing Social Value locally</b>                        | <ul style="list-style-type: none"> <li>• Increase proportion of total Council spend with Business Charter accredited organisations (By 5% per annum).</li> <li>• Increase in apprenticeships by Charter accredited organisations. (By 10%)</li> <li>• Employees of Council suppliers are paid the Birmingham Living Wage. (100% of in scope suppliers)</li> </ul>   |
| <b>Improving commissioning with partners</b>                  | <ul style="list-style-type: none"> <li>• Develop a joint commissioning plan with the WM Combined Authority. (Target plan produced by March 2018)</li> <li>• To do more work to explore potential for a <i>virtual partnership commissioning hub</i> and develop proposals to achieve greater benefits with partners. (Target plan produced by March 2018)</li> <li>• Engage Schools Forum regarding future procurement plans</li> </ul> |
| <b>Enabling citizens through solution design and delivery</b> | <ul style="list-style-type: none"> <li>• That citizens are informed about future commissioning by publishing Commissioning Plans for services that directly impact Citizens (Quarterly basis via web)</li> </ul>  |

| STRATEGIC THEMES   | MEASURES  |
|--|---|
| <b>Improving commercialism and income growth</b>             | <ul style="list-style-type: none"> <li>• Increased financial return to the Council following improved commercial activity. (Target set annually and agreed by Commercialism Board)</li> </ul>   |
| <b>Appropriate governance and assurance</b>                  | <ul style="list-style-type: none"> <li>• Adherence to the Procurement Governance Arrangements. (Target: no late reports or contracts awarded after start dates)</li> <li>• Ensure a coordinated approach to commissioning across all areas to the Council</li> </ul>  |
| <b>Enhancing capability and capacity to deliver outcomes</b> | <ul style="list-style-type: none"> <li>• Staff involved in commissioning/Procurement/Contract Management /Commercialism are trained in the relevant strategy and process (Target: training plans agreed by Commissioning and Commercialism Boards Q1 each year)</li> <li>• Finalise Intend system development (Dashboard, CM and SV modules); train staff across BCC; report on implementation as part of quarterly compliance monitoring</li> <li>• Improve the capabilities of the local supply markets including through social value commitments</li> </ul> |



## Appendix A: CASE STUDIES

# PARTNERSHIP APPROACH TO ACHIEVING OUTCOMES

## Early Years Health & Wellbeing Services

### 1. Our Vision, Goal and Key Priority

*“To give every child in Birmingham an equal chance to have the best start in life so they can achieve their full potential”*

Our broad goals are to ensure that children and families thrive. This sits at the heart of our new vision and the provision of support to enable them to be resilient, healthy, safe and happy is a key priority.



### Why we needed to change?

- Fewer children in Birmingham are assessed as having a good level of development by the time they start school than children living in other areas of the country
- Clear opportunity to join services up to improve outcomes for children and families.
- The funds received by the Council to provide services have significantly reduced.

| Who We engaged With (so far)   | Responses Received  |
|--|---|
| <b>3428 responses</b> <ul style="list-style-type: none"> <li>• <b>333 Early Years</b> professionals</li> <li>• <b>1428 parents</b> of children aged under 5</li> </ul> | <ul style="list-style-type: none"> <li>• <b>81%</b> support the vision</li> <li>• <b>70%</b> support for universal and targeted approach</li> <li>• <b>High quality advice and information</b>, help to access services and appropriate support locally rated as being of most importance</li> <li>• <b>70%</b> support for parent led support</li> <li>• <b>75%</b> support for delivery into places children and families use the most</li> </ul> |

## 2. Key Elements of the New Service Model

- Investment in staff not building
- Planning at a District level, with each district having a HUB building in combination with delivery across a range of community venues
- Integrated teams
- Integrated case working, removal of duplication
- Resources targeted to need
- Resilient families enabled to support each other

## 3. What this will mean to families?



#### 4. Working with Key Services for the Benefit of Children and Families

A vision draws together key services for the benefit of children and families as illustrated below:



#### 5. Integrated Approach and Better Outcomes

The approach aims to provide a 'joined up' integrated service and better outcomes for families. It brings together health, education and social care, so parents can have one point of contact rather than having to access a range of organisations. It will work closely with other services which help children and families such as GPs, hospitals, schools as well as voluntary groups.

# PARTNERSHIP APPROACH TO ACHIEVING OUTCOMES

## UNDERSTANDING SOCIAL VALUE WITH AMEY

*An article in Colmore Life, spring 2017 by Lara Thorns, Amey*

On a cold winter's night last November, over 600 people took part in St Basil's Big Sleepout at Birmingham Cathedral to raise money and awareness for youth homelessness services.

Fundraisers ranged from individuals to teams from companies based in the District and beyond supporting the cause.

But how important is community and charitable engagement or 'corporate social responsibility' to business? And how can you focus your own company activities? Amey, happen to be signatory #001 of the Birmingham Business Charter for Social Responsibility, feel like we have something to share when it comes to social value.

For those that haven't heard of us, Amey are one of the largest companies working in public and regulated sectors in the UK. From rail, highways and transportation to utilities, housing, and environmental services, some 20,000 employees keep daily life functioning across the country.

In Birmingham, Amey employs over 500 specialist consultants in our International Design Hub in the Colmore Building. Hundreds more across the West Midlands provide clean and waste services for Severn Trent Water, and deliver maintenance to Western Power Distribution's underground power network. We're most widely known in the city for our highways partnership with Birmingham City Council, maintaining and managing the roads, footpaths, street lights, traffic signals, street trees, highway drainage and much more. And it is through the relationship with the City Council that we are leading the way in developing synergies between the business and the third sector.

In January 2013, the Public Services (Social Value) Act came into force. At a time when public finances are significantly squeezed, the act sought to secure wider social, economic and environmental benefits through the procurement process for public service, ultimately getting better value for money and driving innovative solutions to problems. Sometimes this can drive activity that appears, on the surface, totally unlinked to the service being bought. For example, the unlikely partnership between Amey's highways business and their local charitable partners, Guide Dogs.

Amey started working with Guide Dogs and Queen Alexandra College, a specialist college for students with disabilities, back in 2013. By utilising the company-wide employee Community Involvement Day leave initiative, and with donations of materials from supply chain partners, Amey delivered a travel training site valued at over £35,000, designed to

assist students with vision impairments and mobility issues to learn to safely negotiate the street environment. The facility can also be used to train guide dogs and, most interestingly, Amey's own Traffic Management operatives responsible for installing temporary barriers and pedestrian diversions.

Since then, the relationship has continued to explore different possibilities, from Amey consulting experts on road issues affecting mobility, to joint campaigns to reduce cars parking on pavements and verges, which creates hazards for guide dog owners and damages the infrastructure Amey is responsible for maintaining. Through the project, Amey learnt that engaging the supply chain can multiply social value to the city and this is something they've continued to build on.

On that November night I mentioned earlier, a joint team from Amey and traffic management company, HTM, took part in the Big Sleepout to promote an initiative developed by HTM and St Basil's following a supply chain event hosted by Amey and Birmingham City Council.

The scheme, named From Homeless to Highways, helps young people who have experienced homelessness move on with their lives by providing employment opportunities on Amey's highways service. Since its launch in September, three people have gained employment as a result of HTM supporting young people in sheltered accommodation through the recruitment process for Traffic Management roles. The initiative also guides individuals through personal welfare milestones, such as registering with a GP for the first time. Amey are now looking to expand the scheme and encourage other supply chain partners to adopt a similar model.

There are so many businesses creating social value in their communities. What seems to be clear is it's those unique local partnerships nurtured as part and parcel of running a business, not just as nice-to-have additions that are making the greatest impact. And as Amey have found, the Birmingham Business Charter for Social Responsibility is a great place to start thinking about what social impact business can make.

**W: [amey.co.uk](http://amey.co.uk)**

**W: [finditinbirmingham.com/feature/charter](http://finditinbirmingham.com/feature/charter)**

## Appendix B:

# Glossary of Key Terms

**BBC4SR** - Birmingham Business Charter for Social Responsibility

**Commissioning** - means delivering the right outcomes for citizens by putting in place the right solutions that deliver the priorities for Birmingham. We work with citizens and partners to fully understand what is needed and how that will be best achieved, delivering value for money.

**Commissioning Plans/Intentions** – sets out the aims of the services, the outcomes sought, mechanism for delivery, i.e. in-house provision, contracted services, devolved responsibility.

**Commissioning Strategy** – This is a document that tells people what we have decided to do and why we have decided to do it (Our Vision and priorities). It contains a detailed plan describing the things that we will do to deliver the service and monitor how effective it is.

**Co-commissioning** - involves the public sector and citizens working together, using each other's knowledge and expertise, to prioritise which services should be provided for which people, using public resources and the resources of communities.

**Contract Management** - Contract management (and Supplier Relationship Management) is the on-going monitoring and management of contracts entered into with suppliers or partners for the provision of works, goods or services. It also includes the pursuit of increased benefits and value from supply arrangements by maximising leverage across multiple contracts, driving service improvement and exploiting innovation over the lifetime of the applicable contract(s).

**Corporate Procurement Services (CPS)** - The Council's central procurement department with expertise in commissioning and procuring goods and services. CPS ensures that Council policies and procedures are integrated into the procurement process and that they comply with BCC's rules and regulations, national and EU law.

**De-commissioning** – To stop commissioning an existing service; this could be for a variety of reasons including the service no longer being required.

**Delivery Plans** – the detailed document that sets out the specific projects required to meet the aims of the strategy and enables monitoring and management of those projects.

**Expenditure/Spend** - payment for goods, services or works. Expenditure can either be capital or revenue. Expenditure can also result from a grant.

**JV** – Joint venture



**LGA** – Local Government Authority

**Lord Young's Review** – report on small firms from 2010 to 2015. Please click on link to view <https://www.gov.uk/government/publications/common-sense-common-safety-a-report-by-lord-young-of-graffham>

**PCR15** – Procurement Contract Regulations 2015

**Procurement** - It is the whole process of acquisition from third parties and covers goods, services and works projects. This process spans the whole life-cycle from the initial concept and definition of business need through to the end of the useful life of an asset or end of service contract and is generally covered by EU procurement regulations.

**SV** – Social Value

**Third Sector** - also called (Voluntary Community and Social Enterprise (VCSE)) **non-governmental**, non-statutory organisations with cultural, social and environmental objectives. It includes voluntary and community organisations, charities, social enterprises, cooperatives, mutuals and housing associations.

**Value for Money** – is delivering the right outcomes for citizens with less resource, by delivering services in a different way.

**Voluntary Community and Social Enterprise (VCSE)** - non-governmental, non-statutory organisations with cultural, social and environmental objectives. It includes voluntary and community organisations, charities, social enterprises, cooperatives, mutuals and housing associations.

**West Midlands Engine** - an engine for growth for the UK economy. Please click on link for more information [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/482247/midlands-engine-for-growth.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/482247/midlands-engine-for-growth.pdf)

**WMCA** – West Midlands Combined Authority. Click on link to view <https://www.wmca.org.uk/>