

<b>Report of:</b>	<b>Cabinet Member for Commissioning, Contracting and Improvement</b>
<b>To:</b>	<b>Corporate Resources Overview and Scrutiny Committee</b>
<b>Date:</b>	<b>27 October 2015</b>

## **Progress Report on Implementation: Council Commissioning and Third Sector Organisations**

### **Review Information**

Date approved at City Council:	14 April 2015
Member who led the original review:	Councillor NarinderKaur Kooner
Lead Officer for the review:	Benita Wishart
Date progress last tracked:	First tracking – 27 Oct 2015

1. In approving this Review the City Council asked me, as the appropriate Cabinet Member for Commissioning, Contracting and Improvement, to report on progress towards these recommendations to this Overview and Scrutiny Committee.
2. Details of progress with the remaining recommendations are shown in Appendix 2.
3. Members are therefore asked to consider progress against the recommendations and give their view as to how progress is categorized for each.

### **Appendices**

<b>1</b>	<b>Scrutiny Office guidance on the tracking process</b>
<b>2</b>	<b>Recommendations you are tracking today</b>
<b>3</b>	<b>Recommendations tracked previously and concluded</b>

### **For more information about this report, please contact**

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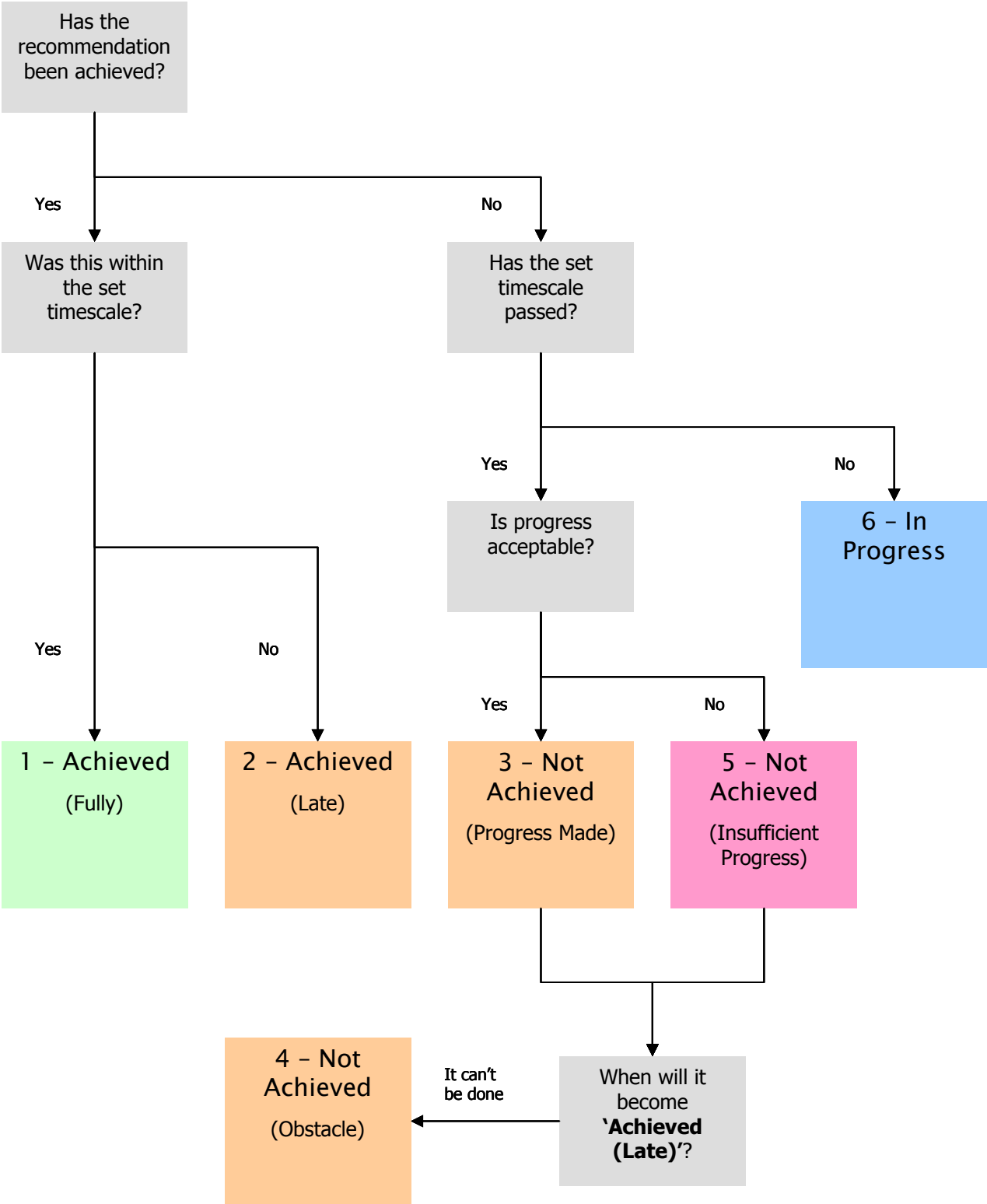
## Appendix 1: The Tracking Process

In making its assessment, the Committee may wish to consider:

- What progress/ key actions have been made against each recommendation?
- Are these actions pertinent to the measures required in the recommendation?
- Have the actions been undertaken within the time scale allocated?
- Are there any matters in the recommendation where progress is outstanding?
- Is the Committee satisfied that sufficient progress has been made and that the recommendation has been achieved?

Category	Criteria
<b>1: Achieved (Fully)</b>	The evidence provided shows that the recommendation has been fully implemented within the timescale specified.
<b>2: Achieved (Late)</b>	The evidence provided shows that the recommendation has been fully implemented but not within the timescale specified.
<b>3: Not Achieved (Progress Made)</b>	The evidence provided shows that the recommendation has not been fully achieved, but there has been significant progress made towards full achievement. <b>An anticipated date by which the recommendation is expected to become achieved must be advised.</b>
<b>4: Not Achieved (Obstacle)</b>	The evidence provided shows that the recommendation has not been fully achieved, but all possible action has been taken. Outstanding actions are prevented by obstacles beyond the control of the Council (such as passage of enabling legislation).
<b>5: Not Achieved (Insufficient Progress)</b>	The evidence provided shows that the recommendation has not been fully achieved and there has been insufficient progress made towards full achievement. <b>An anticipated date by which the recommendation is expected to become achieved must be advised.</b>
<b>6: In Progress</b>	It is not appropriate to monitor achievement of the recommendation at this time because the timescale specified has not yet expired.

The Tracking Process



## Appendix 2: Progress with Recommendations

No.	Recommendation	Responsibility	Target Date For Completion	Cabinet Member's Assessment
R 01	<p>In collaboration with third sector organisations (including any representative bodies) evaluate the existing City Council commissioning and related toolkits to ensure that a refreshed operating model:</p> <ul style="list-style-type: none"> <li>a) Recognises that suppliers can help inform the City Council about user priorities, market capabilities and delivery options;</li> <li>b) Ensures toolkits are implemented and applied consistently across the City Council;</li> <li>c) Has the principles of tackling poor performance and practice (supported by clear measurement of outcomes);</li> <li>d) Recognises and meets the requirements of the new Public Contracts Regulations 2015 with particular emphasis on improving access to opportunities for the third sector;</li> <li>e) Demonstrates commitment to joint learning and improvement based on good practice achieved over the years to underpin this work;</li> <li>f) Builds in opportunities for co-commissioning approaches with the third sector;</li> <li>g) Enables and encourages robust proposals from consortia including third sector organisations;</li> <li>h) Ensures that any variation of composition of a consortium team should not vary from that which was procured without reasonable justification and due diligence; and</li> <li>i) Ensures that during the procurement process that checks proportionate to the perceived risk are made to see if an organisation is getting funding from another part of the City Council or from other organisations.</li> </ul> <p>The focus of this report is the third sector. None of these recommendations need to be exclusive to the third sector, but no evidence gathering was carried out with small and medium enterprises (SMEs).</p>	<p>Cabinet Member for Commissioning, Contracting &amp; Improvement</p> <p>in consultation with the Third Sector Assembly</p>	<p>Interim evaluation Report – October 2015</p> <p>Completed January 2016</p>	<p>1</p> <p>6</p>
Evidence of Progress (and Anticipated Completion Date if 'Not Achieved')				

Following ongoing discussions the commissioning team will begin formal consultations in November with the Third Sector Assembly, facilitated by Birmingham Voluntary Services Council (BVSC).

Following this consultation the commissioning toolkit will be reviewed and updated where appropriate by January 2016. An interim assessment of the Scrutiny recommendations is set out below:

- a) Suppliers including the 3<sup>rd</sup> sector are engaged at commissioning stage 1 (Analyse) to understand service users priority needs and market capabilities. At stage 2 service delivery options are assessed including appropriate market research/engagement.
- b) The corporate commissioning team has developed and implemented the commissioning and contract management toolkits which are promoted across BCC. Several detailed training sessions and briefings have been held with more to follow through to Christmas 2015
- c) Tackling poor performance and practice is covered separately in the contract management toolkit.
- d) The council complies with the requirements to publish contract opportunities over £25k on Contracts Finder, whilst still publicising all opportunities over £10k on FIIB. The PCR 15 state that contracting authorities will now not be able to set company turnover requirements at more than two times contract value except where there is a specific justification. We had already used this level prior to the introduction of PCR 15 to encourage applications from SMEs and Third Sector organisations.
- e) The toolkits are continually being improved/developed to capture best practice.
- f) The commissioning toolkit builds this in as co-production and is managed through market engagement at the commissioning stage. See examples in R02a.
- g) The commissioning toolkit includes market consultation and shaping to deliver the services. The consultation with the Third Sector Assembly will seek to understand the visibility of this engagement.
- h) The contract management toolkit has a change request process that comprises an impact assessment of the service, including assessment of risks and charges and an approval process. Such a request may lead to a contract variation or even the need to re-tender. In addition the services terms of contract item 6.1.2 states "the Services shall be performed by personnel previously approved by the Council and as may be listed in PART 6 of the FIRST SCHEDULE to this Agreement. The Provider shall neither remove nor replace any approved personnel without the prior written consent of the Council which consent shall not be unreasonably withheld or delayed." This is mirrored in item 3.7.2 of the Consultancy Terms of Agreement.
- i) The following wording is included:
  - a. The current Third Sector Grant Funding Framework & Toolkit - Appendix 1: Grant funding Application Form item 3.1 states "Are you receiving or budgeting to receive any other contributions towards the cost of the project (e.g. user charges and donations from other sources) from the council or any other organisation?"
  - b. The current Conditions of Grant Aid includes the item "A8.2: If the Grant Recipient receives more than one grant from the Council, each grant must be individually identified in the Grant Recipient's accounts."
  - c. The proposed small grants application form for <£1k includes the question in Section C: "Please give details of other organisations supporting your project and indicate whether any funding has already been committed by these organisations."
  - d. The proposed Commissioning Application Form - Small Grants (£1k-£10k) will require the applicant to state any other expected or confirmed grant cash income and its source. (NB this is a refresh of the current application form <£5k and the same question is included there also.)
  - e. The proposed Conditions of Grant for £1k to £10k includes the clause "5.3.4 If the Grant Recipient receives more than one grant from the Council, each grant must be individually identified in the Grant Recipient's accounts."

The quotation document and tender document templates will be reviewed to include a question similar to that in the grant application forms. This can be followed up by the procuring officer as required to ensure there is no duplication.

No.	Recommendation	Responsibility	Target Date For Completion	Cabinet Member's Assessment
R 02	<p>The City Council to improve communications and relationships with the third sector in a variety of ways:</p> <p>a) That all commissioners review how they manage relationships with third sector organisations to include a commitment to work with them at the earliest planning stage of both commissioning and decommissioning through greater use of trusted sources (which could be from the Third Sector Assembly) - in line with the City Council's toolkit;</p> <p>b) To improve communication with the third sector on commissioning and procurement opportunities and explore further use of social media and other City Council communication channels. This should include making better use of Find it in Birmingham or any successor portal and in publishing outcomes of procurement exercises – following consultation about the content and where would be accessible with the third sector; and</p> <p>c) To improve communication to councillors (e.g. on a monthly or bimonthly basis) to allow them to signpost third sector organisations.</p>	<p>Cabinet Member for Commissioning, Contracting &amp; Improvement</p> <p>in partnership with Executive Members for Local Services</p> <p>And in consultation with the Third Sector Assembly</p>	<p>Interim report October 2015</p> <p>Completed April 2016</p>	<p>1</p> <p>6</p>

#### Evidence of Progress (and Anticipated Completion Date if 'Not Achieved')

- a) The Commissioning toolkit requires that commissioners engage at the earliest planning stage. Recent examples would be – HIV, Sickle Cell, in terms of determining the most appropriate funding stream. The approach was agreed with providers and developed the pathway – better outcomes, better journey for the customer, providers working together etc.
- Another example during the 2015/16 budget consultation – providers of Legal Entitlement Advice Services came forward challenging the proposed decommissioning of the service. As a result a large element of the budget was re-instated in 2015/16 with the view to it being halved for a new delivery model in January 2016. This 'extension' was done on the basis of third sector coming together with the council to develop a new delivery model from January. The third sector led on an advice strategy paper and the council then reviewed its commissioning approach to see how it could get from the current position to one which moved closer to the approach in the strategy. There have been further meetings with the advice sector discussion both the strategy and the commissioning approach.
- b) The Council now advertises all opportunities over £25K onto Contracts Finder (as well as FIIB) in compliance with the Procurement Contract Regulations 2015. Note that the re-procurement of FIIB has been put on hold, pending a review of requirements. Social media is used by Ice Blue (the existing provider of FIIB) under the current contract. We're currently exploring whether this could be improved.
- c) The potential for a weekly activity report is being discussed with Ice Blue that could be emailed to councillors to summarise the current opportunities (BCC and Business to Business).

No.	Recommendation	Responsibility	Target Date For Completion	Cabinet Member's Assessment
R 03	In reviewing and growing the use of the Birmingham Business Charter for Social Responsibility (BBC4SR) to ensure that organisations of all sizes are able to sign	Cabinet Member for Commissioning, Contracting and	October 2015	3

	<p>up to it and to:</p> <p>a) Give consideration to the social value that third sector organisations already deliver to reflect the particular value of third sector organisations more clearly;</p> <p>b) Explore with Birmingham Voluntary Services Council (BVSC) how the third sector can become recipients of BBC4SR, such as with a portal bringing together needs and offers;</p> <p>c) Consult the third sector as part of the review of the Charter; and</p> <p>d) Utilise councillors' knowledge of local organisations. Councillors should also encourage local organisations to subscribe to Find It In Birmingham (FIIB) and the BBC4SR.</p>	<p>Improvement</p> <p>In consultation with the Third Sector Assembly</p>		
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**Evidence of Progress (and Anticipated Completion Date if 'Not Achieved')**

- a) Social Value assessed as part of a tender evaluation will take account of the tenderer's proposals. Also, external consultation is planned to inform the further development of the BBC4SR and the 3<sup>rd</sup> sector will be engaged in this.
- b) This will be discussed as part of the Charter consultation; however the Partners in Communities principle within the Birmingham Business Charter seeks to achieve support to 3rd sector organisations from contractors. There are already web sites available such as "Neighbourly" where Social Value needs are matched to offers, though there is a charge for this.
- c) Agreed. Currently developing proposals for policy updates prior to formal consultation.
- d) Promoted the use of FIIB and the BBC4SR at the Councillors Marketplace. Also see R02c.

No.	Recommendation	Responsibility	Target Date For Completion	Cabinet Member's Assessment
R 04	<p>To</p> <p>a) Review what should be the enabling role of the Future Council in supporting the third sector.</p> <p>b) Explore opportunities for ensuring smaller third sector organisations are equipped to be part of the supply chain.</p>	Cabinet Member for Commissioning, Contracting and Improvement	October 2015	3

**Evidence of Progress (and Anticipated Completion Date if 'Not Achieved')**

- a) The Council's contract with BVSC was extended for 12 months and is currently due to expire on 31/3/2016. Options are currently being reviewed for this contract, which will be discussed as part of the Future Council Outward Looking Partnerships work stream.
- b) In 2014/15 Financial year £27.5M was spent with the 3rd Sector - comprising 395 vendors. All opportunities are promoted locally on FIIB and the Charter seeks to ensure that accredited organisations commit to advertise their opportunities locally as well. Three Charter events were organised with Localise West Midlands with approximately 35 3rd Sector organisations attending.

No.	Recommendation	Responsibility	Target Date For Completion	Cabinet Member's Assessment
R 05	Progress towards achievement of these recommendations is reported to the Partnership, Contract Performance and Third Sector Overview and Scrutiny Committee in October 2015. The Committee will schedule regular progress reports until all agreed recommendations are implemented.	Cabinet Member for Commissioning, Contracting and Improvement	October 2015	1
Evidence of Progress (and Anticipated Completion Date if 'Not Achieved')				
Progress will now be tracked by the Corporate Resources Overview and Scrutiny Committee, this report will be presented to this committee on 27 October 2015				



## Appendix ③: Concluded Recommendations

**These recommendations have been tracked previously and concluded. They are presented here for information only.**

**concluded**

No.	Recommendation	Responsibility	Date Concluded by Overview and Scrutiny Committee	Tracking Assessment