Scrutiny and Overview Committee: Council Contracts

Councillor Simon Hall, Cabinet Member for Finance and Treasury and
Sarah Ireland, Director of Strategy, Communities and Commissioning

8 September 2015
May 2014 Manifesto

AMBITION FOR CROYDON

CROYDON LABOUR 2014 MANIFESTO

• Fairness
• People
  – Jobs & Economy
  – Housing
  – Safe & Secure
  – Fairness
• Place
  – Clean & Green
  – Use of land
  – Facilities
• Resources

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Key Implications in Commissioning

• London Living Wage
• Interventionist and market disrupter
• Partnership with rest of Public Sector
• Partnership with Third Sector
• Outcome focus
• Use of Croydon Pound for wider objectives
• New Approach to Commissioning & Procurement
  • Different models
  • Flexibility
  • Big isn’t necessarily beautiful
  • Social Value at Core not an afterthought
• New Approach to Contract Management
Commissioning Cycle

- Analyse
  - Legislation and statutory guidance
  - Commissioning strategy
  - Resource Analysis
  - Needs Analysis
  - Risk Analysis
  - Feed learning into Analysis stage
- Commissioning
  - Market analysis
  - Spend analysis
  - User Needs
  - Contract review
  - Category review
  - Review delivery and outcomes
- Plan
  - Gap Analysis
  - Joint commissioning
  - Set priorities and outcomes
  - Outcome based specification
  - Contract / SLA
  - Purchasing Plan
  - Tendering
  - Implementation
  - Manage the contract
  - Change management
- Do
  - Supplier development
  - Manage & build the market
  - Understand the market
  - Service Design
  - Make/buy business case
We:

• take an outcomes based approach to commissioning
• understand needs and priorities
• ensure value for money
• involve customers and service users
• are honest about the financial and legislative frameworks
• support market development to ensure there is a mixed economy of providers
• build the capacity of our local third sector and small businesses
• promote investment in the local community
• work jointly with other relevant local and regional commissioners
Make or Buy Framework

Private Outsource
Private Sector/Social Value /CSR

Outcomes Direction

BUY

Risks & Challenges Direction
The challenges & risks facing the service which needs to be addressed by the Make or Buy decision

Public Outsource
Third Sector, Social Enterprise

The performance position that needs to be addressed by the Make or Buy decision

SERVICES

Cost/Income Direction
The financial position that needs to be addressed by the Make or Buy decision

Performance Direction

MAKE

In-House

Collaborative
Joint Ventures/Shared Services
Why change? – Strategic Decision

- All services be reviewed through the against the context of our financial challenges and agreed outcomes
- Detailed options appraisal including in-house option to be prepared for all re-commissioned services
- Follow Croydon Challenge design principles

- Improved Outcomes: Same cost
- Same Outcomes: Less cost
- Improved outcomes: more cost

Same or less outcomes and more costs
Key considerations

- Greater Social Value
- Market shaping
- Control
- Core services
- Risk Transfer
- Trading opportunities
- Local authority ability to attract resource
**Outcome Based Commissioning**

- Clear outcomes linked to local priorities
- Built into end-to-end commissioning cycle
- Full participatory role for residents to co-produce solutions
- Understanding community assets and opportunities for social value to support and enhance

<table>
<thead>
<tr>
<th>Growth</th>
<th>Independence</th>
<th>Liveability</th>
<th>Enabling</th>
</tr>
</thead>
<tbody>
<tr>
<td>To create a place where people and businesses want to be</td>
<td>To help families be healthy and resilient and able to maximise their life chances and independence</td>
<td>To create a place that communities are proud of and want to look after as their neighbourhood</td>
<td>To be innovative and enterprising in using available resources to change lives for the better</td>
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<tr>
<td>To enable more local people to access a wider range of jobs</td>
<td>To help people from all communities live longer, healthier lives through positive lifestyle choices</td>
<td>To make parks and open spaces a cultural resource</td>
<td>To have the right people with right skills in the right jobs</td>
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<tr>
<td>To grow a thriving and lively cultural offer which engages communities and supports regeneration</td>
<td>To protect children and vulnerable adults from harm and exploitation</td>
<td>To create a place where people feel safe and are safe</td>
<td>To drive fairness for all communities, people and places</td>
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<tr>
<td>To enable people of all ages to reach their potential through access to quality schools and learning</td>
<td>To help families and individuals be more financially resilient and live affordable lives</td>
<td>To build a place that is easy and safe for all to get to and move around in</td>
<td>To be digital by design in meeting the needs of local people</td>
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<td>To provide a decent, safe, and affordable home for every local resident who needs one</td>
<td>To prevent DASV where possible, support victims and hold perpetrators to account</td>
<td>To improve wellbeing across all communities through sport and physical activity</td>
<td>To be open and transparent and put communities at the heart of decision making</td>
</tr>
</tbody>
</table>
Social Value Context

**Liveability**
- Supporting the needs of local priority groups
- Supporting a greener borough

**Independence**
- Supporting and strengthening the community and community groups

**Growth**
- Supporting local employment and creating traineeships
- Supporting lifelong learning and skills
- Supporting local business growth
Commitment to be socially responsible and influence partners, suppliers and others to do the same

Developing social partnerships with businesses, the community and other public sector agencies to promote social value in Croydon

Strategic framework that will bring together opportunities to generate local economic and social outcomes through building a culture of positive change