



COUNCIL
**COMMISSIONING
FRAMEWORK**
2019-2023





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DRIVING FAIRNESS AND EQUALITY THROUGH OUR COMMISSIONING

Foreword: Cabinet Member for Finance & Resources

Delivering improved outcomes for residents through sustainable and ethical Commissioning.

Croydon is a borough that residents and communities can be proud of. Just looking at the skyline it is obvious that so much has been achieved in recent years and Croydon is fast becoming an increasingly exciting place to live, work and play. The sheer hive of activity with new start-ups, businesses moving in, new developments emerging, cafes and restaurants opening up, means Croydon is growing and catering for an increasing number of residents, with a population fast approaching 400,000.



Since the start of austerity, we have experienced relentless reductions in Government grants which has coincided with increasing demand for Council services including health, social care, housing and education, resulting in sustained pressures on our services and financial resources. This coupled with the uncertainty posed by Brexit, makes this a challenging context for local government.

Despite these challenges, the Council remains more determined than ever to be ambitious for the borough and to deliver for its residents. Ensuring fairness and equality is central to our decision making. Commissioning is playing an increasingly important role in public services, ensuring the effective use of resources and helping us to achieve our aspirations for our borough and its residents, and this is why this Commissioning Framework is so important.

The Council is the biggest buyer in the borough with nearly £500m spent every year with third parties. This alone gives us a fantastic opportunity to benefit our residents through delivering social return on every pound we spend. We have already achieved so much over the last few years:

- Becoming a London Living Wage Council and expecting this of our contractors;
- Being one of the first local authorities to embrace Social Value by leveraging our purchasing power to get our suppliers to give back to the Croydon community;
- Taking the lead on tackling Modern Slavery;
- Developing and implementing the make or buy framework and successfully insourcing services and developing new and innovative models of delivery;

- Investing over £4m per annum in our Voluntary and Community Sector organisations;
- Establishing award winning partnerships such as the One Croydon Alliance and the South London Commissioning Programme to tackle cross-cutting issues; and
- Our new robust approach to contract management is also paying real dividends by helping to ensure that our suppliers deliver their services to the required standards expected by our residents;
- We are building environmental sustainability into our commissioning activity, ensuring an active consideration to Croydon being a green borough.

Our focus now is to build on what we have already done and through the Commissioning Framework to confirm our commissioning ambitions and priorities for the coming four years. We want to ensure that we commission services which support our ambitions for our residents, enabling individuals and communities to take a leading role in developing and delivering their own services. We will use our resources and those of our partners in a more joined up way, better connecting these to the needs of Croydon and ensuring we are achieving optimum value for money without compromising quality for local residents.

The landscape will include:

- Increasing the emphasis on the quality and social value when procuring goods and services while still managing costs. The tenders and contract regulations have been updated to reflect 60/40 on quality/price evaluation ratio;
- Driving excellence in procurement and contract management processes;
- Working with our supply chain and continuing to lead the way to drive fairness and equality for all residents of Croydon;
- A commitment to bringing services back in-house where appropriate – insourcing options will be evaluated for all services that are new or to be re-commissioned;

- The creation of a dedicated ‘buying team’ to ensure we are sourcing goods and services efficiently and from local businesses wherever possible;
- A dedicated ‘supply chain’ team to ensure that we are removing barriers for small and medium businesses, voluntary organisations and local organisations to enter our supply chain;
- Building stronger relationships with our partners and residents providing joined up services and capitalising on opportunities for shared resources;
- Ensuring we have a robust supply chain that is ethical and sustainable and complies with our values and principles; and
- Taking a proactive approach to identifying the possible effects of Brexit on our local businesses, residents and the community and working together to minimise risks.

My aim is to make Croydon economically prosperous, resilient, safer, greener and healthier through sustainable and ethical commissioning, and I am both proud and honoured to be the Cabinet Member responsible for this agenda.

Councillor Simon Hall
Cabinet Member for Finance and Resources



Introduction

“Commissioning is the process for deciding how to use the total resources available to improve outcomes in the most efficient, effective, equitable and sustainable way.”

What do we mean by Commissioning?

Commissioning is the process for deciding how to use the total resources available (including finances, assets, providers, workforce, residents and the community) to improve outcomes in the most efficient, effective, equitable and sustainable way. Public bodies achieve their objectives through a variety of routes, either by carrying out activities themselves or by purchasing from external organisations. In broad terms this process can be described as ‘commissioning’.

Commissioning is an important part of what we do as a Council and shapes so many of our interactions with our residents and our community. It is the process by which needs are analysed, plans are put in place, services are delivered or purchased and monitored. It comprises a range of activities across four key areas:

- Understanding the needs and priorities that are to be met, using evidence and insight;
- Choosing options, designing and planning services so that needs can be met in the most effective and efficient ways;
- Choosing the best delivery model for the service and finding the right provider (if appropriate); and
- Managing, reviewing and monitoring the service for quality and how well needs are being met over time.

The commissioning cycle is a continuous process that supports the development of new services. Our approach for delivering commissioning that is ethical and sustainable will be achieved by:

- Resident involvement in evaluating, designing and monitoring services;
- Co-producing solutions;
- Partnership working; and
- Focusing on outcomes.



What do we mean by Procurement?

When a public body such as Croydon Council identifies a need for a service or for the supply of goods it may decide to meet that need through purchasing from external organisations. In this instance, external organisations will be invited to bid by explaining how they will meet that need. The Council will then select a supplier based on the quality of their submission, the price that they quote and the added value that they are able to offer. Once the supplier has been awarded the contract, the Council will work with the supplier to manage the contract and ensure that the desired needs are being met and the intended outcomes are being achieved.

Procurement includes all activities involved in the process of buying goods, services or works on behalf of residents. Procurement is often referred to as buying and purchasing alone. However, these are only parts of the procurement process. In fact, procurement spans the whole process from identification of need through to the end of a contract.

Good procurement is crucial to providing high quality public services and ensuring that money is well spent. This is why we have updated the Council's Tender and Contract Regulations which form part of the Council's Constitution to ensure that we are clear about the rules that will apply when we seek to go to external organisations to procure goods and services. This includes the Council's commitments to accelerate delivery of Social Value. Tenders will be evaluated with a stronger focus on quality and how the social, environmental and economic wellbeing of our borough can be enhanced through delivery of each contract.



► Case Study 1: Grounds Maintenance

Context – Insourcing Grounds Maintenance Services

The Council had a number of contracts due for expiration or extension, which provided the ideal opportunity to review these under the Make or Buy framework. The contracts under consideration were:

- Grounds maintenance services
- Tree services contract
- Bereavement services grounds maintenance service
- Grave digging and memorial safety services

The Council wanted to drive improvement in the quality of the services and have a greater flexibility and ability to change the service offer.

Approach – Make or Buy

A key consideration was the ambition to insource maintenance and use the local supply chain for delivery, where needed. Furthermore, there was a strong focus on community involvement in and management of parks, which was reflected in the future model. The Active Lifestyle service had carried out an extensive borough wide public engagement and consultation exercise on the use of all parks and green spaces. The Council was also committed to maintaining their Green Flag Award status.

A number of options were considered, and the decision to bring services in-house was made for the following reasons:

- Increased level of control retained through contractual arrangement;
- Direct accountability;
- Potential to react more quickly than contractors;
- Provision of timely information about services;
- Potential to generate income over longer term;
- Synergies with other Council run services;
- Ability to flex the service standards and/or identify bespoke options for particular assets according to specific need, aligned to new operating model locality principles; and
- Ability to engage local communities in management of their parks.

Outcomes Achieved / Lessons Learnt

The outcomes to date include:

- Increasing satisfaction with parks and green spaces;
- Increasing work with local communities to enable them to take the decisions that affect their parks;
- Increasing visitor numbers;
- Increasing the sporting offer and engagement with outdoor sport and physical activity;
- Supporting biodiversity; and
- Providing exceptional burial, cremation and remembrance facilities for the residents of the borough.

Bringing services in-house improved the quality of service delivery. Through the new in-house model it is now possible to explore how the local supply chain could access any opportunities that arise for sub-contracting. Furthermore, the in-house model promotes local employment and all staff are paid London Living Wage, as per the Council's pay policy.

The Bereavement Service continues to support the Community Payback scheme to benefit the community and assist with the rehabilitation of offenders.

The Scope and Purpose of the Commissioning Framework

The Council's Corporate Plan (2018-2022) sets out its priorities for the next four years. The plan outlines the improved outcomes that we want to achieve for our residents, structured across nine outcomes. It also articulates how the Council needs to operate in a different way, to deliver against these ambitions at a time of reduced funding from Central Government.

Adopting an increasingly preventative and collaborative approach is one of the key elements, which will represent a major shift in delivery, moving to a more supportive, enabling and advisory model. Another change will be in how we deliver services to residents within their local community, ensuring they can access information and support that is tailored to local need.

All of this activity will need to be underpinned by evidence and we are building an increasingly rich picture of our borough, our people and our places, so that we can use our data to better understand future opportunities and challenges.

To achieve this, there will need to be much greater collaboration across the borough with other public services, the voluntary sector, our providers, business and the community to develop a seamless system of information, engagement and service delivery. Collectively, these principles represent the Council's Operating Model.

Commissioning is an important enabler to deliver these ambitions. This refreshed Commissioning Framework is designed to support the delivery of the Council's Corporate Plan 2018-2022 and associated operating model and steer delivery, alongside our new Social Value Policy and

Tender and Contract Regulations. Looking ahead, we will work to maximise the value that our spending power can have for the residents of Croydon.

This framework builds upon the achievements and progress made in commissioning to date and consolidates the different legislative requirements, policy initiatives and aspirations into a single coherent framework underpinned by clear principles and priorities.

We have developed a framework that is unique to Croydon. In designing a shared approach to commissioning our aim is to:

- Set out a shared view of our key principles for commissioning in Croydon with residents, businesses, organisations and officers;
- Embed use of intelligence in our commissioning;
- Share good practice and learning across the organisation;
- Encourage a culture of innovation amongst Council officers and external organisations;
- Identify opportunities for joint and integrated commissioning where appropriate;
- Engage, shape and manage the market;
- Ensure we are focused on our vision and commit to our approach to be transparent and fair, to consider the social value inherent in different service delivery options, to consider insourcing where appropriate and to design contract opportunities that allow us to buy local.

This framework is made up of two distinct parts:

- A set of **principles** that will enable commissioners to make decisions in the interests of the residents, communities and businesses of Croydon; and
- A clear explanation of the **priorities** and **approach** that support the commissioning cycle, making them clear for suppliers and partners, promoting consistency and transparency in our approach to commissioning. It will help to outline the expectations of commissioners, partners and suppliers at each stage of the commissioning cycle.

It is a continuous process of review and improvement, supported by a toolkit of resources covering the end-to-end commissioning process and access to planning tools and templates for different stages of commissioning. This ensures that the Council works in a consistent and fair way, with activity proportionate to the size and complexity of the service area under consideration.

This Framework applies to all commissioning – whether of services provided in the third sector, private sector or internally. The Framework is considered to be **binding by default**. This means that commissioners should adhere to it unless there is a good reason not to (for example legislative or specific funding guidelines), and be able to use it to provide a rationale for their decisions.

► Case Study 2: One Croydon Alliance

Context – Working together to help people live the life they want

Croydon has both a growing and ageing population and an increasing number of people are living with long-term conditions. If Croydon were to keep commissioning and running services as they were currently designed, the whole system deficit was projected to be £231m by 2025/26. The case for change in Croydon is strong, with a growing need to improve performance in the delivery of care to patients including addressing a higher rate of admissions, emergency admissions, and emergency readmissions to hospitals.

The One Croydon Alliance is a ground-breaking partnership that was formed in 2017 and includes Croydon Clinical Commissioning Group (CCG), Croydon Council (LA), Croydon Health Services NHS Trust (CHS), South London & Maudsley Mental Health Trust (SLaM), Age UK Croydon and the Croydon GP Collaborative (CGPC).

The Alliance’s vision is clear – to support the people of Croydon to be independent and healthy for longer within their own homes; and in cases where outside care is required, this is provided in a joined up way where a person’s well-being is managed holistically, caring for them physically, psychologically and socially.

“Working together to help you live your life”

Approach

A new Model of Care aims for a whole system transformation. The early changes include two major initiatives:

- creation of Integrated Community Networks (ICN) that support multiagency working at a local level to proactively manage the care of people with complex needs; and
- plus LIFE (Living Independent for Everyone) an integrated reablement rehabilitation team that supports hospital discharge and avoidance, and enables joined up care.

This is all underpinned with extensive development of system governance, innovative commercial and contracting arrangements to create long term sustainable change.

Resident Involvement

The ICN model of care was designed through an engagement process with a wide range of stakeholders, including the service users and other professional, clinical and carer representatives. Residents have not just been involved in the design; a specialist service user group meets monthly to give feedback on how services are running, and actively play a part in improving effectiveness and influencing the design of new services. Local people know what is needed in their communities. The Local Voluntary Partnership aspect of the ICN means that local community groups run by local people are able to bid for funding to provide services they know are needed in their area.

Outcomes Achieved / Lessons Learnt

The ICN model provides a return of £1.44 for every £1 spent and the LIFE service provides a return of £2.67 for every £1 spent. As well as better outcomes, the system aims to save £9m a year from its first phase of transformation and a further £2m from phase 2.

The programme has achieved the following:

- Integrated multi-agency ‘Huddles’ including GPs, Social Workers, Community Nurses, Voluntary Sector Personal Independence Coordinators and pharmacists;
- 1291 Hospital admissions avoided (56% of Huddle cases);
- 709 people supported by a Personal Independence Coordinator (alternative to clinical care); 1218 people discharged from hospital and 47% of them successfully reabled.

Our Achievements to Date

Since we published our last Commissioning Framework 3 years ago, we have worked hard to ensure everyone benefits from the investment that we are making and growth that we are seeing in Croydon.

In 2012, the Council set itself the ambition of becoming an 'expert commissioner of services' and published a strategy supporting that aim. This was followed by a refreshed Commissioning Framework in 2016, the Social Value toolkit and a Decommissioning toolkit. So much has been achieved since then.

Through strong leadership, clear vision, and a commitment to our values, we have developed a strong reputation amongst our peers for commissioning services in ways that add positive social, economic and environmental outcomes that go beyond traditional approaches. An overview of some of our achievements is shown overleaf:



<p>2015</p>	<ul style="list-style-type: none"> • We Launched Value Croydon to support the local market access tender and sub-contracting • We became a London Living Wage (LLW) employer and made it a requirement that staff engaged in our supply team will also receive the LLW, by including this in standard terms and conditions
<p>2016</p>	<ul style="list-style-type: none"> • We launched our Community Fund prospectus, ring fencing £6m of funding for Croydon’s Voluntary and Community sector • We launched Croydon Works, a job brokerage service to bring together residents and employers to increase access to local sustainable employment including apprenticeships and trainees • We launched the South London Commissioning Programme which has gone onto become an award-winning partnership of 12 South London Boroughs led by Croydon, jointly tackling our Children’s Services spend • We updated our Tender and Contract Regulations to include a Buy Local commitment, encouraging officers to seek a local quote on low value contracts
<p>2017</p>	<ul style="list-style-type: none"> • We launched the Good Employer Charter • Croydon won the national Social Value UK Awards • Having developed a new model for contract management we launched the Contracts Hub to incorporate best practice • We launched the ‘Make or Buy’ framework enabling us to proactively evaluate the best options to meet local need
<p>2018</p>	<ul style="list-style-type: none"> • We supported and engaged with Croydon small and medium sized enterprises (SME’s) and local businesses as part of our Year of Business package engaging with over 4500 businesses • We established our Supply Chain management team to help remove barriers for SME’s, local businesses and voluntary and Community Sector organisations wanting to enter our supply chain • We signed up a range of charters as a commitment to improve the lives of Croydon residents



Local Context for Commissioning

The Council through its commissioning is committed to tackling the inequalities in the borough. The use of information and intelligence is vital to understand the needs of the residents and local areas, and is one of the principles in the Framework.

With over 14,000 businesses, 141,000 jobs and more affordable homes than many other parts of London, Croydon is a thriving commercial centre and a place where people want to live and work. The transport hub of East Croydon is the third busiest interchange on the Network Rail system, connecting 26,000 people a day to education, employment, social and cultural activities.

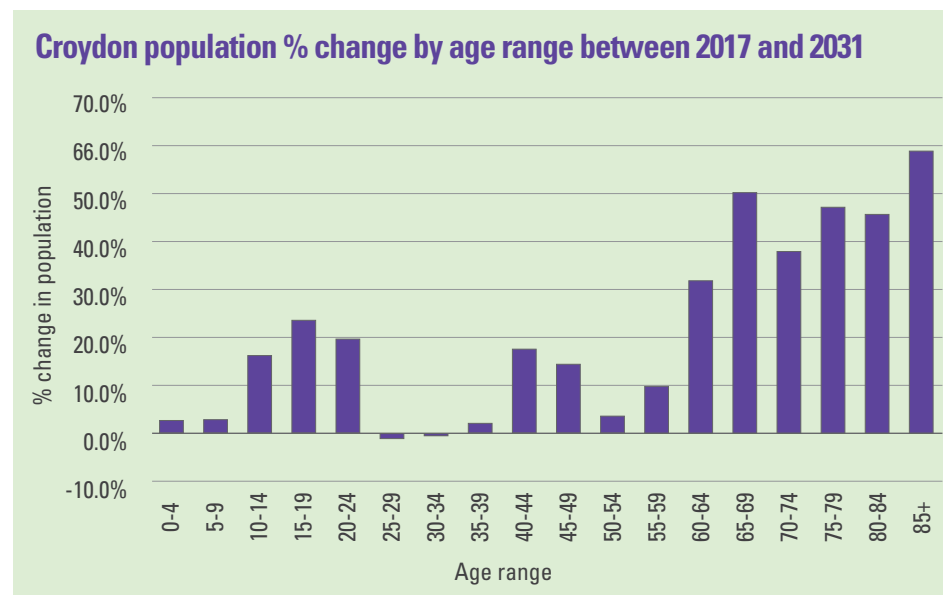
The Council provides over 500 types of services to our residents and local businesses and we spend over £1 billion annually on serving the local community.

Croydon is a large and diverse borough in South London. In 2017 with a population of 384,837, Croydon was the second highest populous borough in London and we expect it to increase by approximately 15% to 444,573 by 2031.¹ This population growth varies with age. The 0-17 and 18-64 populations are expected to grow by about 10% in this period, however the 65+ population is expected to grow by over 47% to over 75,000 by 2031. This makes it necessary to build services that are fit for the future as well as today.

Nearly 6000 children are born in Croydon each year, and there are more children in Croydon than any other London Borough.² 94,775 (29.8%) are 0-17 years old, which means that almost one in four people are aged under 18 years and Croydon has one of the largest populations of under 25s in London. It is therefore crucial that we have a borough that nurtures the talents and ambitions of our younger generation.

Graph 1 shows Croydon population change by 5 year age bands. The amount of 85+ year olds in Croydon is expected to increase by nearly 60% to over 11,000 by 2031.³

Graph 1. Croydon Population % change by age range between 2017 and 2031



1. 2016 Based GLA housing led projections
 2. 2017 Mid-Year Estimates (ONS)
 3. 2016 Based GLA housing led projections

Croydon is also home to a wide range of cultures and languages, with over 100 different languages spoken on our streets. Often language barriers get in the way of residents accessing the most appropriate services at the right time. Therefore information needs to be made available in formats accessible to the full spectrum of Croydon’s population, including very importantly, Braille and British Sign Language.

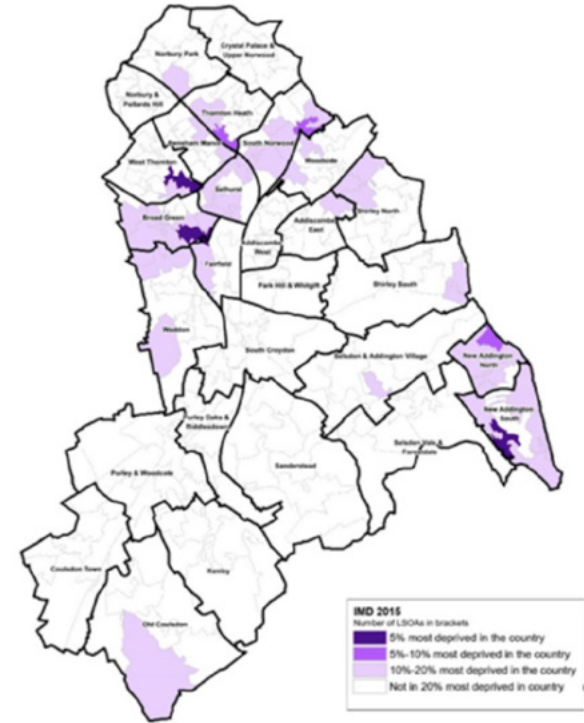
Our population is diverse, with people from Black, Asian and Minority Ethnic (BAME) backgrounds accounting for 51% of this total. The GLA produce ethnic group projections based on the 2011 Census ethnic group categories. In 2017 nearly 60% of the Croydon population were estimated to be from a non-White British ethnic group. This is the 15th lowest rate in London (out of 33 London Boroughs).⁴

By 2031 this rate is estimated to increase to 68% and then it will be the 13th highest rate in London.



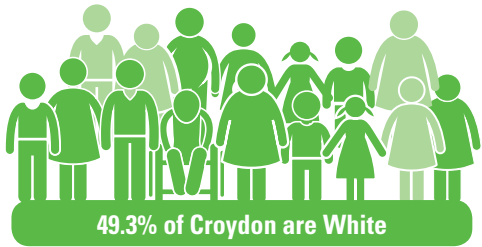
Map 2. Indices of Deprivation 2015

Indices of Deprivation 2015 (with new Croydon wards)
Croydon Lower Super Output Areas (LSOAs)



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Croydon has a diverse population



The Index of Multiple Deprivation (IMD) 2015 is the official measure of relative deprivation for small areas (or neighbourhoods) in England. Croydon is the 19th (out of 33) most deprived London Borough.⁵ Map 2 shows the variations of deprivation across the borough. 10,261 (2.7%) people in Croydon live amongst the 10% most deprived area in the country and a further 83,078 (21.9%) people in Croydon live amongst the 20% most deprived area in the country.

Between 2015 and 2017 Male Life Expectancy in Croydon is 80.4 years. This is the 14th highest in London.⁶ Female Life Expectancy is 83.7 and is the 9th lowest in London. These headline figures mask the inequality that can be seen between different parts of what is a big and diverse borough with equally diverse need across the different local areas. This is why we are driving forward the locality model. We want to ensure that we get a deeper and richer understanding of different parts of Croydon and use this information to provide the best services in the right place, at the right time.

Detailed information about Croydon can be found at <https://www.croydonobservatory.org/> and we encourage anyone who is considering developing services for Croydon to look at the wealth of information available in the Croydon Observatory.

4. 2016 Based GLA Ethnic Group housing led projections
5. 2015 Indices of Multiple Deprivation
6. 2015-2017 Office of National Statistics

► Case Study 3: South London Commissioning Partnership

Context – Collaborative Commissioning to Improve Outcomes for Children and Young People

The South London Commissioning Partnership was established in 2014 by Croydon Council. What started as a partnership between 4 South London Boroughs now spans across all South London Boroughs with a combined commissioning spend of approximately £170m per annum.

The partnership works across borough boundaries to improve outcomes for:

- Looked After Children (LAC) - to commission residential and foster care (Croydon, Bexley, Greenwich, Lambeth, Lewisham, Merton, Southwark, Sutton); and
- Special Education Needs (SEN) - to commission independent and non-maintained provision (Bexley, Bromley, Croydon, Greenwich, Kingston, Lewisham, Merton, Richmond, Sutton, Wandsworth).

Approach

The aim of the Partnership is to work across borough boundaries on the commissioning of high quality placements for children and young people that achieve the best outcomes in an efficient way. The approach has focused on:

- Intelligent and robust commissioning to achieve savings – this includes integrated commissioning across boroughs, undertaking a needs analysis and forecasting demand, ensuring sufficiency in the market and sharing market intelligence.
- Embedding effective contract management – this includes developing a common framework on quality assurance, agreeing a protocol for collaborative action and actively working with the sector to improve quality.
- Engaging with the market – this includes sharing good practice and alternative models of provision, working with the representative bodies to influence the market, commercial negotiations and managing down annual increases in fees and encouraging innovation; and
- Developing the Partnership and sharing good practice – ensuring that the partnership is self-sustaining, working with other regions and sub-regional alliances to identify synergies and avoid duplication and working with Central Government to inform national policy.



► Case Study 3

Outcomes Achieved / Lessons Learnt

The work so far has delivered the expected benefits and more. Since the Partnership launched, the boroughs have saved over £2m with further year on year savings projected. On average partner boroughs have received a return on investment of over 1700% (through the SEN Commissioning work). Further achievements of the Partnership include:

- **Jointly procuring a dynamic purchasing solution** to accelerate savings and streamline outcomes based commissioning;
- **Developing an improved relationship with the market and shifting attitudes** towards local authorities as customers;
- **Building the commercial capabilities of our boroughs** through an improved commissioning model;
- **Greater choice for parents and commissioners** and the ability to find the provision that delivers the outcomes for and ambitions of our children and young people with SEN and those that are looked after;
- **Greater confidence in the quality of provision** where our children and young people are placed; and
- **Being approached to work in partnership with other parts of the country and representative bodies** to deliver an outcomes based commissioning framework and consider opportunities of regional commissioning.



Our Vision & Commissioning Principles

“When we commission services we will focus on prevention, we will tailor services to local need using an intelligence led approach and will join up services wherever possible with partners.”

As the largest buyer of services in the borough, we are committed to leading and delivering Ethical and Sustainable Commissioning. With this overarching aim, we have identified the following six principles that will form the basis of our commissioning activity.

These principles are fundamental to our work with partners, local businesses, our communities and residents. Our commitment is to develop strong relationships that help us to achieve shared business objectives and outcomes that provide better value, high quality services for all. Our approach is to develop capacity with a more diverse set of providers, delivering more choice in the market that leads to greater innovation, quality and performance, proactively responding to the needs of the communities using those services.

Together, this contributes to our drive to continuously improve the services we deliver for our residents and communities. It will help us to:

- Deliver better outcomes for our residents through evidence-based methods that make best use of our resources;
- Support a culture of innovation in service delivery that supports community involvement and results in more empowered and self-reliant citizens;
- Promote our Good Employer Croydon Charter to engage, shape and manage our local market to be a leader in ethical work practices; and
- Actively identify more opportunities where in-sourcing or partnership arrangements are the most effective service delivery model.

ETHICAL AND SUSTAINABLE COMMISSIONING					
We will embed ethical and sustainable commissioning considerations in all aspects of commissioning practice. We will use the Council’s purchasing power to maximise social value, fostering local employment, promoting fair pay, encouraging local business growth and supporting community priorities.					
PRINCIPLES					
Evidence based	Preventative	Locality based	Collaborations and Partnerships	Resident Focused	Delivering Outcomes
We will use data and insights at the locality level together with service user input to inform robust decisions that aid our commissioning and procurement practices	We will focus on a preventative approach, in partnership with our communities, businesses and residents, enabling empowerment and self-resilience	We will take a locality based commissioning approach, which takes account of the existing strengths, skills and resources to ensure that investment decisions support community empowerment	We will collaborate or work jointly with other organisations to ensure improved outcomes and value for money for our residents	We will put our residents at the centre of our commissioning approach. We will involve customers and service users in the co-production of services	We will commission for sustainable and effective outcomes that deliver beyond service and organisational structures

An overview of our six principles which will inform our commissioning is outlined below:

1. Evidence Based Decisions

- Croydon's commissioning decisions will be built on a detailed picture of the borough, our people and our places. We will take the time to map existing needs, spend and demand by localities to develop our understanding of future demand and challenges across the borough.
- Our analysis will include the collation of local views, the experiences and aspirations of service users, population data, housing and education needs, health and well-being information, plus crime and safety data.
- Decisions will be informed by triangulating the existing contract performance and supply chain intelligence with feedback from current service users, as well as drawing on evidence of best practice from national and local research.
- We will work collaboratively with our statutory and community partners so that services are tailored to the needs of each locality. Together we will secure high quality services and interventions responsive to individual needs. We recognise the volume and complexity of needs is generally increasing and a reactive approach is neither affordable nor desirable, so we will use the evidence we collate to design services that account for the strengths, assets and needs of each area.

2. Preventative Approaches

- Services will be designed in ways that help to identify issues early on and target support in ways that promote independence. We will focus on solutions that can deliver long-term sustainable benefit to residents, supporting the growth of empowerment and resilience across our communities.
- Working collaboratively with local partners, we will build capacity within our communities to become more self-reliant and work together to prevent escalation of need, designing services to support this.
- Management of contracts will become increasingly robust, with early warning systems for detecting deterioration in contract performance. Timely intervention will better protect service delivery and our resources.

3. Locality Based

- Croydon is a large borough with significant differences between parts of the Borough. We will commission services tailored to local need and support the locality service delivery models developing across the borough.
- The Council is committed to working in partnership with communities to create local networks and build capacity for a more localised approach. The role played by the voluntary, community and social enterprise (VCSE) sector and local businesses in meeting resident needs is key to achieving this and making full use of the social capital and assets that already exist.
- We want more local small and medium enterprises (SME) and VCSE organisations to benefit from the buying power of the Council. We have embedded this into our procurement approach, and have a programme of work in place including access to greater support to register and bid for contract opportunities, more targeted engagement in advance of quote or tender opportunities, and increased ease to find upcoming opportunities via the refreshed Value Croydon website. Additionally, we will work with our larger providers to create supply chain opportunities for Croydon businesses.

4. Collaboration and Partnerships

- We will continue to have a collaborative approach to our commissioning working across the Council, with public sector partners, suppliers and residents.
- Joint commissioning across partners including other local authorities has been an area of success for the Council. We will continue to seek out these joint commissioning opportunities to tackle cross-cutting issues and gain leverage with the market.
- By exploring alternative models for delivering services we will be able to offer a more holistic approach and improved outcomes for residents. Engagement will include market warming events and forums, supporting our ethos of co-design and co-production for better local solutions.
- We will use our influence and ethical approach to shape the local market, stimulating a diverse range of appropriate services, both in terms of the types of services and the types of provider organisations, creating an economy that is vibrant and sustainable. Market engagement and development activities will include gathering user feedback, undertaking need assessments and mapping needs across our localities.
- We will share what we learn, to build capacity within the market to innovate and be more flexible to changing circumstances, to build stronger relationships with and between local business and organisations, and to build sustainable models that are creative and delivered collaboratively.

5. Resident Focused

- We want to design services around the needs of residents, where the experiences of users from all our communities, inform and shape future commissioning decisions, and where residents have a say in the vision for their local area.
- To achieve this, there will be early involvement of existing and prospective users to frame the needs to be met, understand priorities, and develop the rationale for investing resources into alternative solutions across localities. We want greater input from residents to inform commissioning decisions and guide our approach to contract management.
- As we develop this approach, there will be greater opportunities for residents and local organisations to co-design, plan, and potentially deliver services.



6. Delivering Better Outcomes

- We will take an outcomes approach in our commissioning of services. Outcomes refer to the impacts or end results of services. As such, outcome-focused services aim to achieve the aspirations, goals and priorities as defined by service users. It enables commissioners to create the circumstances where provider organisations find innovative solutions to deliver improved outcomes for services users and encourages new ways of working.
- The Council is supporting its workforce to ensure the skills, capabilities and creativity are available to deliver an outcomes based approach that drives the design of commissioning options and decisions.
- We have strengthened our contract management processes, ensuring that social, economic and environmental outcomes are integral to how we monitor contract performance, and made transparent how early termination may occur if contract outcomes are not being delivered. Our Contract Management and Procurement Handbook has been updated to reflect this.



► Case Study 4: Community Fund

Context – Commissioning Services through the Voluntary, Community & Social Enterprise Sector (VCSE)

In 2015, the Opportunity and Fairness Commission (OFC) gathered views from across the borough to understand the issues and challenges faced by the people of Croydon in order to build and create a fairer and better place to live for all. In meeting the key inequality and poverty challenges residents face, the OFC made a

series of recommendations. The Council responded by showing leadership through reshaping the grant and commissioned support to the Voluntary Sector around the OFC themes and including support for asset based community development securing circa £6m ring-fenced funding for 3 years.

Approach

In October 2016, the Council adopted a new approach to supporting and investing in the VCSE sector through the Community Fund Programme 2016-19 securing £6 million of funding for 3 years. Its focus was on achieving positive outcomes for residents and to harness the social value of the voluntary sector as equal and trusted partners.

The Community Fund programme adopted the OFC key themes and built a dynamic approach to supporting and investing in the VCSE sector to deliver improved outcomes. The programme was established on a number of important principles:

- A focus on key outcomes that needed to be influenced and changed across the borough;
- This meant that we moved away from funding organisations and instead funded programmes and

activities which would achieve the intended outcomes;

- Alignment to the Council’s Corporate Plan, Ambitious for Croydon, and the borough’s Community Strategy;
- Supported community empowerment by helping residents to live independent lives; and
- Supported VCSE strengths in building the capabilities of the sector to adapt to the difficult financial climate and become more sustainable.

Programmes and activities that have been funded through the Community Fund have been proportionately and supportively contract managed to build the overall capabilities of the sector and ensure that the projects are delivering the intended outcomes for residents.



Outcomes Achieved / Lessons Learnt

The key outcomes in 2018/19 include:

- 3560 people accessed the Purley Cross Centre for information and advice;
- 58 training sessions provided on setting up a charity / social enterprise;
- 110 training sessions held to support local organisations fundraise;
- Support given to clients in receipt of benefits, tax credits, grants, refunds and debt written off;
- Over 12,000 advice issues provided by Croydon Citizen's Advice;
- Over 80 targeted campaigns to recruit volunteers living in Croydon with over 700 individuals placed into volunteering;
- Almost 25,000 carers have been supported over the course of the year;
- Befriending services (telephone and/or home visit) to over 120 people, over 80% of these people were aged 75 years and over;
- Short breaks provided to over 600 carers;
- 1038 counselling sessions held by Mind in Croydon;
- 814 health and wellbeing activities/session offered attended by 5,021 carers;
- 7,090 people visited the Talk Bus, which visits 4 areas of the borough a week to provide information and advice;
- 39 football sessions and 37 youth club sessions in Monks Hill.
- 167 homeless people have been supported by a Housing Coach; and
- 1677 people received support with a legal issue in Croydon.



In March 2019, the Council reaffirmed its commitment to the Voluntary and Community Sector with a recommissioning exercise for up to £7.8m for the next 3 years ring-fenced for the sector.

Our Priorities for 2019-2023

As the biggest buyer in the borough equating to approx. £400m p/a, there is opportunity to benefit the borough and residents, delivering a social return, wherever possible, on every pound we spend.

The Council is committed to leading and delivering ethical and sustainable commissioning. This is focused on 4 priorities:

Priority 1	Insourcing and Innovation
Priority 2	Buy Local
Priority 3	Ethical and Sustainable Practice
Priority 4	Contract Management



PRIORITY 1 – In-sourcing and Innovation

Our 2016 Commissioning Framework introduced a Make or Buy model for the Council to adopt. It is now becoming standard practice, when strategically considering commissioning options, to look at different delivery arrangements. There are four main sourcing options open to local authorities:

Each of these sourcing options has advantages and disadvantages. Options other than in-house delivery require considerable preparation and in some cases investment. It is important that the future shape of the service should be defined before considering buying, sharing or divesting – this is so that contractual arrangements are fit for purpose from the outset and contracts are not subject to major revisions early in the process resulting from change in patterns of delivery.

Taking an evidence based approach, we are increasingly looking to insource our services. We have introduced a Make or Buy review point process where full consideration is given to the options and insourcing is considered unless there is a reason not to do so. What matters is that we gain control, maintain important services with reduced funding, and create the flexibility to respond to changes to public monies and emerging legislation and policies while ensuring our values such as London living wage are built into our services.

Make	Buy
<ul style="list-style-type: none"> • In-house delivery • Arm's length trading company 	<ul style="list-style-type: none"> • Outsourcing to private sector • Outsource to third sector • Private-sector joint ventures
Share	Divest
<ul style="list-style-type: none"> • Shared services • Shared management • Public sector joint ventures 	<ul style="list-style-type: none"> • Transfer to Community • Spin-out to mutual or trust • Closure



PRIORITY 2 – Buy Local – Supporting Local Business to grow

We want more local businesses and organisations to become part of our supply chain. Value Croydon website is a one-stop shop, advertising all contract opportunities from the Council and its partners making it easier to find and submit bids. We have established a dedicated Buying Team that will improve access to Council contracts with a value below £100,000 and we are actively working with our larger providers to create further supply chain opportunities for all Croydon businesses, including sub-contracting arrangements.

In 2016, we launched the Good Employer Charter to build a network of local businesses that do business responsibly. The work of these businesses supports the success of the local economy through using local supply chains,

creating local job opportunities, ensuring employees are paid a fair wage and promoting best practice in equality and diversity, staff wellbeing and development and environmental sustainability. These efforts will change the lives of Croydon's residents and shape the identity of our borough, making it a place that thrives for its people. We want to work with suppliers, businesses and community organisations that share our commitment to our local residents and communities.

Therefore, we have embedded the local Business Directory within our updated Tender and Contract regulations to ensure the whole Council uses these local businesses when securing goods and services.

2018 was our Year of Business. During the events held as part of this, we heard that businesses, particularly micro-businesses are still unclear on how procurement works in local authorities. With the creation of the Supply Chain Management Team and the Buying Team we will hold a number of events throughout the year to demystify procurement and raise awareness about Council's needs and how small and micro-businesses can enter our supply chain. We will work with the FSB and the Croydon Chamber of Commerce to ensure that we are constantly improving our processes to make it easy and simple for businesses to understand and benefit from our third party spend.



PRIORITY 3 – Ethical and Sustainable Commissioning Practice

Croydon is proud to be leading the way on fairness and equality in everything that we do. The Charters in the next chapter and associated actions that we have taken are a testament to our ambition. A key achievement has been our accreditation as a London Living Wage friendly borough and we continue to strive towards the goal that 100% of workers in the borough are paid at least the London Living Wage, and benefit from fair terms and conditions. We will design services and contracts in ways that will allow us to focus on what is important to us. We will examine potential partners to ensure that they have the same values and aspirations for Croydon as we do.

We recognise the vital role the voluntary and community sector plays in creating a sense of community and developing cohesion across our borough. Established in 2016, the Community Fund provides grants of over £2m per annum to local groups, helping communities to become more resilient, to develop their own ideas and do more for themselves. We will recommission the Community Fund in 2019 to give voluntary and community organisations the opportunities to build on the fantastic outcomes that have been achieved since 2016. Committing £2.6m per annum to the sector despite the challenging financial times.

Community Wealth Building is a place-based approach to economic regeneration which empowers local government and enables communities to create and retain wealth locally. The Council will work closely with Anchor institutions, to generate local economic growth by influencing their commissioning and procurement practices by getting them to invest locally and support local business, co-operatives and social enterprises to start-up and grow.

We will build sustainability and environmental considerations such as CO2 emissions and reuse and recycling at the forefront of our commissioning. This will build on the progress we have made over the last four years with reference to the Council corporate plan .



PRIORITY 4 – Contract Management

Croydon already has a robust approach to contract management which involves pro-actively managing our contractors and reporting on performance. This has been a priority area over the last four years, during which time, significant progress has been made, including the development of a new Contract Management Framework which sets out the organisations approach. A few features are set out below:

- Current contracts are published on our Contracts Register to improve transparency and provide a robust centralised electronic record of our contractual arrangements.
- We have invested in new standard format contract templates to incorporate new changes in legislation, regulation and guidance and to make contract management more robust, easier to report on, and performance orientated, and to be able to take corrective action if necessary.

- We have successfully introduced a quarterly contract performance balanced scorecard approach for our top 50 largest contracts (Tier 1).
- We run an annual procurement and contract management event for commissioners, officers, managers and suppliers to improve their knowledge of how we operate and the opportunities that are emerging by working with Croydon to produce collectively delivered outcomes for residents.

We will continue to invest time in continuing to improve our contract management activity across the Council.

- The principles of Contract Management are being embedded into the refreshed Council's Tender and Procurement Regulations 2019 to ensure that regular and timely robust contract performance management is part of our commissioners' toolkits.
- We will be developing and implementing balanced score card reporting on our medium sized contracts (Tier 2).

- We are introducing our newly commissioned Proactis Service to Contract (S2C) online electronic contract and supplier relationship management tool to digitalise the process of contract management for all of our contracts.
- As set out in our Social Value Policy, we will be ensuring the social value obligations are monitored consistently in our contract management processes.
- We will triangulate our spend analysis against our contracts in order to ensure any arrangements off contract are addressed promptly.
- We will ensure we have a pipeline of contracts coming to an end within 3 years and publish this information early. This will ensure businesses and providers are able to prepare for upcoming opportunities to be part of the Councils supply chain.



► Case Study 5: Leisure Management Contract

Context – Delivering Value for Money and a Social Return on Investment through Innovative Procurement

The Council's Leisure Management Contract that operated 5 leisure facilities was due to expire at the end of February 2018. Through securing an innovative and dynamic solution to manage services, the Council was seeking to not only improve the sport and activity offer within the physical buildings but also be able to offer services in parks and open spaces across the borough and generally developing sport and physical activity opportunities across the borough.

Approach

The previous contract was a traditional contract with less flexibility, inability to make changes and impact on future investments. Social Value was a key requirement for new contract. This is why, when the Council went out to procure the new contract, it clearly set out its requirements on Social Value & Equality at the tender stage – allocating 15% of total quality score to this.

Bidders were asked to consider the authority's commitment to equality by making positive contributions towards the following 7 priority objectives:

- Increase the rate of employment for those furthest away from job market;
- Reduce the rate of child poverty, especially 6 most deprived wards;
- Improve attainment levels in certain targeted areas;
- Reduce the number of young people who enter the youth justice system;
- Reduce social isolation amongst Croydon's disabled and older residents;
- Improve the proportion of different backgrounds who get on well together; and
- Reduce differences in life expectancy between communities.

The contract was to be for 15 years with an option to extend for a further 5 years. The Council used the competitive dialogue process which took around 9 months. This process assisted in negotiating and improving the overall social value offer. This is a concessions contract and even with the addition of Social Value benefits the cost of the new contract is significantly less than the previous contract.

Outcomes Achieved / Lessons Learnt

In March 2018, GLL were successful in winning the contract. In the first year, the Contract has delivered the following key social value successes:

- £28,400 given to local sports athletes as part of the GLL Sports Foundation;
- LLW applied to all staff and staff already paid above LLW uplift given on salaries;
- Volunteer portal launched;
- First apprentices have started;
- Free sessions of Silver Fit and Our Parks launched to reduce social isolation;
- Over 70% of staff employed on contract are local; and
- Free memberships for looked after children.

Driving Fairness, Equality and Diversity through our Commissioning

As the largest buyer in the Borough we have a duty to lead the way and ensure fairness and equality are central to our commissioning processes and we take this responsibility very seriously.

Spend of this magnitude enables us to be strategic and harness the supply chain opportunities that our commissioning activity creates with a strong focus on market stewardship, ethical and fair trade purchasing. This brings significant benefits to Croydon and the people the Council serves by delivering a social return, wherever possible, on every pound it spends. The Council has made a commitment to equality, diversity and fairness, including as an employer and as a large purchaser of services. The Council recognises that working with our supply chain we can continue to lead the way to drive fairness and equality for all residents of Croydon. The Council has signed up to a number of charters below. These point to the values that are dear to us and our expectations for all in our supply chain.

Our supply chain is an extension of us and therefore we expect our suppliers to act in a manner that is compatible with our values, upholds the reputation of the Council, promotes innovation and expertise, opens up the market to the small and medium-sized enterprises, local businesses and voluntary and community sector organisations, and contributes to the growth and prosperity of Croydon. This is why we have for the first time, produced a Supplier Code of Conduct. This code of conduct sets out the way in which we and our suppliers will behave towards each other. It provides clear guidance on respectful and professional behaviour for our employees, our suppliers, and interactions with our residents; appropriate business practices, including management of risk, continuous improvement, value, and security; and required standards of behaviour, including ethics, counter fraud and corruption, transparency, and social responsibility.

We expect all our employees and suppliers to speak without fear of consequence. Please refer to our Whistle Blowing Policy.

Value Croydon

Value Croydon is the Council's local brand for delivering social value, and supporting the local market to access tender and sub-contracting opportunities with the Council and its partners. The Council is committed to a process whereby we meet our needs for goods, services, works and utilities in ways that achieve value for money on a whole life basis in terms of generating benefits to society and the economy, whilst minimising damage to the environment. We cannot do this without the involvement of our whole supply chain. The Council's vision through Value Croydon is that Croydon is a place where social value, through creativity and innovation, drives economic growth to improve the quality of life for all.



London Living Wage

The Council is committed to paying the London Living Wage to all employees and contractors as part of our drive to achieve increased financial security and greater independence for local people. As well as this we are a Living Wage Friendly Funder. The Living Wage Friendly Funder scheme aims to end low pay in the Voluntary and Community Sector, and whenever we commission the sector, we provide funding for salaries at the London Living Wage.



Good Employer Charter



We want to work with suppliers, businesses and community organisations that share our commitment to our local residents and our communities through:

- **Pay Fair** – As part of our drive to achieve increased financial security and greater independence for local people, we would like all Croydon employers, big or small, to become London Living Wage accredited employers by 2020;
- **Employ Croydon** – As the local economy grows, we want to ensure that local people can benefit with greater economic prosperity. We would like all Croydon employers, big or small, to use Croydon Works, our free-to-use professional recruitment service which links employers to high quality, job-ready potential employees. We would also like all Croydon employers to work with Croydon Works to consider how they can support an expansion of apprenticeships and traineeship placement opportunities;
- **Buy Croydon** – We want to ensure that small local businesses can benefit from the wider economic growth. We would like all Croydon businesses and organisations to seek quotes from and use Croydon suppliers wherever possible.
- **Be Best** – We want everyone to benefit from best practice behaviours in fairness, equality and sustainability. This means committing to continuous improvement across the fields of equality, diversity and inclusion, staff wellbeing and development, and environmental sustainability.

Ethical Care Charter



The Council is committed to delivering high quality home care services that ensure the health, safety and dignity of our most vulnerable residents. This is achieved through our contract arrangements that allow care providers to ensure staff are paid at least the London Living Wage, receive regular training and support, are paid for their travel time and are allocated the right amount of time to deliver high quality care.

Construction Charter



The Council is committed to securing ethical construction practice. This is achieved through our contract arrangements that ensure that our construction projects meet the highest standards for workers and residents. This includes ensuring both building contractors and subcontractors on local authority projects provide good jobs, good apprenticeship training, excellent health, safety and employment rights, and pay workers a fair rate that is at least London Living Wage compliant.

Modern Day Slavery Charter



The Council is committed to eradicating modern slavery from its supply chain. This will be achieved through the design of our contracts and the ongoing monitoring of our contract partners systems. We will provide support and guidance so that every business that works with us is able to develop their entire supply chain in ways that demonstrate compliance with the Modern Slavery Act 2015.

End Violence at Work Charter



The Council agrees that no one should be subject to physical or verbal abuse at work. We will support our partners, particularly in the voluntary and community sectors to introduce the ten point plan to improve safety at work, including training, assessment, monitoring, and ongoing support, so that staff can perform their duties free from the threat of violence.

Dementia Friendly Borough



London Borough of Croydon was awarded the 'working towards dementia friendly' status by Alzheimer's Society in 2018. Led by Croydon Dementia Action Alliance (CDAA) we will strive to make our borough fully inclusive where people living with dementia are respected and confident they can contribute to community life without stigma. We will work with local people, communities and businesses to raise awareness and build support into everyday activities and locations. We will commission 'with dementia in our minds'.

Disability Confident



We are a Disability Confident Employer, currently working towards becoming a Disability Confident Leader. Disability Confident is a national scheme which supports suppliers to make the most of the talents disabled people can bring to your workplace.

Associated Documents

1. Corporate Plan 2018 – 2022;
2. Voluntary and Community Sector Strategy 2019 – 2023;
3. Supplier Code of Conduct 2019;
4. Tender and Contract Regulations 2019;
5. Social Value Policy 2019 – 2023;
6. Equality Policy 2016 – 2020;
7. Croydon Social Value Toolkit for Commissioners;
8. The Public Contract Regulations 2015.

If you find it easier to read large print, use an audio tape, Braille or need to communicate in a language other than English, please let us know. 📞 020 8726 6000



Legacy

— COUNCIL —
COMMISSIONING
FRAMEWORK
2019 - 2023