

Committee: **Executive Committee**

Date of meeting: **22nd September 2021**

Report Subject: **Commercial Strategy Quarterly Performance Monitoring (April-June 2021)**

Portfolio Holder: **Councillor Nigel Daniels, Leader and Executive Member for Corporate Services**

Report Submitted by: **Bernadette Elias, Chief Officer Commercial & Customer**

Reporting Pathway								
Directorate Management Team	Corporate Leadership Team	Portfolio Holder / Chair	Audit Committee	Democratic Services Committee	Scrutiny Committee	Executive Committee	Council	Other (please state)
w/c 23/08/21	26/08/21	07.09.21			10/09/21	22/09/21		

1. **Purpose of the Report**
 - 1.1 To provide the quarter 1 (April - June 2021) progress update against the Commercial Strategy.
2. **Scope and Background**
 - 2.1 The Commercial Strategy approved by Council in September 2020, sets out key themes which support a commercially minded organisation:
 - A focus on the residents' experience of existing and new services;
 - An understanding of our investments including return on investment (benefits), profits and losses;
 - Developing our brand, trusted to deliver quality services;
 - Spend control;
 - Using data, technology and insights wisely;
 - Having an agile workforce aligned to opportunities
 - 2.2 Our commercial approach is driven by the ambitions within the strategy:
 - Excellence in Commissioning and Procurement;
 - Creation of an investment Portfolio;
 - Managing commercial activities through profit and loss accounting;
 - Creation of a Commercial and Entrepreneurial Culture;
 - Excellence in Contract and Supplier Management.
 - 2.3 The strategy delivery involves all Directorates of the Council. Although the impact of the pandemic continues to affect some elements, considerable progress has been made in quarter 1 (April-June). The key activity is summarised in Section 6.

3. **Options for Recommendation**

3.1 The report will be considered by the Corporate Overview Scrutiny Committee on 10th September 2021 and any feedback will be presented verbally to the Executive Committee.

3.2 That the Executive Committee:

Option 1: That Executive accepts the performance of the Commercial Strategy during the period April – June 2021 as presented.

Option 2: That Executive Committee provides comments and challenges the performance of the Commercial Strategy.

4. **Evidence of how does this topic supports the achievement of the Corporate Plan / Statutory Responsibilities / Blaenau Gwent Well-being Plan**

4.1 The Commercial Strategy supports the future sustainability of the organisation, the Corporate Plan and the priority to be '*An ambitious and innovative council delivering the quality services we know matter to our communities*'.

4.2 It is aligned to the Medium Term Financial Strategy, the Bridging the Gap programme and supports the Well Being Plan and the Well-being of Future Generations (Wales) Act 2015.

5. **Implications Against Each Option**

5.1 ***Impact on Budget (short and long term impact)***

A number of the digital projects have attracted Welsh Government funding and this is being used to support our digital ambitions aligned to the Commercial Strategy.

It is intended that this strategy complements and supports the Medium Term Financial Strategy and key aspects of its delivery are included in the Bridging the Gap Programme.

5.2 ***Risk including Mitigating Actions***

The risks associated with underperformance against the strategy will be mitigated through a whole Council adoption of the ways of working.

5.3 ***Legal***

The Head of Legal and Compliance is a member of the Strategic Commercial and Commissioning Board. Where alternative delivery models are explored due diligence will be undertaken before any decisions are made.

5.4 **Human Resources**

Where changes in service delivery or role are identified normal human resources processes and policies will be applied including consultation with the Trade Unions.

6. **Supporting Evidence**

6.1 **Performance Information and Data**

Key activity undertaken in Q1 (April to June 2021) is set out under the relevant themes in the Commercial strategy.

6.1.1 **Excellence in Commissioning and Procurement**

Strategic Commissioning and Commercial Board (SCCB)

- Agreed terms of reference for the officer Strategic Commissioning and Commercial Board (SCCB) chaired by the Managing Director are in place. The Board has a revised schedule of meetings and a forward work programme which reflects the ambitions set out in the Commercial Strategy. This includes early consideration of potential commercial activity to test ideas, with the Board taking the leading role for this Bridging the Gap review.
- A robust monitoring and reporting process for the Bridging the Gap programme has been finalised and is a standing agenda item for the Board. This process supports the reporting of the Bridging the Gap programme through the democratic arrangements.
- A process for 'check and challenge' of third party contracts and commercial opportunities has been established. The Board focus is on contracts above the tender threshold of £75k.
- A bespoke baseline financial assessment (profit & loss) to quantify and challenge trading operations has been developed by Resources colleagues for consideration. The aim is to support the Bridging the Gap reviews by providing a clear financial picture of commercial activity.

Transactional Procurement Officer Group

- The SCCB has approved the revised terms of reference for the officer Transactional Procurement officer group,
- The Transactional Procurement Group has been established to ensure the same degree of check and challenge is applied to the contracts under the 75k threshold. The group is chaired by the Service Manager Commercial and Procurement, and includes representatives from across the directorates.
- The terms of reference include the development of annual directorate procurement plans to provide organisational oversight and inform future procurement forward programmes.

Procurement Plans and Contract Management

- Following a positive response from all areas of the organisation, detailed 2021/22 directorate procurement plans have been collated to inform the annual corporate procurement forward work programme.

- The 2021/22 corporate procurement forward work programme has been presented to the SCCB with the check and challenge process being implemented against it.
- Proactive pre-procurement dialogue with client officers is taking place, to ensure that new sourcing requirements are aligned to Council priorities and that procurement documentation and contract terms are commercially favourable.
- Supplier/client contract management meetings are continuing to ensure contracts and performance remain fit for purpose and realise the intended social, environmental and economical outcomes.
- Quarter 1 progress against the 3rd party spend Bridging the Gap strategic business review will be reported through the normal process.

Procurement Strategy and Policy

- Initial planning to review the current Corporate Procurement Strategy has begun. This includes consideration of relevant key policy drivers including the Programme for Government, Social Value, Foundation/Circular Economy and Decarbonisation ambitions (Carbon Neutral by 2030). This work will continue in 2021/22 and progress will be reported in future updates.
- Procurement and Economic Regeneration officers are actively engaged in a collaborative procurement project which is sponsored by Welsh Government and facilitated by the Centre for Local Economic Strategies (CLES). The project outcome is to maximise procurement spend in Wales to support local wealth building and to creating a more resilient Welsh economy.

The focus is on the delivery of the following 5 policy areas:

- i. Decarbonisation
- ii. Social Value
- iii. Community Benefits
- iv. Foundational Economy
- v. Circular Economy

Each policy area is aligned to the Council's Procurement and Commercial ambitions and it is anticipated this work will inform the revised Procurement Strategy.

6.1.2 Customer Experience

Delivery of the Community Hubs Approach

- The community hubs delivery commenced at the end of quarter 1 on 21st June 2021 with a curtailed schedule in line with the national Pandemic guidance and restrictions.
- The full schedule of delivery commenced on 26th July 2021, in line with revised national restrictions. Further information will be provided in the quarter 2 update (July-September).

Abertillery – Tuesday to Friday (library closed Monday)
 Brynmawr – Monday, Tuesday, Thursday and Friday (library closed Wednesday)
 Tredegar – Monday, Tuesday, Wednesday and Friday (library closed Thursday)
 Ebbw Vale – Monday, Tuesday, Thursday and Friday (library closed Wednesday)

- Blaina, Cwm and Llanhilleth operated in quarter 1 under the restricted schedule, this was kept under review and following feedback a revised schedule is planned for quarter 2 onwards.
- The main requests for support to date are in relation to:

Main type of query/assistance	Main query categories
Benefit applications	Applications
Council Tax queries	Report it
Blue badge applications	Request for services Payment queries

- The qualitative information shows that there is very often additional support being offered over and above the initial request during the interaction with residents.
- A sample of case studies from the Community Hubs service delivery are included in appendix 1.

Customer Services

Key activity for the quarter includes:

- Following feedback, a review of the contact centre answerphone message which was felt to be overly long and protracted. A more concise message is now in place that includes a queuing system for callers.
- Community Services mapping sessions held focusing on the full end to end process to help better understand the customer journey.
- Following feedback, a review of the out of hours' service was undertaken which has resulted in a local provider being awarded the contract from July 2021.

Locality Response Team

- 65 residents have been supported throughout the quarter with a wide range of assistance given from food shopping to supporting residents to apply for grants
- 20 supported to enable self-isolation
- 40 supported who received financial benefit gains, i.e. Discretionary Assistance Fund applications
- 33 food vouchers allocated to residents

The Locality Response Service has clear links into the Community hubs model. Early planning on how the two areas align and complement each other moving forward has begun and will be reported in future quarter updates.

6.1.3 ***Using data insights and technology wisely***

Digital – external projects

- Working with the Centre for Digital Public Services (CDPS) to deliver better public services for Wales, funding has been secured to explore more user focussed and efficient ways of service delivery.
- Participation in a collaborative Adult Social Care project with Neath Port Talbot and Torfaen local authorities, looking at unavoidable contact at the front door.
- Commencement of a Tech Valleys funded project on exploring the digital interaction with the customer using a service. This project also included the establishment of a Digital apprentice. There was a high level of interest in the role and the successful candidate has joined the digital team in Commercial Services.
- The Digital Democracy Project discovery work involving user research with 16-25 year olds has been completed and findings presented to various groups, including Members. Prioritisation of the findings has taken place and work is being undertaken to include areas within the Diverse Council Action Plan as many of the findings also support this work. The project is being externally supported by Perago, including presenting the findings to Welsh Government to highlight areas that may inform a national focus and approach.

Digital - Organisational programme

- A planned 12-month digital programme has been scoped. This includes (in addition to the externally supported digital projects) corporate activity aligned to the ICT investment roadmap and development of a leadership and training programme for both officers and Members raising awareness and understanding of the scope and opportunities of our digital ambitions and activity.
- Supporting the services that most need to develop in the digital space for both the customer and service perspective has been a focus in quarter 1. A multi-disciplinary team led by the digital team has been stood up to support the planning software project with the initial phase including gathering user experience of the current process to inform the specification. Progress will be provided in the quarter 2 update.
- The Council's new delegate system has been installed at the General Offices. The system enables hybrid meetings to take place so that attendees can either be present physically or remotely. Meetings are also recorded and then uploaded onto the website. Further updates will be provided in the quarter 2 update (July-September) which will include the test meetings and the Democratic Hub move to be fully operational.

Data and intelligence hub

- The establishment of an internal hub of officers from all Directorates has progressed, led by the corporate policy and performance teams. This work supports the enabling Bridging the Gap review of using data and behavioural insight. The use of data in a more insightful way was one of the key learning points from the organisational reflection on the response to the Pandemic. The intelligence hub looks to build on this ambition, gaining a better understanding of what our data tells us and how that impacts on services for our communities.
- User research, which forms a key part of our digital and customer approach will also be supported by the hub.

6.2 *Expected outcome for the public*

Through the delivery of the strategy the Council will become more effective in the deployment of its resources to ensure value for money is achieved and investments are made in activities that deliver the best outcomes for the public. This strategy will also contribute to the financial resilience and sustainability of the organisation, therefore protecting front line services.

6.3 *Involvement (consultation, engagement, participation)*

As a key part of the commissioning cycle to ensure service specifications take account of the needs of service users. Any changes to service delivery models will be consulted on in the usual way.

6.4 *Thinking for the Long term (forward planning)*

This strategy is at the heart of the medium and long term planning for Blaenau Gwent and recognises not only where the Council needs to seek new income streams but also where it needs to review how it deploys its current expenditure.

6.5 *Preventative focus*

The Commercial Strategy is designed to support the needs of the Council now and in the future, including supporting financial resilience.

6.6 *Collaboration / partnership working*

There are opportunities through this strategy to consider commercially advantageous ways of working across local authorities and the Public Service Board. This strategy seeks to identify commercial opportunities to work with suppliers across public sector organisations and to spend the Blaenau Gwent pound wisely.

6.7 *Integration (across service areas)*

The strategy takes a whole council approach. It promotes transparency across the organisation, building best practice outside of directorate silos and promotes the maximising and sharing of skills and learning.

6.8 ***Decarbonisation and Reducing Carbon Emissions***

The planned review of the corporate procurement strategy will include consideration of how it can better support the decarbonisation ambitions set out in the Council's plan.

The work with CLES outlined in the report also involves this key policy driver.

The community hub model brings access to services closer to the community residents live in. The democratic hub hybrid meetings enable remote access to committee meetings.

6.9a ***Socio Economic Duty Impact Assessment***

The CLES project outcome is to maximise procurement spend in Wales to support local wealth building and to creating a more resilient Welsh economy.

The community hub model includes support, advice and guidance for residents to access financial support they may be entitled to.

6.9b ***EqIA***

Screening for impact on protected characteristics will be undertaken as per usual procedures. In addition, individual procurements consider the ability to realise social, environmental and economic benefits through the inclusion of Community Benefits and Social Value contractual clauses.

7. **Monitoring Arrangements**

7.1 Quarterly progress is reported through the democratic process.

The strategic commercial and commissioning board monitors activity set out within its terms of reference.

Grant funded projects specify monitoring arrangements which will be complied with.

Background Documents /Electronic Links

Appendix 1 - Community Hub case studies