



# Commissioning case study

Growing social value in Croydon

# The headlines

- Croydon has developed a holistic approach to social value, incorporating support for the voluntary and community sector and for local small businesses and, for larger contracts, a requirement for suppliers to demonstrate social value in tender bids.
- Early indications have demonstrated that the new approach has had a positive impact on the success of local organisations in winning contracts and business, as well as delivering a range of social value benefits secured through contracts, in particular employment opportunities for local residents.
- The approach was underpinned by a training and development programme attended by 81 voluntary sector colleagues and 42 small and medium enterprises, giving them the skills and confidence to succeed in competitive tenders.

“ [We] will be going into 2014 more equipped to handle the commissioning process, and are looking forward to a more positive outcome in the future. Thank you for breaking down the barriers, and helping us to see that gaining a contract to deliver a service is achievable after all. ”

Julie Weller, Fieldway Family Centre

# What is the context?

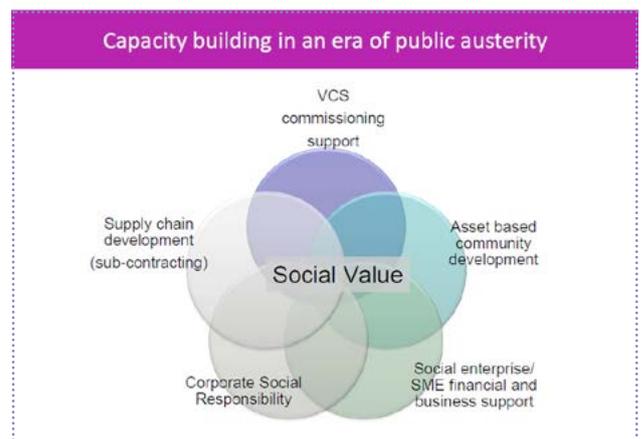
Croydon made the first steps towards becoming a commissioning council in 2011, a move driven by a desire to achieve better outcomes with the resources at its disposal. This was followed by an organisational restructuring that created a central professionalised commissioning hub which was based on a category management model and included a commissioning support team whose role was specifically to work with the market. The hub then went on to develop an integrated ‘commissioning strategy and framework’, combining procurement and contract management,

which described the council’s commissioning vision and objectives over the following three years. Based on Croydon’s commissioning commitment, the framework aimed to ensure a consistent commissioning approach across the council and to develop common commissioning behaviours across sectors. As part of the framework, a number of toolkits and handbooks were produced including ‘Planning to succeed in contracting’ (a six-step guide to successful contract management), a decommissioning toolkit, and a social value toolkit.

Social value was from the outset seen as an important tool to ensure that the council could extract maximum value from every pound it spent, as well as a means of securing the sustainability of a vibrant voluntary and community sector in an era of austerity. Only five per cent of the council’s third-party spend was with voluntary and community organisations and redressing this balance had strong political support.

“ Croydon’s definition of social value is ‘a process whereby organisations meet their need for goods, services and utilities in a way that achieves value for money on a whole-life basis in terms of generating whole-life benefits to society and the economy, while limiting damage to the environment’. ”

The council’s approach to social value, which anticipated the introduction of the Public Services (Social Value) Act 2012, involves challenging and encouraging providers not only to meet minimum contract requirements, but also to consider how they can contribute to achieving the council’s strategic objectives through the way in which they deliver their services. This has the potential to deliver financial benefit through increased value for money, cost mitigation, and inward investment to support local economic development.



# What commissioning and delivery model has been adopted?

The approach taken to implementing social value was two-fold. First, it entailed developing a commissioning support programme to build the capacity of the voluntary and community sector to bid successfully for public sector contracts; and, second, it involved embedding social value in every stage of the commissioning cycle by working with service users and potential providers.

The commissioning support programme itself comprised three elements. First, the council held expert commissioning training sessions attended by 81 voluntary and community organisations and 42 small and medium enterprises. The sessions aimed to help the participants understand key issues they needed to address internally, while also showcasing how adapting to local need and exploring new models are essential to sustainability and to being commissioned.

The second element was a programme of practical support offered initially via a series of commissioning roadshows taken directly to Croydon’s diverse communities. Thirteen roadshows were held attended by 250 individuals from 200 voluntary and community organisations. The sessions were followed up by bespoke workshops focusing on the barriers that such organisations face, taking them through the steps to overcome them in a very practical way. The council brought in further specialist support to assist two organisations.

while also recognising the inherent social value of these organisations. A task and finish group, comprising a cross section of voluntary sector organisations and key council commissioners, was set up to carry out this work and to contribute to development of the overall commissioning strategy and framework. The group reviewed and streamlined internal processes and systems, as these caused major barriers for local organisations when they tried to participate in commissioning opportunities.

More broadly, the council has been taking steps to ensure that social value is an integral part of operational and strategic contract performance management. The internal procurement strategy and award report templates have been amended in order to provide evidence of how social value has been considered and to ensure that these considerations become an intrinsic part of the decision-making process. The approach extends even to major contracts such as that for council-wide information and communications technology provision. In this procurement, the council held a market briefing for shortlisted bidders so that they could fully understand expectations and priorities as regards social benefit and economic development. Social value considerations were included in the tender evaluation criteria with a specific emphasis on local pathways to employment and training. They have proved generally to be a good differentiator between bidders especially when price and technical specifications are close.

“ The session provided a starting point to understanding commissioning and a prompt to engage more with Croydon. ”

“ Understanding the importance of social value to our business and how this knowledge will help with future bids [was really helpful]. ”

Small and medium enterprises attending expert commissioning training session for providers

The third element was to design a streamlined commissioning and procurement process to remove any unintentional or perceived barriers and to identify specific opportunities for the voluntary and community sector that were appropriate for a more ‘light touch’ approach,

Croydon’s commissioning for social value journey	
Early 2011	Council aims to professionalise commissioning and agrees new organisational structure
September 2011	Creation of Strategy, Commissioning, Procurement and Performance division (including commissioning support team)
October 2011	Establishment of third sector commissioning task and finish group
June 2012	Commissioning Strategy and Social Value Toolkit published
January 2013	Public Services (Social Value) Act prompts review of all internal templates and governance processes to embed social value requirements
2013+	Review of processes to streamline procurement (overhauled PQQ/challenged requirements re insurance levels etc)
Spring 2013	Launched roadshows and targeted support sessions for local businesses and voluntary and community sector
June 2013 – April 2014	Expert Commissioning training pilot (for commissioners and local providers)
2014	Internal knowledge management and lessons learnt from procurement activity
January 2015	Value Croydon launched to lead and drive social value across the borough

## Who are the key partners?

Key partners were the voluntary and community sector, particularly those involved in the task and finish group. The council worked with infrastructure groups such as Croydon Voluntary Sector Alliance and Croydon Charities Service Delivery Group so that they would have the capacity to continue to run commissioning workshops and to offer support to organisations in the future.

Although originally the relationship with the business sector was slightly more mature in terms of commissioning capability, the council felt there was still a need to increase awareness of opportunities and to ensure that businesses had a chance to participate in them. As a result the council is now working more closely in partnership with the business community under the umbrella of Value Croydon, whose role it sees as developing social partnerships with businesses, the community and other public sector agencies to build social value in the borough.

## What has been the impact?

Feedback from the commissioning support programme was positive, with more than 95 per cent of voluntary and community sector providers saying it was useful in helping them to understand the outputs and outcomes required from commissioning.

Following the introduction of a holistic commissioning support offer, Croydon says that the number of local providers successful in tendering has increased. Early indications have demonstrated a positive impact on local organisations securing contracts, business and employment opportunities.

“ I have found the working relationship with the commissioning support team during the recent commissioning workshops helpful. They were very supportive, informative and professional. It has strengthened the relationship we have with the council and commissioning team. We feel more confident in approaching the team if we have issues surrounding the approaching commissioning process and more able to support our members. ”

Croydon Neighbourhood Care Association

“ We had had a service level agreement for approximately 19 years. We had heard a lot about commissioning, tendering, etc., and were aware that at some stage we would need to go through this process. As a small voluntary organisation, we do not have the resources to employ people specifically to undertake a competitive tendering process so we were completely unprepared when the tender was made live. We were strongly encouraged to contact the team whose remit is to support the voluntary sector with regard to commissioning and tendering. Through these sessions, the team initially reassured us that the tender offered a level playing field for all providers and that the council was keen to work with the voluntary sector. Through practical examples before the actual tender was made

**available, the team was able to show us an actual example of what we would be faced with when we first logged in to start working on the tender. We were also able to contact the commissioning support team through the process to seek help and clarification. Their support was invaluable and ultimately we were successful with our tender. 🗨️**

St Mary's Family Centre in Upper Norwood

**🗨️ I was delighted to be one of the five residents to play a key role in the process of awarding the contract to Axis. It was very interesting and rewarding for the residents to be closely involved and we thank the council for giving us this opportunity. We will also be able to monitor the new contract. The new contract will see jobs being done correctly first time, prompt call answering, an improved out-of-hours service, a robust complaints procedure, and much much more. Our repairs services are in good hands. 🗨️**

Joint Chair of the Tenant and Leaseholder Panel

Some of the social value considerations Croydon says have been secured contractually so far include:

- apprenticeship schemes;
- education and skills programmes;
- improved access to opportunities for specific groups including young people not in education, employment or training and long-term unemployed;
- volunteering schemes;
- environmental commitments;
- customer and community engagement;
- Do it yourself workshops for residents; and
- customers being trained as resident inspectors

To ensure the people of Croydon would directly benefit from any employment opportunities arising from the housing responsive repairs contract, it was required that apprentices and a percentage of operatives directly employed by the contractor should live in the borough. So far 15 local apprentices have been employed and work is underway to recruit a further cohort in September 2015. Service users formed an integral part of the tender evaluation process on social value.

In the information and communications technology procurement mentioned earlier, competitive dialogue provided the market with the opportunity to be innovative and to express its own ideas on social value deliverables as opposed to being presented with predetermined ones. Bidders welcomed the opportunity to return a detailed offer addressing local social and economic needs in the borough; and, as a result, the successful provider committed to a range of local social and economic outcomes. These have so far included information and communications technology apprenticeships for local young people, refurbished personal computers for young people leaving care, new staff recruited from local deprived areas, and work placements for local schools and colleges.

However, Croydon acknowledges that quantitative evaluation of the impact of its social value policy is an area for development, and it is unable at present to put a monetary value on the social value benefits so far achieved. Revisiting evaluation is one of its next developments.

## What have been the key elements of success?

Working collaboratively with the voluntary and community sector has been key to the success of Croydon's approach so far. In particular this has involved agreeing a common purpose, acknowledging each other's drivers, and developing a common language. Croydon was open in encouraging the local market to challenge its processes and was prepared to take criticism on, and make changes to, the way it worked.

The holistic nature of the approach to social value was also important, with the policy being backed up by real process changes and a programme of support for local providers. As the approach to social value was part of a wider strategic shift towards commissioning that was supported by elected members and championed by the chief executive, dedicated staff resources were available in the shape of the commissioning support team to make the changes happen.

However, it has not all been plain sailing, and Genine Whitehorne, Head of Commissioning and Procurement at Croydon, points out that when commissioners are under pressure, as they often are, to complete a commission within a specific timescale, considerations such as social value may not always be their first priority. She sees the role of the commissioning support team as vital in continuing to push for social value in every contract, and to broaden the views of both commissioners and providers on what might constitute social value in a given contract.

**“Croydon has been pleased to work with the Commissioning Academy as a guest speaker and also hosting a site visit. Participation has been useful and has provided us with the opportunity to exchange experiences and learning with others as well as to receive useful challenge from other participants.”**

Commissioning support officer

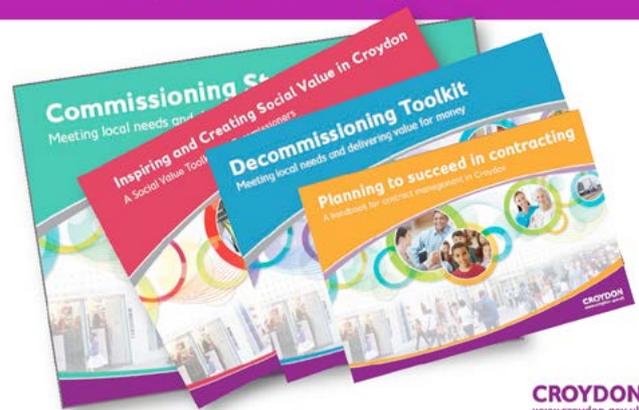
## What has been learnt?

The biggest lesson, says Genine Whitehorne, has been the need to define clearly what social value looks like in the Croydon context and to be able to express this in terms of how a contract or provider could contribute towards addressing priority social or economic needs. Many providers, for example, see corporate social responsibility as being about 'nice to do' activities like painting a community centre. While this can be valuable, it may be missing opportunities to tackle Croydon's priority issues such as raising the attainment level among Croydon adults or creating more opportunities for residents in some of the borough's most deprived areas. This is very much the future thrust of Croydon's social value objectives.

Although at the time the social value policy was being developed a strategic decision was taken to press on without evaluation methodologies being in place, largely because it was felt that progress was being held up, Croydon now recognises the evaluation of impact as a key area of future development. Building in evaluation from the start would have provided the hard figures to demonstrate convincing evidence of the success of its work.

Equipping all partners with the skills and behaviours needed is critical. While considerable effort was put into the development programme for local providers, the programme for commissioners, although comprehensive, was solely classroom-based and therefore more limited. Croydon is now working up a commissioning development programme that will encourage dialogue and discourse, involve a high level of peer support, and aim to build a community of commissioners throughout the council.

### Croydon Commissioning Framework



## Who can I contact?

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## Other useful information

<https://www.croydon.gov.uk/business/tenders/commissioning/commissioning-strategy>

<https://www.croydon.gov.uk/sites/default/files/articles/downloads/commissioning.pdf>

<https://www.croydon.gov.uk/sites/default/files/articles/downloads/socialvalue.pdf>

<https://www.croydon.gov.uk/sites/default/files/articles/downloads/decommissioning.pdf>

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