# Birmingham City Council - Digitised brokerage marketplace for child placement

## 2. Lead authority details

**2.1 Lead authority name**

Birmingham City Council

**2.2.1 Full name**

Tom Fuery

**2.2.2 Role**

Business Relationship Manager

**2.2.3 Email**

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## 3. Project details

**3.1 Project title**

Exploring Whether the Portals We Use for Buying c. £2bn pa of Placements Could Also Generate the Data We Need to Better Manage a Broken Market

**3.2 Project description**

Local authorities in England spend over £2bn pa on foster and residential care placements from third parties. This “broken market” often delivers poor value for money.

The data we need to manage the market is fragmented across different systems managed by different teams (finance, commissioning, social work) in multiple LAs.

In the West Mids as elsewhere, the whole process is managed through a regional ‘digital marketplace’ – providing an overlooked ‘bottleneck’ through which all the data we need does flow, but in free text and word docs.

If we worked with users to re-design the digital marketplace, could we capture structured data during the contracting process and manage this market better?

We think so, and that this could unlock savings of up to £8m pa.

**2.3 Describe how you will research the problem area and user needs arising from it?**

A COMMON PROBLEM

Upper-tier authorities collectively spend over £2bn pa on external fostering and residential care - typically one of an LA’s highest third-party spend lines.

The care review recently concluded that “the placement market is broken”, a sentiment shared by numerous reports over the last decade (selection linked below). This means high costs for LAs, and poor outcomes for vulnerable children.

This affects almost all LAs because the problems are structural. The supply-side of the market is regional, but we buy as individual LAs. So, the providers have more information than us, leading to:

* differential pricing;
* price gouging when providers know LAs have limited options (such as the 11% premium on Friday afternoons evidenced in prototype analysis);
* Limited ability to steward the market.

SOLVING THIS

As commissioners, we know what decisions we want to make collectively, the analysis which would enable that, and the data which would be needed:

* Demand (which children, what needs, when, where)
* Supply (which organisations, which places, when)
* Pricing (offered, accepted, changes over time)

LAs can and do share data on demand. But they do not have data on supply or pricing ready for analysis. This is because data on contracts, counterparties, and payments is stored in finance systems, and the data models do not facilitate linking them to data on placements.

EVOLUTION OF OUR THINKING

Linking finance and placement data has been prototyped to give a snapshot – validating our theory that there are savings to be had from removing gouging and differential pricing – but we cannot produce that analysis regularly enough to bring it into operations. We know of authorities in London and GM who are also struggling with this problem.

Our initial idea was to work on common data model, registers, and interoperability across LAs and functions. This was unfeasibly expensive and unlikely to succeed.

We then realised that our digital marketplace tool is already a touchpoint in brokerage, contracting, and pricing (and upstream of finance systems) but just not designed to capture the data. That data tends to be in word and excel documents shared through the digital marketplace. We could get a better one.

So we conducted soft market testing, but found that no suitable product exists – they focus on cheaply facilitating the narrow task of brokerage, rather than better data capture.

We conducted user research which suggests widespread dissatisfaction with the existing tool from the providers, commissioners, social workers, and finance users. They have an appetite to work with us on something better and showed that this could save them time.

**3.4 Tell us about your users**

PRIMARY USERS

Placement Officers (buyers, c.30) who need to:

* find providers to provide homes and care for the c.8,000 children;
* run micro-procurements which deliver value-for-money.

Provider Partnership Managers (sellers, c.2,000) who need to:

* discover opportunities to provide placements;
* make an initial and later a firm decision on whether or not to offer their services and at what price.

Their basic needs are met, but they want time-saving changes to forms and workflows (all), workflow changes to improve data quality (all), and mobile-friendly UX (providers).

SECONDARY USERS

* LA Finance Staff need data on terms agreed and services delivered so that they can forecast and make payments. These needs are met.
* Commissioners (c.45) need data on the supply and demand side of the market so that we can craft strategies to improve value and outcomes. These needs are not met.

We will focus on improving the data available to strategic commissioners so that they can better manage the market, by ensuring that key data is:

* Captured by improved forms and workflows (also benefitting primary users);
* Structured for analysis by a holistic data model;
* Made available to our analysts/suppliers as well as finance.

**3.5 Describe how your project team will have the skills and time available to deliver the project in an iterative/agile and user-centred way**

Our delivery plan envisages:

* A lean-product approach with our two key hypotheses being refined and then tested with end-users in order to inform whether or not a beta is desirable;
* An agile approach to delivery, built around one-week sprint cycles.

The full team will comprise (days):

* Access facilitator (22)
* Product manager (16.5)
* Delivery manager (33)
* User researcher (40)
* Business analyst (42)
* Data architect (5)
* Front end developer (48)

Given the timelines, we propose a blend of internal and external resource to ensure that we have the skills and time available.

To ensure the project can be delivered in an agile way, we propose:

* A multi-disciplinary team, working together throughout the project;
* Time-boxing to single-week sprints;
* A dedicated delivery manager (3dpw throughout) to facilitate key ceremonies (sprint planning, stand-ups, show & tell, retro) and to coach less experienced members of the team on working in an agile way.
* A senior manager embedded in the team as ‘access facilitator’ to enable rapid evolution of the product vision in response to what we learn on the way through

To ensure user-centricity we propose a user researcher in the team throughout the project (not just at the start!) to ensure our hypotheses remain grounded in well evidenced user need, and that our testing of features against those needs is robust.

EXISTING SKILLS AND EXPERIENCE IN BCC

Birmingham City Council, leading on behalf of the 14 LAs is currently building its own digital capability, having recently exited a long-term IT partnership with a waterfall-orientated outsourcer.

We have hired a digital director with deep agile and UCD experience, and started hiring experienced delivery managers and user researchers.

We have also entered a partnership with Methods to train our existing staff in user centred design and agile delivery, to provide agile coaches on projects, and to provide extra capacity in agile delivery and UCD roles where required. We would not need to go through a further procurement to use their resources.

Our own team includes:

* 2 user researchers
* 9 business analysts
* 3 front end developers
* 1 data architect

**3.6 How will you set up the project to ensure a collaborative, iterative approach between all partners?**

To Ensure a Collaborative Approach We Will:

* Make sure the whole team can join the ceremonies by running our backlog grooming, sprint planning, stand-ups, and retros on Teams.
* Celebrating the wins – especially when users praise the plans or features.
* Replicate the effect of information radiators online using a Miro canvas for key information such as sprint goals and user research findings.
* Never skip a retro.

Ensuring an Iterative Approach:

The Heads of Commissioning have delegated authority to Birmingham to run an iterative process. To ensure that this trust is extended to the project team, they will place the manager of their joint commissioning hub in the team 2 dpw, also acting as a rapid conduit to users and decision makers.

We will also use a lean product development process led by an experienced product manager.

GOVERNANCE

* The commissioning hub manager will act as product owner, owning the vision on behalf of the 14 Heads of Commissioning.
* The team will also have a manager assigned to them within Birmingham CC, with our Digital Director the first point of contact for any issues requiring escalation .

**3.7 Tell us about your delivery plan**

WORK TO DATE

We have run a discovery exercise – comprising user research, business analysis, and market engagement. Through this we:

* Clarified the problem we want to solve – commissioners not having the data they need (supply, demand, pricing) to manage the market.
* Developed a hypothesis about how this could be resolved – digitising the contracting process which is already mediated by our digital marketplace so that the data currently being shared in free text and in word and excel documents is instead captured in web forms and a structured by a data model which supports analysis as well as payment processing.
* Clarified what marketplace users need;
* Identified systems we must integrate with;
* Concluded that we cannot get what we need from an existing provider;
* Identified the who would do this work (no procurement required).

HYPOTHESES TO TEST NOW

1. We can digitise the contracting process, and do so to the satisfaction of providers, placement officers, and our finance team;

2. If we do, we can capture ‘at source’ reliable data on supply, demand, and pricing in the market and structure it in a way which facilitates analysis;

3. As an additional benefit, we can save time for placement officers and administrators.

HOW WE'LL TEST THEM

Our team will focus first on working with users to develop:

* A data model which can describe the market activity and serve the analysts as well as payment processors;
* A detailed understanding of the current contracting and purchase-to-pay process and what our systems must do in order to integrate with them.

We’ll then prototype interfaces for the contracting process – to see if we get what we need whilst improving the experience for the marketplace’s users. We’ll start with mock-ups, and probably build the working prototype on a low-code platform.

The highest risk elements of delivery are:

* Ensuring that the data model and new processes can reliably support the existing payment processing workflows (without which the project will be halted);
* Ensuring that over 2,000 users embrace the new service rather than seeking to work around it.

We’ll manage these by appointing experienced BA and UR, resourcing them well (c. 40% of all team days), supporting them with a data architect familiar with the domain, and adding to the team a senior manager who already has the relationships to enable quick access to users and stakeholders.

KEY MILESTONES

Kick-off (week 2)

Data Model v1.0 ready (week 5)

Brokerage process map ready, and user stories defined & prioritised (week 6)

Contracting web app prototype v0.1 tested (week 9)

Contracting web app prototype v0.2 tested (week 11)

Prototype web app for contracting within a brokerage workflow tested (week 12)

Proposals for beta (incl. costs, benefits, and sustainability plan) shared (week 12)

Budget holders confirm use of West Mids funds for the beta (week 12)

**3.8 How will you openly share the learnings and outputs from the project as the work develops, both with the sector and MHCLG?**

We have identified the follow key audiences for the work:

* MHCLG Local Digital Collaboration Unit – as the project’s funder
* c. 200 LA-based users of the current system incl. placement officers, commissioners, and quality monitoring officers. \* c. 2,000 provider-based users of the current tool.
* The 14 LA legal, procurement and finance teams who need to understand and support the concept of digitising contracting for placements.
* West Mids LAs, particularly their Heads of Commissioning – as the intended beneficiaries, likely co-funders of Beta, and likely sole (initial) funders of Live.
* Commissioners more broadly – as likely beneficiaries if we go to beta and live, and as likely funders of a live tool.
* Providers of existing marketplace tools – who may well be engaged at beta if adapting their products and using their existing arrangements for hosting, implementation and user support are a better route than building from scratch. This includes open source marketplace products which are not currently being used in commissioning placements.
* The broader local gov digital community.

Sharing what we’re doing with these is a major strand of the work, and will be led by the embedded senior manager from the commissioning hub who is already a part of key networks of commissioners and of existing users, and has already engaged with the software provider market through market testing.

Ways we’re planning to communicate include:

* Marketing our show & tells widely, make them engaging. We will hold virtual show & tells on Hopin, allowing us to bring in live interaction with those who dial in; and also distribute shorter edited video clips afterwards (esp. to our existing users) which are more likely to be viewed.
* Take advantage of cross-government digital networks by publishing weeknotes, sharing on pipeline, tweeting to key nodes like @localgovdigital, @ldgovuk, @ukgovcamp, @emmastace (DfE Digital), @kiteratti and @eddiecopeland.
* Seek opportunities to compare experience with related projects like Barnsley’s income management and e-payments system, East Sussex’s Demand Modelling project, and the Open Contracting Data Standard.

We'll also take advantage of the networks commissioners are embedded in:

* West Midlands Commissioners Hub,
* Visiting other regional commissioning groups’ meetings (e.g. White Rose, South Central, Commissioning Alliance, D2N2).

**3.9 Describe the scale of economic and financial benefits to be gained from addressing the problem, both at a local and national level. Add detail on how you will estimate future costs and benefits from a potential solution.**

BENEFITS

We anticipate up to £8.0m pa of benefits by the end of year 5 (c.2% decrease in total spending on LAC) if we are able to progress to Live, and deliver the anticipated changes in market management.

The greatest benefits will be cost avoidance, coming from commissioners’ improved ability to manage the market using the newly available data. These are described in the attached document.

COSTS AND BENEFITS OF BETA

In the final month of the project we will develop a roadmap and business case for beta, exploring routes including:

* Developing the digital contracting tool and data model as an integration to existing marketplace products;
* Offering the data model and a pattern for replication using low-code platforms;
* Building an integrated marketplace product.

We will also consider suitable business models, with our working assumption being that we pursue open source licensing, with one or more entities (possibly not us) providing hosting, implementation, support, and maintenance for a fee. The 14 West Mids LAs have offered to become the first clients of this service, contracting for up to five years in order to give it a secure base from which to grow.

We will estimate the total benefits based on a combination of:

* The calculations about indirect benefits attached;
* Observed benefits from time savings in the alpha;
* Assumptions about take-up, judged from conversations with other regional commissioning groups (e.g. Yorks, London, South Central) who we know to be interested in this issue.

Usefully, the data which the new marketplace will hopefully capture would enable tracking of leading indicators for the theory of change, allowing an early view on likely benefits realisation.

**3.9.1 Upload supporting documents (optional)**

[Benefits-Analysis.pdf](https://www.localdigital.gov.uk/index.php?gf-download=2021%2F09%2FBenefits-Analysis.pdf&form-id=37&field-id=159&hash=d0c561836a35edca68e525fc1a621bdecc2221283082ffaec163869e05e2aba3)

**3.10 How much funding are you applying for to complete the project?**

£148135

**3.11 How will the total project budget be used?**

| **Resource (e.g. staff time, supplier, contractor, etc.)** | **Time / Quantity** | **Total cost / Value** | **Who will pay (e.g. Local Digital funding or a particular project partner)** |
| --- | --- | --- | --- |
| Access Facilitator (Snr  Commissioner) | 22 | 13319 | Local Digital |
| Product Manager | 16.5 | 14025 | Local Digital |
| Delivery Manager | 33 | 28050 | Local Digital |
| User Researcher | 40 | 34000 | Local Digital |
| Business Analyst | 42 | ​​13691 | Local Digital |
| Data Architect | 5 | 4250 | Local Digital |
| Front End Developer | 48 | 40800 | Local Digital |

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## 4. Project partner details

**4.1 List all the project partners working on the project**

* Herefordshire County Council
* Worcestershire Children's Trust
* Warwickshire County Council
* Telford and Wrekin Council
* Shropshire Council
* Stoke-on-Trent Council
* Staffordshire Council
* Birmingham Children's Trust
* Solihul MBC
* Coventry City Council
* Dudley MBC
* Sandwell Children's Trust
* Walsall MBC
* City of Wolverhampton Council