



## Peer Review REPORT

We kindly ask each Host Partner to complete this form after each Peer Review.

<b>Host Partner</b>	Birmingham City Council
<b>Date of Peer Review</b>	27 -28 September 2016
<b>Format of the meeting</b>	Round table discussions; plenary sessions
<b>PREPARATION</b>	
What was your experience in arranging the Peer review? How was the reaction of the stakeholders? Did you receive any useful inputs from the Peer Review Team/experts during that preparation period?	
The stakeholders were supportive in what the Peer Review was aiming to achieve and advised on initial challenge areas. UK expert Malcolm Harbour CBE inputted into the topics covered through the break out groups.	
<b>IMPLEMENTATION OF THE PEER REVIEW</b>	
(a) Description of Peer Review focus: key issues that the host partner wanted to address	
<p>The Peer Review in Birmingham aimed to highlight some of the challenges and barriers to growth faced by regional SMEs. It explored particularly what Birmingham City Council and regional partners are currently doing and impact of these interventions. It then aimed to seek to identify how the council and regional administration (GBSLEP and WMCA) could improve its SME support provision to enable SMEs to be more competitive.</p> <p>The initial challenge questions posed to the experts ahead of the Peer Review based on RSG feedback and survey covered the following areas:</p> <ul style="list-style-type: none"> <li>• <b>How should public sector services</b> and support packages be re-designed to enable greater private and public sector innovation working with SMEs, particularly around the following challenges: <ul style="list-style-type: none"> <li>a. Procurement and contracting processes that are suitable for working with SMEs, establishing this expertise within ICT – current processes are said to stifle innovation and hinder SMEs from working with the public sector</li> <li>b. Governance process and policy frameworks to become more agile</li> <li>c. Culture and collaboration; partnership agreements, new business models &amp; shared Intellectual Property</li> <li>d. Access to data and Infrastructure</li> </ul> </li> <li>• <b>What are the constraints for SMEs, start-ups and entrepreneurs in improving their digital performance / operations?</b> What can be done to remove them? How can this be done sustainably?</li> <li>• <b>What else needs to be done to modernise</b> public sector service provision and deliver effective and efficient end to end digital services that will benefit SMEs</li> <li>• <b>What new types of support</b>, grants &amp; finance; funding calls etc. could help businesses to grow beyond their current base and how do we make these more accessible</li> </ul> <p>To aid the discussions at the Peer Review meeting these were then broadly categorised into the</p>	



three topic areas of:

- a) Supplying innovation in business
- b) Supporting SMEs generally as suppliers to the council / public sector
- c) What the public sector can do to support SMEs

The experts worked with the regional stakeholders to:

- Identify the challenge issues and barriers to growth for SMEs in the context of the public sector through discussion, insights from survey data and interviews with businesses and stakeholders
- Highlight examples of good practice, ideas, solutions and new approaches for Birmingham City Council, GBSLEP and WMCA to explore further
- Present initial practical steps / recommendations for the Regional Stakeholders to consider

(b) Please list here in bullet points the activities undertaken during your Peer Review

#### Peer Review briefing session for Experts

A briefing session was provided for experts ahead of the Peer Review to enable them to meet informally; understand each other's areas of specialism and interest and address any specific questions ahead of the meeting.

#### Evidence Gathering (Regional Stakeholder Group and SMEs)

The morning session began with a brief round of introductions from each of the Experts and Regional Stakeholders (name, organisation and area of interest / responsibility). This was then followed by 3-4 scene setting presentations from members of the Regional Stakeholders Group to provide some different perspectives of the challenges and barriers and current initiatives in place to support SME growth.

These covered:

- Findings from MEBC Business Impact and Brexit Survey – <http://bit.ly/2lnw3sH>
- Summary of results from PURE COSMOS SME survey - <http://bit.ly/2krj00z>
- Overview of Birmingham City Council Procurement process - <http://bit.ly/2kHfDMQ>
- Introduction to Birmingham's Digital agenda - <http://bit.ly/2kSrt8K>

#### Round Table Groups – Suggested Format and Process

To facilitate the discussions and evidence gathering across the challenge areas, 2-3 smaller working groups were drawn together from the Experts and Stakeholders. The round table sessions lasted approximately 1.5hrs. Each group was chaired by a member of the RSG and were provided with several challenge questions to discuss with the aim to:

- Identify the issues for both the SME and public sector – brainstorm of the challenges and opportunities
- Understand why it is a priority – review of the issues to identify top 5 issues
- Consider possible solutions – learning from elsewhere; evidence, measurement and



potential impact

- Presentation of findings from the above on to the flipcharts

The Experts had the opportunity to move to different discussion tables after discussion of a challenge area to give them the opportunity to work with a different group. The aim was that the table groups presented back collectively the developing issues and ideas.

SME Visits: Innovation Birmingham Campus (iCentrum)

In the afternoon the Experts visited the nearby Innovation Campus (5mins walk away) and new facilities of iCentrum tech and digital incubator, where they had a brief tour and introduction to the facilities. This was followed by round table conversations and Q&A with around 8 digital & tech start-ups and SMEs to understand their needs and aspirations and views on the role of local authorities in enhancing their growth opportunities.

The Experts then had time to meet together and review the main feedback findings from the day in preparation for the ‘Presentation of Findings’ session.

**Peer Review Experts Presentation of Findings**

Experts presented back their initial findings to the Regional Stakeholder Group. Some of the members at this meeting were different to the attendees from the Tuesday session. This enabled the Experts to use this second group to help develop their thinking and ideas further and provide a forum to share good practice, possible solutions and approaches. The UK expert Malcolm Harbour chaired this session on behalf of the Experts.

**(c) Partnership: please list here the experts**

Name	Organisation
Michela Grenno (Genoa, Italy)	Commercial co-ordinator Business First Genoa Via Garibaldi
Domenico Trombino (Florence, Italy)	One Stop Shop (SUAP in Italy) for Economic and Tourism Department, Municipality of Florence
Marcel Lejeune (Saxony Anhalt, Germany)	Investitionsbank Sachsen-Anhalt
Malcolm Harbour CBE (UK)	Lay Council Member on the Research and Knowledge Transfer, Council of Birmingham University (July 2014). Previously served three mandates as Conservative MEP for the UK West Midlands, and was Chairman of the Internal Market and Consumer Protection Committee (IMCO) from 2009 to 2014.
Kleoniki Kalapouti ((Anatoliki SA, Greece))	Consultant, Entrepreneurship Centre – Public Utility Enterprise, Kalamaria’s Municipality (K.E.D.KA) in Thessalonki.
Zdeněk Hušek (Usti Region, Czech Republic)	Member of the Alma Diagnostics Board and Chairman of Supervisory Board, Technology Centre Hradec Kralove (business incubator).

**(d) Partnership: please list here the participants from your region (including stakeholders)**

Name	Organisation
David Hardman	Innovation Birmingham Ltd
Tim Manson	Marketing Birmingham



Raj S Mack	Digital Birmingham
Victoria Kinally	MEBC
James Whitaker	Barclays – Head of Small Business Team
Maureen Griffiths	Birmingham City Council - Procurement
Jane Holmes	Birmingham Science City
Josh Dale	Digital Innovation Consultant
Paula Whitehouse	Aston University
Kim Rowlands	Business Enterprise Innovation & Skills
Paddy Murphy	West Midlands Academic Health Science Network
David Glover	UK - Barclays
Katie Judge	Greater Birmingham & Solihull Local Enterprise Partnership
Annette King	Digital Birmingham
Nicola Bryant	Digital Birmingham
Hugo Russell	Innovation Birmingham Ltd
Paul Long	Ice Blue
Guy McEvoy	GuyKat
Jonathan Bostock	PMNet
Daniel Pugh	Barclays
Daniel Cremin	Civico Live
Tim Ferrer	Lightwave FM
Joe Tibbetts	Boilerhouse

(e) Recommendations: please list and explain the conclusions and main points of advice you received from the experts (link to presentation summary: <http://bit.ly/2kmodj5>)

**Key findings and 3 themes:**

**1. Optimise support for sustainable economic development of SMEs**

- Public sector need to be more proactive in how they engage and collaborate with SMEs – this is about looking at how the public sector needs to change from observer to collaborator; brokering and enabling
- Look holistically at the needs of business – simplification of the structures and administration processes that exist. Developing the concept of the one stop shop and single point of reference for business to support sustainability is key
- They need to make it easier for SMEs to start-up
  - Future oriented; strategic and target those that can perform
  - Birmingham highlighted as an area of good practice that have demonstrated a good start-up rate
- Sustainability of start-ups are a challenge and scale-up solutions are required to increase survival rates of start-ups – this is an area for improvement for Birmingham and the UK as a whole
  - Requires engagement with national programmes / agencies
  - Success of incubation identified by capacity of business to revenue generate
  - Whilst finance was not raised as an issue...there is a lack of reference to the role of banks and how they can support in different ways. SMEs see this as the last place they would go. Opportunity to look at other models in Europe and consider how financing could be done through the state and bank

**2. Maximise the opportunities of SMEs as suppliers to the public sector**

- One of the entrepreneurs had said: “Procurement is built to buy the old stuff”
  - It’s unclear as to whether public sector is maximising opportunities from new public



- procurement rules
    - These can be adapted to more complex procurement requiring innovative solutions and support at the adoption of new opportunities
    - Birmingham doing some really interesting work accommodating green and social value procurement through Charter but not necessarily percolating through the system
    - Procurement should be about getting the best for your business whether it is the public or private sector
- Encourage more outcome based approach to procurement rather than prescribed solutions in order to drive innovation; tendency for public procurement to be conservative – needs to be recognised that innovative companies work at risk
- Focus on pre-commercial procurement to support proof of concepts and R&D
- Make it easier to do business with the council
  - Standardisation – capture initial information once and re-use
  - Breakdown large contracts into smaller lots or support consortium of SMEs to tender for larger contracts
  - Timely payments to support SME cash flow and funding guarantees for those stretched financially (role of banks?)
  - Regular pricing reviews and renegotiation aligned to supporting SME business model and overheads
  - Birmingham City Council has developed a toolkit and they are working with internal teams to train them in the process – professionalism is seen as key
- Helping innovative companies eager to showcase their novel solutions in their own city – this was expressed strongly as part of the SME interviews

### 3. Energise the leadership in the public sector to exploit capabilities of innovative SMEs

- All public authorities face resource and financial constraints
  - Role and exploitation of tech and innovative suppliers is a necessity to meet citizen and business expectations NOT a choice
- Urgency to encourage a strategic dialogue
  - Private sector and public sector both need to adapt to the new world
  - Procurement should not be seen as a backroom activity
- Promote communities and networks of interest to drive open innovation and exchange of ideas
  - Across suppliers and public customers
  - To shape and reconfigure public services
  - On a local, regional and global scale
  - Access to expertise and knowledge is important to entrepreneurs
- To make procurement work better requires:
  - Significant upgrading of tools and procedures
  - Investment in data – use of CRM systems for segmentation and business capabilities
  - More comparative EU data on how other regions doing procurement for public solutions
- Funding and expertise through agencies such as Innovate UK

### Recommendations for Implementation

- Investigate innovative public sector improvement – it is intended to be adaptive and flexible so need to make sure that maximize the opportunities from this and spread learning and use of existing toolkits
- Review terms and conditions in respect of how SMEs are contracted to work with the Council (cash flow; payment and funding); standardisation of approach



- Understand and research new financing models and approaches to support sustainability of SMEs - co-funding through banks and public sector
- Adopt more collaborative approach with SMEs; find new; more modern ways to engage; enhancement of the one stop shop model – end to end brokered support and advice facilitated by digital by default
- Try to overcome barriers – some are perceived legal organizational constraints; some cultural ones (Council is risk averse); some due to constraints in public administration

**(f) Please list here the action points and next steps**

- Identify potential study visits that could support better understanding and development.  
Hot topic areas:
  - a) Innovative procurement
  - b) Financing (co-designed models)
  - c) Enhancement of the Growth Hub - one stop shop model – shared learning with Greece and Florence
- Review and progress findings at next Regional Stakeholder Group meeting

**(g) Exchange of Experience: please list and (briefly describe) any GOOD PRACTICE RECOMMENDED BY THE EXPERTS**

- Kleoniki Kalapouti / Dominico Trombino: Co-ordinated approach across different services; one-stop model
- Michela Grenno: Financing through use of banks and public sector – reviewing role and opportunities through banks
- Malcom Harbour / Marcel Lejeune: reviewing role of public procurement of innovation

**Please also send the agenda and the pictures of the meeting.  
THANK YOU!**



**Peer Review Programme**

<b>Monday 26<sup>th</sup> September 2016 – 1 Lancaster Circus</b>		
18.30 – 19.30	<b>Peer Review Preparatory meeting</b>  Introductions and background briefing with Peer Review experts in preparation for the Review. <ul style="list-style-type: none"> <li>• Understand specific areas of specialism and interest from experts</li> <li>• Agree approach</li> </ul>	1 Lancaster Circus, Rm 401  Host Co-ordinator – Annette King & Nicola Bryant Digital Birmingham
20.15	Dinner (Cosmos partners and peer review experts)	Host Co-ordinator - Birmingham
<b>Tuesday 27<sup>th</sup> September 2016 – Conference Aston (123 Suite): Refreshments and registration from 9.00am</b>		
9.30	<b>Evidence gathering</b> Welcome and introduction to the Peer Review Scene setting presentations from Regional Stakeholder Group (RSG) members on challenges, barriers and current initiatives: <ul style="list-style-type: none"> <li>- Pat Laughlin, MEBC (Business Impact and Brexit Survey)</li> <li>- Maureen Griffiths, Birmingham City Council – Procurement</li> <li>- Raj Mack, Digital Birmingham, Smart Cities and Digital</li> </ul> <b>Round table discussions with RSG</b>	Annette King, Digital Birmingham  Regional Stakeholder Group  Round table
11.00	<b>Refreshments</b>	
	Round table discussions (continued) followed by feedback and plenary	
13.00	<b>Lunch</b>	
14.00	Visit to iCentrum for Experts to meet SMEs and start-ups and tour of facilities  Round table discussion and Q&A with around 8 digital / tech SMEs and start-ups discussing their needs and challenges and role of public sector	
16.00	<b>Review of main findings</b> Debrief session for Peer Experts and host co-ordinator to discuss main findings	Host co-ordinator and experts
19.30	<b>Dinner for Peer Review experts with Cosmos partners and host RSG</b>	
<b>Wednesday 28<sup>th</sup> September 2016 – Conference Aston (Whitehall 3 Suite)</b>		
8.30	Time for Experts to meet to review evidence findings and key messages for feedback supported by Host Co-coordinator	Experts and RSG
9.30	Presentation of evidence findings followed by Q&A	Experts
11.00	<b>Refreshments</b>	
11.25	Sharing of good practice, ideas and solutions Agree next steps	Experts and RSG
12.30 – 13.30	<b>Lunch and close of Peer Review</b>	



**Pictures**

