



# BETTER

Interreg Europe

Driving Digital Innovation  
in Public Services



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## About BETTER

BETTER helps Public Authorities to stimulate regional innovation chains using eGovernment solutions.

BETTER offers an innovative approach to a crucial priority for the EU: encourage Public Authorities to develop Regional Innovation Strategies in which eGovernment solutions can stimulate Regional Innovation chains (as well as improving their services).

### Key issues are:

- the physical and virtual infrastructure to support innovation;
- how to develop and apply new innovative products and services;
- the processes to support new business models and cross-sector (private-public-community).

The people and skills to make it happen BETTER will link e-Government with the “innovation chain” to create a win-win initiative. On one hand, municipalities and regions need to improve public services, while cutting costs: e-Government is one way to do this. On the other hand, adopting e-Government solutions could be used in turn to stimulate the local or regional innovation chain: for example the design, supply and maintenance of specialist services such as Artificial Intelligence.

The project’s objective is to stimulate regional innovation chains through developing or improving e-Government services provided by local and regional authorities.

[Learn More](#)

➤ Link: <https://projects2014-2020.interregeurope.eu/better/>

# About West Midlands Innovation Programme

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The West Midlands Innovation Programme (WMIP) launched in 2019 to deliver the innovation framework that sits within the West Midlands Local Industrial Strategy.

With a focus on demand-led (or market-pull) business innovation, WMIP has been driving up levels of innovation across all areas of the region, by delivering a stronger, more integrated innovation support offer to business and providing targeted support to business to access more national innovation funding.

WMIP focuses on 5 areas of action, namely:

- Networks and Linkages
- Investment Programmes
- Innovation Talent
- Intelligence on future trends
- Innovation Culture



Partners include the West Midlands Combined Authority (funder) and its Innovation Board, the Innovation Alliance for the West Midlands (IAWM) and a business facing 'Virtual Innovation Team'.

The Virtual Innovation Team comprises of business facing innovation experts hosted by a range of regional cluster/ sector bodies. Between them they support businesses in all the sectors and major market opportunities of the West Midlands Local Industrial Strategy to grow through innovation. Working with IAWM, the Virtual Innovation Team identify and address common barriers and opportunities across sectors and markets, leading to collaborative innovation action and programmes.

[Learn More](#)

 Link: <https://innovationwm.co.uk/wmip/>

# About Digital Innovation in Public Services

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## The Challenge:

It is well recognised that for the public sector to successfully deliver and meet the increasing demands on its services, it requires access to innovative products and services. This includes the ability to procure emerging technologies, goods and services from the private sector.

As part of a scoping study, funded through West Midlands Combined Authority and IAWM, innovative businesses in the West Midlands cite procurement into the public sector as being one of the largest hurdles they encounter. Public procurement is then seen as the process which hinders or halts the successful adoption and scale of their innovation. In these times of rapid change, which will continue as society resets and recovers following the Covid-19 pandemic and public finances are under pressure, there is an even greater role for innovation. Yesterday's solutions do not even meet today's, let alone tomorrow's, challenges.

## The Opportunity:

During the pandemic we have already seen pockets of innovative procurement which proves that many of the necessary policies and practices do exist or have been modified; it has taken a crisis to create the impetus to adopt innovation-friendly policies and practices. Therefore, an opportunity has arisen to better understand what can be learned and promoted to support Local Authorities to adopt innovative procurement practices and for businesses to understand what is required of them, in order that they can access public sector markets.

## The Delivery:

In response to the latter, IAWM has facilitated a partnership between Innovation Birmingham, Birmingham City Council and Birmingham City University to develop a model of support. The model looks to apply a design thinking service to teach local authority teams how to better identify and articulate their needs without being so prescriptive of the anticipated solution that any innovative ideas are disabled. These challenges will then be fed through to Innovation Birmingham to support the business base to be able to respond, resulting in a recovery win for both parties. Local Authorities reduce exploitation from large national corporations, meaning they can pay less and do more with their budgets. Our regional economy of SMEs has the opportunity to enter previously closed supply chains, enabling their business growth and increasing GVA for the West Midlands.

# Process Flow

## Showcase Pathway (PILOT MODEL)

**DESIGN THINKING**  
Local Authority (LA) directorate engagement and design thinking process.

**CHALLENGE ARTICULATION & RELEASE**  
Challenges boiled down and released to SME community / wider innovation ecosystem in a format they can respond to.

**SMEs IDENTIFIED**  
SMEs identified with ideas that are already developed and commercialised but could be re-shaped to respond to challenges.

**BUSINESS SUPPORT DELIVERY**  
Businesses are supported with the space, expertise and facilitated engagement with LA challenge owners to develop their ideas to the quality required to showcase prototypes.

**SELECTED PROTOTYPES SHOWCASED**  
Showcase to LA (and wider LA stakeholders) on potential solutions developed (and be able to give an indication of the cost for deployment).

**BUSINESS CASE FOR FUNDING**  
If the LA feels there is a strong enough solution, they can create a business case for funding.

**INNOVATION PARTNERSHIPS  
PROCUREMENT MODEL ACTIVATED**

## Direct Pathway

**BUSINESS CASE FOR FUNDING**  
The LA has already identified funding to address directorate challenges but has not put a tender out.

**DESIGN THINKING**  
Challenges boiled down and released to SME community / wider innovation ecosystem in a format they can respond to.

**CHALLENGE ARTICULATION**  
SMEs identified with ideas that are already developed and commercialised but could be re-shaped to respond to challenges.

**INNOVATION PARTNERSHIPS  
PROCUREMENT MODEL ACTIVATED**

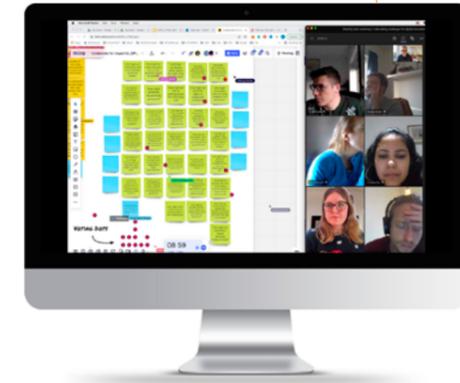
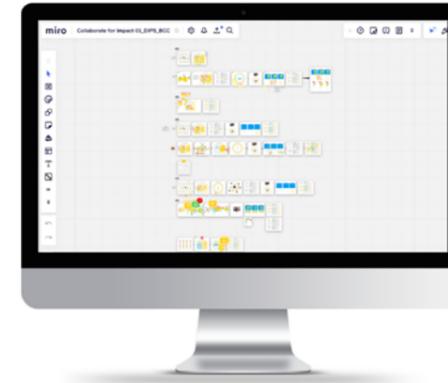


# Design Thinking

Design thinking is **human-centered**, it is a process that is used to solve problems by prioritising the consumer's needs above all else by using evidence of how consumers actually engage with a product or service rather than how someone else thinks that they will engage with it. To create a truly human-centered, designers watch how people use the product or service and continue to refine it in order to improve the experience. This part of design thinking favours moving quickly to get prototypes to test, rather than contemplating on research potential options.



## Workshops

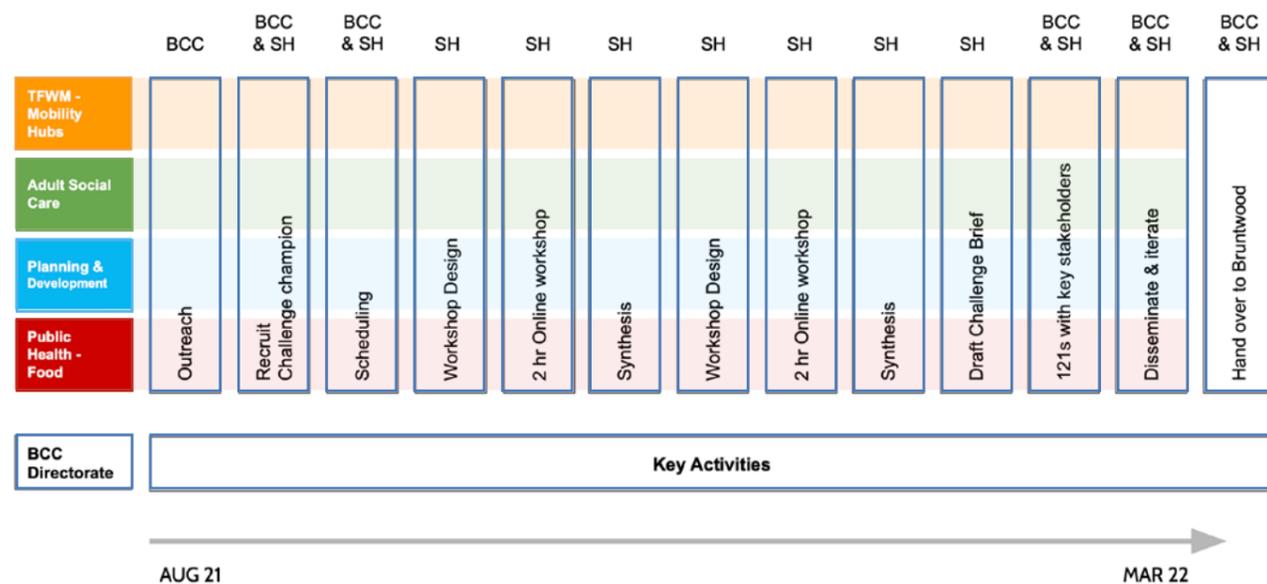


2 x 2hr Workshops per Directorate - 16 x Participants - 2 x Facilitators

## Case Study: How STEAMhouse did it



- Capacity Building
- Human-centred
- Collaborative
- Commercially Strategic



## What worked?

- Passionate participants
- Knowledgeable participants
- Mapping & understanding
- Access
- Conversation
- Sandpit

## What didn't?

- Timeline
- Retention
- Budget uncertainty
- Data and evidence
- Executive-level participation

## Where have we landed?

TFWM - Mobility Hubs	1x Challenge Brief complete - Challenge Champion Recruited
Adult Social Care	2x Challenge Brief complete - Challenge Champion Recruited
Planning & Development	1x Challenge Brief complete - Challenge Champion Recruited
Public Health - Food	1x Challenge Brief complete - Challenge Champion Recruited

# Challenge Release & Business Support



The DIPS approach has been influenced by the award-winning Digital Renewal Programme delivered by the Swedish 'Better' partner in Gavle which works with Gavle city council departments to help them identify the key challenges they face through an open innovation 'Design Led Thinking' approach.



Birmingham City University STEAMhouse colleagues are champions of the Design Led Thinking approach and through the DIPS project worked with BCC colleagues who were taken through a process to help identify the most important challenges they face. The project has also attracted the attention of the central government and been included in a film shared with the Department for Business Innovation and Skills.

## What's on offer?

- Access to free hotdesking at Innovation Birmingham Campus
- 6 months of bespoke business support
- Access to our partner network and expertise
- Free collaborative space at Innovation Birmingham
- Mentorship and full access to events and workshops
- Real-world validation
- Funding support available



## Take a look at The Challenges:

- **Adult Social Care: 1**  
How can technology enable citizens to access engaging and inclusive Adult Social Care service information quickly and efficiently?
- **Adult Social Care: 2**  
How can technology enable citizens with learning disabilities to access, and be in control of, suitable transport services that increase confidence and independence?
- **Planning and Consultation**  
How can technology transform public consultation to increase citizen engagement, improve quality, and enable meaningful dialogue?
- **Vyse Street Food Hub**  
How can technology directly connect regional food producers with urban demand and transport goods between them in a reliable, affordable and sustainable way?
- **TfWM Mobility Hubs**  
How can technology support the transformation of Mobility Hubs into places of community and business activity that drives active transport use in the city?



# Innovation Partnerships as a Procurement Model

Research and innovation is at the centre of the “Europe 2020” strategy for smart, sustainable and inclusive EU-wider growth.

Contracting authorities are encouraged to make strategic use of procurement to spur innovation. The Innovation partnership provisions are one of a number of new measures in the new Public Sector Directive supporting this aim.

## What are innovation partnerships?

They are intended to be long term partnerships which allow for both the development and subsequent purchase of new and innovative products, services or works.

The term “partnerships” is not used in a technical sense to mean legal partnerships as defined under UK law. The term is used to indicate the partnering type approach to working together.

Why is a new procedure required? Under the old directives contracting authorities wishing to support innovative research and development faced a practical problem: they may well have been able to justify awarding an R&D contract without competition. If the outcome of the R&D process was a useful product contracting authorities were often unable then to purchase the product direct from the developer without a further competition.

The Innovation partnership procedure is aimed at resolving this problem by wrapping up in one procurement process the appointment of one or more innovation partners; parallel innovative development work as well as permitting the number of partners to be reduced; and an option for the contracting authority to purchase the innovative supply, service or works developed as a result of the Innovation partnership.



## What does the new Directive/Regulations say?

The Regulations define “innovation” as “the implementation of new or significantly improved” products, services or processes - (Article 2/Regulation 2). The non-exhaustive definition covers:

- Production
- Building and construction
- A new marketing method
- A new organisational method in business practices
- Workplace organisation or external relations

This broad definition will cover a wide range of procurements, from development of a single specialist product to, potentially, major outsourcing arrangements. The new or significantly improved products, services or processes should be implemented with the purpose of helping to “solve societal challenges” or support the Europe 2020 strategy. From a practical perspective, contracting authorities will need to have a clear audit trail demonstrating how the proposed arrangements achieve this objective and fall within the definition of “innovation”.

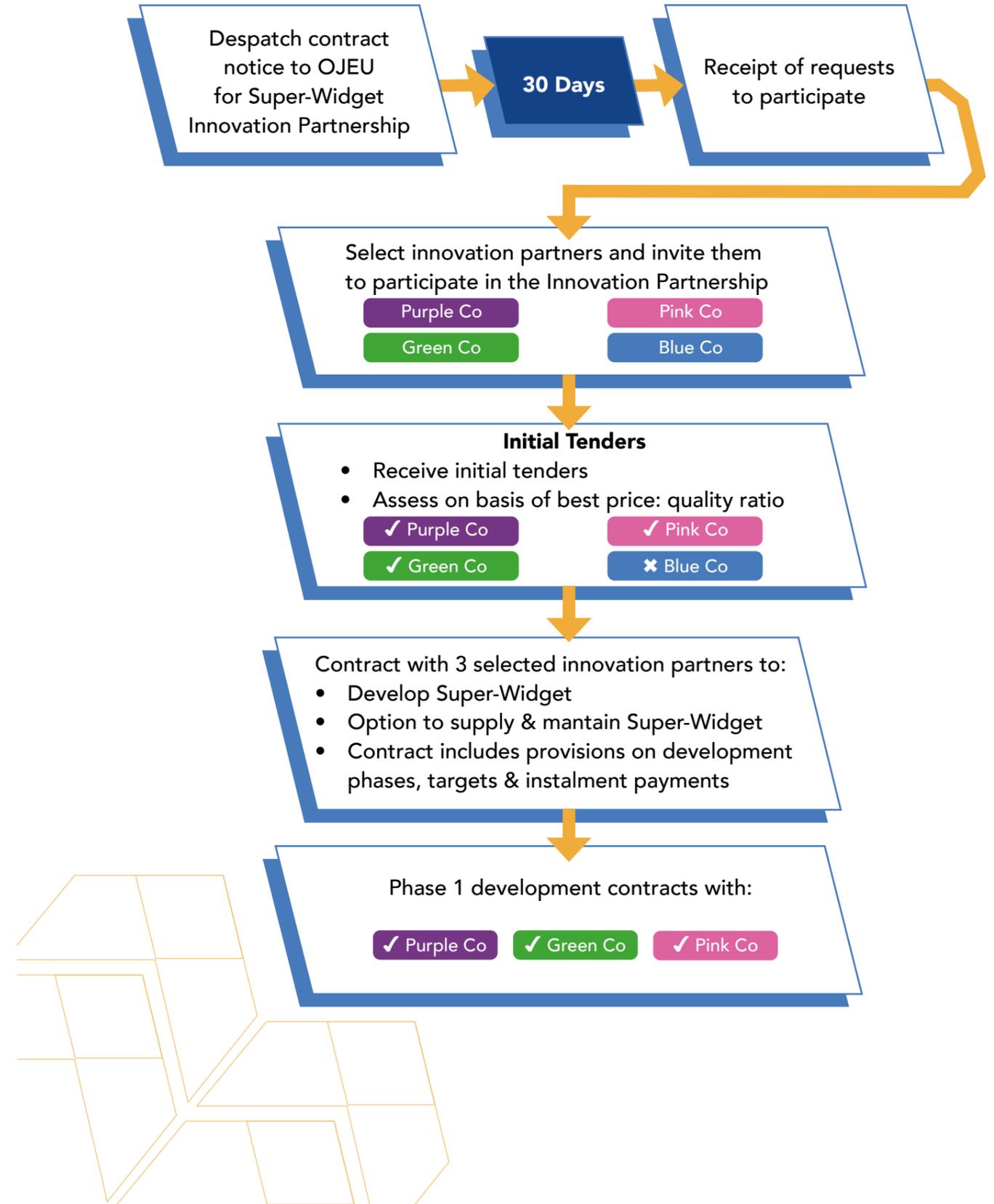
## How to run an innovation partnership

Article 31/Regulation 31 sets out how to run an Innovation partnership procedure. There are a range of options available to contracting authorities. We will not cover all of the detail in this Byte. What we aim to do is to give you an idea of just one way in which an Innovation partnership might operate, with some pointers to key issues.

## The Super-widget Innovation Partnership Project

- The contracting authority needs a widget of a type which is currently not available on the market. It would like to see if there are organisations which are able to research the contracting authority’s requirements and develop prototypes.
- If the prototypes look promising the contracting authority would like the option to develop one or more of the prototypes further.
- If, as a result of this R&D there is a widget which can be manufactured to meet its requirements then the contracting authority would like the further option to purchase those widgets, together with a maintenance contract.
- The contracting authority decides to use an Innovation Partnership procedure

## Part 1: Advertisement, selection of innovation partners and initial development phase



## Keynotes

### ADVERTISING AND TIME LIMIT

- The contracting authority must advertise in the OJEU
- There is a 30 day statutory minimum time limit from despatch of the contract notice to the OJEU and the closing date for receipt of requests to participate

### PROCUREMENT DOCUMENTS

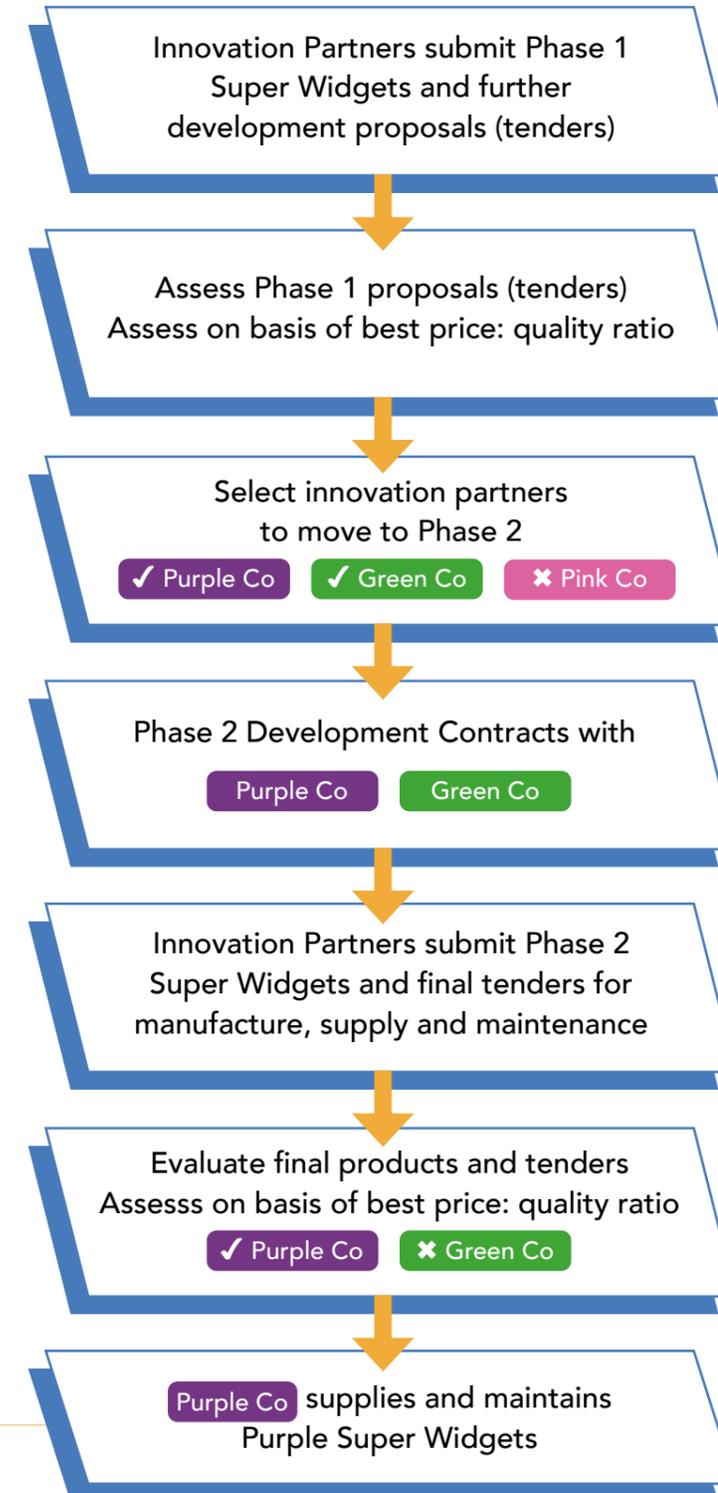
- Procurement documents must be available by electronic means from the date of publication of the OJEU contract notice. Access to the procurement documents must be unrestricted, full and direct and free of charge (Article 53/Regulation 53(1)).
- The procurement documents must define minimum requirements together with other information relating to the innovation partnership and the conduct of the process. The information must be sufficiently precise to enable economic operators to understand the nature and scope of the required solutions. This is so that they can decide whether or not to submit a request to participate

### SELECTION

- Selection criteria shall include capacity in R&D and developing and implementing innovative solutions
- The contracting authority must invite a minimum of 3 economic operators to participate in the innovation partnership procedure, provided that there are 3 suitably qualified economic operators



## Assessment of Phase 1 tenders, moving on to phase 2, final tenders and award of a supply and maintenance contract



## Keynotes

### PHASING

- An Innovation Partnership can be structured in successive phases, following the sequence of steps in an R&D process.
- There are specific provisions relating to notification of changes in specifications and procurement documents
- The innovation partnership shall set intermediate targets to be attained by the partners and provide for payment in instalments. Failure to meet targets can provide the basis for contract termination.
- The duration and value of the different phases must reflect the degree of innovation and sequence of R&D activities required.

### NEGOTIATION

- The provisions envisage the possibility of a series of tenders during the innovation partnership, reflecting the phasing of the project. All tenders, except final tenders, can be negotiated with the partners. Negotiation is not permitted on minimum requirements and award criteria
- During negotiations contracting authorities must ensure equal treatment of all partners and maintain confidentiality

### AWARD

- Initial, subsequent and final tenders are envisaged
- Final tenders cannot be negotiated
- Award criteria must be disclosed in the OJEU contract notice, invitation to confirm interest or procurement documents.

