

Finance and Resources Committee

10am, Monday, 14 December 2015

Implications for Coproduction and Procurement – Early Findings from the EADP Treatment Services Tender

Item number 4.2
Report number
Wards: All

Executive summary

In response to a motion at the Finance & Resources Committee on 26 February 2015, this paper sets out some early learning for future procurement exercises following the EADP tender of community treatment services. These can be summarised as:

- Developing a way to bring together coproduction and the procurement of services
- Developing the capacity of community based 3rd sector organisations

It is recommended that:

1. the Finance and Resource Committee note the issues raised in this report.
2. these issues raised are addressed a part of future work to mainstream coproduction across the Council.
3. that there will be a further report to this Committee analysing the various options in Spring 2016.

Links

Coalition Pledges	P12 and P43
Council Outcomes	CO10 and CO11
Single Outcome Agreement	SO2

Implications for Coproduction and Procurement – Early Findings from the EADP Treatment Services Tender

1. Recommendations

- 1.1 It is recommended that:
1. the Finance and Resource Committee note the issues raised in this report.
 2. these issues raised are addressed a part of future work to mainstream coproduction across the Council.
 3. that there will be a further report to this Committee analysing the various options in Spring 2016.

2. Background

- 2.1 At its meeting on 26 November 2015, the Finance and Resources Committee deferred a decision on the award of contracts for the EADP Community Treatment Service. The Committee requested further information about the procurement process itself.
- 2.2 Committee also requested information on the implications of this tender process for future coproduction and procurement exercises.

3. Main Report

- 3.1 It is important to note that the procurement process for the EADP Community Treatment Service is not yet complete. Consequently there are risks to identifying “lessons learned” at this early stage in the process.
- 3.2 Instead this report seeks to identify issues to consider for future coproduction and procurement of health and social care, and potentially other appropriate, services.
- 3.3 Coproduction and procurement**
- 3.4 The City of Edinburgh Council has set out a clear commitment to coproduction as means of service redesign and development. This is demonstrated at a

number of levels across the council, including an agreement at full Council to mainstreaming coproduction (November 2014), as well as the development of good practice guidance for Council staff¹.

- 3.5 Coproduction is defined by the Council in a number of complementary ways. This includes the Edinburgh Compact's definition:

“To coproduce is to build something together, to co-create, to jointly develop and innovate.”

- 3.6 It goes on to identify that coproduction approaches need to include service users, both current and potential future service providers, budget holders and other relevant stakeholders in service design and delivery.
- 3.7 The approach is designed to achieve a “collaborative advantage” pooling resource, expertise, knowledge and experience to design the best possible for services with and for citizens in Edinburgh.
- 3.8 However procurement activity is bound by EU legislation and there is a requirement for openness, transparency and fair and equal treatment. There is also a requirement to comply with the Scottish public procurement legislation (currently the Public Contracts (Scotland) Regulations 2012), the Council's Contract Standing Orders and the requirement to deliver best value.
- 3.9 As a result, procurement processes can be perceived as competitive as opposed to collaborative as potential providers are required to submit proposals against defined and coproduced service specifications.
- 3.10 However, it should be recognised that co-production will not always mean co-delivery and the Council must work to deliver the coproduced service requirements in a way that is transparent, fair and equal as well as demonstrating best value. The exact method of bringing together these two processes together in a consistent and clear way is key to delivering successfully coproduced outcomes. Currently, the clearest and most transparent way to demonstrate both compliance and best value is through the procurement process. However, where other options are available in the future, these can be examined to ensure that they remain compliant.
- 3.11 There needs to be a shared understanding between the Council and the third sector of the limits as well as the advantages of co-production and of procurement as means of securing the delivery of services.
- 3.12 Alongside this, consideration needs to be given to reviewing guidance around the procurement process so that it is aligned to the values of co-production. This should ensure that so far as legally possible that these processes do not set unrealistic expectations of smaller third sector organisations who engage in these processes.

¹ https://orb.edinburgh.gov.uk/download/downloads/id/19293/coproduction_guidance_1_june_2015

3.13 Scottish Government guidance is expected in early 2016 in relation to the procurement of services to the person. New legislation is also expected which implements the EU directives. This legislation and guidance will allow the Council to further consider what options are available to it in relation to such services. A further report will be brought back to Committee in Spring 2016 analysing these options further.

3.14 Developing the capacity of community based 3rd sector organisations

3.15 In Edinburgh the third sector is broad and diverse and the benefits that this brings to the city are well documented. There will be times when the Council and other public sector bodies will need to use tender exercises to secure the delivery of service from the third sector. This may be for a number of reasons and include the value of the contract and/or that services are clearly specified.

3.16 It is essential that Edinburgh's third sector is able to compete with other third sector organisations that may operate across the country. As noted above this means that the Council needs to align its procurement processes with the values of coproduction, but it may also require some capacity building within the third sector to enable them to compete. This might include further training on bid writing and tender submission, exploring novel approaches to evaluating service proposals, as well as better opportunities to build coalitions / collaboratives when developing and submitting service proposals. There have been a number of examples where local organisations have been successful in tender exercises when they have come together submitted joint proposals.

3.17 The Council, along with EVOC, will continue initiatives to encourage this type of joint working within the procurement processes, whilst ensuring that the end-outcome is both robust and compliant.

4. Measures of success

4.1 There are no clear measures of success in relation to this report as it raises issues for consideration.

5. Financial impact

5.1 There are no direct financial impacts related to this report.

6. Risk, policy, compliance and governance impact

6.1 Any risks relating to this report need to be managed through existing workstreams.

7. Equalities impact

7.1 An equality impact is not required at this time.

8. Sustainability impact

8.1 There are no impacts on carbon, adaptation to climate change and sustainable development arising directly from this report.

9. Consultation and engagement

9.1 The recommendations in this report need to be discussed with key strategy leads within the Council and leads within the third sector.

10. Background reading/external references

10.1 Mainstreaming coproduction of Council policy, strategy and in the design, delivery and review of services, available at https://orb.edinburgh.gov.uk/download/downloads/id/19293/coproduction_guidance_1_june_2015

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11. Links

Coalition Pledges	P12 - Work with health, police and third sector agencies to expand existing and effective drug and alcohol treatment programmes. P43 - Invest in healthy living and fitness advice for those most in need.
Council Outcomes	CO10 - Improved health and reduced inequalities. CO11 - Preventative and personalised support in place.
Single Outcome Agreement	SO2 - Edinburgh's citizens experience improved health and wellbeing, with reduced inequalities in health.