

TELFORD AND WREKIN CO-OPERATIVE COMMISSION

REPORT OF THE COMMISSIONING SERVICES AND PROCUREMENT SUB GROUP

MARCH 2012

1.0 **PURPOSE**

- 1.1 To provide an overview of the work of the Co-operative Commission sub group on Commissioning Services and Procurement by the Council and its partners and to set out proposed recommendations to be considered by the Co-operative Commission Assembly.

2.0 **RECOMMENDATIONS**

- 2.1 To increase engagement and understanding of the voluntary sector's role and to work co-operatively to better exploit commissioning/procurement opportunities through the voluntary sector, that:
- a Voluntary Sector Engagement Group is established
 - the Council undertakes a review of how and what it procures and commissions with the voluntary and community sector.
- 2.2 To simplify the procurement process and ensure that the process is transparent to widen the pool of potential providers thereby maximising opportunities and increasing local choice. That:
- the freedoms and flexibilities within European and Best Value statutory guidance are used to maximise the **local** opportunities in terms of awarding contracts to local organisations and businesses and maximising the benefit to the local economy and community including employment and training opportunities
 - the Council considers looking at alternative service delivery models as appropriate
- 2.3 That the Council consider using the Co-operative Commission to hold the Council to account to ensure that the Co-operative values, once approved are embedded in all that it does – including procurement

3. **INFORMATION**

3.1 **COMMISSIONING SERVICES AND PROCUREMENT**

- 3.1.1 There is a recognition that commissioning and procurement by the Council and other public sector organisations is important to local companies and the voluntary sector – decisions, and how they are made, can have a significant, direct impact on the community and the local economy.
- 3.1.2 The Co-operative Council Commission Assembly meeting held on 16th September identified commissioning services and procurement as a theme for one of its working groups along with some of the issues the group should consider including:
- Co-operative procurement strategy
 - Different models of service provision
 - Simplified partnership approach to engage a wider group of providers

3.2 Developing Key Areas of Focus

3.2.1 The Commissioning Services and Procurement sub-group comprised of representatives from small and large businesses, education providers, social enterprises and charities all with experience of the issues around commissioning and procurement. The full list of group members is attached in Appendix 1.

3.2.2 In order to identify the key areas of focus and agreed outcomes the sub-group considered a range of information including the following evidence:

- How the Council Plans its services and budgets
- How the Council currently procures and commissions – and the associated legislative framework
- The West Midlands Framework for Jobs and Skills

3.2.3 The Co-operative Council Community Forum meeting on 15th December considered commissioning and procurement by the Council. This Forum organised by Rights & Fairness Telford, was an opportunity for local residents to express their views on the five themes of the Commission.

3.2.4 Feedback from the forum, the information presented to the group (2.2.2) together with the participants own experience, was used to form the key areas of focus for the group.

3.3 Rationale for Key Areas of Focus

3.3.1 The sub-group agreed that there were two main areas that they would like to focus on:

- **Voluntary Sector Engagement** – That the Council increase engagement with and thereby understanding of the voluntary sector's role and to work co-operatively to exploit all commissioning/procurement opportunities through the voluntary sector to improve outcomes for the community
- **Co-operative Procurement** –To simplify the procurement process by the Council and ensure that this is transparent to widen the pool of potential providers thereby maximising opportunities for local businesses and increasing local choice.

3.3.2 The recommendations have been developed to support the delivery of the identified areas of focus. Further information on the rationale and key actions to support these recommendations is set out in Appendix 2.

3.3.3 **Recommendation 1:** 'That a Voluntary Sector Engagement Group is established'

Desired Impact:

- Improved outcomes for service users through better, evidence based commissioning
- A Co-operative Council which supports co-operatives, mutuals and other service delivery models
- Development of a commissioning process to enable engagement with the voluntary sector
- Better targeted community support

3.3.4 To enable the Council to better understand the impact that its spending decisions has on local organisations, the sub group discussed the development of a group which would provide a sounding board for consultation on the future funding arrangements for this sector with particular focus on the end user and impact on their needs. This would be an important step in the Council adhering to new Best Value statutory guidance with regards to engagement with the voluntary and community sector.

A first step to achieving this would be to explore and review current commissioning arrangements between the Council and the voluntary sector and assessing their effectiveness in supporting local capacity and opportunities, for example, “social reinvestment” by not for profit organisations. This should also look to ensure that the Council fully understands the voluntary and community sector offer.

3.3.5 Recommendation 2: ‘That the Council undertakes a corporate review of its process of spend with the voluntary and community sector’

Desired Impact:

- To develop a better, more consistent process around how the Council procures and spends with the voluntary and community sector. Impact will be maximised if this review is reported effectively
- Improved Value For Money
- Better outcomes for service users

The group felt that ‘intelligence’ held by service providers within the third sector should be better used to inform commissioning arrangements to ensure that spending decisions are informed by user ‘need’. This information should be used at the beginning of the commissioning/procurement process and not at the end.

A review of the process of Council spend with the sector would enable the Council to better manage its commissioning arrangements and understand the impact of any (de)commissioning decisions.

3.3.7 Recommendation 3: ‘That the freedoms and flexibilities within European and Best Value statutory guidance are used to maximise the **local** opportunities in terms of rewarding contracts to local organisations and businesses and maximising local employment and training benefits’.

Desired Impact:

- Benefits to local people
- Consistency across procurement practices
- Support for local people/business
- Understand rationale for procurement
- Consistent use of terminology

As one of the largest organisations in the borough, the Council should recognise the potential of its spending power locally and the social impact this may have.

The Council should aim to further enable local third sector and private organisations to understand how they can become a supplier to the Council.

The group discussed the level of consistency around commissioning activity by the Council and that there was a need to ensure that local benefits are always realised and agreed that this was an area that needed to be explored further. If processes are updated they need to be well communicated and signposted. The Council should then test whether this is understood by partners, local organisations and businesses.

3.3.8 Recommendation 4: ‘That the Council considers looking at alternative service delivery models as appropriate e.g. co-operatives’

Desired Impact:

- Benefits to service users where a service may have previously been cut/stopped

As funding for services becomes more of a challenge it is recognised that there are some services that may no longer be affordable to deliver. Customer need should be core to this and assessed as part of this process.

Different service models could be piloted with the voluntary sector in the event that the Council feels like it needs to look at alternative options. Careful consideration should be given around the benefits and dis-benefits of operating a service in any new way.

Any decision should consider the impact on employees and should support/nurture the contribution that employees can make to running/improving services. A key principle of the co-operative approach.

3.3.6 Recommendation 5: 'That the Council considers using the Co-operative Commission to hold the Council to account to ensure that the co-operative values, once approved are embedded in all that it does – including procurement'

Desired Impact:

- Possible adoption of Co-operative values across all organisations
- Improved quality of working relationships
- Delivery of the Commissions approved recommendations/actions within set timescales.

The co-operative values that have been developed are a good reflection of the way we want to work going forward and it is beneficial that Telford and Wrekin will have its own unique set of values as opposed to the national set of co-operative values. In adopting these values, the Council needs to ensure that they are "lived".

As well as the values, it is important that once the Commission's recommendations are endorsed, they are delivered in practice and that the Council is held to account on this through the Co-operative Commission Assembly.

4.0 Conclusions

4.1 This group has found that there are already effective working relationships between the Council and its voluntary and community sector partners. In a number of areas a more co-operative approach would be beneficial around commissioning and procurement – particularly the Council understanding the impact of its commissioning and decommissioning decisions.

Such an approach will increase the possibility of sustaining services in a period of shrinking public sector resources and the opportunity to improve outcomes for local people. As well as the outcomes for direct services users, other improved outcomes include the impact on the local economy by enabling and supporting local businesses to become suppliers to the Council and other public sector organisations and to ensure that other opportunities, such as apprenticeships for local people, are maximised.

To be effective the principles and values of co-operative working need to be embedded in how the Council functions, in particular its relationships with its partners and the local community. The Commission may have a future role in ensuring that this is achieved.

5.0 Overlap with other Commission Sub Groups

- Values and Communication – that the Commission is used to hold the Council to account to ensure that the co-operative values are embedded in all that it does.

6.0 Acknowledgements

6.1 With thanks to the Commissioning Services and Procurement Commission sub group for dedicating their time and for their commitment to the co-operative approach and the developing of recommendations.

Appendix 1 - Members of Cooperative Commission Commissioning Services and Procurement Sub Group

Name	Organisation
Lyn Brayne	Citizens Advice Bureau
Jane Brookes	Wrekin Housing Trust
Adrian Collins	Telford & Wrekin Services
Cllr Rae Evans	Telford & Wrekin Council
Mick Lloyd	Council for Voluntary Service
Heather Osbourne	Age UK
Rev'd Andy Smith	Telford Christian Council
Cllr Barry Tillotson	Wellington Town Council/Admaston House Charitable Trust
Steve Wall	Sutherland School
Wayne Gethings	Wrekin Housing Trust
George Kinnell	Council for Voluntary Service
Hilary Knight	Age UK

Support Officers	
Jon Power	Telford and Wrekin Council
Rachel Humble	Telford and Wrekin Council

**Appendix 2 - Commissioning Services and Procurement
Co-operative Commission Working Group**

Area of Focus	Ref	Recommendation – What do we need to focus on and what can we do differently?	Rationale – why do we think this is something that we need a cooperative approach to?	Desired Impact – what do we want to happen as a result of the recommendation?	Suggested Actions – how are we going to implement the recommendation?
Voluntary Sector Engagement	1.	That a Voluntary Sector Engagement Group is established.	<p>To provide a sounding board for consultation on the future funding arrangements for this sector – to enable the Council to better understand the impact its spending decisions has on organisations with particular focus on the end user and impact on their needs. This would be an important step in the Council adhering to new Best Value statutory guidance in terms of engagement with the CVS.</p> <p>To explore and review commissioning arrangements between the Council and the voluntary sector. Exploring whether our current arrangements are effective in supporting local capacity and opportunities i.e. “social reinvestment” by not for profit organisations. This should also look to ensure that the Council fully understands the VCS offer.</p>	<p>Outcomes for service users (sustained level of quality of service?)</p> <p>Co-operative Council to support co-operatives and mutuals</p> <p>Development of a commissioning process to enable engagement with the voluntary sector</p> <p>Better targeted community support and commissioning services</p>	<ul style="list-style-type: none"> • Work with VCS Chief Officer Group (COG) to develop this group (is this going to be an extension of COG?) • Develop a terms of reference for the Voluntary Sector Engagement Group (see above) • COG to communicate effectively what voluntary groups have to ‘offer’ • Explore ways of communicating with the VCS forum through CVS • Create an ‘Observatory’ role of the CVS to aid communication and data sharing

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Voluntary Sector Engagement	2.	That the Council undertakes a corporate review of its process of spend with the VCS.	<p>To enable the Council to better manage its commissioning arrangements with the VCS and understand the impact of any (de) commissioning decisions.</p> <p>‘Intelligence’ should be better used to inform commissioning arrangements to ensure that spending decisions are informed by user ‘need’. This should be fed at the beginning of the commissioning/procurement process and not at the end.</p>	<p>Results of the review are reported effectively</p> <p>Improve Value For Money</p> <p>Outcomes for service users (sustained level of quality of service?)</p>	<ul style="list-style-type: none"> • Review of current process undertaken • Map current spending with this sector. • Communicate milestones of review effectively with VCS
Co-operative Procurement	3.	That the Council consider using the Co-operative Commission to hold the Council to account to ensure that the Co-operative values, once approved are embedded in all that it does – including procurement	<p>The co-operative values that have been developed are a good reflection of the way we want to work going forward and it is beneficial that Telford and Wrekin will have its own unique set of values as opposed to the national set of cooperative values.</p> <p>It is important that the values, once endorsed, are adopted and delivered in practice – not just good intentions.</p>	<p>Delivery of all recommendations/actions within set timescales</p> <p>Possible adoption of Co-operative values across all organisations</p> <p>Quality of working relationships</p>	<ul style="list-style-type: none"> • The Council should benchmark itself against other Co-operative Councils. • Use the Co-operative Community Forum as a ‘check point’ as to whether the values have been adopted and communicated clearly. • Review of actions on a regular basis

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			<p>This is also true for all of the recommendations that will be endorsed by the Co-operative Commission Assembly.</p>		<ul style="list-style-type: none"> • Set realistic timescales for all actions and recommendations • Invite other Co-operatives to undertake a 'Peer Review' e.g. Manchester • Offer a 'Peer Review' to other co-operatives
Co-operative Procurement	4.	<p>That the freedoms and flexibilities within European and Best Value statutory guidance are used to maximise the local opportunities in terms of rewarding contracts to local organisations and businesses and maximising local employment and training benefits</p>	<p>As one of the largest organisations in the borough, the Council should recognise the potential of its spending power locally and the social impact this may have.</p> <p>To enable local third sector and private organisations to understand how they can</p>	<p>Benefits to local people</p> <p>Understand rationale for procurement</p> <p>Consistency across procurement practices</p> <p>Support for local people/business (job creation?)</p>	<ul style="list-style-type: none"> • The Council should consider adopting the West Midlands Framework for Jobs & Skills • The Council seeks to better understand the how and where 'social reinvestment' by contractors is

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			<p>become a supplier to the Council. As one of the largest organisations in the borough, the Council should recognise the potential of its spending power locally and widest social impact this may have.</p> <p>The group also discussed the level of consistency around commissioning – to ensure that these local benefits are always realised. The group agreed that this should be explored. If established the process needed to be communicated, well sign posted. The Council should then test whether this is understood across partners, local organisations and businesses.</p>	<p>Understand rationale for procurement</p> <p>Consistent use of terminology</p>	<p>evaluated.</p> <ul style="list-style-type: none"> •The Council should seek to improve transparency in its procurement and commissioning practices. •Establish effective methods of communication around changes to procurement •Adopt a standard approach to commissioning •Support local business and economy though procurement and commissioning •Clarify terminology around procurement and commissioning communicate this effectively •Hold monthly procurement opportunity meetings and promote

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					forthcoming procurement opportunities e.g. 'Find it in Sandwell'
Co-operative Procurement	5.	That the Council considers looking at alternative service delivery models as appropriate e.g. co-operatives	<p>As funding for services becomes more of a challenge it is recognised that there are some services that may no longer be affordable to deliver.</p> <p>Customer need should be assessed as part of this process and where appropriate the impacts of service cuts need to be considered.</p> <p>Different service models could be piloted with the voluntary sector in the event that the Council feels like it needs to look at alternative options. Careful consideration should be given around the benefits and dis-benefits of operating a service in any new way.</p>	<p>Benefits to service users where a service may have previously been cut/stopped</p> <p>Any decision should consider the impact on employees – and should support/nurture the contribution that employees can make to running/improving services.</p>	<ul style="list-style-type: none"> • Identify areas for a pilot • Commence alternative service delivery model pilot • Undertake a comprehensive risk assessment around different service delivery models