

APPENDIX 1 – COMMISSINING AND PROCUREMENT STRATEGY – CONSULTATION FEEDBACK SUMMARY

BACKGROUND

The Commissioning and Procurement Strategy

The draft Commissioning and Procurement Strategy ('the strategy') sets out the County Council's vision and direction for commissioning activity as well as establishing the key principles and framework which will underpin all commissioning decisions made. The aim of the strategy is to ensure a robust and consistent approach is adopted for all commissioning activities. Doing so will support the delivery of the Leicestershire County Council Strategic Plan and other corporate strategies and plans including the Transformation Programme, the Medium Term Financial Strategy ('MTFS') and the Communities' Strategy.

A new approach to Effective Commissioning was identified as an 'enabler' to the Councils Transformation Programme. There are a number of deliverables identified for the 'Effective Commissioning Enabler' including development of revised framework and governance, commissioning support, toolkits, training as well as an overarching commissioning strategy.

The draft strategy was approved by Cabinet for public consultation on 19 November 2014. A public consultation period of 8 weeks concluding on 15 January 2015 was then observed.

Upon commencement of the consultation, a pro-active communications campaign was undertaken to ensure as broad coverage as possible for the strategy. Key audiences were directly targeted through mailshots, use of social media, engagement with service users, advertisements direct to suppliers through the East Midlands Source portal and where appropriate, direct contact. Internal staff, members and the Eastern Shires Purchasing Organisation (ESPO) were briefed on the strategy through a series of presentations.

Through the consultation, feedback was sought to help shape the strategy, gain thoughts, comments and ideas on how it could be improved as well as general feedback on the respondent's levels of understanding with regards to the challenges being faced and the perceived appropriateness of the proposed actions.

Consultation Questionnaire

Respondents were asked to provide feedback via an online questionnaire however, feedback has also been received verbally and submitted by e-mail during the consultation process and is included within this summary.

The online questionnaire consisted of a total of 11 questions, although the detail of each question meant that some had sub-questions under this- for instance question 7 asks for the extent of agreement or disagreement with each of the key commissioning principles, to which there are 8 principles.

In addition to multiple choice answers, respondents were able to provide feedback through the use of free text fields.

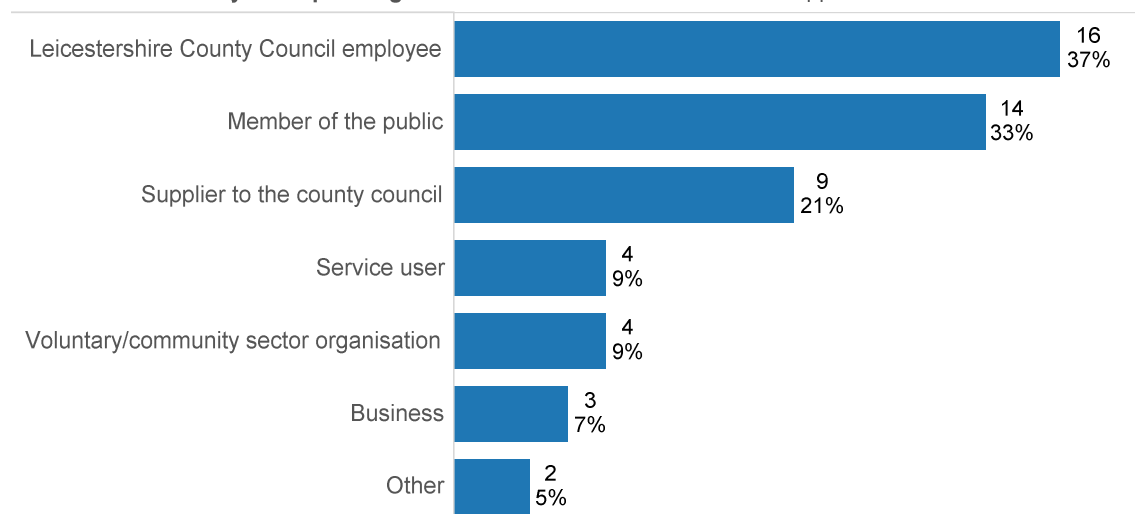
43 responses were received to the on-line consultation questionnaire. Further feedback was provided verbally by the CBI (Confederation of British Industry), ESPO (Eastern Shires Purchasing Organisation) and the various staff briefings that took place. For ease of reference, all feedback is summarised within this paper.

RESPONSE ANALYSIS

Respondent analysis

From the 43 respondents (noting one respondent may respond from the view point of multiple roles) that completed the on-line survey, the roles represented are as follows; 14 members of the public, 4 service users, 4 voluntary/community sector organisations, 3 businesses, 9 suppliers to the County Council, 16 Leicestershire County Council employees and 2 classifying themselves as 'Other' – 1 Parish Council and 1 potential supplier to the County Council.

Q1. In what role are you responding to this consultation? Please tick all applicable



Further feedback was received verbally from various staff briefings and respondents wishing to discuss rather than submitting a written response.

The broad demograph of the respondents has allowed view points and insight from various stakeholders to be taken into consideration. This spread demonstrates the importance that commissioning has to the various stakeholders both within the county and also from further a-field.

Details of those responding in the capacity of a 'Supplier'

Description of services provided:

From the 9 suppliers that responded these were from across a range of service areas including 6 suppliers of social care services, as well as suppliers of analytical services and vehicle hire services.

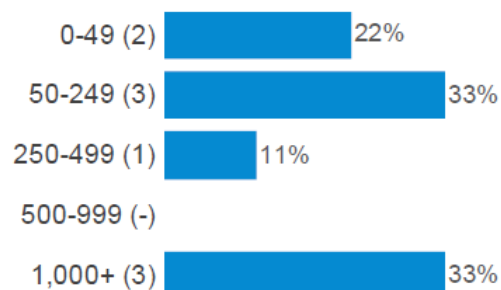
Head office location (name of town):

Of the 9 suppliers that responded, 5 were based within the Leicestershire area with the remaining 4 being based across the UK in locations including Cardiff, London and Staffordshire reflecting the interest in the strategy beyond Leicestershire.

Size of organisation (number of employees):

From the 9 suppliers that responded (noting that 'suppliers' includes both private businesses as well as those from the voluntary and community sector) the size of organisations varied vastly from micro organisations with 0-49 employees to large organisations with over 1,000 employees.

If you have stated above that you are a supplier to the county council, please could provide the following details: (Size of your organisation (number of employees):)



LCC actively encourages and recognises the value that can be added through SME (Small and Medium sized Enterprises) and VCS (Voluntary and Community Sector) engagement. It is good therefore to acknowledge that 5 (55%) of the suppliers that

provided feedback are of SME classification with 4 of these 5 classing themselves as a VCS.

Consultation feedback and assessment on 'The role of Commissioning and Procurement'

Quantitative analysis

One of the intentions of the strategy was to continue to develop stakeholder understanding of the issues the County Council is facing and the impact that a more effective approach to commissioning (brought about through implementation of the strategy) might have in helping to address these issues. It is intended that through developing this understanding, conversations can be prompted that may lead to further suggestions for improvement.

In order to assess the effectiveness of the strategy in meeting this intention, a quantitative analysis was undertaken to highlight any shift in understanding / views on the Council's proposals both before and after reading the strategy. In support of this analysis, respondents were invited to provide commentary on how the strategy could be improved and what else could be done.

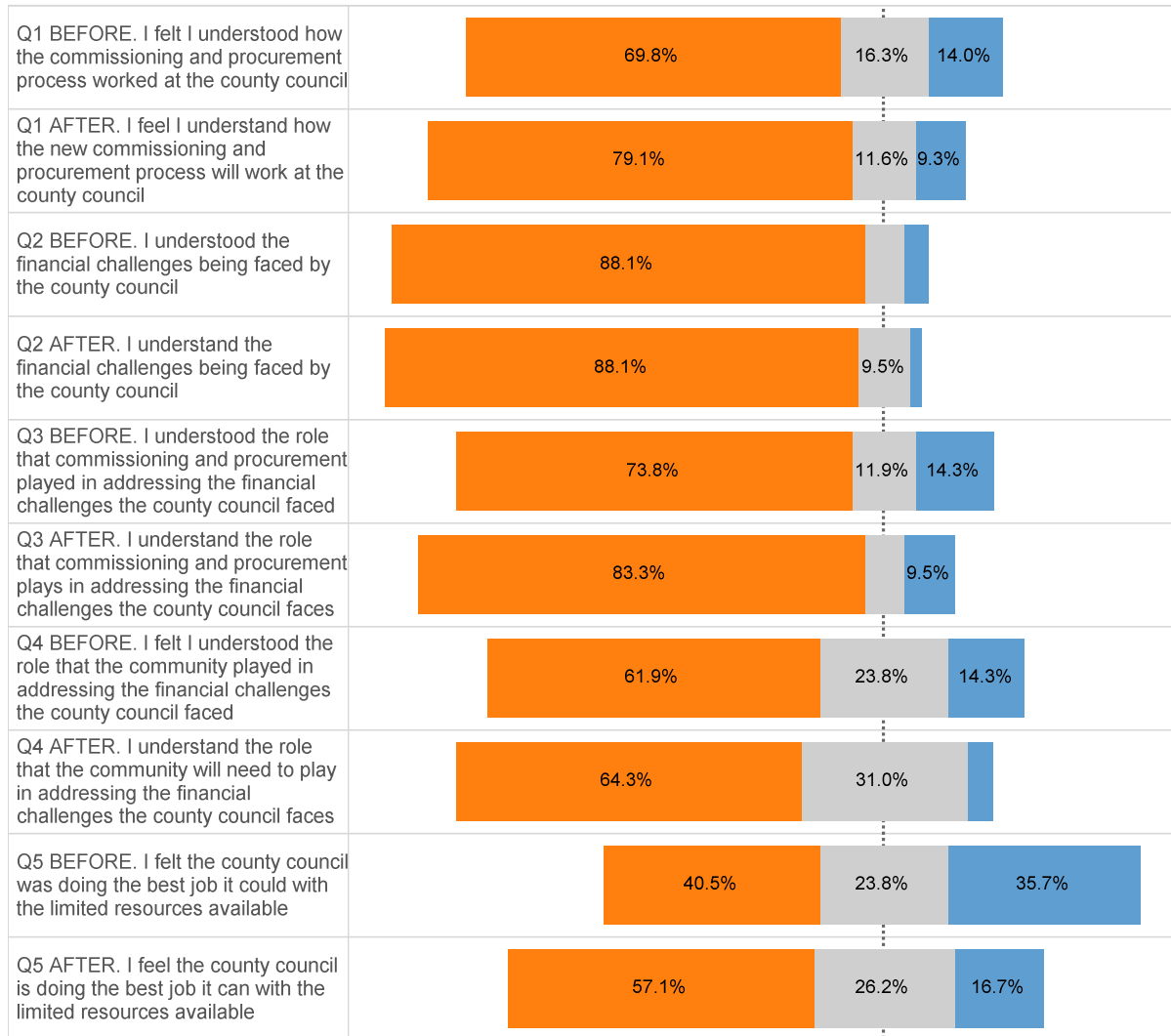
The first set of questions / statements was posed to understand the respondent's knowledge and appreciation of the issues being faced by LCC **prior** to reading the strategy.

The tense of the question was then changed and the respondents were asked to rate (using the same scale as above) the same statements having now read the strategy.

The questions posed were:

- Overall respondents' views

Views before the new Commissioning and Procurement Strategy was developed and views after reading the new Commissioning and Procurement Strategy



Responses (group)

- Agree
- Neither agree nor disagree
- Disagree

It is encouraging to note that for all of the statements asked both before and after reading, the strategy appears to have increased awareness and understanding of the issues faced and how these can be addressed through a more effective approach to commissioning and procurement.

The greatest shift in understanding / agreement was for the statement that the Council is doing the best job it can with the limited resources available (Q5).

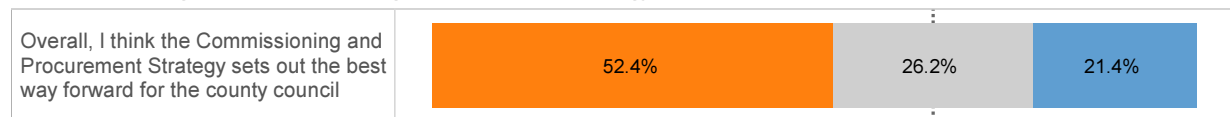
The analysis shows that the smallest shift in understanding / agreement was around respondents understanding of the financial challenges that the Council faces (Q2). It should be noted however the overall understanding of this area was at a high original baseline.

The second lowest shift was shared jointly by the statements concerning the roles that commissioning and procurement and the role that the community had to play in meeting the financial challenges (Q3 and Q4).

A further question was added asking for a response to the following question / statement “Overall, I think the Commissioning and Procurement Strategy sets out the best way forward for the County Council”. Whilst a large proportion (52.4%) of the respondents agreed, 26% neither agreed nor disagreed and 21% tended to disagree. The responses here tally with the results to Q3 and Q4 concerning further work that may be required to demonstrate and raise the profile of commissioning in addressing the challenges faced.

- Overall respondents' views

Views after reading the new Commissioning and Procurement Strategy



Responses (group)

- Agree
- Neither agree nor disagree
- Disagree

A programme of targeted training for internal staff and activities to raise awareness of the benefits delivered through effective commissioning and procurement is being planned to increase awareness and understanding.

Annual reports showing our progress against the commitments made within the strategy will be presented to the Cabinet and will help to demonstrate the impact that is being made through implementation of the strategy.

Qualitative analysis

Following the ‘before’ and ‘after’ statements, respondents were invited to provide commentary if they disagreed with any of the statements.

Where any comments related to a specific service, these have been forwarded to the relevant service manager for information and follow up where applicable.

A range of comments were received, that on the whole fall under several key themes. The chart below shows the key themes emerging and the frequency with which they were raised.

Use of the VCS	C&P delivery model	Process	Communication of messages	of	Service model	delivery
6	3		7		6	

Use of the Voluntary and Community Sector ('VCS'): There was a mixed response to references within the strategy as to how the County Council might need to rely more on the VCS, with one respondent acknowledging that *"Using the voluntary sector and volunteers more would be a more cost effective way"* [of meeting the challenges faced]. These views were supported with further comments such as *"The use of volunteers is a cost effective way to offer continuity of services..."*

Another respondent highlighted that *"the community cannot always meet the needs required"*.

This point is acknowledged both within the Communities Strategy (more information available here - http://www.leics.gov.uk/communities_strategy) and also the Commissioning and Procurement strategy itself. In particular, within the key commissioning principle of 'Challenge and review service delivery (make, shift, buy, share, stop)' reference is made as to how an assessment should be undertaken to identify the most suitable delivery model on a service by service basis.

Work being undertaken as part of the Council's Communities' Strategy is actively seeking to develop and improve the way in which the VCS are engaged.

Commissioning & Procurement Process delivery model: Respondents commented on the proposal to form a 'Centre of Excellence for Commissioning Support' and the importance of using an appropriate balance between centrally managed support and departmentally led support. It was also acknowledged that commissioning and procurement required an evolved skill and it should be recognised as profession in its own right.

Getting the right Commissioning Support model in place is a key deliverable of the Effective Commissioning Enabler project and work to develop this model is currently underway.

Communication of key messages: Whilst there was broad support for the strategy with comments such as *"The publication of the new strategy has made the commissioning and procurement process much clearer. The consultation will*

(hopefully) lead to the Council doing an even better job.” One respondent stated that they did not fully understand how changes (resulting from the strategy) would be met at a service delivery level “[the Strategy is] Written at very high, strategic level, it is difficult to understand from this, how the function will work in LCC going forward.”

The intention of the strategy is to set the overall strategic direction in which commissioning should progress and as such it would not be appropriate to detail specific action plans within this strategy. The feedback received supports the importance of continuing with the proposed strategy and ensuring that individual departmental / service specific strategies are developed in consultation with and then communicated to stakeholder groups.

A full action plan for implementation of this strategy is currently being developed and will be carefully managed over the next 3 years to ensure successful achievement of the changes proposed.

Comments were raised about the language used within the strategy being difficult to understand. The strategy seeks to address several complicated and multi-faceted issues. Prior to issue of the strategy an internal consultation was carried out with key stakeholders to test the language used. For these reasons a simplified version of the strategy has also been produced and made available. A further revision of the main Strategy document has now taken place with various changes to the wording and syntax to improve the way in which key messages are communicated.

Other respondents were confused by some of the terminology around the roles of ‘Operational Commissioner’, ‘Strategic Commissioner’ and ‘Commissioning Support’. Work is currently being carried out across the authority as part of the Effective Commissioning Enabler to develop and define these concepts. Development of these roles and concepts will be essential to ensuring the successful implementation of the strategy.

Service delivery: There was recognition by some as to the severity of the funding situation being faced and acknowledgement that some of the biggest savings would only be achieved through reductions in services. Other respondents felt that reductions in services were a bad thing and that certain services should be ring-fenced.

Initially it appears from some of the feedback that there wasn’t recognition that reductions in services (i.e. ‘de-commissioning’) was indeed a commissioning activity. The key principle ‘Challenge and review service delivery (make, shift, buy, share, stop)’ addresses the issue of how stopping provision of a service will have to increasingly be considered. To support the need for de-commissioning of services guidance is being developed to assist those involved in the commissioning process.

Prior to any reductions in services, the Council will review what impact reductions to services might have on future demand (see commissioning principle 'Understand and challenge needs and manage demand'). Part of this review would also be to undertake consultation to get the views of the public before any proposed changes are implemented.

The Council's Medium Term Financial Strategy sets out the current allocation of budgets and responses have been invited to the consultation. Further details of which can be found through this link: http://www.leics.gov.uk/index/your_Council/budget/budgetconsultation.htm

Consultation feedback and assessment of the Commissioning Principles

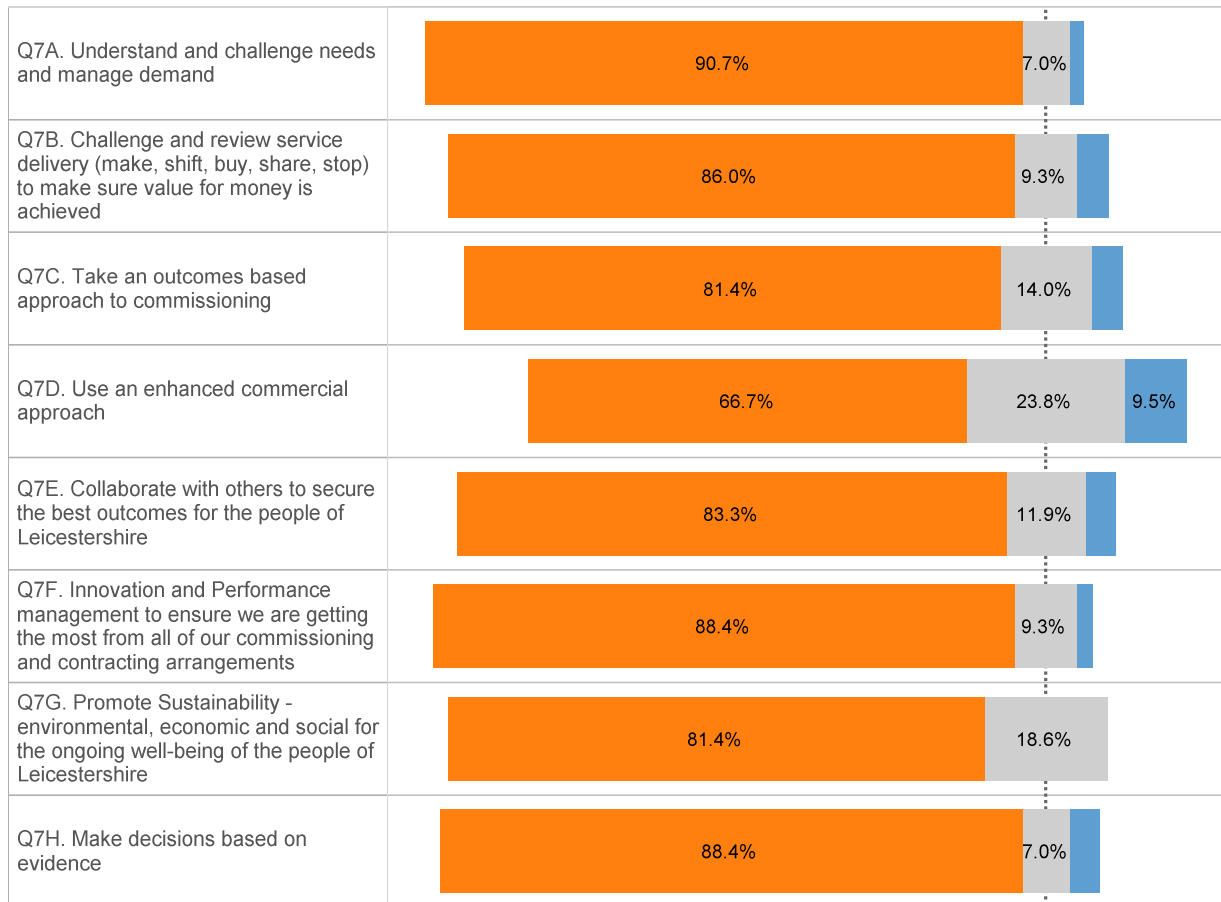
Respondents were asked to rate their overall agreement or disagreement with each of the key commissioning principles as outlined within the strategy.

The question aimed to gain insight on people's views having read the Commissioning and Procurement strategy and their views on the adequacy of the principles chosen. To support the analysis and feedback process, respondents were invited to provide free text response in addition to rating the principles.

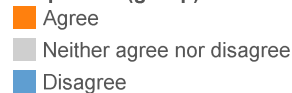
The assessment of the commissioning principles is below:

- Overall respondents' views

Q7. To what extent do you agree or disagree with each of the key commissioning principles as set out in the Commissioning and Procurement Strategy?



Responses (group)



General feedback:

On the whole the key commissioning principles that are proposed by the County Council were met with favourable responses with comments received such as *“The principles provide the breadth required and useful depth in the ‘what we will do’ section”*.

Respondents echoed the sentiment that a more effective approach to commissioning could only be developed through the *“Greater involvement of people who will use services in their design and delivery.”* The strategy has identified co-design as a key deliverable. The Implementation of the strategy will pay particular attention to seeking ways in which service users can be engaged with the Council in co-designing of services.

Feedback indicated that the sequence in which the principles were presented would make more sense if ‘Making decisions based on evidence’ appeared at the

beginning of the principles. It was not the intention to present the principles in any order of importance, but it is accepted that this principle might fit better as the first of the principles as it underpins all of the other principles and decisions that might be made.

Where feedback was provided specific to any of the principles it is summarised below.

Understand and challenge needs and manage demand: One respondent identified that more could be done here through jointly working with other providers such as hospitals to predict and manage social care demand: *“provide plans for seamless, joint-working with hospitals to predict and manage social care demand - there is lots of demand planning information in NHS data that is not being shared or used by the Council.”*

The Better Care Together programme has been set up to specifically identify ways in which a more integrated approach to health and social care can be provided. Further information can be found here: <http://www.bettercareleicester.nhs.uk/>

Further to the above, the strategy specifically identifies how Commissioning Outcomes Groups could be formed to help in the achievement of joint objectives across all areas of service delivery.

Outcomes based commissioning: It was acknowledged that an outcomes based approach will not be relevant to all services. The Council will undertake an assessment as to the relevancy of this approach prior to committing to commissioning solely on outcomes. However, the Council feel that significant benefits and innovation in service delivery can be achieved through focusing on what is important rather than pre-defined input activity. For these reasons it is intended that a greater focus will be applied to commissioning for outcomes. A number of supporting measures such as training, revised governance and management practices will be put in place to help the Council achieve this aim.

Challenge and review service delivery model: The increasing need to use and engage with the VCS was referenced throughout the strategy, there were mixed feelings from the respondents on the potential use of VCS organisations. Some were positive: *“Many voluntary sector organisations are professional and deliver a very high standard of care and support working with a lot less infrastructure than commercial businesses. Volunteers have a choice whether to volunteer or not and in my experience, over 20 years, volunteers offer their time and commitment for the 'right' reason and provide a very professional service.”*

Whilst others maintained a different view point stating: “[use of] Volunteers / time banking is not efficient to meet the need / experience required...”

As stated within the strategy in particular within the key principle of ‘Challenge and review service delivery (make, shift, buy, share, stop)’, the Council will select a delivery option (e.g. use of VCS, provide service in-house, procure external party, stop / de-commission service) after a full analysis of the suitability of the options available has been conducted.

Further information concerning the Councils approach to engaging with communities can be found through the Communities Strategy http://www.leics.gov.uk/communities_strategy

Enhanced commercial approach was the least popular of the principles. There was a miss-conception as to the meaning of what is intended through this approach. One respondent commented that:

“An enhanced commercial approach will undoubtedly ignore the basic needs of our most vulnerable service users, it will also stop smaller companies winning contracts”

The enhanced commercial approach is not about pursuing the lowest cost at the expense of all other considerations. The Council is in any case required to ensure wider issues such as the impact on Social Value are taken into consideration alongside the overall value for money that is being delivered through commissioning decisions.

Further staff training and development is planned to help the Council continue to ensure that the best services are delivered in the optimal and most cost effective way.

Collaboration: The theme of collaboration emerged from several of the respondents stressing how they felt that issues may have arisen through a (perceived) absence of effective joint working. One respondent didn’t think that there was sufficient focus on *“co-production and co-delivery of services”*.

Collaboration itself is a key commissioning principle identified within the strategy. To support this, the strategy identifies 12 distinct actions that the Council should progress to improve its position with regards to collaboration.

Further to this, implementation of the ‘Commissioning Framework’ (a deliverable of the Effective Commissioning Enabler project), better collaboration, governance and the wider use of concepts such as ‘Commissioning Outcomes Groups’ as described within the strategy will address this point head-on.

Collaboration (aggregation of contracts): Respondents raised concerns that increased collaboration may lead to bigger contracts which become un-manageable for SME's and the VCS. The Council is committed to supporting local VCS and SME organisations (currently 52% of all of our spend is with SMEs) so whilst collaboration with others may lead to bigger contracts (in aggregate by value), wherever possible the Council will take steps to ensure SME's and the VCS can still apply through the use of techniques such as breaking the contracts down into small lots. The new EU Procurement rules, when transposed into UK law, will also require contracting authorities to justify why tenders have not been divided into 'lots'.

Collaboration (sharing of information and plans): The Council recognises under a number of the key commissioning principles and throughout the strategy that more could be done if we engaged with our supply markets more effectively. One respondent commented that:

"If a rolling predicted spend for a minimum of 2 or better 3 years could be provided then better planning can be made. This may equate to better service planning and delivery from the given budget. With less notice for the coming year, the service is more reactive and likely to be a poorer service for a given expenditure".

This point is recognised and referenced by the action statement under the principle of 'Collaboration' that states we will *"Share our commissioning work plans with other authorities and our suppliers"*. It is recognised our ability to engage more effectively with suppliers is a key driver to delivering smarter commissioning. This action is a priority and an approach to sharing our commissioning forward plans is currently being developed as part of the strategies' implementation plan.

Feedback also indicated support for an improved approach to the way staff collaborate across the Council between departments. It was felt that: *"Better communication between departmental colleagues would enhance the experience for both staff and customers."* This will be addressed through revised governance, training and implementation of the commissioning framework.

Innovation and Performance Management: There was broad support for the principle and recognition that a more consistent and innovative approach *"would be beneficial in order to ensure the services needed are functioning at a high level."*

Making decisions based on evidence: Feedback was received from the Lesbian, Gay, Bi-sexual and Transgender (LGBT) workers group concerning the lack of

census data concerning the size, distribution, age profile etc. of the LGBT population in Leicestershire upon which 'evidenced based decisions' could be made. This feedback has been forwarded onto the relevant Transformation Programme Enabler for action.

As the Council increases its focus on making 'evidence based decisions', it is our intention that this type of data will increasingly be collected and used in the decision making process. Data may be collated via a number of routes including the use of our external partner organisation contracts such as the Engagement Representation Equalities Challenge or the Community Infrastructure Organisation.

What else, if anything could we do to improve the Commissioning and Procurement strategy overall?

Further free-text responses were invited from respondents regarding what else could be done to improve the strategy. Feedback received is summarised below.

Simplification of procedures to facilitate SME / VCS access: Several respondents commented that the Council should seek to make it easier for SME and VCS organisations to apply for work.

One respondent suggested: *"Make the tendering process easier so that smaller less well established companies and community organisations have a better chance of winning contracts, this will enhance the market place, support diversity and give real opportunities for development and choice."*

The Council recognises the importance of developing its relationship with the SME and VCS market place. A simple Request for Quotes process is already used for tenders below £100k in value. In addition , the strategy sets out further actions to ensure doing business with the Council is as easy as possible. The implementation of the strategy will see that key actions including simplification of documents and process through use of our eTendering portal will continue to make it easier for smaller organisations to do business with the Council.

Further actions including: sharing a forward plan of our planned commissioning activity and wherever feasible, splitting contracts into smaller lots to facilitate SME engagement will be added to the strategy and associated implementation plan.

De-commissioning of services: Feedback was given that greater recognition should be given to 'de-commissioning' as a commissioning activity. De-commissioning is referenced as a service delivery model within the key principles and at several other stages throughout the document. It is acknowledged that the Council will increasingly need to de-commission services. To facilitate this, a tool-kit

and training are being developed to help officers ensure that any de-commissioning is done as effectively as possible.

Training and development of staff: One respondent commented that LCC staff should be *“more aware of what the commissioning and procurement function does and how it directly relates to their role. It is clear that this message is not well known.”*

One of the key work-streams of the Effective Commissioning Enabler programme is to develop a Council wide approach to commissioning awareness and training. This will be addressed directly through implementation of the Effective Commissioning Enabler.

Other: Other comments and suggestions were received in relation to how the Council could save money and improve through greater analysis of spend, introduction of 3rd party scrutiny for all schemes and reviewing the way in which mediation could be used to resolve disputes across the authority.

Further comments raised varied from the benefits associated with the formation of a Unitary Council to ways in which an employee award scheme based on sharing of savings could be instigated.

All new suggestions will be considered as part of the wider implementation of the strategy.

Where any comments related to a specific service, these have been forwarded to the relevant service manager for information and follow up where applicable.

Should any of the respondents wish to discuss their suggestions in further detail they should contact byron.vincent@leics.gov.uk

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