



## Co-production of a Day Opportunities Service in Galashiels by Scottish Borders Council

Scottish Borders Council pushed the traditional boundaries of procurement and created a new route to achieve successful delivery of a day opportunities service with the important principle of co-production at the heart of the decision making process.

Cornerstone, the successful provider, is working closely with Council colleagues to ensure that people achieve agreed outcomes.



### Background

Scottish Borders Council (SBC) responded in a highly creative way to an unproductive procurement of a new Day Opportunities Service in Central Borders for adults with complex needs. The tenders that had been submitted failed to meet the agreed requirements. Therefore the Council had to rethink its approach to procuring this crucial service and decided to go back to basics, looking again at the tender specification, and directly involving service users and providers in the process. From a difficult situation, a new procurement model has been developed, which may be one that other services in the Council may in future consider for contracts, particularly for social care.

Scottish Borders Council developed a submission based on the new approach for the GO Award Innovation in Procurement in the health care category. The submission set out how the Council promoted innovation in their procurement approach and best practice within the wider public sector.

### Scope and focus

The provision of day services now operates in a changed environment as a result of the Scottish Government's Personalisation Agenda and the introduction of self-directed support. For clients of

learning disabilities services and their carers this has involved a massive change as the existing service model had been in place for a number of years – clients were picked up in a bus in the morning, taken to a centre, and then taken home. There was no personalisation, no approach to moving on.

Following an in-depth and highly successful review by Scottish Borders Council of day services provided by the Council itself and by third sector partners, a new Day Opportunities Service Model was developed. The review process itself built on extensive user involvement as it was anticipated correctly that the change process would be significant for those individuals with learning disabilities and their families who had had the comfort of knowing that they were in a safe place all those years and were unsure about what the new Day Opportunities Service in Central Borders would be like.

The Borders like other rural areas in Scotland often receives limited interest from the market when procuring Council contracts because of issues around sustainability and viability.

In addition traditional contract models in Social Care have been based on inflexible but guaranteed 'block' contracts which, while attractive to providers, do not help shape the agenda for

personalisation and flexibility. For those in receipt of personal budgets, services need to match individual needs.

It was hoped that in the Central Borders the contract for the new service would go to a third sector provider given that the third sector and not the Council had in the past provided day services for this client group. The challenge for the Council was to attract a range of possible providers to tender for this completely new type of flexible contract given the limited pool of possible providers.

## Intended Outcomes

The overarching expected outcome was the successful attainment of the key objective, namely the achievement of a positive outcome for the new service and each end user. Specific targets included:

- Reduction in the number of people travelling out of the area to access services
- Achieving cost within budget of circa £2m over 5 years, with an efficiency gain of £200,00 achieved through the procurement model
- Enabling equality, by defining the duty to provide the services in a way that applied to all end-users whether the requirement to provide the service is triggered by the Council or by the individual through SDS.

The Council was determined to include in the process individuals in Central Borders with learning disabilities and their carers to create ownership of the new service.

This also had major implications for the in-house learning disabilities team who were key to the involvement of their clients and carers, and to the commissioning and procurement team who had to adapt their approach to procurement by introducing co-production tools and approaches. The latter were designed to involve service providers directly in the development of the new service model through discussions with service users themselves. The timeline and resources to achieve this had also to be adapted to adopt this approach.

## Approach and Mechanisms

### Stage 1

The initial procurement of the new Day Opportunities Service had followed the in-depth review by Scottish Borders Council of day services with the redesign of services undertaken by the Council's in-house social care team building on extensive user involvement. The tender opportunity was advertised through a standard procurement process and promoted to existing providers in this market.

The result of the original procurement exercise was an inability to proceed with the award of a contract. No tenders met the requirements in terms of addressing flexible delivery of appropriate services addressing the new personalisation agenda and self directed support requirements of clients.

*“We needed to find a new way to work with the market” Procurement Manager, Scottish Borders Council.*

This inability to proceed was partly explained by the use of a standard procurement process which did not allow for direct communication during the process.

### Stage 2

When it was recognised that it was not possible to proceed, the Council reconsidered how it might address the situation and work towards successfully procuring the service. The team involved decided to undertake a full options appraisal. The options considered were:

- Do nothing
- Retendering
- Looking at an alternative route to the market, or
- A Public Social Partnership (PSP). The Council consulted with Ready for Business (RfB) on whether the option of a PSP was the way forward. The advice provided noted that the Council was too far down the road of commissioning as the result of the review had an outline model already developed. There was therefore no advantage in using the PSP approach.

The option that scored highest was to consider an alternative route to the market to include direct negotiations with third sector providers who had submitted the original tenders.

Regulation 14 of the Public Contracts (Scotland) Regulations allowed the Council to follow this route as it had previously advertised the tender requirement and could now revert to those who had been part of that original process and move forward by entering into negotiations with them. In essence the Council had a shortlist of possible providers created as a result of the standard procurement process.

#### **Regulation 14.**

A contracting authority may use the negotiated procedure without the prior publication of a contract notice in accordance with regulation 17(3) in the following circumstances;

When a contracting authority is using the negotiated procedure in accordance with regulation 13(a) and invites to negotiate the contract all of, and only, those economic operators which submitted a tender following an invitation made during the course of the discontinued open procedure, restricted procedure or competitive dialogue procedure (not being a tender or economic operator which was excluded in accordance with regulation 15(11), 16(7) or 18(10)).

**The Public Contracts (Scotland) Regulations 2012**

#### **Stage 3**

The Council then developed an approach that included competitive dialogue sessions with a number of third sector providers. The key objective of these sessions was to involve the stakeholders, namely the service users, their families and carers.

The Council sent out an initial pack to each third sector provider that had indicated an interest in the original exercise explaining the process. Compiling the pack was challenging as the commissioning and procurement staff involved had limited experience of the procedure and it was also new to the third sector providers. This complex

process was therefore a learning experience for everyone involved.

#### **Stage 4**

The third sector providers were asked to provide a brief proposal in addition to confirming the information submitted by them with their earlier tender. Policies and procedures were reviewed in order to ensure that minimum standards remained in place. The brief proposals provided a basis for the dialogue sessions carried out over a month with each provider. The format was left fairly flexible to allow the Council to go back and forward to providers.

The dialogue sessions started with providers talking to the Council directly and then the input by stakeholders was introduced. The providers were given the opportunity to present their proposals to service users and their carers. This allowed stakeholders to engage with potential providers to understand and input to the final tender specification.

Existing representatives from the Carers Group, who had been involved right through the redesign process, were included in the engagement process. By now, there was also a clear indication of who would be moving to this new service so these service users and their carers were given the opportunity to attend and take part in these dialogue sessions. Stakeholders therefore had substantial input to the co-production process.

#### **Stage 5**

Only once the Council had taken on board all the feedback from these dialogue sessions and the stakeholder engagement did it firm up on the tender specification - the co-produced model. This model was talked through with everybody involved and was then put forward in the final part of the procurement process. The resulting tenders were then evaluated and a contract awarded.

***“This innovation is a new tool that brings together a compliant process with the principles of co-production. Rather than thinking of these as two separate elements, this new approach combines these key elements ”***

## ***Procurement Manager, Scottish Borders Council.***

The contract commenced in February 2014 with service starting at the beginning of April when it was officially launched. Between February and April some of the Cornerstone staff were contracted to shadow Council staff working with existing service users.

Cornerstone, the successful provider and Scottish Borders Council have had fantastic feedback that the service is already proving a huge success with service users and their carers.

One of the key benefits of the co-production is that stakeholders have ownership of the service and the provider had the opportunity of direct communication during the procurement process to fully understand what is expected and who they will be working with.

### **Key challenges**

- **Following up an unproductive procurement exercise.** The first challenge was deciding how to move forward. While the option of a PSP may have provided an alternative route it was important to recognise that the stage that had been reached, a redesigned service, meant that a PSP would not be appropriate. While going down the PSP route was a positive option, offering flexibility, the model had been defined and so did not fit well with the principles of a PSP.
- **Pricing.** A second key challenge was around pricing the contract, with a new model of care and a move away from block contracting. This was difficult for both the Council and providers, with uncertainty around the take up of SDS. The challenge therefore was to create a sustainable and viable contract from a provider's perspective, by developing a model that allowed them to cover all their core costs while maintaining flexibility for SDS. The Council negotiated with Cornerstone to enable clients opting to purchase the service through their SDS budget to be charged the same price as the Council pays for its places.
- **Ensuring stakeholder confidence.** A third challenge was responding sensitively to end-users

and their families/carers who were understandably anxious over changes to the existing service. The integration of co-production to the procurement process enabled and empowered the end-users of the new service and resulted in successful service delivery with partnership built in with the end-users.

- **Ensuring the team remained committed to the process.** Lastly it was a major challenge for the group of staff involved as this approach had never been tried before and it was important to successfully procure this service to have the new day service in place.
- **Local knowledge.** For Cornerstone, the successful provider, a major challenge with the initial tender was that the provider was required to identify and provide appropriate premises. The Council was able to offer support, through local knowledge and the identification of potential premises - a purpose built building belonging to Borders College. Bringing together the interested parties and the College was crucial to the successful award of contract.

### **Key Achievements**

- The process itself involved a better response than might have been expected through traditional procurement and the quality of submissions far outstripped previous expectations.
- Following the principles of co-production, and working hand in hand, the tripartite involvement of the provider, stakeholders, and the Council, created positive benefits which have exceeded everybody's expectations.
- The Council, by keeping the individuals with learning disabilities and their carers on board throughout the process, created ownership of the new service. Some of these carers were subsequently involved in the subsequent recruitment process for new staff by the provider.
- As well as developing a new model of procurement the process has created a new partnership between those involved in making sure the new service lives up to its expectations.

**For Cornerstone**, the third sector provider the following were critical success factors in the process:

- The co-production process provided significant opportunities to engage with people using the service. This helped to inform their tender submission. *“The opportunity to meet with families and commissioners at an early stage allowed us to meet the specific needs of the identified client group better”.*
- **Clarity of specification.** The documentation received was excellent. Clearly laid out with concise information and minimal clarification was required relating to the documentation
- **Complementing other services.** There was an opportunity in the design process to allow an existing community based service which Cornerstone delivered to sit alongside the new Day Opportunities Service. This meant that the building became for some service users somewhere they met with others before going out and engaging with the local community – the existing model being delivered by Cornerstone – but at the same time providing for those who had specific support needs such as additional personal care needs or intensive therapy to benefit from the facilities offered by a purpose built building.
- **Building on the expectations of service users.** Most of the current service users attended the previous provision. Some had attended at that time what was equivalent to a sheltered workshop. One of the activities that current service user’s value is producing slate coasters and table mats.

**Feedback from carer of service user:**

“X’s personal progress reflects the success of the steady progress and development of the care services in the Borders, and the increasing awareness that adults with incapacity can and do make a meaningful contribution to society.”

*Quoted in GO Awards Submission by SBC*

**Feedback from SBC Lead for Day Opportunities Service:**

“Having the carers and service users meaningfully involved in the selection process and in the

recruitment of staff appointed by Cornerstone was crucial. This new approach created an opportunity for active involvement in deciding what went into the service specification. They also gave direct feedback on presentations by all the providers in a question and answer session to carers and clients. Some of the tenders included responses to the questions raised by carers and clients which wouldn’t have happened without their involvement.”

**Feedback from Cornerstone**

“The opportunity to meet with families and commissioners at an early stage enabled us to develop relationships at an early stage which have stood us in good stead throughout the implementation of the project.”

### Critical success factors

The contract is still in its infancy. However a number of factors have been identified as instrumental to success. These include:

- **A partnership.**

For Cornerstone the whole process and in particular the engagement with other providers and with the Council was very open.

*“They’ve been very responsive when we’ve gone back and asked for further clarification on relevant matters.” Tracey Howell, Operational Manager, Cornerstone*

- **Level of engagement.**

The engagement of service users and their carers, and Council colleagues was valued.

*“We have met significantly more Council colleagues through this than the previous commissioning on a spot purchase basis.”*

### Key Lessons learned

- **For Cornerstone**, this was the first time they had undertaken a tender process as previously Scottish Border Council had commissioned this type of service on a block purchase basis. Therefore being involved in such a process was a big learning curve for their in-house tender

business development team. Though confident in negotiating with local authorities, they felt strengthened by the co-production process to build into their tender the requirement that anyone with their personal budget, under Self Directed Support, could purchase the same service on an equitable basis as those accessing the service through the Council.

## Future Directions

*“The process itself ensured that through co-production the final stage of the award (of the contract) was guaranteed”. Kathryn Dickson, Procurement Manager, SBC*

Now Scottish Borders Council is keen to spread the benefits of the approach. As previously mentioned, the service is still in its infancy and the Council is in the early stages in sharing this

new approach with the wider public sector procurement community. However the Council is now considering co-production within social care as the route to the market, as well as exploring the option of extending this model to other services.

A submission on this project to the GO Awards in the Innovation in Procurement in the Health Care category has resulted in a **Highly Commended award**.

For Cornerstone the establishment of a Steering Group for the Service made up of families and carers has helped them adopt a new approach by supporting the Steering Group in its aim of being instrumental in bringing about changes in the community such as campaigning for upgrading of the local swimming pool to make it more accessible.

For further information, contact:

**Kathryn Dickson, Procurement & Payment Services Manager, Finance – Chief Executives, Scottish Borders Council.**

**[kathryn.dickson@scotborders.gov.uk](mailto:kathryn.dickson@scotborders.gov.uk)**

**Tel: 01835 826646**

**Lynne Crombie, Group Manager Service Provision, People Department  
Scottish Borders Council**

**01835 824000 Ext 5462 (07796996453)**

**[lcrombie@scotborders.gov.uk](mailto:lcrombie@scotborders.gov.uk)**

**Tracey Howell, Operational Manager, Cornerstone**

**[Tracey.Howell@cornerstone.org.uk](mailto:Tracey.Howell@cornerstone.org.uk)<mailto:Tracey.Howell@cornerstone.org.uk>**

**07825 050 008**