

South Ayrshire Council

**Report by Director - Place
to Leadership Panel
of 18 September 2018**

**Subject: Integration of the Contracts and Commissioning Team
to the Council's Procurement Service**

1. Purpose

- 1.1 The purpose of this report is to seek approval from the Leadership Panel to transfer two Full Time Equivalent (FTEs) from the Health and Social Care Partnership (HSCP) Contracts and Commissioning team into the Council's Procurement service.

2. Recommendations

2.1 It is recommended that the Panel:

2.1.1 consider the results of the options appraisal;

2.1.2 approves the transfer of two FTEs from the HSCP Contracts and Commissioning team into the Council's Procurement Service by 31 December 2018; and

2.1.3 requests that a further review be undertaken within a year.

3. Background

- 3.1 At its meeting on 12 June 2018, the Leadership Panel approved that further work was required as part of the wider structural review of the HSCP to evaluate the benefits of integrating the Contract and Commissioning services from the HSCP with the Council's Procurement team.

- 3.2 Following on from this, a Review Group was set up that included representatives from the HSCP Contracts and Commissioning team, and one of their internal customers, representatives from the Council's Procurement team, and one of their internal customers, and a representative from the Trade Unions. The Review Group was chaired by an Executive Manager from the Place Directorate.

- 3.3 The Review Group met on two occasions to consider the benefits and dis-benefits of a range of options that would satisfy the requirement to explore efficiency proposals in relation to the role of the Contracts and Commissioning team in Social Care.

4. Proposals

4.1 An options appraisal was carried out as a high level 'SWOT' analysis of the benefits and dis-benefits of the integration of the Contracts and Commissioning team with the Procurement service and the outcome is attached as [Appendix 1](#) to this report. The Review Group considered the following options:

4.1.1 **Option 1:** Retaining the status quo;

4.1.2 **Option 2:** Co-location of both teams, with no change to management structures, and with the ability for staff to be located in either the County Buildings in Ayr or in Elgin House at Ailsa Hospital on the outskirts of Ayr;

4.1.3 **Option 3:** Integration of the Contracts and Commissioning team from the HSCP with the Council's Procurement team, based in County Buildings but with the ability for staff to be located within the HSCP offices and facilities from time to time as business needs arise; and

4.1.4 **Option 4:** Undertake a full review of the functionality of both the Council's Procurement team and the Contracts and Commissioning team from the HSCP to confirm exactly what they do and determine whether they are sufficiently resourced to undertake their full range of responsibilities.

4.2 Following the conclusion of the 'SWOT' analysis, it was felt that certain elements of Option 3 offered the most favourable opportunity to deliver a more effective and efficient procurement and contract monitoring facility, but this would require a further, more detailed review to determine the process of integration and alignment with the Contract and Supplier Management Policy within the next year.

4.3 It is proposed that a further option, a combination of part of Option 3 and Option 4, be taken forward as Option 5, with the proposal to transfer 2 FTEs from the HSCP's Contracts and Commissioning team into the Procurement service with a further and more detailed review to be completed to determine the roles and functionality of both teams within the next year.

5. Legal and Procurement Implications

5.1 There are no legal implications arising from this report.

5.2 There are no procurement implications arising from this report.

6. Financial Implications

6.1 Not applicable.

7/

7. Human Resources Implications

- 7.1 There are human resources implications with the transfer of 2 FTE staff graded Level 12 from the HSCP Contracts and Commissioning team into the Council's Procurement service. Staff will transfer on their existing grades, terms and conditions and the process will be managed in accordance with the Managing Workforce Change Policy.

8. Risk

8.1 *Risk Implications of Adopting the Recommendations*

- 8.1.1 There are no risks associated with adopting the recommendations.

8.2 *Risk Implications of Rejecting the Recommendations*

- 8.2.1 The risk remains of lack of contract monitoring within the HSCP Contracts and Commissioning team should the recommendations not be accepted.

9. Equalities

- 9.1 The proposals in this report have been assessed through the Equality Impact Assessment Scoping process. There are no significant potential positive or negative equality impacts of agreeing the recommendations and therefore an Equalities Impact Assessment is not required. A copy of the Equalities Scoping Assessment is attached as [Appendix 2](#).

10. Sustainable Development Implications

- 10.1 ***Considering Strategic Environmental Assessment (SEA)*** - This report does not propose or seek approval for a plan, policy, programme or strategy or document otherwise described which could be considered to constitute a plan, programme, policy or strategy.

11. Options Appraisal

- 11.1 An options appraisal was carried out and is set out in [Appendix 1](#) attached to this report.

12. Link to Council Plan

- 12.1 The matters referred to in this report contribute to the Council strategic objective of 'Ensure the Council is structured to make the best use of resources' to deliver the outcome 'We will continue to develop organisational structures that will ensure we can deliver positive change through a workforce with the right skills and flexibility to meet future demands'.

13. Results of Consultation

- 13.1 There has been no public consultation on the contents of this report.
- 13.2 Consultation has taken place with Councillor Peter Henderson, Portfolio Holder for Resources and Performance, and with Councillor Douglas Campbell and

Councillor William Grant, who share joint responsibilities for the HSCP, and with Councillor Brian McGinley as Depute Leader of the Council. The contents of this report reflect any feedback provided.

13.3 Consultation has taken place with the trade union Unison.

14. Next Steps for Decision Tracking Purposes

14.1 If the recommendations above are approved by Members, the Director - Place, will ensure that all necessary steps are taken to ensure full implementation of the decision within the following timescales, with the completion status reported to the Leadership Panel in the 'Council and Leadership Panel Decision Log' at each of its meetings until such time as the decision is fully implemented:

<i>Implementation</i>	<i>Due date</i>	<i>Managed by</i>
Transfer 2FTEs from the HSCP Contracts and Commissioning team into the Council's Procurement service	31 December 2018	Service Lead – Procurement
Complete a further, more detailed review	31 August 2019	Executive Manager – Place Directorate

Background Papers **Report to Leadership Panel of 12 June 2018 – [Review of Management Structure](#)**

Person to Contact **Mike Newall, Executive Manager - Place Directorate
County Buildings, Wellington Square, Ayr KA7 1UT
Phone 01292 616231
E-mail mike.newall@south-ayrshire.gov.uk**

Date: 14 September 2018

PROCUREMENT SERVICE AND CONTRACT AND COMMISSIONING REVIEW - OPTIONS APPRAISAL¹

No	Option	Strength	Weakness	Opportunity	Threat	Evaluation
1	Retaining the status quo.	<p>Good progress has been made since 2017 with closer working arrangements between the Contracts and Commissioning team and the Council's Procurement team to improve compliance with legislative requirements, updating specifications and putting contracts in place for historical care arrangements.</p> <p>Contracts and Commissioning inherited a back-log of expired HSCP contracts which required an urgent update to be compliant with procurement legislation. A number of short term HSCP arrangements have been put in place since 2017 to address this.</p>	<p>HSCP work plan continues to be challenging due to the historic work practices, volume of work, and the complex nature of the care contracts required.</p> <p>Lack of robust contract monitoring arrangements in place.</p> <p>Pre-procurement activities, to understand the need, conduct market research, and specification development; and post-procurement activities to evaluate bids, award contracts and vary existing contracts are carried out by both Contracts and Commissioning and the Council's Procurement service. This results in</p>	<p>Continued closer working relationships between the Council's Procurement team and the HSCP Contract and Commissioning team present the opportunity to progress further improvements in contract award and contract monitoring and evaluation.</p> <p>The process of raising purchase orders, receipting orders and the efficient auto-matching of invoices within the 'Process-it' system, was highlighted in 2017 as an area for improvement in the HSCP. A further review is now required to ensure the appropriate and efficient</p>	<p>HSCP commissioning is undertaken by the Contracts and Commissioning team within HSCP where specialisms are created within professional areas. This can present the risk of duplication and unnecessary accountabilities.</p> <p>Contracts and Commissioning has developed a contract monitoring and performance framework that has been developed at the same time as the Council's Procurement team implemented a Corporate contract and supplier process that was approved by the Council on 1</p>	<p>Although it has been established that improvements have already been delivered in key service delivery areas within the HSCP, the status quo was not seen as a positive way forward as it suggested or implied that 'no progress' or improvements had been made to date. The Review Group formed a view that this option could not be supported to be taken forward for consideration due to the fact that there was a strong belief that the 'status quo' did not exist.</p>

¹ The Options Appraisal includes feedback from the consultation process and the comments and views received from individual stakeholders have been recorded in their entirety to inform the evaluation and recommendations going forward.

No	Option	Strength	Weakness	Opportunity	Threat	Evaluation
		<p>There is considerable partnership working between the Contract and Commissioning team and Third and Independent sector organisations through various Provider Forums which have been established.</p>	<p>duplicating effort and requiring approvals from applicable line managers.</p> <p>There is limited communication between the Procurement team and the Social Work teams within the HSCP.</p> <p>Communication between procurement and Social Work teams, the client for procurement activity, is through the Contracts and Commissioning team creating unnecessary steps in many of the processes within the procurement cycle.</p> <p>When a service is to be re-tendered, or a new contract put in place for the HSCP, there is avoidable duplication in approval processes which could be reduced if the Contracts and Commissioning team and the Procurement team were managed by a single Manager.</p>	<p>implementation of the P2P processes is now in place in the HSCP.</p> <p>A number of policy changes within the HSCP create unique opportunities and challenges for the strategic contracting of care contracts, including the 'Living Wage' commitment.</p> <p>New 'Commissioning Plans' are designed to replace existing contracts which were agreed many years ago and are very traditional in what they are seeking to provide. They have the opportunity to improve the service offer.</p>	<p>March 2018.</p> <p>Multiple processes have created inefficiencies and duplication within our teams and difficulties in ensuring our limited contract management resources are deployed to the Council's most strategic contracts.</p> <p>The HSCP requires different types of contracts to ensure services are sustainable and continue to offer a reliable and consistent service to people in a way that meets their outcomes at a quality and cost that provides best value to all parties. This remains a constant challenge and threat in a period of reducing resources.</p>	

No	Option	Strength	Weakness	Opportunity	Threat	Evaluation
2	<p>Co-location of both teams, with no change to management structures, and with the ability for staff to be located in either the County Buildings in Ayr or in Elgin House at Ailsa Hospital on the outskirts of Ayr.</p>	<p>While undertaking different roles and responsibilities, access to the same information from time to time would reduce duplication as the same information can often be held on two separate systems, albeit it can be used for different reasons.</p> <p>The Contracts and Commissioning team is under-resourced, given their workload and responsibilities, and could benefit from the support and resources within the Procurement team.</p> <p>The co-location of the Contracts and Commissioning team with the procurement team would be more beneficial than the Contracts and Commissioning officers operating remotely.</p> <p>The knowledge and experience of the larger Procurement team would be more easily accessed in a shared office</p>	<p>Reviewing, designing and monitoring services requires very frequent liaison between Commissioning staff and a range of HSCP colleagues, and the Contracts and Commissioning team being located within the HSCP headquarters ensures good communication and responsiveness as need occurs. There is therefore greater value in locating service design staff amongst the services that they are directly working for. Also, close and effective working with Procurement colleagues around contract creation and maintenance does occur, but this is most frequently and appropriately realised through attendance at the HSCP headquarters, or by remote communication.</p> <p>Removing the</p>	<p>Co-location presents an opportunity whereby closer working arrangements could foster greater understanding and mutual respect of the differing roles and responsibilities within both teams.</p> <p>Over the course of the last year, the Contract and Commissioning team has undertaken a more collaborative approach to the development of Commissioning Plans and subsequent Framework arrangements and this should be allowed to develop further.</p> <p>Consideration should be given to aligning a post (or the part of a post) from the Contract and Supplier Management team to assist the HSCP Contracts and Commissioning team is this option was deemed most suitable.</p>	<p>Service users should be at the forefront of this decision-making process and as long as any tasks are not removed from the Contracts and Commissioning team and any transition to either an integrated or co-located approach is undertaken smoothly, then there should be no adverse impact on the service users.</p> <p>There is no distinct benefit or logic in co-locating the HSCP Contracts and Commissioning team with the centralised Procurement service.</p> <p>Although communication links would undoubtedly strengthen with a co-location arrangement, this would be at the detriment of the essential and robust links required between strategic Commissioning</p>	<p>The Review Group acknowledged that there were tangible benefits in co-locating both service areas within a single location; such as working in a team environment, improving working relations, enhanced understanding of the roles, responsibilities and pressures of the varying functions, coupled with the flexibility for agile and responsive support services as service needs dictated and required, the dis-benefits, however, were seen as challenges that had to be recognised, such as; the risk of dis-unity, the potential for confusion or contradiction and the existence of a remote direct line manager for some of the officers placed this option as one that could not command the support of the Review Group.</p>

No	Option	Strength	Weakness	Opportunity	Threat	Evaluation
		<p>environment.</p> <p>Co-location also allows Commissioning Officers to more easily benefit from the support of the well-developed procurement and contract and supplier management systems and structures which have been put in place.</p> <p>The commissioning of services involves continual partnership/collaborative working with colleagues within the HSCP as well as service providers, service users and their families.</p> <p>Liaison with members of the Council's Procurement team and the HSCP Contracts and Commissioning team takes place on a daily basis and when required, with time split between the County Buildings and Elgin House at Ailsa Hospital.</p> <p>The co-location of both teams will promote greater and more</p>	<p>Contracts and Commissioning team from the HSCP would have detrimental impact on the shared focussed vision, fast execution and efficient decision making of carrying out the commissioning role. Communication links would continue to strengthen if Procurement and Commissioning were co-located, however this could affect the strong working relationships, communication and joint vision/understanding of delivering the best social care service for service users and their families with HSCP colleagues and service providers.</p>	<p>There is benefit in co-locating Procurement staff within the HSCP headquarters for at least a proportion of their working time – which largely occurs already.</p> <p>Consideration should be given to the co-location of the Procurement team from the Council to the HSCP.</p>	<p>officers and the service they are responsible for specifically servicing.</p> <p>Outcome focussed planning for service users could be impacted as there could be a move away from qualitative practice to quantitative practice.</p>	<p>Accordingly, this option was not considered as one that could be recommended to be taken forward.</p>

No	Option	Strength	Weakness	Opportunity	Threat	Evaluation
		<p>effective face-to-face communication and reduce the need to organise a number of meetings and the time taken to travel between offices, with the advantage of the progression and timeous completion of contracts.</p>				
3	<p>Integration and transfer of the Contracts and Commissioning team from the HSCP with the Council's Procurement team, with the ability for staff to be located within the HSCP offices and facilities from time to time as business needs arise.</p>	<p>Integration presents a number of advantages, presenting a great opportunity for both teams.</p> <p>Collectively this will foster greater partnership working and collaboration and promote greater efficiencies and the best use of resources.</p> <p>The development of a supplier development programme by the HSCP Contracts and Commissioning team supports the work currently being undertaken by the collaborative working arrangement between Economic Development and the Procurement</p>	<p>In 2017/18 the Council spent £53m on 211 suppliers categorised as providing services to Health and Social Care. This is 32% of all of the Council's procurement spend and equates to 14% of all suppliers. Good progress has been made in 2017 to improve compliance to put contracts in place for historical arrangements, however the work plan continues to be challenging and the efficiencies identified should be implemented.</p> <p>Opportunities for efficiencies exist in all HSCP contracts. A</p>	<p>Reshaping the delivery of the Contracts and Commissioning team and the Council's Procurement team will develop services that will be of value to the people who use them, whilst contributing to the efficiencies required. New consolidated arrangements may not empower managers but create target efficiencies in a strategically important area. Social Care contracts that are difficult to meet and that are often delayed could be improved by the ability to allocate procurement resources from a wider</p>	<p>Efficiencies in the process and reallocation of duties are required to ensure resultant contracts approved by the Director of Health and Social Care are put in place within the agreed timescales.</p> <p>It is important that officers who are able to influence procurement decisions do not build close relationships with suppliers and there is clear segregation of duties to prevent procurement-related fraud. The role of Enterprise</p>	<p>Reshaping the delivery of the HSCP Contracts and Commissioning team with the Council's Procurement team will address challenges which are common to both teams and will create robust services with additional business continuity that will be of value to the people who use them whilst contributing to the efficiencies required.</p> <p>The option to integrate the 5FTEs of the HSCP Contracts and Commissioning team did not meet with the agreement of the whole of the Review Group. Colleagues</p>

No	Option	Strength	Weakness	Opportunity	Threat	Evaluation
		<p>team. Early, positive and proactive engagement with SMEs is used to support the local economy.</p> <p>The purpose of the HSCP contract monitoring arrangements is to ensure that the services are delivered in accordance with the contract service specification and Best Value principles, in the same way that all other Council contracts are required to do.</p> <p>The collection of routine performance and quantitative data is an important part of contract monitoring and the minimum level of desktop monitoring that a Provider will expect to receive is 6 monthly.</p> <p>The Procurement team undertake quarterly 'Balanced Scorecard' monitoring of contractor performance.</p> <p>Provider Forums will be the main vehicle for the HSCP and Third and</p>	<p>formal contract review with the 77 suppliers identified as priority suppliers by the Contracts and Commissioning team will consider the continuing affordability of each contract, and ensure that the delivery of the intended outcomes of each contract is meeting the needs of service users. The review and the priority actions emerging will be difficult to meet with the existing arrangements and support will be required if these activities are to be delivered on time and within budget.</p> <p>The HSCP Contracts and Commissioning team provide responses to unforeseen situations such as investigations relating to provider complaints, concerns, moratorium and FOI requests.</p> <p>This area of work is</p>	<p>corporate pool.</p> <p>When an Annex II contract is required, avoidable duplication in approval processes could be reduced if the Contracts and Commissioning team were managed by the same 3rd Tier Manager. The financial accounts of Health and Social Care suppliers are requested directly from suppliers on an annual basis throughout the duration of their contract. These accounts are scrutinised by the Contracts and Commissioning team and the Council's finance team. This process does not take place for any other of the Council's suppliers. Contracts tendered by the Procurement team assess the financial stability of suppliers during tender evaluation, and an</p>	<p>Development is therefore crucial to promoting procurement to local businesses to ensure officers are safeguarded from potential conflict of interest.</p> <p>Full integration would not be of benefit as the Contracts and Commissioning team need direct access to Senior Officers within the HSCP, whom they would be liaising with and often taking direction from on an ongoing basis.</p> <p>Relevant decision made by and discussions held at the HSCP DMT and SMT directly impact on the work of the Contracts and Commissioning team and so having direct access within the HSCP would be beneficial.</p> <p>There is concern about an integration</p>	<p>from the HSCP confirmed that this option would not receive their support.</p> <p>The Review Group recognised that there were distinctions between 'Commissioning' and 'Procurement' and that these needed to be reviewed in detail to inform the finalised proposals to be taken forward.</p> <p>There is no recommendation at this time to amend any of the terms and conditions and rates of pay of any posts that may be transferred from HSCP to the Procurement team.</p> <p>There was merit in considering the transfer of 2 FTEs from the HSCP Contracts and Commissioning team into the Procurement Service to enable improvements in contract monitoring</p>

No	Option	Strength	Weakness	Opportunity	Threat	Evaluation
		<p>Independent sectors for Providers to engage, to collaborate and to develop and continually improve the contract monitoring and reporting framework arrangements.</p> <p>Such meetings will be convened at least annually to discuss the contract agreement and performance and how to develop a supplier development programme to identify performance measures for future contracts.</p> <p>This comprehensive approach will ensure all Provider services are sustainable and continue to offer a reliable and consistent service to people, maintain their wellbeing and achieve Best Value.</p> <p>The integration of the HSCP Contracts and Commissioning team with the Procurement team would be welcomed as there is a natural fit for the</p>	<p>monitored and reported as it can significantly impact on meeting deadlines set for the HSCP Contract and Commissioning portfolio.</p> <p>The HSCP Contracts and Commissioning team is in the process of reviewing all paperwork and processes to enable a coordinated and standardised approach across the team.</p> <p>Procurement services do work closely with the HSCP Commissioning team in terms of providing contractual advice and technically bringing contracts into being, however this is largely the same function extended presently to all other Council services.</p> <p>Procurement is one part of the Commissioning process and is a specific method of</p>	<p>automated alert is set up on the Council's appointed credit report system, Credit Safe. A consistent and efficient process for financial monitoring of suppliers across the Council's supply base would reduce duplication of effort and deliver efficiencies.</p> <p>A joined-up, collaborative approach for all of the Council's suppliers will deliver better awareness of contract opportunities when they arise and will assist more local SMEs to increase their bidding competence together with a central point of contact for all suppliers seeking access to business support.</p> <p>Consideration should be given to ensure that Procurement/Contracts and Commissioning personnel have access and involvement in relevant HSCP meetings in the</p>	<p>of both teams in terms of the comparative salaries and grades and how this may impact on Procurement Officers.</p> <p>Although communication links would undoubtedly strengthen with an integration arrangement, this would be at the detriment of the essential and robust links required between strategic Commissioning officers and the service they are responsible for specifically servicing.</p> <p>What would integration look like and what is the 'vision'?</p> <p>HSCP require commissioning services to be dedicated and central to the reshaping of care. There are concerns that this dedication would</p>	<p>and performance, but this would also be subject to a more detailed review as noted above.</p>

No	Option	Strength	Weakness	Opportunity	Threat	Evaluation
		<p>Commissioning Officers as their role, in working with clients to plan, establish and monitor appropriate contracts, is similar to that of a Procurement Officer.</p> <p>HSCP contracts are put in place with effort and resource from both Procurement and the Contracts and Commissioning team.</p> <p>The main benefits of one department conducting client relations would be that there would be no confusion over converging roles and responsibilities and no additional layer of approval involving more than one Manager.</p> <p>There are no foreseen challenges that will emerge for the Council's service users, or for the services themselves, from the proposed integration of the Contracts and Commissioning team with the Council's Procurement team.</p>	<p>purchasing services which results in a contract. Therefore the procurement of services should be placed within the wider context of strategic commissioning, not the other way around.</p> <p>It is unclear what the benefit would be to the Council to integrate the Contracts and Commissioning team with the Procurement team.</p>	<p>absence of a direct reporting structure.</p> <p>If the Council's Procurement service had full autonomy to tackle the historic problems that have developed under the current structure, which include a real lack of modern, commercial, fit for purpose contracts being put in place or reviewed, our service users would benefit immediately from an increased focus on HSCP requirements. Greater collaboration to produce and inform strategy documents, conduct analysis and options appraisals and the sharing of resources.</p> <p>Greater and more effective communication with knowledge sharing and expertise to design and deliver services that are cost-effective and sustainable but also</p>	<p>become fragmented due to location with a team that are not driving social care development.</p>	

No	Option	Strength	Weakness	Opportunity	Threat	Evaluation
		Communication links would continue to strengthen if Procurement and Commissioning		improving and achieving outcomes for service users. Streamlining some processes and reducing duplication of effort.		
4	Undertake a full review of the functionality of both the Council's Procurement team and the Contracts and Commissioning team from the HSCP to confirm exactly what they do and determine whether they are sufficiently resourced to undertake their full range of responsibilities.	In March 2017 the Scottish Procurement Directorate of the Scottish Government updated the national guidance on procurement, the 'Procurement Journey', to include the procurement of Care and Support Services. This update was published in direct response to the changing landscape and legislative requirements of social care procurement and to create efficiencies within the Scottish Procurement Directorate to produce one source of guidance and documentation for all public sector contracts. The first stop on the 'Procurement Journey' is to develop strategy and specific best practice and	The Council's current model of writing both 'Commissioning Plans' and 'Procurement Strategies' for each contract creates duplication and extended timescales. This type of specialised service design and outcomes monitoring responsibility is held in all other Council services, and unless such currently devolved responsibilities are being centralised across the Council and brought under the umbrella of a corporate service design and procurement department, there is no logic in amalgamating this function for one particular service area.	To meet the business needs of the Council, and to ensure an overall cohesion for all Council's procurement activities, savings and efficiencies can be achieved by the standardisation of Procurement and Commissioning. Any savings generated could be reinvested to ensure more service users within South Ayrshire have access to the care services they require and also used to ensure teams are adequately resourced and trained to meet the future needs of an increasingly complex health and social care demographic. Opportunities for	In Health and Social Care contracts there is justifiably a lot of emphasis on understanding the needs of the service users, and of matching this to what is available on the market, or creating new supply options if they are needed. However, for all other contracts this is also a requirement, so there is the potential to see this stage as being the same in both the procurement and commissioning functions. Post-contract management in a 'commissioning' environment stresses the need to monitor and measure supplier	The Review Group agreed that although this was not necessarily an 'option' for a potential service delivery model going forward, the information gathered from a full review of each of the roles and responsibilities within each of the functions would prove to be crucial in supporting and determining the eventual future direction of how the Contracts and Commissioning Service for Social Care would take place, and where the role of the Council's Procurement Service would fit into or alongside that role.

No	Option	Strength	Weakness	Opportunity	Threat	Evaluation
		<p>guidance for care and support services is included.</p> <p>It is this national best practice which has been implemented by Scotland Excel and some Local Authorities. It provides a new equivalence model for both procurement and commissioning.</p> <p>Skilled procurement professionals understand the core elements required for each contract and can focus and develop strategies on the specific requirements for each.</p> <p>The Commissioning service within the HSCP conducts a specific strategic appraisal, design and monitoring function aimed at developing and maintaining effective services operated on behalf of the HSCP. A general definition of 'commissioning' is that it is the whole process of deciding what public services are needed,</p>		<p>efficiencies exist and fundamentally the processes of procurement and commissioning as evidenced by the Scottish Procurement Directorate suggest they are very similar.</p> <p>Terminology in commissioning involves 'designing' the service. This is what other services may call 'writing the specification'. In all contracts and in particular for Health and Social Care, best practice includes the development of a specification which includes how the service will be put in place. These follow the direction set out in strategic service plans, such as the Integrated Joint Board's Strategic Plan, and involves a collaborative working with both the services and the policy makers, and again, this is not fundamentally</p>	<p>performance, manage improvement, and meet changing needs.</p> <p>Similar requirements exist in Procurement service contracts.</p> <p>The current model of splitting these tasks into 'quantitative' and 'qualitative' creates duplication and inefficiencies in an area that requires valuable resources to be deployed to the Council's most strategic contracts.</p> <p>Procuring care and support services is a complex area. It requires special consideration within a public body's overall approach to the procurement of goods and services.</p> <p>The quality or availability of these services can have a significant impact on the quality of life and health of people who might use the</p>	

No	Option	Strength	Weakness	Opportunity	Threat	Evaluation
		<p>what priorities they are given, choose what, why, how and where to allocate resources to provide services.</p> <p>Service users, families, communities, third sector/voluntary sector organisations and other agencies assist with their knowledge, ideas and skills and assist design and implement best services possible for service users within the available budget.</p>		<p>different. The same basics of understanding the needs and the available market and aligning the two remain. Opportunities exist to remove duplication of effort and share expertise.</p> <p>All HSCP contracts going forward will be subject to a formal contract review and options appraisal. This is seen as being necessary to determine whether or not a Provider is meeting its obligations and that the services provided are responsive to changing need.</p> <p>Contract reviews will be conducted in accordance with the Scottish Government Guidance on the Procurement of Care and Support Services 2016 (Best Practice) published in March 16.</p>	<p>services, as well as their carers.</p> <p>For these reasons these types of services are often purchased differently to other services.</p> <p>A public body has some flexibility to decide how to handle these contracts on a case-by-case basis, and how it applies the TFEU² principles.</p> <p>Integrated Joint Boards are not able to contract or hold contracts with third parties as contractual arrangements remain with either the local authority or the NHS Board.</p> <p>They are, however, responsible for the production of Strategic Commissioning Plans thereby providing some direction and oversight of what should be procured.</p>	

² The Treaty of Functioning of the European Union (TFEU) Principles

Summation

1.	The outcome from the brief review of the HSCP Contracts and Commissioning team and the Procurement Service confirmed that more review work is needed to enable a much clearer picture of what will be required to ensure that going forward the HSCP services are sustainable and continue to offer a reliable and consistent service to people in a way that meets their outcomes at a quality and cost that provides Best Value to all parties.
2.	Option 3 was not agreed by those representatives from the HSCP. However, certain elements of Option 3 were seen as a positive opportunity to improve both the effectiveness and the efficiency of the procurement and contract monitoring functions and therefore it is proposed to transfer 2 FTEs from the HSCP Contracts and Commissioning team into the Procurement service. It is recommended that a further review, in relation to the integration process, is carried out within the next year thus agreeing that Option 4 is included in any recommendation being taken forward.
3.	A hybrid of part of Option 3 and Option 4 would therefore be the recommended to be taken forward as Option 5.

1. Policy details

Policy Title: Integration of the Contracts and Commissioning team to the Council's Procurement Service	Lead Officer: Zoe Fance
--	-----------------------------------

2. Which communities, groups of people, employees or thematic groups do you think will be, or potentially could be, impacted upon by the implementation of this policy? Please indicate whether these would be positive or negative impacts

Community, Groups of People or Themes	Negative Impacts	Positive impacts
The whole community of South Ayrshire	No	No
People from different racial groups, ethnic or national origin.	No	No
Women and/or men (boys and girls)	No	No
People with disabilities	No	No
People from particular age groups for example Older people, children and young people	No	No
Lesbian, gay, bisexual and heterosexual people	No	No
People who are proposing to undergo, are undergoing or have undergone a process to change sex	No	No
Pregnant women and new mothers	No	No
People who are married or in a civil partnership	No	No
People who share a particular religion or belief	No	No
Thematic Groups: Health, Human Rights, Rurality and Deprivation.	No	No

3. Do you have evidence or reason to believe that the policy will support the Council to:

General Duty and other Equality Themes	Level of Negative and/or Positive Impact (high, medium or low)
Eliminate discrimination and harassment faced by particular communities or groups	No adverse impact identified. Low
Promote equality of opportunity between particular communities or groups	No adverse impact identified. Low
Foster good relations between particular communities or groups	No adverse impact identified. Low
Promote positive attitudes towards different communities or groups	No adverse impact identified. Low
Increase participation of particular communities or groups in public life	No adverse impact identified. Low
Improve the health and wellbeing of particular communities or groups	No adverse impact identified. Low
Promote the human rights of particular communities or groups	No adverse impact identified. Low
Tackle deprivation faced by particular communities or groups	No adverse impact identified. Low

4. Summary Assessment

Is a full Equality Impact Assessment required? (A full EIA must be carried out on all high and medium impact policies)		YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>
Rationale for decision: This proposal does not directly impact on service delivery. If future work leads to amendments in policy then the need for a full Equality Impact Assessment will be considered.			
Signed : Donald Gillies Director - Place			
Date: 31 August 2018		Copy to equalities@south-ayrshire.gov.uk	