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# Certificate of Credit in Care Purchasing and Brokerage Session 2

# 20th April 2021

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# Units 1 – 8 will cover

- Context – demand and supply
- Commissioning – what is it and your role
- Managing referrals √
- Purchasing and Procurement √
- Negotiation skills
- Contract management
- Contract monitoring – using data
- Transitioning  arrangements

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# Managing Referrals

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# IPC Report

## What is wrong with referrals?

- Poor quality
- Deficit focused
- More detail needed including ‘soft information’
- Simpler process
- Excessive requirements for tendering

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# Nationwide Association of Fostering Providers (NAFP) Report

- Again described as 'the weakest area of commissioning'.
- Referrals often do not provide accurate information about a child or give clarity about what is expected from a placement.
- A need to improve the way children are included. Their 'buy in' makes for better matching and transition.
- No matter how good strategic arrangements are, if referrals are poor, this places the whole framework at risk.
- Problem of poor referrals is being better recognised by commissioners. A need to influence social work practice & see foster carers and residential workers as the experts to inform these documents.

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# Provider Comments

- "I deal with hundreds of referrals every week"
- "Local Authorities take so long to get back to me with requests for information that the placement has normally gone to someone who filled in the referral well in the first place"
- "Its so obvious when a old referral has just had a bit of information added to it"
- "Authorities get labelled as consistently providing poor referrals"

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# Exercise in small groups

- What does a good referral look like?
- What is the key matching information?
- What are the common mistakes made?
- What about risks?

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# Information

- Accurate and up to date
- Not a old referral copied and pasted
- Correct School (needed for placement search)
- Placement endings
- Contradicting information

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# Positive matching information

- Sports teams
- Activities
- Music, books, film and games
- School subjects
- Clubs
- Interests

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# Labels and context

**Please give examples of context around the following examples.**

- **Fire starter**
- **Alcohol**
- **Drugs**
- **Violent**
- **Absconding**
- **Theft**
- **Sexualised behaviour/Sexually active**

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# Who do I talk to?

**I'm on Duty, I don't know the young person or I've just been assigned the case.**

- Educational case worker
- Teacher/ School Pastoral Worker
- IRO
- Previous agency
- Previous carer
- Family

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# Luke Rodgers

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# Procurement

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# Procurement is ……

**Procurement is the process of acquiring goods, works or services from (usually) external providers/suppliers and managing these through to the end of contract.**

**Procurement or purchasing usually refers to the process of finding and deciding on a provider and buying a service.**

**Involves the selection, negotiation and agreement with the provider of what service is to be supplied.**

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# The legal procurement framework

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# EU procurement directives

£m

- The regulations have 2 levels – a full regime and a light touch regime for other services (Schedule 3).
- Health, adult social care and children's services are Schedule 3 services.
- Pre-Qualification stages only permitted for contracts valued at more than the threshold

£615k

**Threshold of £615,278 (net of VAT)**

- EU principles still apply:
  - Equality of treatment
  - Non discrimination
  - Transparency
  - Proportionality

£0

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# Light Touch Regime (LTR) for Schedule 3 services

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**Main mandatory requirements:**

- ‘Find a Tender’ Advertising (not OJEU)
- The publication of a contract award notice (CAN)
- Compliance with Treaty principles
- Conduct the procurement in conformance with the information provided in the ‘Find a tender’ advert
- Time limits imposed by authorities on suppliers must be reasonable and proportionate

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# Light Touch Regime (LTR) for Schedule 3 services

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**Significant flexibilities:**

- Authorities have the flexibility to use any process or procedure they choose to run the procurement
- The LTR rules are flexible on the types of award criteria that may be used
- Reserved contracts for certain services in the light-touch regime (eg in-house, public to public cooperation)
- ‘negotiated procedure without notice’ may be used ie where a procurer can legitimately approach one provider direct

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# Selection stage: tendering

Local authorities must publish details of every invitation to tender for contracts to provide goods and/or services with a value that exceeds £5,000, and also publish details of every contract that exceeds £5,000

Local Government Transparency Code 2015 (31-32)

- The promotion of the tender opportunity, ensuring that all tenderers, and enquiries, are responded to equally and fairly.
- The rejection or selection of candidates based on:
  - legal;
  - financial; or
  - technical grounds.
- A comprehensive record is kept of the procurement activities undertaken and decisions made.

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# Five procurement procedures

**Contracting authority is <u>not obliged</u> to follow one of the 5 procurement processes for the LTR**

1. **Open tendering:** all those interested may respond to the advertisement in the OJEU by submitting a tender for the contract.

2. **Restricted tendering:** a selection is made of those who respond to the advertisement and only they are invited to submit a tender for the contract.

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# ‘Choice’ of procurement procedures

**Allow a degree of negotiation with suppliers**

3. **Competitive dialogue:** a selection is made of those who respond to the advertisement and the contracting authority enters into dialogue with potential bidders, to develop one or more suitable solutions for its requirements and on which chosen bidders will be invited to tender.

4. **Competitive procedure with negotiation:** a selection is made of those who respond to the advertisement and only they are invited to submit an initial tender for the contract. The contracting authority may then open negotiations with the tenderers to seek improved offers.

5. **Innovation Partnership**: selection is made of those who respond to the advertisement and the contracting authority uses a negotiated approach to invite suppliers to submit ideas to develop innovative works, supplies or services aimed at meeting a need for which there is no suitable existing ‘product’ on the market. The contracting authority is allowed to award partnerships to more than one supplier.



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# Public Services (Social Value) Act 2012

"*The contracting authority must consider how what is proposed to be procured might <u>improve the economic, social and environmental well-being</u> of the relevant area, and; how, in conducting the process of procurement, it might act with a view to securing that improvement*".

**The Act applies to contracts over the EU procurement threshold (set at old Part B level) – but the Revised Best Value Statutory Guidance 2015 "*recommends that authorities consider social value for other contracts … where it is relevant to the subject matter of the contract and deemed to be beneficial to do so*".**

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# Award stage

- Evaluate tenders on an equal footing, based on criteria and relative weighting that was stated in advance.
- The award of contracts is based on the most economically advantageous tender (MEAT), looking at the best price-quality ratio
- Can use full life cycle costing
- Prioritise key local concerns and be innovative about information requested from providers and/or the evidence used.
- Feedback is given to unsuccessful tenderers.
- Take advice if post tender negotiation needed.

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# What are purchasing and procurement arrangements for individual care purchasing?

- Currently spot purchasing is the predominant model in the existing children's services marketplace
- Sometimes this is achieved through an arrangement that meets public contract regulations eg a framework or Dynamic Purchasing System and has pre-agreed price structures and contract terms
- However, in more recent years purchasing often takes place outside of these arrangements in the open market and price and terms and conditions are negotiated individually
- Alternative partnership arrangements might include: volume discounts, preferred provider lists, block contracts ('hard' and 'soft'), use of social impact bonds



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# Activity

- In small groups discuss the different arrangements in place in your LA? eg regional / sub regional frameworks, DPVs

- Identify what works well / what is more problematic and be ready to feedback 3 key points to the whole group

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# ‘Homework’

**Think of an example to share of where you have negotiated a placement:**

- **What was it for?**
- **Were you selling for a high price or asking for a lower price?**
- **What happened?**
- **What skills did you use?**
- **What was the outcome?**

**Read: Top Ten Attributes, Top Ten Pitfalls of contract management**

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# Your reflections on today

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