

# East Midlands Improvement and Efficiency Partnership



**East Midlands**  
Improvement and  
Efficiency Partnership

## East Midlands High-Cost Placements Project ▼

### East Midlands Improvement and Efficiency Partnership Case Studies

The East Midlands Improvement & Efficiency Partnership is committed to celebrating the successful, innovative and imaginative project work that exists in the East Midlands region.

The EM IEP Support Team publish case studies showing how East Midlands councils are improving services, and delivering significant improvements and efficiencies.

The case studies are intended to inspire councils in the region, and indeed nationally, to transform services and benefit from the processes developed by those councils that have pioneered the way forward.

### Summary ▼

The project represents collaborative procurement at its most effective – delivering an efficient, cost-effective solution which assists the nine East Midlands authorities in meeting their obligation to offer high quality care and support, in an appropriate setting, for people with learning disabilities and complex needs.

A sophisticated engagement with the supply market, plus clear objectives and a shared vision amongst the authorities, combined to deliver a solution heralded as highly successful by purchasers and providers alike.



## The Issue ▾

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Across the East Midlands, the nine authorities with social care responsibility (comprising five shire counties and four unitary authorities) faced similar issues when commissioning care services for people with severe learning disabilities, who often, additionally, had a range of complex needs and/or presented challenging behaviours.

The issues included not only the extremely high cost (relatively speaking) of meeting the care needs of such people (costs which in some cases exceeded £5,000 per week) but the knowledge that despite such costs, the care provided was frequently neither of the most appropriate type, or in an ideal location. There was a strongly held view, too, that although authorities' requirements were broadly similar, by acting in isolation from each other they were failing to exploit their potential leverage on the specialist service providers on whom they depended.

Networks for sharing knowledge and good practice in the field of social care already existed across the region; thus the 'high cost placements' issue was readily identified as an area of common concern, leading to the establishment first of a project board (comprising, amongst others, representatives of region's directors of social care) and the identification of a project team,

comprising officer representatives from all nine authorities, to explore the collaborative procurement possibilities.

The Eastern Shires Purchasing Organisation (ESPO) was engaged to advise and assist the project, particularly in respect of the procurement process. The procurement costs themselves were able to be shared amongst the participating authorities, and were part funded by a contribution from the former East Midlands Centre of Excellence.

The authorities' project aims were essentially simple: to rationalise procurement for these specialist services, by acting collaboratively to meet common objectives, and thereby to secure services of an appropriate quality, in the right locations, and which represented demonstrable value for money. Some 100 people, for whom across the region services would need to be commissioned over the next three years, were identified.

Of immense importance to the ultimate success of the project was the strong sense of shared purpose, and willingness to work together, demonstrated from the outset by all the participating authorities, at both project board and operational levels. Levels of commitment – and an enthusiasm to secure the best possible outcomes – were high, and remained so throughout the project.

## The Process ▾

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Having given the potential provider market formal notice (in Spring 2007), the nine authorities met with some 40 organisations, and using structured interviews outlined their collective aspirations for the project, and gained important insights from a provider perspective.

Informed by the market consultation, which evidenced an eagerness amongst the provider community to address the authorities' needs, a multi-stage procurement exercise was planned, which commenced with the receipt of formal expressions of interest and initial 'pre-qualification' of organisations against criteria such as track record and experience, policies and procedures, financial stability, etc.

Of over 70 organisations assessed, 61 were invited to submit proposals, outlining how they would meet the aims of commissioners. 42 such proposals were received, and evaluated, resulting in a shortlist of 27 organisations progressing to the final stages of the procurement exercise.

These final stages, conducted during Spring and Summer of 2008, involved providers attending formal interviews with a panel comprising officers from the nine authorities and service user representatives and advocates, and facilitating visits by the evaluation panel to existing services.

## The Outcome ▾

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The results of the exercise were wholly true to the original aims of the project – the nine commissioning authorities reached agreement on the appointment of just four organisations from whom future services throughout the East Midlands would be commissioned, on a ‘framework’ basis.

The new framework was duly launched in September, with the first services commissioned using the framework early in 2009.

Amongst the anticipated benefits which have been realised is a significant potential saving in cost; hourly rates applicable under the framework are typically some 20% lower than the equivalents achieved by authorities individually.

Moreover, all nine authorities agreed to adopt a single form of contract and associated documentation which will be used, with only minimal local variation, for services commissioned under the framework. This was drafted by the legal services team of one



of the nine authorities, on behalf of the whole group. Clearly, the use of such standardised documentation will enhance efficiencies for providers, and help reinforce to them the genuineness of the collaborative approach adopted by the authorities.

Although the framework was not intended to result in a formal joint commissioning strategy of any kind, the nine authorities recognised from the outset that the project would be likely to make a very significant impact on the provider market place. For a number of reasons – the safeguarding of future capacity being one; another that many providers in the field are third sector (voluntary) organisations – the group had to proceed with caution, balancing the legitimate expectations of the providers on the one hand, with the desire to commission services in a better value way on the other.

The challenge of achieving the right balance is brought to the fore in the matter of how commissioning authorities using the framework actually select between the providers available to them. One methodology, recommended for adoption when ‘complexities’ exist in a particular service (for example, if TUPE issues are likely to arise where an existing service is being recommissioned) is to re-open competition under the framework, inviting all providers to bid to run the

service. Where such an approach is adopted, given the exhaustive and comprehensive evaluation process conducted in establishing the framework, price will be the principal deciding factor.

In other cases, however, where no special factors apply, there is a broad understanding amongst the nine authorities that contracts should be awarded in a way which broadly safeguards the resilience and capacity of the provider base generally. In practice, this usually means allocating work more or less evenly between the providers, to help them secure a viable presence

in the East Midlands and so in turn to help guarantee the longer term supply market and future value for money. This approach is wholly consistent with the authorities’ stated aims in establishing the framework, which included the goal of creating strategic partnerships with providers. Such services are simply commissioned at the prices published in the framework.

## The Impact ▾

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Tangible benefits are, foremost, the clear financial savings which are anticipated to flow from the use of the new framework. Comparisons are not straightforward, but already noted are general savings in the region of 20% compared with similar services bought outside of the framework.

It was also anticipated that less tangible benefits may arise – in particular, much stronger working relationships between commissioners and the relatively few service providers. This has proved to be emphatically the case, exemplified in the form of joint meetings with all nine authorities and all providers present, to discuss in open forum issues relevant to the operation and development of the framework, including commissioning strategies and issues around how providers are chosen for specific services.

The providers themselves have adopted a reassuringly mature approach, and fully embrace the ethos of partnership working; even though guarantees of business were not given, they have nonetheless gained sufficient trust in their relationships with the commissioning authorities that they have been prepared to invest in their regional infrastructures in anticipation of future work under the framework.

Finally, and in some ways most rewarding of all, has been the forging of very strong and committed joint working principles between the nine authorities themselves, characterised by mutual trust and respect, without which the project's success would have been far from guaranteed.

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Notes ▼

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## Further Information ▾

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