

Key messages

# Commissioning social care



Prepared for the Auditor General for Scotland and the Accounts Commission  
March 2012



# Auditor General for Scotland

The Auditor General for Scotland is the Parliament's watchdog for helping to ensure propriety and value for money in the spending of public funds.

He is responsible for investigating whether public spending bodies achieve the best possible value for money and adhere to the highest standards of financial management.

He is independent and not subject to the control of any member of the Scottish Government or the Parliament.

The Auditor General is responsible for securing the audit of the Scottish Government and most other public sector bodies except local authorities and fire and police boards.

The following bodies fall within the remit of the Auditor General:

- directorates of the Scottish Government
- government agencies, eg the Scottish Prison Service, Historic Scotland
- NHS bodies
- further education colleges
- Scottish Water
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## The Accounts Commission

The Accounts Commission is a statutory, independent body which, through the audit process, requests local authorities in Scotland to achieve the highest standards of financial stewardship and the economic, efficient and effective use of their resources. The Commission has four main responsibilities:

- securing the external audit, including the audit of Best Value and Community Planning
- following up issues of concern identified through the audit, to ensure satisfactory resolutions
- carrying out national performance studies to improve economy, efficiency and effectiveness in local government
- issuing an annual direction to local authorities which sets out the range of performance information they are required to publish.

The Commission secures the audit of 32 councils and 45 joint boards and committees (including police and fire and rescue services).

Audit Scotland is a statutory body set up in April 2000 under the Public Finance and Accountability (Scotland) Act 2000. It provides services to the Auditor General for Scotland and the Accounts Commission. Together they ensure that the Scottish Government and public sector bodies in Scotland are held to account for the proper, efficient and effective use of public funds.

# Key messages

## Background

**1.** Social care services aim to help people lead as independent a life as possible. They range from supporting people to take part in social activities, help with basic personal care like washing and dressing, through to assistance with every aspect of their daily lives. Many people depend on social care services, including: older people living in care homes or receiving help at home; children at risk and their families; children and adults with physical, sensory or learning disabilities; and people with mental health problems, addiction problems or HIV/AIDS.<sup>1</sup> Staff working in social care provide a vital service for many people and are highly valued by users and carers.

**2.** Councils have a duty to provide social care for those who need it, whether they provide these services themselves, contract with voluntary or private organisations to provide them or give people a budget to arrange their own care. But helping people to live more independently and improve their quality of life is not just the role of councils' social work teams. It requires a joined-up approach with other council services, including housing, education and leisure, as well as with NHS boards and other public services such as police and prison services.

**3.** Many people needing social care services also require ongoing healthcare for specific long-term conditions. Some people, particularly older people, need social care when they are discharged from hospital or to help prevent their being admitted

to hospital. Therefore, social care decisions taken by a council can have a direct impact not only on the service user but on other council services, the NHS and other public services. Similarly, decisions taken by NHS boards can affect council services, for example a reduction in hospital admissions or length of stay may depend on additional social care services. This report focuses on social care services, which are a statutory responsibility of councils, but also recognises the importance of joint planning and resourcing because of the interdependent relationship between health and social care services. For this reason we make recommendations to both councils and NHS boards.

**4.** Commissioning social care is much more than councils organising and buying services. It is also how councils and NHS boards work together to plan services that will meet future demands and make effective use of their combined resources. This joint strategic approach to commissioning can help provide joined-up services to people and prevent, delay or shorten a stay in hospital. Ultimately, jointly planned investment in social care can save expenditure on unnecessary, and relatively expensive, hospital or residential care. The Scottish Government is developing legislation to strengthen the integration of adult health and social care services through single Health and Social Care Partnerships.<sup>2</sup> In children's social care services, jointly planned and effective social care can save longer-term expenditure on health, education, police, criminal justice and prison services.<sup>3</sup>

**5.** The Scottish Government and public bodies recognise that many current models of social care are unsustainable due to increasing demand, the changing profile of Scotland's population, reducing budgets and the move to provide services more tailored to individuals' needs.<sup>4</sup> Good strategic commissioning is therefore needed to ensure effective and efficient services are provided and continue to be developed, in partnership with users, carers and providers, so that sustainable services are in place in future.

## Our audit

**6.** The overall aim of our audit was to review how effectively the public sector commissions social care services. We examined how well councils and their partners plan, and how councils either procure or deliver, effective social care services. We also assessed the extent to which councils and their partners involve users and carers in developing services to meet their needs, and how they work with providers in the voluntary and private sectors to provide high-quality, sustainable services.<sup>5</sup>

**7.** Evidence for this audit is based on an analysis of national and local guidance, reports and data; information from inspection bodies; interviews with key stakeholders; and focus groups or surveys with users, carers and providers. We have published supplementary reports of our focus groups and surveys with users, carers and providers on our website.<sup>6</sup> A self-assessment checklist for councils and their NHS partners can be found on our website.

<sup>1</sup> We refer to older people throughout the report to mean people aged 65 or over.

<sup>2</sup> *Integration of health and social care*, News release, Scottish Government, 12 December 2011.

<sup>3</sup> *Getting it right for children in residential care*, Audit Scotland, 2010.

<sup>4</sup> *Projected Population of Scotland (2010-based)*, National Records of Scotland, 2011; *Health of Scotland's Population: Life expectancy*, ISD Scotland, 2011; *Scottish spending review 2011 and draft budget 2012-13*, Scottish Government, 2011.

<sup>5</sup> We use the term carers throughout our report to mean unpaid carers such as family, friends or neighbours.

<sup>6</sup> [www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk)

**Key messages**

**1** Strategic commissioning of social care is complex and challenging due to reducing budgets, changing demographics, growing demands and expectations, and moves towards care more tailored to the individual's needs. Despite this, councils and NHS boards need to do much more to improve how social care services are planned, procured and delivered through

better engagement with users and providers and better analysis and use of information on needs, costs, quality of services and their impact on people's quality of life.

**8.** Council social work departments spent approximately £3 billion on social care services in 2010/11 (Exhibit 1). A number of significant policy developments have been introduced in recent years and there has been a gradual shift to more people being cared for at home or in the

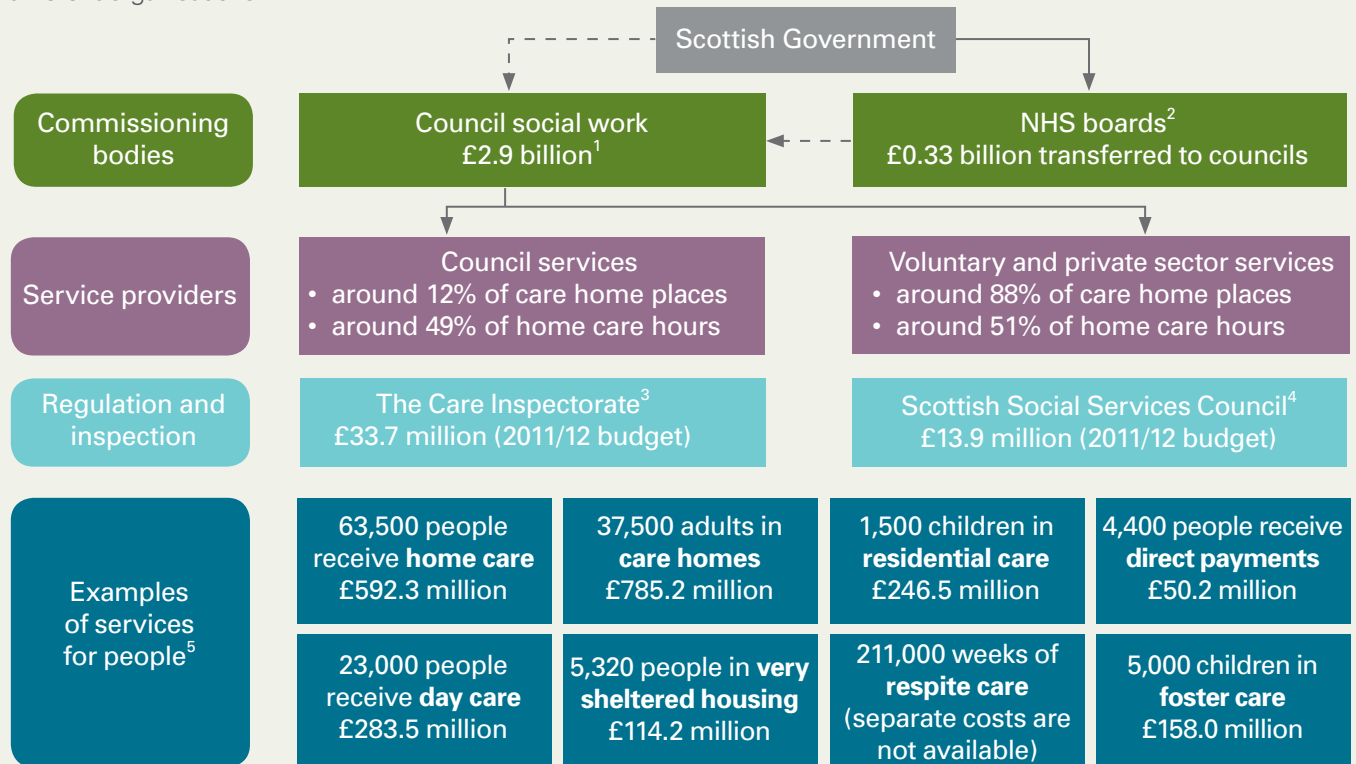
community. There are also particular demographic and financial challenges for councils and NHS boards which mean that current models of care are unlikely to be sustainable in the longer term. These challenges include:

- The number of older people in Scotland is projected to rise by 63 per cent over 25 years, with the number of people aged 85 and over increasing by 147 per cent. This will increase demand for health and social care services in future.<sup>7,8</sup>

**Exhibit 1**

**Social care services in Scotland**

Councils must provide or pay for social care services to meet people's needs and this can involve a number of different organisations.



Notes:

1. The total cost of social care in Scotland is more than £2.9 billion as many people contribute to their own care by paying providers directly, eg many of the 37,500 adults in care homes. Also, the £2.9 billion excludes expenditure from other council departments such as housing, which spent £0.23 billion on housing support in 2010/11, and education, which often fund residential school places for children. The £2.9 billion does not include the £0.33 billion transferred to councils from NHS boards to help support patients discharged from long-stay hospitals.
  2. NHS boards provide continuing healthcare services for people who need ongoing and regular specialist clinical supervision when they are discharged from hospital. This may be in a hospice or care home. While we do not specifically review continuing healthcare services in our report, some people living in care homes will be receiving these services.
  3. The Care Inspectorate is responsible for registration, inspection, complaints and enforcement for social care services, and for scrutiny of councils' social work and child protection services.
  4. The Scottish Social Services Council (SSSC) is responsible for registering everyone who works in social care services and for regulating their training and qualifications. A timetable is in place for having all social care staff registered with the SSSC.
  5. These are examples of the main types of services provided and reported nationally. They show the number of people receiving services at a single point in time. Individuals often receive more than one type of service. Expenditure is approximate. Other examples, such as social activities or individual, tailored care are not covered by the national statistics.
- Source of council expenditure data: *Local Financial Returns 2010-11*, Scottish Government, 2012

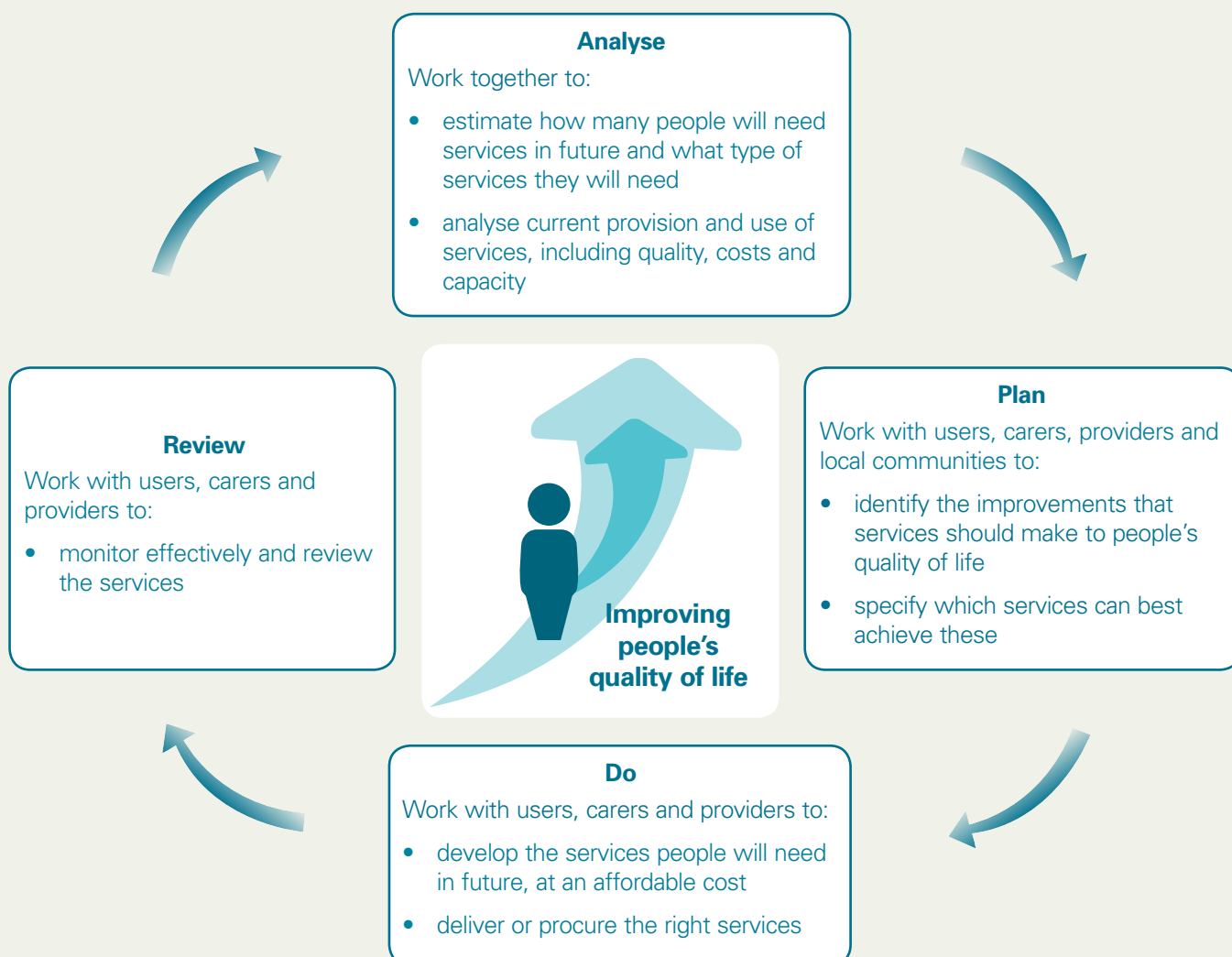
7 Projected Population of Scotland (2010-based), National Records of Scotland, 2011.  
8 Health of Scotland's Population: Life expectancy, ISD Scotland, 2011.

- The ratio of pensioners to people of working age is expected to increase from the 2010 level of 32 pensioners per 100 people of working age to 38 pensioners per 100 people of working age by 2035. This means relatively fewer people available to deliver public services and to contribute taxes that pay for health and social care.<sup>9</sup>
  - More people with complex and severe impairments are surviving as a result of medical advances and people with long-term conditions are living longer.<sup>10</sup>
  - More children are being looked after by their council and have increasingly complex needs.<sup>11, 12</sup>
  - Public sector budgets are expected to be reduced by 12.3 per cent in real terms between 2010/11 and 2014/15.<sup>13</sup>
9. In this challenging context, it is important for councils and NHS boards to have joint commissioning strategies that give a clear direction for their social care services over the short, medium and long term. Strategic commissioning is based on an analysis of local users' needs and a good understanding of the costs and capacity of providers in the local area to deliver these services (Exhibit 2). It should be a continuous and transparent process, involving users and their carers in the planning

## Exhibit 2

### Commissioning processes

Effective commissioning involves councils and NHS boards working with users, carers and providers.



Source: Audit Scotland, based on work by the Institute of Public Care (Oxford Brookes University), 2007

9 *Projected Population of Scotland (2010-based)*, National Records of Scotland, 2011.

10 Long-term Conditions Alliance Scotland, 2011.

11 *Children looked after statistics 2009-2010*, Scottish Government, 2011.

12 *Higher aspirations, brighter futures: National Residential Child Care Initiative*, Scottish Institute for Residential Child Care, 2009.

13 *Scottish spending review 2011 and draft budget 2012-13*, Scottish Government, 2011.

and provision of their services and in monitoring performance.

**10.** Progress with developing strategic commissioning has been slow. Between 2003 and 2007, the Social Work Inspection Agency (SWIA) carried out performance inspections of all 32 councils and reported that strategic commissioning was generally underdeveloped for social work services.<sup>14</sup> Twenty-seven of the 32 councils received recommendations for improving commissioning. Follow-up inspections during 2008 to 2010 found that substantial progress was evident in only seven of the 27 councils.<sup>15, 16</sup>

**11.** We found little evidence in our audit of significant improvements and limited progress on joint commissioning by councils and NHS boards. Joint commissioning by councils and NHS boards can lead to more effective support for users and carers and more efficient services but few joint strategies are in place. Of the commissioning strategies that do exist, most relate to the council rather than reflecting the important interdependence of health and social care services.

**12.** Over the last few years a range of initiatives and guidance has been produced to help councils and NHS boards to improve how they commission social care services, including procurement. However, council social work directors and managers told us they would welcome practical tools to accompany this guidance such as information to analyse current service provision (see paragraphs 37–40 and Exhibit 7 in the main report).

**13.** Councils and NHS boards should plan services together to help provide joined-up care and make the most efficient use of their collective

resources. Joint commissioning strategies are being developed, mainly for older people's services as part of the Reshaping Care for Older People programme and the Scottish Government is currently developing legislation to strengthen the integration of adult health and social care services through single Health and Social Care Partnerships with integrated budgets.<sup>17</sup>

<sup>18</sup> Partnership working, including commissioning, for health and social care is challenging and requires strong, shared leadership by both NHS boards and councils (Exhibit 3).<sup>19</sup>

**14.** Councils and NHS boards do not have sufficient information to make informed decisions about how they allocate their combined resources. In particular, they do not have a full understanding of how much social care services cost and their value for money. There is a need for more consistent data and much greater transparency about the costs of in-house and externally provided care services. None of the sample of eight commissioning strategies we analysed contained an analysis of the type, quality, cost, capacity and accessibility of all services in the area, including councils' in-house services (see paragraph 27 in the main report).

**2** There are indications that councils are continuing to focus resources on people who need more intensive support, tightening eligibility criteria and increasing charges. There is a risk that people who need a small amount of support are not being offered the preventative services that might help delay or avoid their needing more costly intensive support, such as being admitted to hospital or into residential care. This trend is not new and we have reported the risks in previous audits.

**15.** Investing in preventative services can help delay or avoid the higher costs of more intensive support.<sup>20</sup>

Preventative services are designed to help people live as independently as possible and to maximise their quality of life. They include practical assistance with everyday tasks such as shopping, cleaning and small jobs around the house; advice on managing finances or accessing benefits; access to social activities; equipment and adaptations to make people's homes safer and prevent accidents; telecare; and occasional respite to help carers or families.<sup>21</sup> They may be provided by voluntary or community organisations, possibly with some financial investment from the council. The benefits of these services for people are potentially significant but are difficult to measure.

**16.** Social work directors and managers told us that budget pressures have led 13 councils to implement new, tighter eligibility criteria. Seven councils now charge for services previously provided without charge or have increased charges already in place, typically for services such as community alarms. There is evidence that councils may be targeting their resources at people who need more intensive support, for example the number of people receiving home care of less than four hours a week fell by 41 per cent between 2000 and 2011 (see paragraphs 46–52 in the main report).<sup>22</sup>

**17.** Faced with the significant and complex challenges of commissioning social care services within the context of increasing demand and reducing budgets, there is a risk that councils and NHS boards take short-term decisions based on the cost of services rather than focus on the

14 SWIA is now part of the Care Inspectorate, which was established on 1 April 2011.

15 *Report on the follow-up of performance inspections of council social work services*, Social Work Inspection Agency, 2011.

16 Clackmannanshire, East Lothian, Falkirk, Midlothian, Scottish Borders, Glasgow City, Moray.

17 *Reshaping care for older people: A programme for change 2011–2021*, Scottish Government, 2011.

18 *Integration of health and social care*, News release, Scottish Government, 12 December 2011.

19 *Review of Community Health Partnerships*, Audit Scotland, 2011.

20 *Report on preventative spending*, Finance Committee, Scottish Parliament Paper 555, FI/S3/11/R1, 2011.

21 Telecare covers a range of devices and services that use technology to enable people to live with greater independence and safety in their own homes. For example, electronic sensors in the home which are used to monitor things like movement, falls or bath water levels and which can trigger an alert to a call centre or local carer who can contact the person or arrange help for them.

22 *Home care services, Scotland 2010*, Scottish Government, 2011.

### Exhibit 3

#### Characteristics of good strategic commissioning

Characteristics that are key to good strategic commissioning include certain behaviours and culture, a strategic approach and a focus on performance and improvement.

Key characteristics	When things are going well	When things are not going well
<b>Behaviours and culture</b>		
<p>Commitment from political and organisational leaders to a joint long-term strategy for commissioning social care</p> <p>Transparent and inclusive approach to commissioning social care</p>	<p>Leaders agree, own, promote and communicate the strategy for commissioning social care</p> <p>Leaders are committed to working with their partners, and with users and carers, providers and local communities, to provide the best possible care and support for local people with the resources available</p> <p>Leaders are committed to working jointly to improve social care services and are clear about the impact that these services should have on people's lives</p> <p>There is a culture of listening to, and acting on, users' and carers' views and ensuring that they are involved throughout the commissioning process</p> <p>The information and expertise that external providers offer is valued and their contribution is sought throughout the commissioning process</p>	<p>There is a lack of joint strategic planning and leadership in commissioning social care services</p> <p>Leaders do not share a clear vision about future social care services or about the impact that services should make to people's lives</p> <p>Commissioning is seen as being separate from day-to-day decisions about services, or is viewed only as the process of procuring services from external providers</p> <p>Commissioning may be seen as a council responsibility only</p> <p>Users and carers are not seen as central to helping to develop and sustain social care services</p> <p>Providers are seen as separate and outwith the broader commissioning process, there to provide services but not contribute to developing the overall strategic approach</p> <p>Leaders do not recognise the need to work with local communities</p>
<b>Strategy and engagement</b>		
<p>A single, overarching commissioning strategy for social care services</p> <p>Risks associated with strategic commissioning of social care are identified and actively managed</p>	<p>There is an agreed, joint strategy for commissioning social care for at least the next 5+ years</p> <p>The strategy focuses on the outcomes for users and carers based on an assessment of need</p> <p>The strategy demonstrates a clear understanding of needs and sets out how current provision has to change to meet future needs</p> <p>The strategy reflects national policies and developments including self-directed support</p> <p>Managing risks is part of regular management, including identifying risks, taking action to mitigate each risk and having in place contingency plans for key risks</p>	<p>There is no overarching strategy for commissioning social care</p> <p>If a strategy is in place, it does not set out a clear vision for the future and is not based on evidence of what works, local needs, information about costs and quality or the views of users, carers and communities</p> <p>There is a lack of detailed analysis of local needs and a limited understanding of current provision and how that has to change to meet future needs</p> <p>Separate strategies are produced in isolation for individual user groups</p> <p>Little consideration has been given to how self-directed support affects service provision</p> <p>Risks to users, carers, providers, partners and other stakeholders are not identified, appropriate action is not taken to mitigate risks, and contingency plans are not in place for key risks</p>

Key characteristics	When things are going well	When things are not going well
<b>Strategy and engagement (continued)</b>		
Right staff in place with the necessary skills to commission social care services	There is sufficient capacity to commission social care services and staff with the necessary skills and expertise are trained and in place	There are insufficient staff numbers to commission social care services and the staff in place do not have the necessary skills or experience
Working in partnership with local communities, users, carers, providers, the NHS and other relevant partners	Users and carers influence strategic planning through proportionate consultation, information and involvement, and are central to assessing the quality of services  Providers are consulted and kept informed of plans and are involved in improvements and developments	Users and carers are either not consulted or involved in strategic planning or engagement is ineffective or without focus  Providers are not engaged throughout the commissioning process and not involved in, or may be unaware of, future plans so services are not developed in line with plans
<b>Performance and improvement</b>		
Evidence-based approach to commissioning social care	Decisions about services are made on the basis of good evidence about costs, quality, outcomes and risks for users, including both in-house and externally provided services	There is no clear approach to determining what works or whether the services provided meet needs
Transparent performance management arrangements and measures	There are detailed plans for each care group  Clear performance management arrangements and measures are in place; these involve users and carers; they focus on the impact that services have on people's quality of life; and performance is publicly reported	There is no attempt to identify gaps in services  Information on performance is not routinely gathered, analysed or reported publicly or does not involve users and carers  It is not clear who is responsible for doing what
Focus on improvement	Partners are signed up to performance management arrangements and jointly review performance regularly  Partners routinely consider how to improve services, not just for new users but for people who already receive a service  There is regular sharing of benchmarking information among partners and this is used to improve services	Partners are unable to demonstrate progress or what difference they are making to people's lives and do not have a shared approach to managing performance  Efforts to improve services or change the way they are delivered are only directed at new users and carers, not those already receiving services  Services and processes are not subject to benchmarking or review



longer term. Enhancing preventative services requires councils and NHS boards to work together and use their combined resources to invest in these services. This may mean freeing up resources by stopping some services or delivering some services differently, which the Reshaping Care for Older People programme and the Change Fund are aiming to support. This will be challenging and needs strong leadership at national and local levels. However, the lack of joint commissioning strategies, insufficient information about service costs and a recent rise in the number of people unnecessarily delayed in hospital all point to more progress being needed.<sup>23</sup>

**3** Voluntary and private sector providers deliver a significant proportion of social care services in Scotland in addition to services provided in-house by councils. While processes are in place to monitor quality, more needs to be done across Scotland to manage the risks to users when a provider goes out of business or closes for other reasons, including having contingency plans in place and monitoring effectively the financial health of voluntary and private providers. This can be complex and will involve further development and coordination of capacity and expertise at local and national levels.

**18.** Councils and their NHS partners need to make sure there is a range of high-quality services and providers to meet people's needs and give them choices about their care. To do this, they need to work effectively with voluntary and private providers when they are analysing local needs and planning services to meet those needs, as well as when making contractual arrangements to deliver services. Providers' information and expertise can help to identify people's needs, map out current provision and capacity, and develop new and

more effective services. None of the sample of eight commissioning strategies we analysed contained a full analysis of current service provision for each of the main care groups. An analysis should set out as a minimum the current type, quality, cost, capacity and accessibility of all services in the area, including councils' in-house services, and identify how they need to change to meet future needs (see paragraphs 53–55 in the main report).

**19.** With reducing budgets across the public sector, there is a risk that councils focus too much on reducing costs when procuring services and give insufficient regard to the range and quality of services and their impact on individuals. One very important issue for people using care services is the continuity of services, and in particular the staff who deliver them. Voluntary organisations report that they have implemented pay freezes, reduced staff numbers and changed the terms and conditions of their staff to remain competitive and secure council contracts.<sup>24</sup> This poses a risk that experienced staff may leave and be difficult to replace, disrupting the relationships they have with users and carers and affecting the quality and continuity of care. However, this is a risk not only to the voluntary sector but to all organisations having to implement budget cuts (see paragraphs 64–67 in the main report).

**20.** In social care, business failure or closure for other reasons (eg, due to poor quality of care) can have significant consequences as it involves very vulnerable people, causes distress and anxiety to users and their families, and the council has to quickly put in place alternative care provision. Information about the quality of services is available from the Care Inspectorate and from councils' own processes for checking

and monitoring quality. To manage the risks associated with the financial health of providers, councils should assess this before procuring services from a provider, monitor it during the life of the contract and understand the financial and business impact on providers of their commissioning decisions. As these checks alone cannot prevent providers going out of business, councils should have contingency plans in place to minimise disruption to users, carers and other services.

**21.** As demonstrated by the recent financial collapse of Southern Cross, the largest care home provider in Britain, it can be more difficult to review the financial viability of very large providers which may deliver services across council boundaries or across the UK. Their financial and organisational arrangements are more complex and it is unlikely that an individual council will have the necessary expertise to examine complex financial models in the private sector. It is also inefficient for every council working with a regional or national provider to undertake this analysis, and for the provider to respond to information requests from each one.

**22.** There is therefore a strong case for developing a national approach to monitoring and reviewing the social care markets to support councils in monitoring effectively the financial viability of providers in a way that is proportionate to risk, and to review on their behalf the financial standing of large complex companies like Southern Cross whose failure can have a huge impact on a large number of particularly vulnerable users. Where appropriate, this expert review function would liaise with relevant UK or other national organisations and with regulatory bodies such as the Care Inspectorate and the Office of the Scottish Charity Regulator (OSCR)

<sup>23</sup> Inpatients are categorised as a 'delayed discharge' when they are clinically ready for discharge but are unable to leave the hospital because the other necessary care, support or accommodation for them is not readily accessible and/or funding is not available to purchase, for example, a care home place.

<sup>24</sup> *Employment conditions in the Scottish social care voluntary sector: impact of public funding constraints in the context of economic recession*, Dr Ian Cunningham, University of Strathclyde, for Coalition of Care and Support Providers in Scotland, 2011.

to gather intelligence and avoid duplication of effort. The Scottish Government, the Care Inspectorate and COSLA are considering whether further action should be taken to minimise the likelihood of sudden care home closures and the consequent disruption for residents. However, none of these actions removes the need for appropriate, risk-based contingency plans for all care services (see paragraphs 68–75 in the main report).

**4** Users and carers need to be more involved in decisions about social care services and better evidence is needed of what difference the services make to people's quality of life. Self-directed support aims to give people more choice and control over the services they receive and is likely to have major implications for the way that councils, along with NHS boards and other partners, plan and commission social care services. However, the combination of relatively low use of direct payments, a need to develop commissioning skills and capacity, and a need to improve partnership working with providers and consultation with users and carers, suggests that councils may need a significant amount of support to implement self-directed support effectively.

**23.** A large majority of the adult service users we consulted felt that they definitely or mostly receive all the services they need. Ninety-six per cent of users and 82 per cent of carers were broadly happy with the services, although 20 per cent of users and 27 per cent of carers felt they had not been involved in deciding which services they (or the person they care for) need.<sup>25</sup> Poor-quality commissioning of social care services can have a significant impact

#### Exhibit 4

##### Self-directed support

A budget is allocated to a person after their needs have been assessed. The person then chooses how the budget is managed and by whom, and may choose a combination of approaches.

Paid to user or carer as a direct payment	Managed by a third party on behalf of user	Managed by council on behalf of user
Direct payments allow people to choose, arrange and pay for their own services rather than having them organised by their council.	Council-commissioned or independent brokerage services may manage people's budget and arrange their services for them.	The council may manage the budget and arrange the services in consultation with the user. Services may be provided in-house or by voluntary or private sector providers, which the council would pay for from the budget.

Source: Audit Scotland

on users and carers and so they should be involved at all stages of the commissioning process to make sure they get services that meet their needs and make a difference to their independence and quality of life. However, only half of the eight commissioning strategies we reviewed had clearly involved users in their preparation.

**24.** The Scottish Government and councils developed the Community Care Outcomes Framework in 2008. It was established as a voluntary set of common indicators on the impact that care services were having. While all councils report on the measures within the framework that are already collected for other national datasets, there are other measures within the framework that are not universally applied and the information is not readily available to the public. This means that important measures about users' and carers' views and experiences of services are not being used to support improvements (see paragraphs 84–85 in the main report).

**25.** Councils need to know whether services are making a difference to people's independence and quality of life so that they make decisions about services on the basis of evidence of what works. However, it is hard to specify and measure outcomes for individuals because they are personal and subjective, for example feeling safe, feeling valued, and having fulfilling social relationships.

**26.** The Scottish Government's Self-directed Support Strategy and legislation aim to give users a bigger say in the services they receive (Exhibit 4).<sup>26, 27</sup>

**27.** Direct payments are an example of self-directed support and have been available to various groups of users for a number of years. However, only 4,400 people were receiving direct payments in 2011.<sup>28</sup>

**28.** It is too early to be clear about the impact of self-directed support but it is likely to have major implications for the way that councils and NHS boards commission services. Instead

<sup>25</sup> *Views of people using social care services*, ODS Consulting for Audit Scotland, 2011. The sample was not necessarily representative of all users and carers as the work was done to identify the issues rather than quantify the strength of views.

<sup>26</sup> *Self-directed Support: A National Strategy for Scotland*, Scottish Government, 2010.

<sup>27</sup> The draft Bill is in the current legislative programme and the Government intends to introduce the Bill early in 2012.

<sup>28</sup> *Self-directed Support (Direct Payments)*, Scotland 2011, Scottish Government, 2011.

of arranging service-based provision, they will have to develop services which are tailored to individual needs and choices. This move from a service focus to a greater focus on the individual creates a challenge for councils. For example, money which is needed to deliver personalised services may currently be committed to traditional services which involve fixed building and staff costs, such as day care centres. The implications of stopping some existing provision and developing alternative services need to be properly planned in consultation with both users and providers.

**29.** Social work directors and managers told us their councils were at very different stages in implementing self-directed support. Some are beginning to implement it with selected user groups, while others are waiting to see what the expected legislation specifies and how others have gone about implementing it. Successful implementation of self-directed support will depend on good strategic planning; information for, and consultation with, users and carers; and effective joint working with providers and organisations offering advice and support (see paragraphs 86–94 of the main report).

### Key recommendations

Councils, along with NHS boards and other relevant commissioning partners, should:

- develop commissioning strategies for social care services which set out:
  - an analysis of needs and potential gaps in services
  - how users, carers and providers will be involved throughout the commissioning process
  - consideration of quality and what impact services will make to the quality of people’s lives, and how these will be measured
  - consideration of who might be able to provide the services needed (capacity)
  - an analysis of costs and budgets for services (both in-house and externally provided)
  - a summary of any planned improvements or different ways of working
  - timescales for implementing and reviewing the strategy
- manage the risks of contracting services from voluntary and private providers by:
  - undertaking due diligence checks before awarding contracts
  - making sure that appropriate checks on financial health and ability to deliver services are carried out regularly during contracts
  - having contingency plans in place for dealing with a provider going out of business or closing for other reasons

- understanding the financial and business impact of their commissioning decisions on providers

- in implementing self-directed support:
  - provide information, advice and support to all users and carers
  - put in place processes for monitoring the outcomes for users of services purchased with individual budgets, including direct payments.

Councils and NHS boards should:

- work together to invest in preventative services that can help to delay or avoid people needing more intensive support, and monitor the impact of these services.

The Care Inspectorate and councils should:

- work together to monitor the impact that services have on people’s lives as well as the quality of care provided.

The Scottish Government and the Care Inspectorate should:

- work together to ensure that councils, NHS boards and other commissioning partners are scrutinised and supported to improve their strategic commissioning.

The Scottish Government, the Care Inspectorate and COSLA should:

- consider whether there is a need for periodic expert assessment of the social care markets to support commissioning bodies in managing these markets and in monitoring the financial viability of large operators.

# Commissioning social care

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ISBN 978 1 907916 53 3      AGS/2012/2

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