

# Commissioning community care services for older people

## Applying a Best Value framework

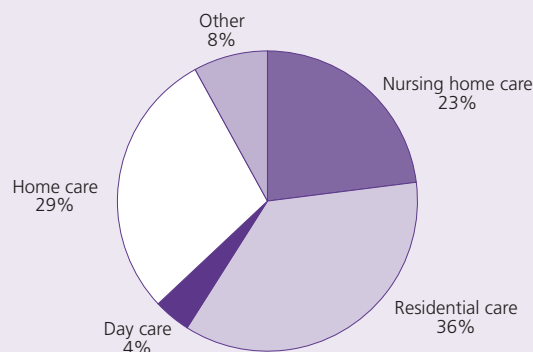
Community care services impact directly on the quality of older people's lives. Commissioning<sup>1</sup> these services is a challenging task – resources are limited and the number of older people with significant needs is growing. Most significantly, the number of people over 85 is projected to grow to 97,000 over the next 12 years. That is a 13% increase in the group of people likely to have the greatest needs<sup>2</sup>.

Currently, nearly 33,000 older people are living in nursing or residential care homes, and an estimated 8,000 older people receive more than ten hours of home care per week<sup>3</sup>. In addition, current estimates suggest that around 360,000 people in Scotland are caring for someone over 65, nearly a third of whom are caring for someone who is over 85<sup>4</sup>. Many carers have their own distinct needs and an essential component of community care is to provide the support they require.

Local authorities have lead responsibility for community care but they cannot commission services in isolation from local planning partners. The actions of both health and housing bodies can have a significant impact on the success, or otherwise, of community care services.

Community care policy, and more recently the Government's modernising community care agenda<sup>5</sup>, stresses the importance of maintaining people in their own homes or, where this is not possible, in as homely a setting as possible. However, a significant proportion of the £540 million spent by local authorities on community care services for older people in 1998/99 went to residential and nursing home care. This indicates that there is still a bias towards institutional forms of care for older people needing intensive support (Exhibit 1).

**Exhibit 1: The balance of community care expenditure for older people**



Source: CIPFA, Personal Social Services Statistics 1998-99 Estimates

## Achieving best value in commissioning

The handbook accompanying this bulletin uses a framework for commissioning community care for older people based on the Accounts Commission's Best Value performance management and planning audit. This poses four key questions:

- how do we know we are doing the right things?
- how do we know we are doing things right?
- how do we plan to improve?
- how do we account for our performance?

The handbook includes self-assessment checklists to help authorities evaluate their own commissioning practice against the framework. The checklists cover a broad range of activities including consultation, planning, working with other commissioning bodies and service providers, care management, contracting, finance, accountability, and using the results of service reviews.

We have derived a core set of standards under four themes to assist authorities towards effective and efficient commissioning. Many authorities have examples of good practice in commissioning – the handbook provides numerous case studies. However, most authorities have some way to go in applying Best Value principles to commissioning.

### 1. Working with stakeholders

Older people and their carers are at the heart of commissioning – local authorities must create appropriate opportunities for them to be involved in identifying needs and planning services.

Older people prefer care at home. Making this a real alternative to residential care means that authorities must work in partnership with health and housing agencies to plan and provide seamless health and social care services in the community. Changing the balance of care from institutional to community services, and the focus from service provision to meeting needs, also means close working with all providers – in-house, private and voluntary sectors – as they will play a major role in developing innovative services.

### Recommendations

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*Local authorities must:*

- *consult with older people, users and carers about their needs and service preferences*
  - *form partnerships with other commissioning bodies – health and housing – to plan, co-ordinate and review the provision of services*
  - *work with providers to secure best value services and choice for users*
  - *promote a joint approach to the delivery of home-based services*
  - *establish a longer term relationship with selected providers to develop innovative services and improve care standards.*
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### 2. Developing a commissioning strategy

Commissioning community care services for older people is a complex task. Local authorities need to develop a clear commissioning strategy which matches identified needs to available resources, and sets out clear commissioning priorities based on a good understanding of both the expectations and preferences of older people and the dynamics of the local social care market. They should evaluate a range of options to determine how best to deliver services to meet need, ensure equity and achieve value for money.

Councils need to take an active role in influencing the supply of services if they are to achieve their strategic commissioning objectives within the resources available. To achieve the necessary shift in the current balance of care,

councils must work with providers and other commissioning bodies to develop and secure an appropriate range of services that can help to maintain people in their own homes.

### Recommendations

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*Commissioning strategies should be publicly available and should set out:*

- *the needs of older people*
  - *the availability of services and providers to achieve a balanced, mixed economy of care*
  - *available resources with measurable targets and purchasing intentions*
  - *service developments required, together with potential services for 'decommissioning'*
  - *clear priorities with option appraisal for the delivery of services.*
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### 3. Responsive commissioning

The purpose of commissioning is to secure responsive and flexible services that meet the needs of older people and their carers. Care management is the point at which strategic plans and individual needs come together. The care manager needs to involve the older person and their carer in a full assessment of their needs and preferences to develop an individual care plan.

It is not enough for local authorities to have systems of care management in place. They must also ensure that care managers can provide users with a choice of high quality, cost effective community-based services.

### Recommendations

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*To ensure the delivery of responsive services that meet older people's needs, effective commissioning should:*

- *set eligibility criteria to target resources*
  - *promote needs-led assessment and care planning*
  - *offer choice to service users and carers*
  - *allow care managers to purchase appropriate services to meet needs without restricting choice*
  - *identify and act upon gaps in provision and areas for improvement.*
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### 4. Organisational arrangements

Developing and implementing an effective commissioning strategy requires a wide range of skills including planning, assessing population and individual needs, purchasing, contracting and providing. A skilled and well-trained workforce is therefore essential. Some authorities have made more efficient use of limited staff resources by sharing tasks or establishing joint posts with other authorities or commissioning partners.

Staff also need accurate and up-to-date information on expenditure and services. Stimulating more responsive services through flexible purchasing and devolved decision-making and budgets is at the heart of the modernising community care agenda<sup>6</sup>. This means clear management accountability for budgets and effective communication between all staff involved in the commissioning process.

The way in which contracts are managed can directly influence an authority's ability to develop services to meet local needs. This is more obvious in strategies for other client groups, such as for people with learning disabilities. It is a less well developed concept in older people's services. However, some authorities have taken a strategic approach to the use of contracts and quality standards to improve the range and quality of services available, and this approach should be adopted more widely.

Continuous improvement is a central requirement of Best Value but this is harder to measure in commissioning than in service provision. Authorities need to work together to develop performance information for commissioning that can be made available to all stakeholders.

## Recommendations

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*Organisational arrangements to support the implementation of a commissioning strategy should include:*

- *staff with the skills to undertake the range of tasks in commissioning*
  - *devolved decision-making which aligns financial and management responsibilities*
  - *financial information and systems to support devolved budgets, and monitor and control spending*
  - *contracts ranging in type – spot, block, cost and volume – to suit the service provision and development required*
  - *the same quality standards applied to in-house and independent sector providers*
  - *performance indicators for commissioning*
  - *information for key stakeholders on services and performance.*
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## Conclusion

The main challenges in commissioning services for older people are matching resources to growing need and working with other agencies to change the current balance of care from an institutional to a community focus. Getting commissioning right has a significant impact on the quality of life for older people and their carers. Getting it wrong can lead to inappropriate services, distributed unevenly, which fail to meet the individual needs of older people. For these reasons the Accounts Commission intends to undertake an audit of progress in this area in 2002, using the self-assessment checklists in our handbook.

## Checklist of key questions for stakeholders

*Users and carers:*

Are our assessed needs being met in an acceptable and appropriate way?

*Elected members:*

Do we have a commissioning strategy developed and agreed with partners and stakeholders?

*Planners and commissioners:*

Does our commissioning strategy reflect population needs and make best use of resources to meet them?

*Care managers:*

Are we empowered and supported to make care arrangements that meet users' and carers' needs?

*Providers:*

Are we enabled to provide the quality services that people need and want, and which provide value for money?

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<sup>1</sup> For the purposes of the handbook commissioning is defined in its broadest sense to cover strategic planning, consultation and involvement of older people, working in partnership with other agencies, care management and assessment, contracting and using performance information.

<sup>2</sup> Age Concern Scotland, *Older people: some basic facts 1999-2000*.

<sup>3</sup> The Scottish Office, *Statistical information notes*, 1999.

<sup>4</sup> Office for National Statistics, *Informal carers supplement to General Household Survey 1995*, May 1998.

<sup>5</sup> The Scottish Office, *Modernising community care: an action plan*, 1998.

<sup>6</sup> The Scottish Office, *ibid*, 1998.

### **The Accounts Commission**

The Accounts Commission is a statutory, independent body, which, through the audit process, assists 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 five main responsibilities:

- securing the external audit
- following up issues of concern identified through the audit, to ensure satisfactory resolutions
- reviewing the management arrangements which audited bodies have in place to achieve value for money
- carrying out national value for money 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 which they are required to publish.

The Commission secures the audit of 32 councils and 34 joint boards (including police and fire services). Local authorities spend over £9 billion of public funds a year.

### **Audit Scotland**

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 Accounts Commission and the Auditor General for Scotland. Together they ensure that the Scottish Executive and public sector bodies in Scotland are held to account for the proper, efficient and effective use of public funds.

Audit Scotland publishes reports for local government on behalf of the Accounts Commission.

