



A – Z Introductory Guide to Health and Social Care in Scotland

Commissioning (including Joint Commissioning)

Brief description

Commissioning is the process of specifying what services are required and then arranging the procurement of those services, including by way of purchasing and contracting by statutory services through voluntary organisations or private sector providers.

National Policy and Key Developments

Background

The White Paper "Caring for People" (1989) stated that local authorities would continue to play a valuable role in the provision of services, but that they should further develop an "enabling role". The White Paper set out proposals under which local authorities would increasingly become commissioners and purchasers of care services. Within this framework, "Caring for People" emphasised the importance of developing a "mixed economy of care", seeking out and purchasing services from a range of providers in the voluntary and private sectors as well as the public sector. This concept of "the enabling authority" had also been central to the reforms of the NHS as set out in "Working for Patients" (1988). The "internal market" and competition became an important feature of NHS organisation, and was formalised through the establishment of NHS Trusts as legal entities by the NHS and Community Care Act 1990. The separation of purchasing and providing functions became an important feature of health and social care. These policy changes required the development of more structured approaches to commissioning and contracting.

Since devolution, there has been a move away from "internal markets" within the NHS, as compulsory competitive tendering for local authorities has been replaced by the Best Value Regime (BVR). These new arrangements place a greater emphasis on partnership approaches, and while still emphasising value for money, provide more flexibility for commissioning arrangements.

The need for effective commissioning and contracting in health and social care and housing has been reinforced over the last 15 years by certain major resource changes including the transfer of DSS monies to local authorities to fund care homes (mostly private sector) from 1993, the development of community services (mostly voluntary sector) for hospital resettlement, and the establishment of housing support services through the Supporting People programme. In addition health, social work and housing services have all been affected initially by the demands of compulsory competitive tendering (CCT)

and then by the requirement to deliver best value. The most recent developments have involved both an emphasis on the need to develop methods of joint commissioning by statutory bodies, and the promotion of support organisations to assist service users to commission their own services funded through direct payments and welfare benefits.

Definition

Commissioning can be defined narrowly as the process by which directly provided NHS or local authority services and buildings are established, or externally provided resources are put in place using contracts and purchasing arrangements to specify, secure and monitor services. A broader view is offered by Audit Scotland's study, "*Commissioning Community Care Services for Older People*" which defined commissioning as including:

- Strategic planning and shaping of the local care market to meet the current and future individual needs;
- Consulting with service users, carers and the public;
- Involving people in planning how to meet their individual care needs;
- Working in partnership with other agencies and providers where appropriate;
- Providing responsive care management systems;
- Managing limited resources and matching to local needs (which may involve setting clear eligibility criteria);
- Using best value mechanisms to improve the quality of care;
- Using contracts and purchasing arrangements to specify, secure and monitor services;
- Being accountable to local communities and users by providing information on services and performance.

Contracts play a major role in ensuring that the right services are being delivered in the most appropriate way, and these can be used in a joint approach between commissioners and providers in driving up standards. Commissioning and contracting models include:

Block purchasing: the payment of an annual fee for access to a defined range of services. This type of commissioning is not initially related to individual users, and the service volumes will be estimates. The model has the advantage of guaranteeing service availability and guaranteeing funding for the provider, although it may 'lock up' resources in the short/medium term.

Spot purchasing: the purchase of a specific type and volume of care for a named individual. It secures an immediately available, more tailored service, but may also have a higher unit cost than block purchasing.

Pre-placement agreements: establish an option to purchase a pre-defined service at a set price. The option is usually established as part of strategic commissioning, but is exercised at the operational level. A number of councils use the term 'call-on/call-off agreement'. The model helps co-ordinate strategic and operational requirements.

Service level agreements: specify in detail (e.g. volume, value, quality, access) the minimum acceptable service to be provided. Mainly used for in-house or voluntary sector provision. The model helps emphasise service quantity or quality, rather than availability.

Grant aid: voluntary sector services are increasingly funded by means of contracts or service level agreements, although the agreements may span a number of years. Many councils now use grant aid only for lower cost services. Councils find it useful in supporting the continuing functioning of voluntary organisations.

Key recent developments and issues

Services are required to be commissioned within the context of a range of national strategies and priorities and to reflect the terms of statutory requirements for local Community Plans, Children's Services Plans, Joint Community Care Plans, clinical strategies, strategies for older people and mental health, Partnership in Practice Agreements for learning disability, and Corporate Action Plans for drug misuse services. Those plans will identify the needs of the local population, and set out commissioning proposals for meeting those needs that reflect best value service reviews of existing services and a drive for continuous improvement.

Such commissioning strategies provide some of the key elements in Local Planning Agreements (LPAs) - reaching agreement on responsibilities and the level of funds each authority will allocate to the joint purchase of care. There is then a need for local commissioning to determine common service specifications, especially quality standards, conditions governing agreements or contracts with service providers and how much each will pay towards the specific services being purchased. The basic principles of seeking to provide choice, good quality care responsive to the preferences of service users and offering good value for money should be followed in any joint arrangements. There must also be a close working relationship with other agencies in their purchasing role, especially housing and education authorities, and with service providers.

The 'market' continues to involve a mixed economy of care in which the public, voluntary and private sectors provide and arrange services, and some people purchase and direct their own services. The relationship between need, demand and supply of social care services is complex and shifting, particularly because of the range of statutory and independent sector providers in the market place. Nevertheless, the issue for commissioning is how to maximise the match between needs, demand and supply by understanding and influencing the market.

Implications for Joint Working

The challenges for joint working in relation to commissioning include how to:

- Place service users and carers at the centre of the commissioning process;
- Use the work of regulatory bodies and benchmarking exercises to assess standards;
- Develop commissioning as a key mechanism for improving the quality of care;
- Work jointly with other agencies to improve outcomes for service users and carers;
- Pay due attention to information, quality, equity and value for money issues;
- Change the balance of care towards support at home and maximise independent living;
- Promote service brokerage, self-directed care, and direct payments;
- Secure good value through block procurement while supporting responsive and flexible individual services.

In meeting these challenges Local Councils and NHS Boards will need to have a clear idea of:

- The type and volume of services they require now and in the future;
- What the quality and price of services should be;
- How current services can be subject to continuous improvement plans;
- How 'failing' services can be improved or decommissioned;
- Incentives to innovate and change in line with changing needs.

Relevant statutory guidance and other relevant material

Commissioning and Purchasing Circular SWSG19/91

<http://www.scotland.gov.uk/library/swsg/index-f/c171.htm>

Practical Advice on Joint Resourcing and Joint Management October 2001

<http://www.scotland.gov.uk/Resource/Doc/1095/0001818.pdf>

Scottish Executive Circular CCD2/2002 [Community Care and Health \(Scotland\) Act 2002](#)
March 2002

The Community Care (Joint Working etc.) (Scotland) Regulations 2002

Scottish Statutory Instrument 2002 No. 533

<http://www.scotland-legislation.hmso.gov.uk/legislation/scotland/ssi2002/20020533.htm>

[A framework for reform: devolved decision-making moving towards single-system working](#) March 2003 HDL(2003)11

Political/Corporate Governance Arrangements For Joint Resourcing And Joint Management Of Community Care Services Joint Future Unit And Cosla

<http://www.scotland.gov.uk/Resource/Doc/1095/0001770.pdf>

Joint Resourcing Scottish Executive website

<http://www.scotland.gov.uk/Topics/Health/care/17673/9475>

Practice Based Commissioning Engaging Practices in Commissioning DOH October 2004

<http://www.dh.gov.uk/assetRoot/04/09/03/59/04090359.pdf>

Office of Fair Trading report: *Care homes for older people in the UK*. May 2005

<http://www.of.t.gov.uk/NR/rdonlyres/5362CA9D-764D-4636-A4B1-A65A7AFD347B/0/of780.pdf>

The Commissioning Maze Audit Scotland, November 1997

http://www.audit-scotland.gov.uk/publications/pdf/1997/97hsg_05.pdf

Commissioning Community Care Services for Older People Audit Scotland, July 2004

<http://www.audit-scotland.gov.uk/publications/pdf/2004/04pf08ags.pdf>

How can I find out more?

You can find out more about Commissioning by accessing the information available on the following websites, or contacting these organisations via their websites:

The Care Commission

<http://www.carecommission.com/>

Quality Improvement Scotland

www.nhshealthquality.org/

The Scottish Social Services Council

<http://www.sssc.uk.com/>

CCPS: Community Care Providers Scotland

<http://www.ccpscotland.org/>

UKHCA United Kingdom Home Care Association

<http://www.ukhca.co.uk/>

Scottish Care

<http://www.scottishcare.org/>