



Shetland Islands Council

# **Community Health & Care Partnership**

# **A Commissioning Strategy 2009 - 2015**

For Shetland Islands Council and Shetland NHS Board

Ref: CF/AN  
1 April 2008

# Contents

	Page No.
Executive Summary	3
1. Introduction	4
2. Background	5
3. Commissioning Process	7
4. Outsourcing	9
5. Development Priorities and Action Plan	11

## Executive Summary

The Commissioning Strategy is informed by the detailed strategies and service plans for health and care services in Shetland. These contain full details of current services, budgets, service developments, gaps and future plans.

Commissioned services must demonstrate:-

- Value for money
- Resilience
- Customer satisfaction.

A decision to outsource community health and care services will be based on the following criteria:-

- *Better*: outsourcing would achieve a better outcome for service users
- *Cheaper*: outsourcing would achieve cash releasing efficiency savings (CRES) for no loss of service functionality or quality
- *Something the statutory agencies cannot do*: for example, independent advocacy services.

The majority of community health and care service provision locally is delivered directly by the in-house providers. Recent changes in provider have resulted in services being transferred to the local authority to achieve efficiency savings.

Services commissioned from local voluntary and not-for-profit organisations are subject, where appropriate, to the terms of a Service Level Agreement (SLA.) The format of the template for these SLAs will be reviewed periodically to ensure that it incorporates any changes in legislation, policy and guidance appropriately.

All contractual arrangements will be reviewed regularly against the criteria set out in this strategy.

Service reviews and redesign projects will consider outsourcing service provision, when evaluating options for change.

# 1. Introduction

## 1.1 Purpose of the Strategy

The strategy provides a practical framework for commissioning community health and care services for the Shetland population.

It complements and relies on the detailed information in the plans and strategies listed below and supports the targets set out in Shetland's Single Outcome Agreement (SOA).

- Advocacy Development Plan
- Carers' Strategy, Carer Information Strategy and Young Carers' Strategy
- Children and Young People's Services Plan
- Community Health and Care Partnership (CHCP) Agreement
- Community Health Partnership (CHP) Scheme of Establishment
- Disability Strategy
- Health Strategy for Older People
- Mental Health Strategy
- NHS Shetland Local Delivery Plan
- Partnership in Practice Agreement for People with Learning Disabilities (PiP)
- 2020 Vision

## 1.2 Definitions

For the purposes of this document a *Commissioning Strategy* is defined as:-

"A framework for specifying, securing and monitoring services to meet the community health and care needs of the Shetland population. It applies to services provided and purchased by Shetland's Community Health and Care Partnership."

The terms *outsourcing* and *external providers/provision* are used in this context to refer to, voluntary or not for profit sector provision i.e. "third sector provision" and the private sector.

## 1.3 Scope

The Strategy applies to all local health and care services covered by Shetland's Community Health and Care Partnership arrangements.

It does not cover NHS secondary or tertiary care services or any contractual agreements agreed at a national level.

Decisions may also be taken on a case by case basis to commission services outwith the Strategy where the service required is of a specialised nature and no market of suitable potential providers exists or in cases of extreme urgency.

#### 1.4 Principles and Values

Commissioned services must demonstrate:-

- value for money
- resilience
- customer satisfaction.

A decision to outsource community health and care services will be based on the following criteria.

- *Better*: outsourcing would achieve a better outcome for service users
- *Cheaper*: outsourcing would achieve cash releasing efficiency savings (CRES), or attract external funding for no loss of service functionality or quality
- *Something the statutory agencies cannot do*: for example, independent advocacy services.

#### 1.5 Legislation

All commissioning activities will comply with current legislation including national policy and guidelines on health and care service provision and EU procurement regulations and related Scottish Government guidance..

#### 1.6 Local Policy Context

Shetland Islands Council and Shetland NHS Board governance arrangements support aligned rather than pooled budgets and aligned financial governance. Any commissioning arrangements will reflect the existing local policy context in this regard.

## 2. **Background**

- 2.1 Shetland Islands Council works in partnership with NHS Shetland. Joint working is well established and all health and care strategic plans are joint.
- 2.2 In recent years, the Council and NHS Shetland have worked closely with voluntary and not-for-profit organisations locally, to provide a range of services within the Shetland Community that complement those provided by the statutory agencies.
- 2.3 A number of successful voluntary organisations have been set up by the Council for a specific purpose to meet a gap in service provision and continue to be supported by Council funding or funding from Shetland Charitable Trust on the recommendation of the service co-ordinator who is usually an employee of the Council.

- 2.4 Where services are commissioned by the Council from independent sector organisations, generally, three year funding has been established subject to the finalisation of the arrangement under the terms of a Service Level Agreement (SLA.), where this is deemed appropriate. This provides a degree of stability for these organisations and continuity for service users.
- 2.5 The template for the SLAs has been developed over a number of years and the latest revision was completed in May 2008.
- 2.6 The standard period of time applying under an SLA will in future be four years unless otherwise stipulated in line with EU procurement regulations and related guidelines.<sup>1</sup>

### *Employment*

- 2.7 Levels of employment in Shetland are high. The terms and conditions of health and care staff are good and these conditions locally have inhibited the growth of alternative providers. Open tender exercises in recent years for care service provision have attracted very little interest beyond in-house providers and local voluntary organisations.
- 2.8 This has encouraged a more collaborative approach to service development and the extension/re-negotiation of existing contracts as part of a partnership approach to working with the independent sector.
- 2.9 In 2004 Shetland Charitable Trust undertook a review of all Council created trusts looking at Best Value considerations.<sup>2</sup>
- 2.10 Following the review, a number of services were transferred back to the Council. These services continue to be provided in-house with significant efficiency savings in terms of management and administration being realised in the first two years following the transfer.
- 2.11 Consequently the current provision of health and care services locally is dominated by the Council and NHS Shetland.
- 2.12 The local population is ageing, putting increasing pressure on services. Capacity issues for older people's services are set out in the CHCP Agreement.
- 2.13 The issues of recruitment and retention within an ageing population in a remote islands context are fundamental to the success of the commissioning strategy. The needs in this area are addressed in the Council and NHS Shetland Workforce Development Plans which are available separately.

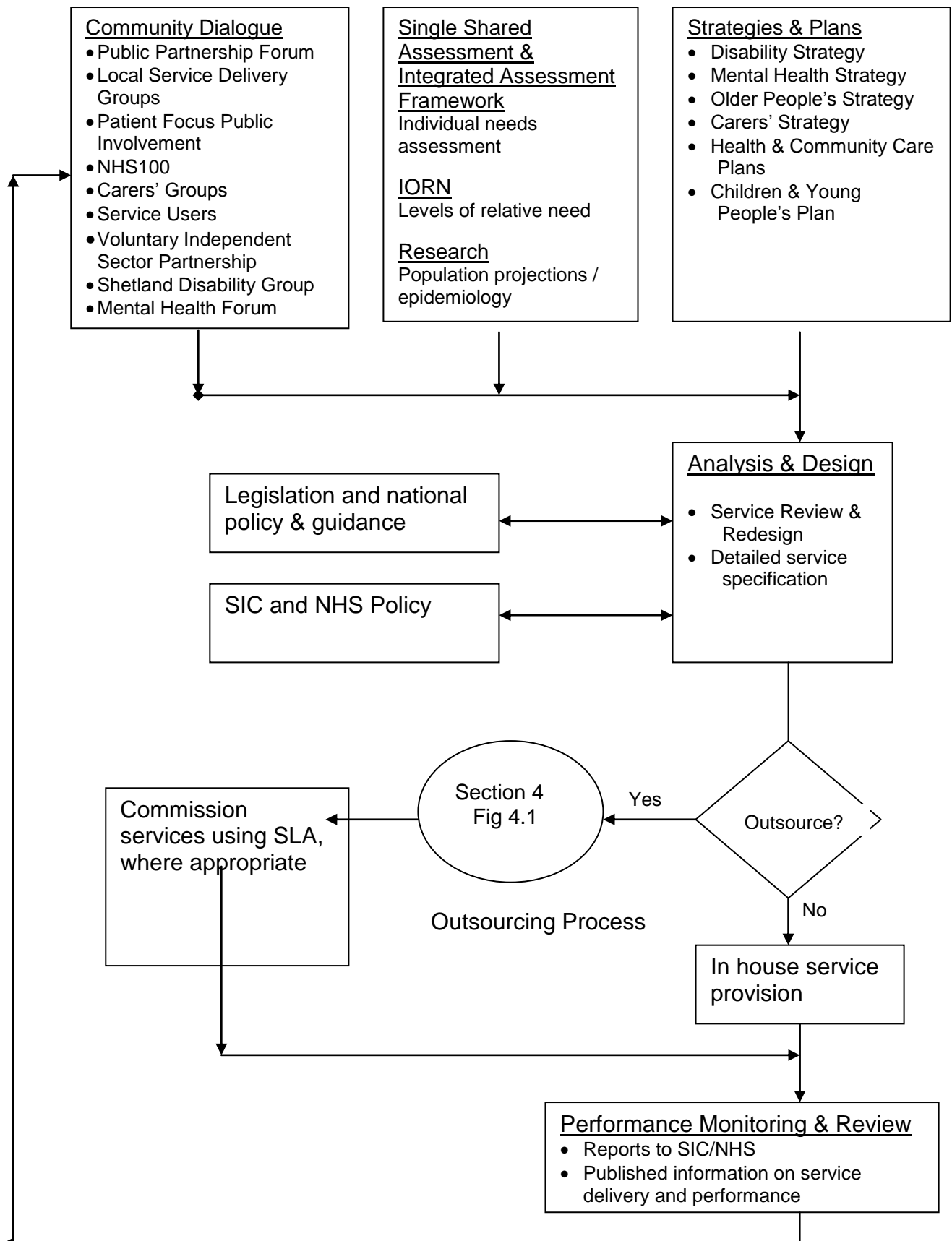
---

<sup>1</sup> Public Contract (Scotland) Regulations 2006 and related Scottish Government guidance

<sup>2</sup> Council Created Organisations Working Group

### 3. Commissioning Process

The following diagram summarises the commissioning process.



### 3.1 Stakeholder & Service User Consultation

The Scheme of Establishment of the Community Health and Care Partnership (CHCP) sets out the mechanisms, which exist to capture the views of stakeholders and service users on community health and care services. The aim is to encourage on-going dialogue in localities through the Public Partnership Forum (PPF) and link this to Shetland-wide representative groups both formally through NHS 100 and Patient Focus Public Involvement (PFPI)<sup>3</sup> and informally through other interest groups such as Shetland Disability and Voluntary Independent Sector Partnership (VISP.)

### 3.2 Needs Assessment

Health and Care needs for adults aged 16 and over are identified at an individual level through the Single Shared Assessment (SSA) Process. The needs of children and young people are assessed using the Integrated Assessment Framework (IAF). Service plans are informed by aggregated data, population projections and trends; legislation, national guidance and local policy.

3.3 With the demise of Compulsory Competitive Tendering (CCT,) local authorities are no longer obliged to subject any service provision currently carried out in-house to open competition. However, the need to ensure Best Value means that performance monitoring and review mechanisms must consider whether or not the in-house provider can deliver Best Value in terms of quality and price.

3.4 Locally, the decision to outsource services will depend on whether there are alternatives to the in-house provision, which could deliver services better; cheaper or something the statutory agencies cannot provide e.g. independent advocacy services. At an individual case level, clients may choose to opt for Self Directed Support funding (Direct Payments) in lieu of service provision.

3.5 Service strategies and plans include full details of all current service provision. Service providers interested in any of these service areas should contact the CHCP via the Council's Community Care Service, in order to be included in any future procurement exercise.

3.6 Performance monitoring reports presented regularly to the Council, the CHP Committee and Shetland NHS Board include information relating to the targets set out in service plans and strategies. This information is available to the public.

3.7 The annual performance reports from third sector organisations operating under the terms of an SLA with the Council or Shetland Charitable Trust are reported to the funding agency and are available to the public.

---

<sup>3</sup> Community Health Partnership + A Model for Shetland, Scheme of Establishment, December 2004

### 3.8 Self Directed Support and Direct Payments

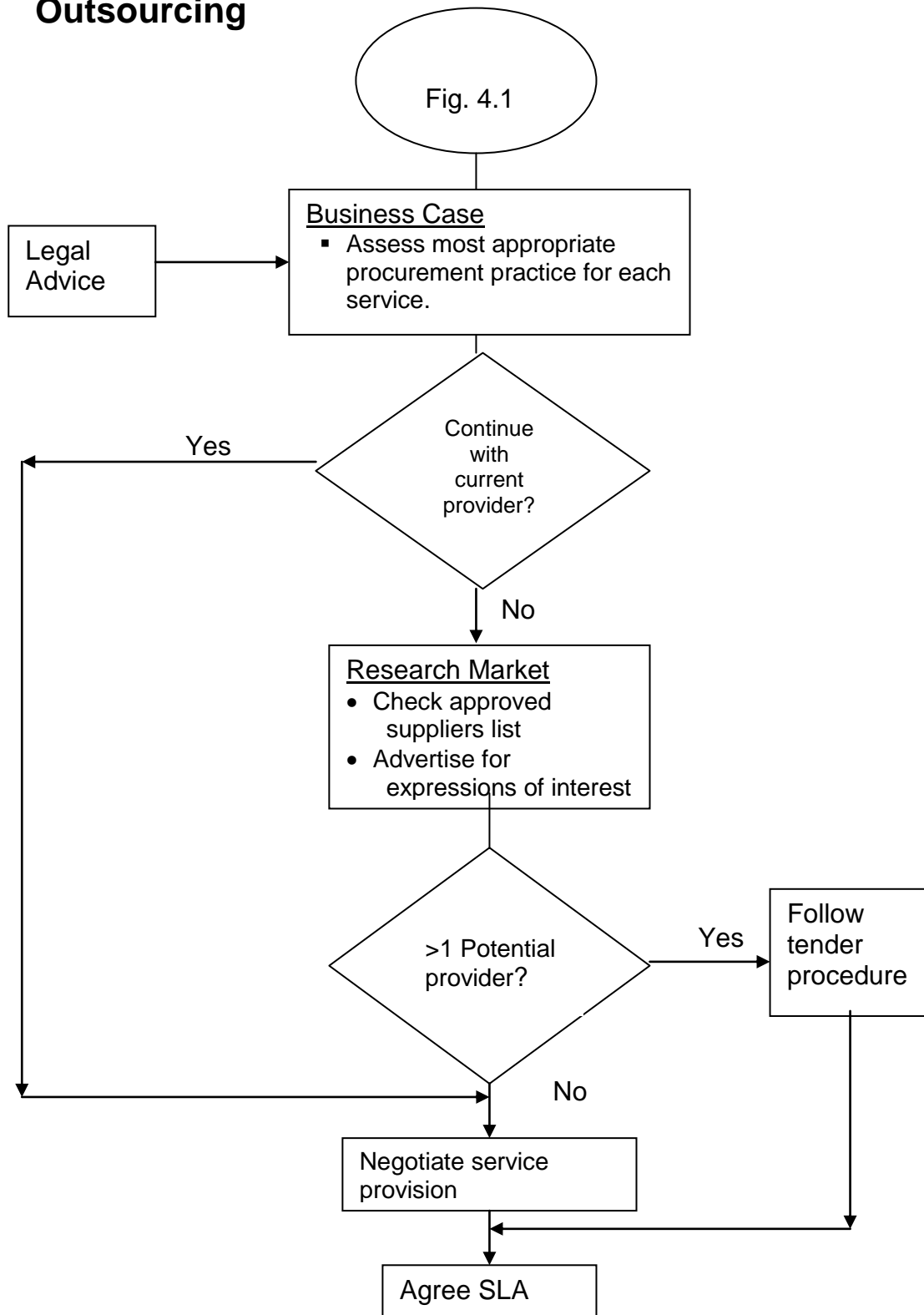
The aim of self directed services is to put the individual service user at the heart of their own commissioning process. Service users can receive funding in lieu of services provided or purchased by the local authority and use this money to arrange their own care or support services in line with their individual assessed needs (Direct Payments.)

Direct Payments are promoted locally through the Single Shared Assessment process and Shetland Citizen's Advice Bureau provides an independent support service to help people through information, advice and support with recruitment and employment issues.

Self Directed Support will continue to be promoted in Shetland alongside other services provided or purchased by the statutory agencies.

There are currently no plans to de-commission services in favour of the introduction of Self Directed Support on a large scale.

## 4. Outsourcing



4.1 The first stage in the process where a service is to be procured from external provider is to assess the most appropriate practice to follow in line with EU Procurement Regulations and Scottish Government guidance on social care service procurement.

- 4.2 An assessment will be carried out usually once every 4 years in line with most Service Level Agreements or when the existing arrangement is due to come to an end. The assessment will be prepared in consultation with Legal Services. The assessment criteria will include:
- specialist nature of service;
  - quality of service;
  - service continuity and the impact on service users and their carers and family;
  - estimated value;
  - market conditions;
  - geographic location of service delivery;
  - costs of procurement.
- 4.3 A project team will be established to manage the work for each potential commission. A Project Initiation Document will be agreed by the CHCP Management Team who will oversee the development of the Business Case acting as the Project Board with representation at a senior level from the relevant service area when required.
- 4.4 Shetland's Community Care partners have worked hard to establish relationships with local providers in the voluntary and not-for-profit sectors in order to develop a partnership approach to service provision. Increasingly these arrangements have been formalised through Service Level Agreements (SLAs.) Services are well established and the current position and the likely impact on the continuity of the service will be a critical factor in the Business Case.
- 4.5 The list of services, the current service provider, the value of the service and the dates of the current contractual/funding arrangements will be published on the Council and NHS Shetland websites on an on-going basis.
- 4.6 Service providers can apply to be included on the CHCP list of approved providers at any time. Each organisation must provide:
- Constitution or statement of purpose of the organisation;
  - Details of governance arrangements;
  - History of service provision;
  - Any inspection reports;
  - Quality assurance/service standards used;
  - Business plans;
  - Financial information including: future strategies, anticipated turnover in future years and bank references, where applicable.

They should apply to the Community Care Service who will arrange for the information to be checked before being presented to the CHCP Management Team for a decision to include them on the list.

The Chief Social Work Officer will ensure that approved providers can demonstrate that they are competent to deliver any commissioned social care service and meet national standards and guidance, including the Scottish Social Services Council Codes of Practice and national inspection standards.

- 4.7 All contracts/SLAs are for four years unless otherwise indicated in the service specification.
- 4.8 Contracts/SLAs would be re-negotiated with current providers where there are no other expressions of interest and the current provider is performing to an acceptable standard in terms of the existing contract / SLA.
- 4.9 If, at the time prior to an arrangement coming to an end, there is more than one potential service provider on the approved list and the most appropriate commissioning practice is considered to be through a tendering process, then that will be followed in accordance with the Council's Standing Orders Relating to Tenders and Contracts or Shetland NHS Board Standing Financial Instructions as appropriate. Where appropriate and necessary a report will be prepared for Services Committee and / or CHP Committee to set out the method by which the service will be continued. Adequate lead in times will be built in to ensure that the current service provider can prepare for the tendering process, whilst maintaining current service standards. The Chief Social Work Officer will ensure that all prospective contractors are equipped to deliver against the contract.
- 4.10 The CHCP Management Team will ensure that organisations providing health and care services under the terms of a Service Level Agreement have access to a nominated member of staff representing the CHP who will be their first point of contact for any queries and that staff are available to provide support to the organisation if required, for example by attending Board meetings.
- 4.11 The Chief Social Work Officer will ensure that a quality assurance framework is in place to monitor the quality of any commissioned social care services on an on-going basis. Information on the performance of service providers in this respect will be presented to the Council's Services Committee as part of the Chief Social Work Officer's Annual Report.
- 4.12 Where there are concerns about the performance of an organisation under the terms of the SLA, the CHCP Management Team will set up a multi-agency team, where appropriate, to work with the organisation to rectify any problems taking advice from the Chief Social Work Officer on all social work issues and from the CHP Lead Clinician on any clinical issues as appropriate.

## 5. Development Priorities

The detailed plans for community health and care services are set out in the documents listed in the introduction to this report and are not replicated here.

Priorities for reviewing commissioning arrangements are as follows:

- Meals on Wheels delivery  
The current arrangements are for the most part the legacy of Compulsory Competitive Tendering arrangements introduced in the 1990s, which resulted in an increase in cost at the time and costs are still high.
- 80% increase in long term care for older people by 2025  
Development of extra care housing and Telecare services as alternatives to residential care. Implementing the findings of the Dementia Redesign Project and Long Term Care review.
- Promoting 3<sup>rd</sup> sector provision of non-health and care support activities  
Refocus health and care service provision to meet health and care needs. Purchase a range of social activities and community support in local communities from voluntary and not-for-profit organisations.
- Stimulate private sector provision of domestic support services  
Provide information and advice to local enterprises regarding the demand for assistance with domestic tasks.
- Implement Standard SLA  
Implement a standard SLA format, which supports a negotiated approach when commissioning services from voluntary and not-for-profit organisations. The SLA template will be reviewed periodically to ensure any changes in legislation, policy and guidance are incorporated as appropriate.

**CHCP Commissioning Strategy 2009 – 2015**  
**Action Plan 2009 – 2010** Updated April 2010

<b>Task</b>	<b>Lead Responsibility</b>	<b>Resource Implications</b>	<b>Timescales</b>	<b>Comments</b>
1. Review Meals on Wheels delivery contracts	TBA	Current Cost £150k per annum	By April 2009	A number of voluntary sector organisations have been approached with a view to securing better VFM with no success. In house provision to be investigated as an alternative. <b>On-going</b>
2. Standard SLA	SIC Executive Director Education and Social Care	WER	Introduction of new format during 2008/09	A revised format for SLAs with independent sector organisations has been approved and is being implemented. <b>Completed</b>
3. Publish details of all contracted services	CHCP through Head of Community Care	WER	Annually	Publish summary details of all contracts/SLAs for Community Health and Care Services. Assess appropriate procurement process for each before renewal dates. <b>Process implemented</b>
4. Establish CHCP list of approved service providers	Head of Community Care	WER	By April 2009	Publish information on how to become an approved service provider for community health and care services. <b>Process implemented</b>
5. Domestic Tasks	Head of Community Care	Current cost SIC in house service £1M per annum. Estimate of the savings to be made from within this budget to be calculated by April 2010	<b>Revised timescale Dec 2010</b>	Shift balance of provision towards third sector providers. Provide reduced levels of funding for start up costs and to meet statutory duties under Free Personal Care regulations and guidance. <b>Further work required in this area</b>

**CHCP Commissioning Strategy 2009 – 2015**  
**Action Plan 2009 – 2010** Updated April 2010

<b>Task</b>	<b>Lead Responsibility</b>	<b>Resource Implications</b>	<b>Timescales</b>	<b>Comments</b>
6. Non-health and care support/activities	Executive Director Education & Social Care	WER	On-going. Targets for increasing levels of activity to be included in Local Service Improvement Targets by April 2010	Provide grant assistance towards core costs of voluntary organisations providing complementary services e.g. lunch clubs, befriending, peer support groups.
7. GMS/PMS contracts	Service Manager Primary Care	WER	TBA	Services are in place. Need to be underpinned by formal agreements all practice areas in line with national NHS guidance and circulars.
8. Long Term Care facilities	Head of Community Care	£2M per annum revenue £35M capital	2008 - 2025	Long term plans are to increase the number of places for older people in a mixed provision of extra care housing and residential care by 120 over the next 15 years in line with local population projections, and continue to maintain approximately 40% of all people requiring long term care in their own homes in the community. <b>Revised target for people supported at home is 46%</b>

**CHCP Commissioning Strategy 2009 – 2015**  
**Action Plan 2009 – 2010** Updated April 2010

<p>9. Develop quality assurance frameworks for all social work aspects</p>	<p>Chief Social Work Officer</p>	<p>WER</p>	<p>June 2009</p>	<p>The CSWO has responsibility for the quality of all social work services whether provided directly by the Council or purchased from independent organisations. This framework will complement the performance monitoring arrangements already in place regarding service levels and finance. <b>Framework implemented Sept 2009</b></p>
--	----------------------------------	------------	------------------	---