

CARMARTHENSHIRE COUNTY COUNCIL

Social Care & Housing Department

Services for Adults & Children



Draft

FOREWORD

The Department of Social Care and Housing handles a gross budget of £70 million per year excluding the Housing Revenue Accounts. £25½ million of this is spent on the independent (private and voluntary) sector. The Department places great reliance on the independent sector providing high quality services to its service users and carers and, while acknowledging there is considerable work to be done, believes considerable progress has been made in fostering better relationships with the independent sector.

The purpose of the Commissioning and Contracting Strategy is to provide an overarching Strategic framework which lays down fundamental principles and values against which the Department will be judged and the means and processes by which the Department intends to conduct its future commissioning and contracting business.

The scope of the Strategy will govern the service area commissioning strategies for Adults and Children that will be produced through the evolving joint commissioning strategy groups under the auspices of the Health and Social Care Partnership Board.

It has been written to emphasise the importance the Department attaches to close constructive relations with the independent sector in the achievement of Best Value under the Wales Programme for Improvement for all its services.

The Strategy is a genuine attempt to provide information on the direction the Department wishes to follow and to enable better business planning for our current and prospective provider organisations.

The Department will achieve its aims and principles only by actively engaging with the independent sector. This document is one part of the process.

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EXECUTIVE SUMMARY

- E1.** The Department of Social Care and Housing handles a gross budget of £70million per year excluding the Housing Revenue Accounts. £25½ million of this is spent on the independent (private and voluntary) sector.
- E2.** The Welsh Assembly Government document *Promoting Partnership In Care: Commissioning social care and health services*, issued under section 7 of the Local Authority Social Services Act 1970, requires local authorities to make arrangements to secure continuous improvement in service delivery. It seeks to establish a way of working that promotes positive outcomes and good quality care for people using services and their carers, promotes mutual trust, encourages openness and transparency and is intended to result in fair treatment for all parties involved.
- E3.** It is fundamental to the successful implementation of the service user commissioning strategies that elected members are signed up to the aims and objectives and are kept informed of the progress and priorities for each commissioning strategy. Equally fundamental is that the service user commissioning strategies apply the principles and values contained herein to ensure overall coherence and consistency of approach.
- E4.** Commissioning is the process of specifying, securing and monitoring services to meet individual need, short and long-term. Responsibility for strategic commissioning lies with the Policy and Performance Division which will work closely to support the Heads of Service.
- E5.** Best Value under the Wales Programme for Improvement (WPI) puts the interests of the public first. Best Value under the Wales Programme for Improvement will be assessed by commissioning services that meet the Department's quality criteria: fitness for purpose, acceptability to users and carers, excellence of service and effective arrangements for review and redress.
- E6.** The Department will commission with Health, Education and neighbouring local authorities where the tests of Best Value under the Wales Programme for Improvement (WPI) are met. Capital partnerships and the development of new, diverse and flexible schemes will be encouraged and supported. Under section 22 of the NHS Reform and Health Professions Act 2002 a statutory duty has been placed jointly on the Local Health Board and the local authority to formulate a Health, Social Care and Well-Being Strategy for the area. Emphasis will be increasingly placed on joint Health and Social Care Commissioning Plans, developed with providers, as the effective vehicle to improved quality.
- E7.** The primary aim of *Promoting Partnership In Care* is for commissioners and providers to work together to create a social care industry where equality and mutual respect are the guiding principles and where continuous benefits will accrue for the service user and

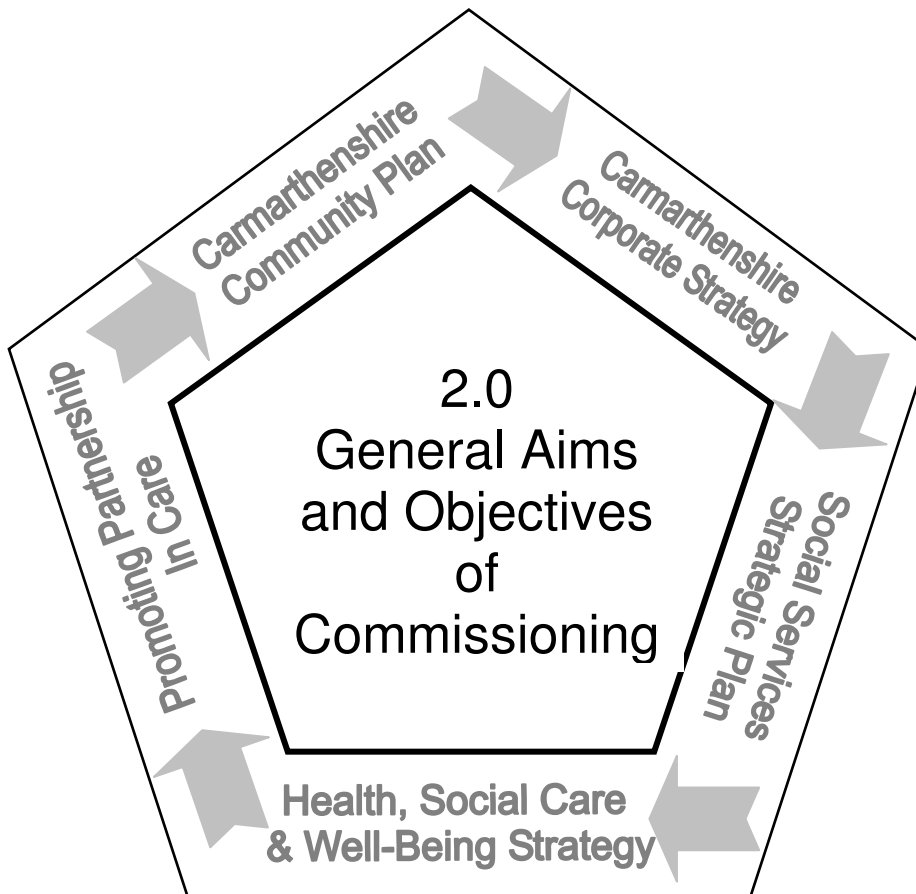
carer. The Department will welcome any initiatives and ideas the independent sector has in bringing to the table new and innovative means of service delivery. It is expected that the provider forums will act as a means for the private and voluntary sector to gain information on the commissioning intentions of the Department, to influence service provision and the development of policy.

- E8.** The Corporate Procurement Strategy enshrines the aims and principles of the Authority's strategic approach. This Strategy is in accordance with the Corporate Procurement Strategy and is designed to improve the Department's commissioning and contracting policies and practices. It is fundamental that the principles of the Wales Programme for Improvement are applied before the Department enters into partnership working. The Department will give careful consideration to the mechanisms and criteria which will govern how and on what basis partners are chosen.
- E9.** The Department considers the principles and values of relational contracting should govern its commissioning and contracting of services both directly and with the private and voluntary sector. The Department's approach to relational contracting is based on the belief and premise of social care as being a service in which care providers have a shared ethical and philosophical value base towards the improved delivery of quality services for service users and carers. The Department will engage in principled conduct, procedural fairness, openness, trust and information exchange in its negotiations with the independent sector.
- E10.** The Department is committed to the involvement of users and carers in planning, monitoring and evaluation of services. This is being increasingly developed via the joint commissioning groups wherein the active participation of service users and carers is encouraged and supported as well as through the Department's contracting processes with providers. It is a basic requirement of care contracts that the individual user is involved in the contract.
- E11.** Integral to the success of high quality service delivery is a competent, skilled and trained workforce. The Social Care Workforce Development Programme requires the local authority to take the lead in developing a Social Care Workforce Development Partnership that will link to the local authority strategic plans for the social services with its accompanying human resources strategy and plan. The Department will establish a Training Strategy Partnership Workforce Group, inclusive of all major stakeholders, in order to produce a Training Strategy Plan. Within each service user commissioning strategy, there will be a need to address capacity building in relation to workforce planning and training; recruitment and retention strategies; and the development of regional partnership structures to identify key workforce issues.
- E12.** The Strategy is intended to encourage close and constructive relationships between commissioners and providers. It is our hope that the strategy will help to enhance our existing good working relationships with all stakeholders and will provide further evidence of, and momentum to, the Department's commitment to securing choice and quality for the service user and carer.

1. INTRODUCTION

- 1.1** The Audit Commission and the Social Services Inspectorate recommend in their respective documents *Take Your Choice: a commissioning framework for community care* (1997) and *That's the Way the Money Goes: Inspection of Commissioning Arrangements for Community Care Services* (1999) that local authority Social Services Departments develop and improve their commissioning and contracting processes.
- 1.2** The Welsh Assembly Government document *Promoting Partnership In Care: Commissioning social care and health services*, issued under section 7 of the Local Authority Social Services Act 1970, requires local authorities to make arrangements to secure continuous improvement in service delivery. This means local authorities must develop and improve their commissioning arrangements and their relationships with providers of social and health care. (Appendix E highlights the document's action checklist for commissioners and providers.)
- 1.3** The document sets out good practice guidelines about the nature of the relationship between commissioners and providers. The Welsh Assembly Government has also issued a document *NHS Planning and Commissioning Guidance* which establishes similar good practice guidelines for NHS services. The intention is to ensure consistency and uniformity is achieved by those bodies responsible for strategic planning and commissioning across Wales.
- 1.4** *Promoting Partnership In Care* provides a framework for future working relationships between commissioners and providers locally, geared to delivering the services that people need and expect. Its aim is to promote the establishment of close and harmonious working relationships, good communication, and to foster constructive co-operation between all parties involved in providing care and support services for adults. It seeks to establish a way of working that:
- Promotes positive outcomes and good quality care for people using services and their carers
 - Promotes mutual trust
 - Encourages openness and transparency
 - Is intended to result in fair treatment for all parties involved.
- 1.5** *Promoting Partnership In Care* stresses the need for social services to develop long term approaches to evaluating and meeting needs for services and to understand that service planning is an ongoing exercise. The document requires commissioners and providers to begin with a shared aim in mind – a vision of the range of services required and the balance between different services now and in the future. The vision will show how commissioning is to be used to meet the objective of the commissioning body. Agreeing that vision will take patience, a long-term perspective and involvement. It is necessary for each service area to develop a joint commissioning strategy that analyses:
- How services are currently purchased
 - Level and nature of services required
 - Details of likely providers and their performance
 - Costs and quality of services from different providers

- 1.6** Good commissioning must incorporate the principles of Best Value under the Wales Programme for Improvement (WPI) in an open and structured way. The Commission for Health Improvement, Audit Commission and the Social Services Inspectorate will use the Wales Programme for Improvement system jointly to inspect health and social care organisations to see how well they are implementing effective commissioning arrangements.
- 1.7** In Carmarthenshire, the *Joint Review* carried out on behalf of the Audit Commission and the Social Services Inspectorate in 1999 and *Inspection of Services for People with a Physical or Sensory Impairment in Carmarthenshire County Council* undertaken by the Social Services Inspectorate for Wales in 2001 concluded the Authority required the development of a commissioning and contracting strategy as its existing commissioning and contracting procedures were weak and underdeveloped. This was highlighted as a priority in the Authority's Improvement Plan 2003/2004.
- 1.8** The Health and Social Care Partnership Board has established joint commissioning service user groups to develop long-term commissioning strategies. These will apply the aims and principles of this overarching framework and will be the responsible co-ordinating bodies to ensure that the service user receives both choice and quality.
- 1.9** To implement effectively the commissioning strategies, the Department will improve its contract management procedures which establish a clear role for in-house services, fair and open contracting, better contract documentation and service specifications, improved monitoring and compliance and greater emphasis on outcomes in order to ensure value for money.
- 1.10** It is fundamental to the successful implementation of the service user commissioning strategies that elected members are signed up to the aims and objectives and are kept informed of the progress and priorities for each commissioning strategy.
- 1.11** Equally fundamental is that the service user commissioning strategies apply the principles and values contained herein to ensure overall coherence and consistency of approach.



2.1 Definition

“Commissioning is the process of specifying, securing and monitoring services to meet individual need, short and long-term” (Audit Commission: *Take Your Choice: a commissioning framework for community care 1997*).

Commissioning encompasses “the whole process of acquisition, covering goods, services and/or capital projects. The process spans the entire life-cycle from the initial concept through to the end of the useful life of the asset (including disposal) or the end of a service contract or a works/capital project” (Carmarthenshire County Council’s Corporate Procurement Unit definition of procurement 2002).

Commissioning integrates both the operational and strategic arms of commissioning. Strategic commissioning is seen as the process of assessing community needs and then developing a strategy for meeting priority needs through best use of resources available.

Operational commissioning is the purchasing or delivery of services that respond to an individual’s needs or the needs of groups of people.

Within the Department, responsibility for strategic commissioning lies with the Policy and Performance Division. The Division will work closely to support the Heads of Service.

2.2 The Commissioning Process.

2.2.1 Commissioning has four inter-related components:

- Needs analysis
- Strategic planning
- Contract setting and market management
- Contract monitoring.

It is fundamental that the development of each service user group's commissioning strategy considers these interrelationships and that they:

- Map the market to understand both supply and demand
- Understand current resource allocation
- Develop an informed strategy
- Plan for decommissioning.

2.2.2 Each service user commissioning strategy should demonstrate an understanding of need, projected need, resource availability, commissioning priorities and strategies for procuring the service and managing the market. The self-diagnostic commissioning questionnaire produced by the Audit Commission provides a useful tool for commissioners (appendix F).

2.2.3 Under section 24 of the NHS Reform and Health Professions Act 2002 in line with the planning guidance of the *Health, Social Care and Well Being Strategy* (October 2002), the Local Authority and the Local Health Board will be under a duty to undertake a needs assessment of the local population. Only by undertaking the market mapping and resource allocation exercises which provide the raw data can the service user commissioning strategy groups start to develop their respective strategies for commissioning.

2.2.4 *Promoting Partnership In Care* recommends that the service user commissioning strategies need a clearly spelt out strategy spanning five years and a realistic commissioning programme for a three year time frame. The document states it is essential that the knowledge and expertise of the independent sector are secured when devising the commissioning strategies.

2.3 Aims of the Commissioning Process

- To map the market to understand both demand and supply
- To collect and analyse accurate and comprehensive information on the pattern of needs of the local population
- To identify unmet and future need
- To develop good understanding of the type, volume, cost and quality of existing supply
- To make decisions about the mix and pattern of services to achieve the objectives of policy
- To target those with greatest need
- To improve the quality of relationships and partnerships within the Council and between the Department and other agencies, commissioners and providers of care

- To provide guidance for existing and potential providers on the Department's future purchasing intentions in terms of type, volume and quality both for in-house and external providers of care
- To bring in new providers
- To produce a better balance and range of providers
- To develop new and innovative services particularly in areas largely untapped
- To improve the quality of services within available/existing resources (where it is possible to do so)
- To develop consistent and fair eligibility and charging criteria
- To provide a coherent approach to quality assurance and management and monitoring
- To provide performance management and review progress over time with best practice from elsewhere (with appropriate use of bench-marking).

The Commissioning and Contracting Strategy recognises that achievement of these aims will require a strong sense of partnership with a wide range of people and organisations. The Department believes that such an approach is possible and can be sustained and developed during the period ahead.

2.4 General Principles of Commissioning

2.4.1 The general framework for commissioning will take account of all resources available to secure services singly or jointly with others and will be designed to advance the agreed objectives of the Corporate Strategy, the Social Services Strategic Plans for Adults and Children's Services and the future Health, Well Being and Social Care Strategy. The following principles need to be applied in meeting the statutory functions of social services:

- Services that discharge statutory responsibilities will be a first call upon resources.
- Priority will be given to those most in need recognising the need to maintain and develop preventative services.
- In Adult Services, services will be provided in accordance with published eligibility criteria and in accordance with a financial assessment
- Except where the provision of a service is mandatory, the aim will be to ensure provision of a level of service considered to be both reasonable and realistic, having regard to the needs of the local population, the views of local people, users and carers and the overall level of resources and objectives of the Council.

The Department will also take account of the following principles:

2.4.2 Choice and the Promotion of Service Diversification

The Department believes that diversity of provision and fair competition are indispensable factors in the delivery of effective social care services and, as such, the Department will seek to enhance opportunities for user choice. Some examples of how the Department is presently seeking to achieve service diversification and choice are:

- To expand take-up of the Direct Payments Scheme and Vouchers scheme for Community Care Services and Children's Services. The Department is one of four

Authorities in Wales approved to pilot the voucher system which will initially focus on Learning Disability Services.

- To work with registered social landlords and private care owners to increase the range of services e.g. through the Supporting People Programme and Adult Placement scheme.
- To encourage diversity by existing providers.

The Department is also preparing for development:

- Plans to expand the range of existing services through current or new providers via Providers Forum and the service user planning groups
- Increasing use of contracting mechanisms for domiciliary care from the independent sector as part of the general approach to care management and choice.
- Collaborative competition and application of appropriate selection procedures (approved provider systems/ tender procedures) to optimise choices for users and ensure Best Value is maintained and promoted.

2.4.3 Even-Handedness in Commissioning

The Department will engage in principled conduct, procedural fairness and fair dealing. The Department will apply a common specification and set of standards regardless of whether services are provided directly or through the voluntary and private sector. Services will be required to meet detailed contract conditions and service specifications.

The same core specification will apply to all services of a similar type.

All services will be monitored by the care manager/contracts officer who will be required to maintain objective and critical fairness in their approach.

2.4.4 Securing Best Value/Continuous Service Improvement through Contracting

A range of contracting options as discussed in section 7 are available and will be used to achieve continuous service improvement. Such contracting processes will need to balance care standards, costs, quality, user involvement and choice.

The Department will expect commissioned services to attain the Wales Programme for Improvement (WPI) criteria which it considers appropriate. Continuous service improvement will be secured through robust and effective contract management and monitoring. To be effective, the process must entail service user and/or carer participation.

The Department will specifically focus upon the principles of even-handedness and securing continuous service improvement through contracting as they have been identified as areas of weakness requiring improvement.

Responsibility to ensure this happens will rest with the Policy and Performance Division in conjunction with the Corporate Procurement Unit.

2.5 Outcomes of the Commissioning Process

The commissioning process is the means by which the Department aims to meet the care and support needs of individuals and groups seeking help and to secure continuous service improvement for them.

The general objective is that whenever it is reasonable, practicable and safe to do so, the outcome of the process will:

- Be consistent with assessed needs
- Ensure seamlessness of service provision
- Promote user and carer involvement and be responsive to stated preferences
- Offer deliverable local choice between service providers
- Ensure availability of services to explicitly stated standards
- Provide for monitoring and bench-marking of performance
- Encourage user involvement in reviews
- Be consistent with the Council's Equal Opportunities Policy
- Reinforce partnerships with independent and other agencies
- Identify gaps in provision and encourage appropriate response to them
- Respond to new areas of need as they are identified.

2.6 Commissioning In Partnership

2.6.1 The Department supports Welsh Assembly Government policy on partnership working, integrated services and quality user-centred services.

Promoting Partnership In Care states that in order to improve relations and better outcomes for people, local authorities, the NHS and the independent sector should all continue to strive to create partnerships that:

- Work back from patient, user and carer views in defining those needs
- Adopt a corporate social responsibility to their staff, and to the wider community which they serve
- Are integrated into all existing planning processes and teams
- Are quality-driven
- Derive from a shared vision of service need
- Take a long-term perspective to those needs
- Are both financially and professionally viable.

2.6.2 The general aim of commissioning in partnership is to achieve stable purchasing relationships by:

- Developing commissioning in partnership (with Health and Providers)
- Developing contracts and specifications in partnerships
- Ensuring appropriate involvement of service users and carers
- Ensuring provision by a range of organisations likely to enable continuous service improvement to be achievable for the commissioned services.

2.6.3 The Health Act (1999) Flexibilities were introduced to make closer partnership working possible. The purpose of the flexibilities is to move attention away from structure and process to focus on how organisations can respond effectively to the needs of their

service users. The flexibilities remove some of the organisational boundaries between health and local authorities to promote a more joined-up response to service planning, commissioning and delivery. There are an increasing number of partnerships seeking to use the flexibilities to meet a range of different service needs. These build on existing arrangements for joint working and represent a diversity of options to address local circumstances.

2.6.4 Using the flexibilities is seen as a key test of improved partnerships. In Carmarthenshire, the Health and Social Care Partnership Board has via the joint planning framework implemented projects that will utilise the new Health Act (1999) Flexibilities or support their application. These include:

- The recruitment of two Joint Planning and Commissioning Officers, one for older people's services, the other for learning disability services
- The recruitment of a Joint Carers Development Officer
- Implementing the Carers Strategy in partnership with key agencies
- Establishing a multi-disciplinary Community Intermediate Care Team (CICT) to cover Ammanford and the rural communities of Llandeilo and Llandovery. This service has also extended to cover part of Llanelli.
- The development of an individualised day service for adults with autism
- The preparation of a database of disabled children
- The production of a directory of services for Children, Young People and their Families
- The six month secondment of an officer to help develop good planning links between the statutory and voluntary sectors within the Health and Social Care Partnership
- A joint register for children with disabilities in partnership with Carmarthenshire NHS Trust
- A multi-agency strategy for the management of children with complex needs.

Future plans under the Health Act (1999) Flexibilities consist of:

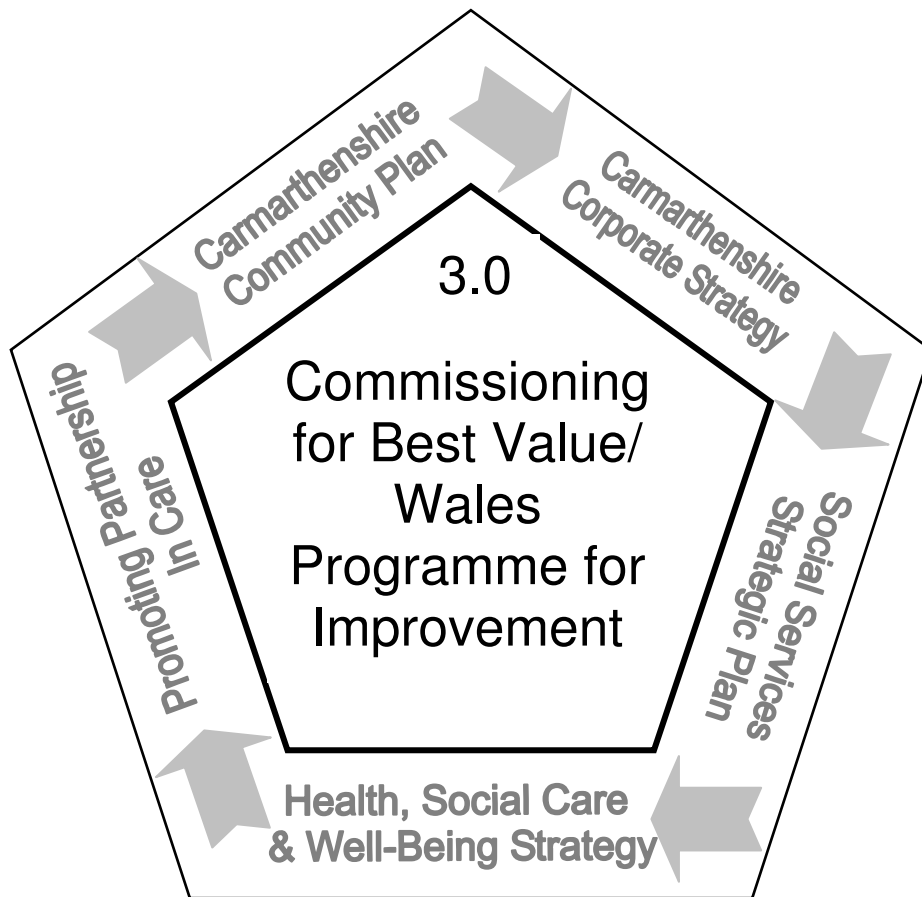
- Expansion of the CICT service
- Joint Equipment store for people with physical disabilities.

2.6.5 For partnership working to be effective, the Department will continue to engage in collaboration and sustainable partnerships. The Department believes that continuous service improvement is most likely to be achieved, where, subject to the normal rules of sharing of sensitive information, both sides of the process have a shared understanding of what is intended and expected.

2.6.6 It is equally important that those involved in the day to day commissioning of care services develop a sense of collaborative working with providers. This should not happen in a manner which risks excluding the user or carer. Rather, the needs and preferences of the user should be a central consideration and focus for attention by commissioners and providers alike.

Policy Statement

- **It is recommended that Departmental commissioning strategies apply the principles and processes of the commissioning and contracting strategy.**



3.1 Best Value/Wales Programme for Improvement (WPI)

Best Value under the Wales Programme for Improvement (WPI) puts the interests of the public first. It recognises that good commissioning and contracting practice is essential if local government is to secure real improvements to service cost and delivery.

Since the introduction of Best Value under the Wales Programme For Improvement (WPI), all publicly funded services must be delivered in accordance with the Welsh Assembly Government's requirement to provide Best Value under the Wales Programme for Improvement (WPI). This is a legislative duty owed to the people of Carmarthenshire by local government to provide or fund economic, efficient and effective services.

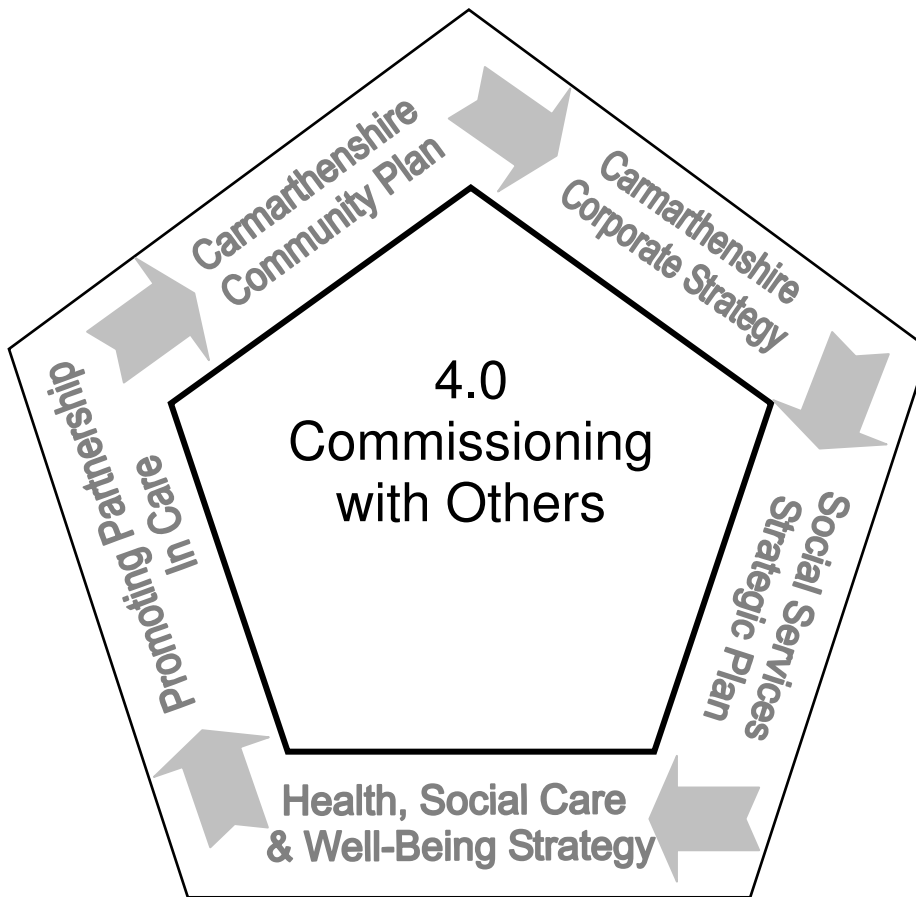
3.2 Principles of Best Value/Wales Programme for Improvement (WPI)

3.2.1 The duty of the Wales Programme for Improvement (WPI) is one that local authorities owe to local people, both as taxpayers and as the customers of local authority services. Improvement plans will support the process of local accountability to the electorate.

3.2.2 Achieving continuous service improvement is not just about economy and efficiency, but also about effectiveness and the quality of local services – the setting of targets and performance against these will therefore underpin the new regime.

- 3.2.3** The duty applies to a wider range of services than those originally covered by Compulsory Competitive Tender.
- 3.2.4** There is no presumption that services must be privatised, and there is no general requirement for authorities to put their services out to tender, but there is no reason why services should be delivered directly if other more efficient means are available.
- 3.2.5** Competition will therefore continue to be an important management tool and test of continuous service improvement, but it will not be the only tool and is not enough in itself to demonstrate that continuous service improvement is being achieved.
- 3.2.6** The Welsh Assembly Government will continue to set the basic framework for service provision which in some areas includes national standards.
- 3.2.7** Detailed local targets should have regard to any national targets, and to performance indicators and targets set by the Welsh Assembly Government in order to support comparative competition between authorities and groups of authorities.
- 3.2.8** Both national and local targets should be built on performance information that is in any case needed by all managers.
- 3.2.9** Audit processes should confirm the integrity and comparability of performance information.
- 3.2.10** External auditors will need to report publicly on whether continuous service improvement has been achieved, and should contribute constructively to plans for remedial action, including agreements on measurable targets for improvement.
- 3.2.11** There is a provision for intervention at the direction of the Minister for Health on the advice of the Audit Commission when an Authority has failed to take agreed remedial action, or has failed to achieve realistic targets for improvement.
- 3.2.12** The form of intervention should be appropriate to the nature of the failure. Where an authority has made limited use of competition, and as an exception to the usual rule, intervention may include a requirement that a service or services should be put out to competition. Intervention might also take the form of a requirement that an authority should accept external management support, and may relate either to specific service, or to the core management of the authority.
- 3.3** Continuous service improvement will be assessed by commissioning services that meet the following Quality criteria:
- Fitness for purpose
 - Acceptability to users and carers
 - Excellence of service
 - Effective arrangements for review and redress.
- 3.4** The criterion of “fitness for purpose“ requires that identified objectives are met by the provider. The criteria for acceptability and excellence of service require that the service provided contributes to the life satisfaction of its users. The criterion for redress requires an explicit complaints procedure and arrangements for customer consultation, review and feedback.

- 3.5** Quality will be assessed through measuring of performance against identified standards and through use of bench-marking. This will be done through a system of reporting and through the right to inspect the service being provided. It is also important for commissioning officers to research and gain evidence on services in other local authorities to test out what is good practice and cost-effective (evidence-based commissioning). User and carer involvement will be consistent elements of these processes.
- 3.6** The Department expects all providers to maintain high standards of professional behaviour and job performance in line with the principles of the Care Council For Wales Code of Practice for Employers of Social Care Workers (appendix D).
- 3.7** The above will be achieved through processes of education and training, accreditation and regulation by the Care Council for Wales and Care Standards Inspectorate for Wales and regular communication and information exchange between the Department and its providers. The establishment of Provider Forums to disseminate the Department's policies, practices and procedures will be one part of this process.
- 3.8 Policy Statement**
- **The Wales Programme for Improvement principles will be applied with priority given to commissioning quality services that are fit for purpose, acceptable to users and carers, provide a level of excellence and have effective arrangements for review and redress.**



4.1 The Department will commission services with Health, Education and neighbouring local authorities where the tests of Best Value under the Wales Programme for Improvement (WPI) are met. Capital partnerships and the development of new, diverse and flexible schemes will be encouraged and supported.

4.2 Health

4.2.1 Under section 22 of the NHS Reform and Health Professions Act 2002 a statutory duty for the first time has been placed jointly on an NHS body (the Local Health Board) and the local authority to formulate and implement a Health, Social Care and Well-Being Strategy (HSC&WB Strategy) for the area.

4.2.2 The HSC&WB Planning Guidance (October 2002) requires local authorities and Local Health Boards to co-operate with all major stakeholders to formulate the Health, Social Care and Well-Being Strategy. Prior to the HSC&WB formulation, a needs assessment of the local population must be undertaken by the local authority and Local Health Board (section 24 of the 2002 Act). The 2002 Act encourages consideration to be given to the establishment of a joint team to ensure delivery of their joint statutory duty.

4.2.3 The HSC&WB Strategy will integrate the Social Services Strategic Plans for Adults and Children Services with the Health Action Plan by March 2004.

4.2.4 Both *Promoting Partnership In Care* and *NHS Planning and Commissioning Guidance* emphasise the fundamental importance of joint Health and Social Care Commissioning Plans, developed with providers, as the effective vehicle to improved quality.

4.2.5 Under the Health Act (1999) Flexibilities the legal obstacles to the development of integrated services were reduced by introducing:

Pooled budgets: this involves local health and social services putting money into a single dedicated budget to fund a wide range of care services

Lead commissioning: either the local authority or the local health board/trust takes the lead in commissioning services on behalf of both bodies

Integrated provision: local authorities and local health boards merge their services to deliver a one-stop package of care.

The flexibilities can be used together in combination, where appropriate, and should promote a more joined-up response to service planning, commissioning and delivery.

4.2.6 It is submitted that the Department and the Local Health Board will increasingly seek to fund and commission services jointly. Where such services are jointly funded and/or jointly commissioned the Department and the LHB will aim to provide a joint contract for providers. This will simplify contracts and funding arrangements for providers.

4.3 Neighbouring Authorities (Regional Strategic Commissioning)

4.3.1 The Department supports the concept of regional strategic commissioning and will be a willing partner to any initiatives which are considered of value to the Authority. This will afford better sharing of market intelligence among neighbouring local authorities.

4.3.2 The Department has already formed, with Pembrokeshire County Council and Ceredigion County Council, a three counties partnership arrangement to commission both an NSPCC Advocacy Project to Looked After Children and the Rowan Foundation to administer and develop the Direct Payments Scheme. Equally, there has been a three counties partnership arrangement to operate a joint adoption panel which is to be further extended with a jointly commissioned adoption service.

4.3.3 The Department has also participated in a joint and regional Health and Social Care Learning Disability project with the said Councils, Pembrokeshire and Derwen NHS Trust and Dyfed/Powys Health Authority/LHB's designed to research the needs of service users requiring intensive support who, hitherto, had been placed outside of the counties of Carmarthenshire, Pembrokeshire and Ceredigion.

4.3.4 Other proposed regional strategic schemes the Department will look to develop will be disseminated via the service user Provider Forums and other relevant avenues. In Children's Services, this will continue to be disseminated via the Family Fora.

4.4 Education

The Department will work in partnership with Education and Health and other key statutory and voluntary organisations within the Children and Young People's

Framework for Partnership and its sub-groups, the Children's Partnership and Young Persons' Partnership, and will work in conjunction with the Children's Services Planning Group to plan to meet the needs of "children in need."

Services will be jointly commissioned with Education and Health through the multi-agency group for "Looked After Children" and the complex needs strategy group. There is also the intention for Social Care, Education and Health to fund jointly out of county placements and to develop joint commissioning arrangements for children with complex needs. A pilot Family Group Conferencing service has also been commissioned with Education and NCH.

4.5 Capital Partnerships with the Independent Sector

The Department will be receptive to any bids aimed at increasing the diversity and quality of social care and/or housing provision. A successful example of a capital partnership, funded under the Social Housing Grant Programme, has been the building of a new integrated care and accommodation complex for older people in Burry Port where the Department secured £1.8 million (58%) from the Welsh Assembly Government and Gwalia Housing Association provided £1.2 million (42%). Similarly, the older person's development in Dolawel, near Ystradowen, secured £265,000 (58%) from the Welsh Assembly Government with Bro Myrddin Housing Association securing the remaining 42%.

4.6 Housing Associations (Registered Social Landlords)

4.6.1 Through the Social Housing Grant Programme, the Department will work in conjunction with Housing Associations to commission and provide alternative models of care. It has commissioned registered social landlords to provide social rented housing and low cost ownership via home buy schemes and low interest schemes. The Department has also commissioned individual property schemes to meet housing need when unable to meet the need through existing stock. With the emergence of the Local Housing Strategy setting out the Department's strategic objectives, new schemes will be commissioned within this strategic planning process. It is the intention of the Department to develop a three year rolling Social Housing Grant Programme to commission schemes in order that registered social landlords will know the needs of the Department in advance.

4.6.2 The Department has commissioned new build schemes to offer better quality and individualised homes for residents living in Maeslliedi and Coleshill, care homes for people with learning and physical disabilities respectively. For Maeslliedi residents, the Department has commissioned Gwalia Housing Association to provide a 6-bedded and a 4-bedded unit. For Coleshill residents, the Department has worked in conjunction with Family Housing Association to provide individualised tenancies for them and other people with disabilities. Both commissioning schemes accord with the respective service area's philosophical and strategic direction in more appropriately meeting the needs of the service users. Funded from the Social Housing Grant Programme, the monies are paid directly to the housing associations although the management of the Programme is held by the Department.

4.6.3 The Department apportions part of its capital programme to improve the quality of homes in the public and private sector. There is a need to improve the capacity, resource-potential and quality of the private sector which the private sector renewal strategy will aim to address. There is also the intention to establish a landlords forum on similar lines as the provider forums.

4.7 Supporting People

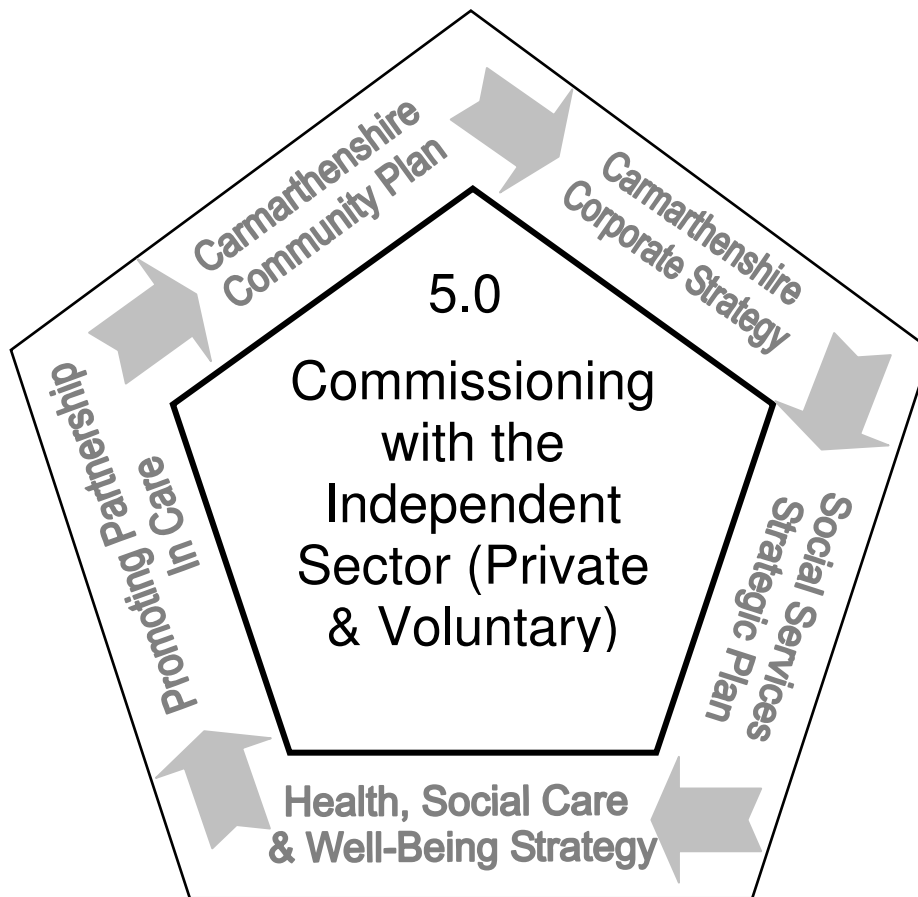
Through the Supporting People programme, the Department commissions services from a wide variety of providers intended to give service users greater financial autonomy and independence, and less institutionalised and restrictive styles of living. It is the intention of the Department to extend the principles and values of the Supporting People Programme through pipeline application schemes which offer further opportunities for providers to innovate for the service user 's benefit.

4.8 Adult Placement Scheme

The Department has recently established an Adult Placement Scheme for adults with learning disabilities enabling small care providers to offer an individualised "family-like" care setting for the service user. There are currently 19 families within the Adult Placement scheme. It is planned for the Adult Placement scheme to be extended to other service user groups in the near future, and to create respite options for carers.

Policy Statement

- **The Department will actively engage in joint, regional and multi-agency commissioning to develop different, flexible and imaginative services for service users and carers.**



- 5.1** The primary aim of *Promoting Partnership In Care* is for commissioners and providers to work together to create a social care industry where equality and mutual respect are the guiding principles and where continuous benefits will accrue for the service user and carer. The Department spends over £25½ million in the independent sector whether through day and residential placements, contracts with voluntary organisations to provide a range of services or financing new schemes such as Supporting People and Direct Payments.
- 5.2** The Department recognises the contribution the independent sector makes to the quality of lives of service users and carers. As recommended in *Promoting Partnership In Care*, the Authority's COMPACT with the voluntary sector and the Carmarthenshire Association of Voluntary Sector's document *A Fine Romance..? Partnership Working with the Voluntary Sector*, the Department will ensure that in each service user group there will be close and constructive relations established with providers in order that the principles and values as set out in the documents are firmly adhered to and that the delivery of both diverse and high quality provision is made a reality.
- 5.3** The Department will welcome any initiatives and ideas the independent sector has in bringing to the table new and innovative means of service delivery. While the Carmarthenshire Voluntary Sector Health and Wellbeing Forum provides voluntary representation, the Department would wish to see the service user commissioning groups ensure greater representation of the private sector on its planning groups in order to facilitate this objective. It is imperative that the provider forums act as a catalyst to facilitate democratic representation of the private sector. It is also expected that the

provider forums will act as a vehicle for the private and voluntary sector to gain information on the commissioning intentions of the Department, to influence service provision and the development of policy.

5.4 The Department would wish to promote and support independent sector organisations providing dynamic, flexible, innovative and pioneering models of service delivery. The Department will endeavour to support materially those organisations engaged in such enterprising projects and recognises the element of risk-taking in such enterprises.

5.5 For its part in fostering close and constructive relations with the independent sector, the Department will commit itself to the following:

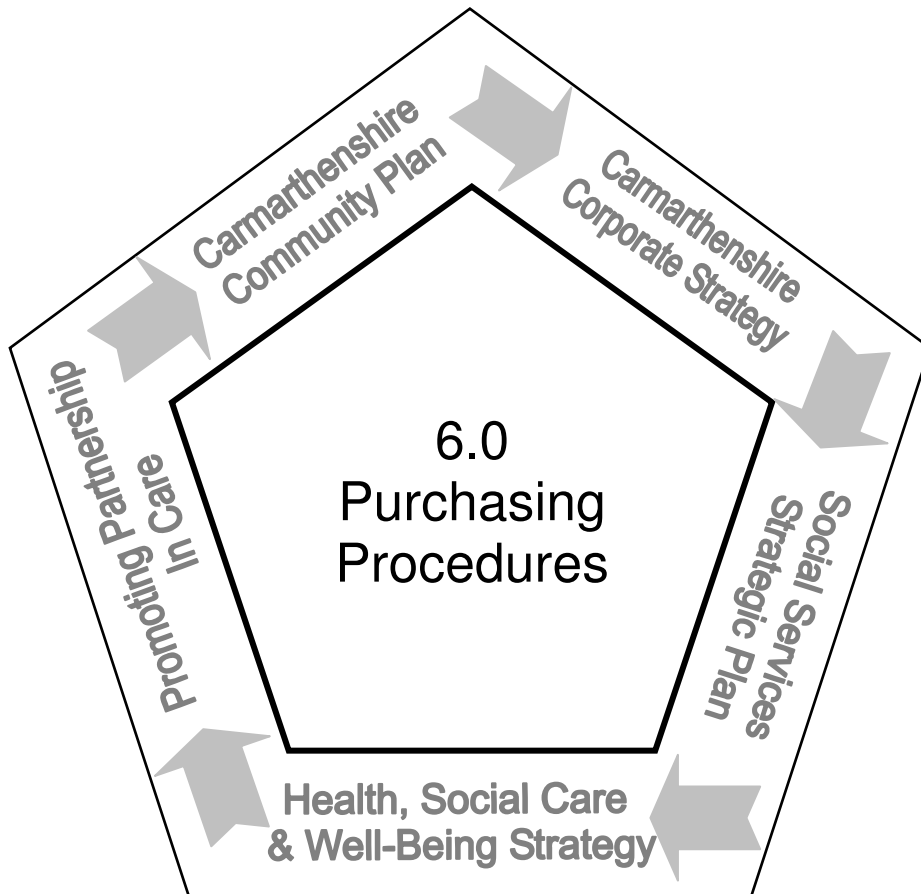
- To review its contract documentation and produce up-dated and relevant residential, domiciliary and day care contracting arrangements.
- To lessen the administrative burden and complexity for providers through a standardised contract framework and improve its service specifications. The Department will ensure that each organisation with which it contracts has a proper contract in place.
- To enter into longer term cost and volume and block contracting arrangements.
- To collaborate upon mutually agreeable and supportive arrangements for monitoring, evaluating and reviewing of contracts with emphasis on outcomes. The collecting and sharing of good quality data will form a key component for the commissioning cycle.
- To establish a range of provider forums (appendix C) to facilitate better communication and understanding between both parties. As has been noted, the Department recognises the need to integrate providers into all aspects of service planning. This will be achieved via the service user planning frameworks as well as the provider forums which can act as an access point for each and every provider in the county.
- The Department's contracting mechanisms will take account of the recommendations of the Treasury briefing, *The Role of the Voluntary and Community Sector in Service Delivery: A cross-cutting review* and the COMPACT between the Council and the Voluntary sector. For voluntary organisations, it will remove financial burdens and/or provide added financial incentives where appropriate and reasonable to do so. It will continue to directly provide or pay for training, administration, premises, legal or financial advice, transport and will extend this where possible.

5.6 The Department recognises the current fee level paid to care homes for both residential and nursing care is low and will do its utmost to remedy this issue. The Department fully supports the Care Forum for Wales campaign of "A Fair Price For Care" and is participating on an All Wales level aimed at identifying a fair price for care. The Department is equally concerned to reach consistent pricing arrangements for private day and domiciliary care and will endeavour to develop measures to achieve this.

5.7 The Department agrees that voluntary organisations should be able to supplement and extend service provision under the Contract by obtaining funding from other sources subject to consultation with the Local Authority.

Policy Statement

- **The Department values the contribution of the independent sector and will introduce measures to facilitate constructive engagement.**
- **The Department will establish provider forums for each service area.**
- **The Department will review its contract management procedures to provide consistency and clarity for its partners.**



6.1 The Corporate Procurement Strategy enshrines the aims and principles of the Authority’s strategic approach. It submits that a corporate approach to procurement throughout the Authority is vital if the Authority is to consistently achieve its main aims and objectives. Documents such as the Council’s Financial Regulations, Contract Procedure Rules and Purchasing Manual reflect all aspects of the procurement strategy. They seek to promote and assist:

- The consideration of options for service delivery by the Council under the Wales Programme for Improvement (WPI), including partnering, externalisation, market testing, re-engineering of in-house provision, joint commissioning, public-private partnerships or any other appropriate action
- The development of alternative and innovative methods of procuring goods, works and services together with guidance on the actual procurement process
- The development of specifications which allow for the packaging of a proposed undertaking into a format appropriate to the available market
- Researching the marketplace in order to assist in the development of new suppliers that could meet the Council’s service needs, and also to facilitate an improvement in the competitiveness of the existing supplier base
- Continuous communication with private, voluntary and other public sector providers in order to establish the potential for improving services.

6.1.1 This Strategy is in accordance with the Corporate Procurement Strategy although, as has been noted, particular areas of social care and housing commissioning and contracting practice require greater attention. Presently, the Departmental Purchasing Co-ordinator represents the Department attending the Corporate Procurement Unit Working Group and is responsible for coordination of departmental purchasing activity. It is recommended that a Departmental procurement group be established to ensure the Department operates in a consistent and coherent fashion against Corporate procurement policies and procedures. This will enable harmonisation, information exchange and the dissemination of best practice.

6.2 Wales Programme for Improvement (WPI), Partnership Working and Corporate Procedures

6.2.1 It is fundamental that the principles of the Wales Programme for Improvement (WPI) are applied before the Department enters into partnership working. The Department will need to give careful consideration to the mechanisms and criteria which will govern how and on what basis partners are chosen.

6.2.2 Financial Regulations require contracts over £50,000 to be put out to tender. Provided that a proposed contract complies with all other relevant Contract Procedure Rules, Code(s) of Practice or Financial Procedure Rules, the tendering procedures for social care contracts need not apply. The following extracts from the Financial Regulations explain the circumstances where the procedures need not apply:-

“if in the opinion of the appropriate Lead Officer it is considered in the Council’s interests in order to meet its obligations under relevant legislation, provided that documented alternative procedures are put in place”

“the execution of works or provision of goods or services of a specialised nature which in the opinion of the Lead Officer are carried out by only one provider and where no reasonably satisfactory alternative is available”

6.2.3 In considering situations where the normal tendering procedures need not apply, it may be argued that continuous service improvement is secured and partnerships appropriate in the following circumstances:

- A niche service, where diseconomies of small scale create a natural local monopoly
- Continuity of care is important, for the user’s sake
- A provider with a particularly close identity with the user group, especially where that identity is important for the quality service
- The provider can demonstrate that it is a market leader in this field, in terms of both quality (including user satisfaction) and cost – insofar as such demonstrations are feasible
- The provider has shown high levels of competence, contract compliance and goodwill
- Close parity can be achieved between the principles, objectives and priorities of both provider and commissioner
- The provider has invested/will invest considerable resources to develop premises, equipment, staff and systems in order to provide the necessary quality of service, the investment may be subsidised by its own resources
- The commissioners are relying on the provider to develop new areas of work which they do not have the expertise to specify

- The absence of existing or potential providers.

6.2.4 However, it is essential that before a partnership is created, where the opportunity to compete is excluded, whatever the duration and value of the contract (i.e. under or over £50,000), cogent reasons must be submitted in writing by the Lead officer to the Director for consideration and agreement in order to satisfy Corporate procedures and standards. In other words, to demonstrate that commissioning and contracting have been undertaken in an open, non-discriminatory and transparent manner, the Department will ensure that at all stages, the commissioning and contracting process can be audited satisfactorily with reference to a clear decision making process on awarding contracts.

6.2.5 Where the Department considers it proper and reasonable to stimulate competition, it will adhere to the procedures laid down in the Purchasing Manual and Financial Regulations.

6.3 Local Government Act 1988

6.3.1 Part II of the Local Government Act 1988 has been amended by Statutory Instrument No 909/2001 with regard to what local authorities may consider specifying in social care contracts. Non-commercial considerations which cannot be specified include:

- Terms and conditions of employment
- Trades union membership.

6.3.2 However, the Statutory Instrument No 909/2001 has modified the restriction in relation to workforce and management practices in cases in which there are relevant quality and Best Value considerations. These will be considered as part of the Department's contract process.

6.3.3 The Local Government Act 1988 does not prevent local authorities from taking into account the following matters if they can be justified as commercial considerations:

- Staff qualifications and experience
- Ability to recruit and retain staff
- Use of part-time staff and volunteers
- Management track record (including senior management CV's)
- Suitability to work with children and older people
- Past health and safety record
- Genuine occupational qualifications (e.g. requiring bilingual staff in day centres for bilingual users)
- Financial standing
- Ability to meet the terms of the contract
- Previous contract performance
- Understanding of relevant legislation.

6.3.4 The Department would recommend as good practice that the above factors should be assessed through evaluation of a "contract compliance questionnaire" to be completed by the provider organisation. The local authority must be satisfied that the provider organisation has adequate financial and management resources to maintain services throughout the contract period. Where contracts are awarded without competitive tendering, the Department should require the provider organisation to submit detailed proposals in terms of staffing, management resources, financial resources and other relevant considerations.

6.3.5 The Department will require the provider organisation to prepare and submit a service development plan which should set out:

- Long term service objectives
- Priority areas for development
- Financial targets
- Investment in training
- Staff development policies
- Equalities policies
- Health and safety policy, practices and procedures.

This is consistent with good commissioning and contracting practice and EU public procurement law.

6.4 Quality in Purchasing

To ensure the Department secures quality of service provision, it considers the following as essential for providers to demonstrate:

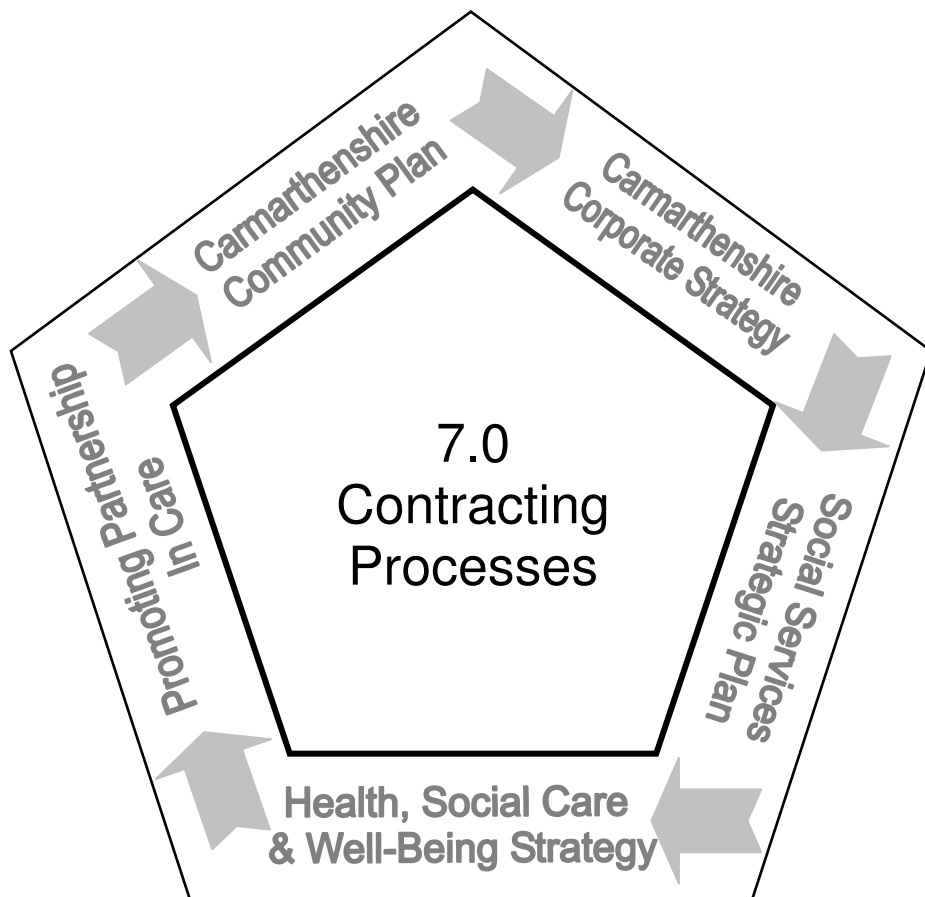
- Organisational values and philosophy towards Quality and with what result
- A Quality policy not only with regard to the purpose of the service but how that purpose is achieved
- An Outcomes Focus
- Trained staff accordingly.

The Department believes that if providers meet the above, the likelihood of a reliable and quality service is higher.

It is recommended that expectations should be established at the outset of the contracting process and that the inclusion of quality clauses in contracts is one way of defining expectations. The Policy and Performance Division has produced a model service specification template and accompanying guidelines on completing service specifications which it recommends are applied to all contracts.

Policy Statement

- **The Department will set up a Departmental Procurement Group.**
- **The Department will review its purchasing procedures and, in particular, the awarding of contracts in line with the Authority's Financial Regulations.**
- **Each contractor will have a copy of the Department's conditions of contract and a detailed service specification.**



7.1 Principles and Values

“While effective commissioning is seen as the route to securing good quality care contracting is seen as the vehicle to deliver quality services” (Bamford: *Commissioning and Purchasing 2001*).

- 7.1.1** The Department considers the principles and values of relational contracting should govern its commissioning and contracting of services both directly and with the private and voluntary sector. Relational contracting has been defined as “building lasting partnerships with customers and suppliers to ensure consistent quality and efficiency at all stages of the production process” (Darwin 1995). The Department’s approach to relational contracting is based on the belief and premise of social care as being a service in which care providers have a shared ethical and philosophical value base towards the improved delivery of quality services for service users and carers. It accepts that problems will arise but that these can be dealt with by mutual co-operation and the development of trust.
- 7.1.2** The Department will engage in principled conduct, procedural fairness, openness, trust and information exchange in its negotiations with the independent sector.
- 7.1.3** Social care contracts should emphasise probity and continuity of provision. The service user and carer should inform the preparation of contract and remain intrinsic to its effective performance. Service users and carers should be involved in the drawing up, awarding and monitoring of contracts. Targets for service user participation in this contract process are recommended as follows:-

April 2004-05 - 25%;
April 2005-06 - 50%;
April 2006-07 - 75%
April 2007-08 – 100%

7.1.4 New forms of partnership and more traditional contractual relationships will both play a part in the provision of services under the Wales Programme for Improvement (WPI). The approach will depend on the service to be delivered, including size, type and duration of the contract, and the nature of the relationship between the Authority and provider. It should be recognised that small businesses and new entrants to the market may not have the capacity or experience to respond comprehensively to detailed enquiries, but may nevertheless be able to make attractive bids.

7.2 Role of Care Management and Budget Devolution

7.2.1 All purchasers of services need to follow the Corporate procedures as laid down in the Purchasing Manual. Individual care management purchasing is exempt from the normal Contract Procedure Rules. It is envisaged that with the implementation of the Unified Assessment Framework and increasing joint working under Health Act (1999) Flexibilities, the role of the care manager will be undertaken by various health and social care professionals. The Department will support initiatives with NHS Trust staff to enable health professionals to access pooled budgets where it is appropriate and practical to do so.

7.2.2 The Department intends to devolve its budgets to Senior Principal Officer and, subsequently, to Team Manager level as it believes this is the most efficient and effective means of balancing the demand for and supply of services. A timetable for budget devolution is being developed.

7.3 Approved Provider and Accreditation system

7.3.1 As part of our commitment to developing a mixed economy of care, the Department intends to develop an approved provider register covering all care services. The Department will inform providers when we are in a position to establish the Approved Provider list and will invite all interested organisations which will then receive the conditions of contract and the service specification. Applicants will be required to submit information to demonstrate they can meet the Department's standards and quality criteria in order to be placed on the register as an approved provider. There will be no guarantee of business when formally approved on the register. For those who fail to meet the criteria, an appeals procedure will be available.

7.3.2 In the particular area of domiciliary care a commissioning strategy will be produced to inform domiciliary care agencies of the commissioning intentions of the Department. This will specify the type and volume of provision the Department intends to provide and what it wishes to commission with the independent sector.

7.3.3 The Department will consider introducing a premium system of payment for high quality services where its criteria are satisfied. This will need to be coherently linked to the measures outlined in this strategy.

7.4 Contract Documentation

7.4.1 The Department will provide contract documentation which will be:

- Appropriate to the service being commissioned
- Succinct and easy to understand
- Compliant with legal requirements
- Useful working tools and provide a satisfactory basis for contract monitoring
- Even-handed and seen to be fair to all parties
- Subject to consultation and regular review via the Provider Forums.

7.4.2 The revised contract conditions and service specification template for the voluntary sector organisations, along with guidance notes outlining the purpose of the service specification, have been produced and are to be applied in consultation to each contract with the voluntary organisation. The Department will aim to revise its day care and residential care contract conditions and service specification in consultation with providers and in accordance with the regulations and standards of the CSIW.

7.4.3 As aforementioned, the Department will seek to develop joint documentation with our commissioning partners, principally the Local Health Board.

7.5 Contract Mechanisms

7.5.1 A range or combination of contract forms may be used in the commissioning of services. They are:

- Service or Partnership Agreements
- Contracting by open expressions of interest
- Per capita fees (paid in respect of individual service recipients e.g. residential/day care placements)
- Block contracts
- Cost and Volume Contracts
- Zone geographical contracts
- Spot purchasing or individual contracts.

7.5.2 Historically, the Department has not entered into block or cost and volume contracts. This will change where such contracts satisfy the following conditions:-

- Represents more effective and efficient purchasing than those demonstrated by continued spot purchasing over a period of time
- Will stimulate the development of new services
- Enables better management of the market
- Promotes achievement of Best Value for the Department, and for users and carers in terms of cost effectiveness.

7.5.3 Where individual contracts apply any decision to secure a service will be based upon the provider's ability to meet the user's assessed needs. The stated preference of the user and or the carer within the context of available financial resources and any relevant statutory direction will be the central consideration.

7.6 Balancing Cost and Quality in Contracting

7.6.1 The system of contracting will seek to achieve Best Value and balance cost and quality for those services commissioned by:

- setting standards and cost implications
- making clear the basis for the determination of the (normal) price
- keeping administrative processes as an organisation to a minimum.

7.7 Relationship with the Care Standards Inspectorate for Wales (CSIW)

The Department will maintain close working relationships with the CSIW to ensure its contractual arrangements are consistent with the National Assembly for Wales' Regulations and National Minimum Standards and that providers are not faced with unnecessary duplication of roles. The Department will use the CSIW's annual inspection reports to assist its contract management and monitoring arrangements, and to avoid such duplication.

7.8 Managing and Monitoring Contracts

7.8.1 Successful contract management depends on the soundness of the agreement between the commissioning agent and the service provider and the effectiveness of their relationship which also recognises the service user's perspective. It is fundamental to the successful performance and management of any contract that it is properly monitored and evaluated commensurate to the value of the contract. Contract management should be conducted in a positive and co-operative fashion in a way that is time and cost effective for both service provider and client. This should be part of the overall collaborative and enabling approach the Department wishes to foster with providers.

7.8.2 A positive approach to contract management will not only have direct benefits for the service being provided, it will also give service providers the opportunity to develop and enhance a reputation as a good employer providing good quality services. This will raise the quality of the market and will in turn be valuable to the Department in future commissioning and contracting exercises.

7.8.3 Each contract will be subject to monitoring procedures as set out in the contract and service specification. Depending upon the nature of the service concerned and the type of organisation, procedures might include:

- The setting of performance targets
- The requirement for management information e.g. on service take-up
- Periodic inspections
- Consumer surveys
- Consultation meetings
- Independent assessment by a third party
- Financial information
- Joint annual review mechanisms
- Access to the results of the organisation's own internal monitoring mechanisms.

7.8.4 The Department recommends as good practice that a contract with an annual value of over £15,000 is reviewed quarterly between the provider organisation and the lead officer (or his/her representative) to discuss the quarterly data supplied, any complaints, good

practice developments and other relevant considerations. For contracts between £5,000 and £15,000, the recommendation is six monthly. For large contracts (over £100,000 per annum) the Department would recommend bi-monthly review meetings take place between relevant parties. For every social care contract, an annual contract review meeting should be held to discuss all aspects of the contract. It is submitted that service users and/or carers, where possible, participate in the review meetings.

7.8.5 Arrangements for contract management will:

- Establish responsibility for contract monitoring and the mechanisms to be used
- Define roles and responsibilities of the Departmental lead officer and the provider organisation's lead officer
- Encourage user and carer feedback
- Establish a database to gather information of views of care manager, the service user and carer and CISW e.g. for operational staff to refer contracting failures for investigation, to assist with an accredited system for rating provider organisations on costs and quality.

7.8.6 When out of county residential placements are procured, the provider will be required to meet the contract conditions and service specification of the Department. In Children's Services, the *Pan Wales Residential Contract* and Service Specification for children placed in out of county residential homes will aim to govern this process. In Adult Services, the planned revised terms and conditions will determine placement choice and availability.

It is particularly recommended that arrangements for monitoring and review of an out of county placement should be included in the contract at the outset and that they should be seen to be both appropriate and reasonable.

7.8.7 Where any services commissioned by the Department are found to be falling below the standard defined within a service specification every attempt will be made through negotiations to rectify this situation. Where necessary, however, the Department will issue, as laid down in its terms and conditions, a default notice to alert the provider to the seriousness of the failing service. Continued failure will compel the Department to call a formal contract review meeting with a view to cancelling the contract.

7.8.8 In order to ensure fairness, a procedure will remain available through which the provider organisation can challenge any decisions made by the Department. Similar arrangements will apply to prospective providers not approved by the Department who may wish to question that decision.

7.8.9 The Department will create a central register of its existing grants, service level agreements and contracts.

7.8.10 Any review of the contract conditions, agreed in consultation, will be disseminated to all individuals and organisations as a matter of policy.

7.8.11 As aforementioned, the Department will establish a Departmental Procurement Group on good commissioning and contracting practice. This will ensure consistency and uniformity with the Corporate Procurement Unit.

7.8.12 Owing to fundamental weaknesses in its contract management arrangements, the Department proposes to consider how it can secure the necessary resources to develop

a more focused and systematic approach to the contract management function. Such resources would enable the Department to improve the quality of its contract procedures and contract documentation and ensure the Department was confident it was receiving the services it was paying for and was meeting the value for money test. The risk of not identifying such resources will mean limited progress on implementing the strategy. It will mean that the Department will fail to analyse the social care market or prepare contingency strategies for unanticipated crises within the market.

7.9 User, Carer and Public Feedback

7.9.1 It is essential that those who have experience of services have the opportunity to give feedback and offer opinion. The Department is continually reviewing its arrangements to enhance direct feedback and to hear from providers.

7.9.2 It is expected that provider organisations will have a procedure to hear compliments, complaints, comments and representations.

7.9.3 Agreements with the in-house and independent sector should make provision for user involvement. In renewing these agreements the opportunity will be taken to strengthen responsibility for obtaining user and carer feedback from all provider organisations.

7.10 Focus on Outcomes

7.10.1 In line with *Promoting Partnership In Care*, the Department will place a greater emphasis on applying an outcomes focus. (Guidance has been produced and is available from the Policy and Performance Division.)

7.10.2 The Department understands the need to identify a small number of outcomes for small-scale voluntary organisations and would not wish to add any unnecessary burden to the task.

7.11 Redress for Users and Carers

7.11.1 Should the service user or carer be dissatisfied with the care services they receive, they have the right to complain via a complaints procedure. The Department believes that, wherever possible, the service provider should be responsible for investigating complaints from the service user via their own procedure. Most complaints fall into this category. Should the service user remain dissatisfied after investigation by the provider organisation, they may decide to go to Stage 2 of the Department's complaints procedure – the Formal Complaints Investigation. The Department expects providers to co-operate fully with the investigation by the Senior Principal Officer or delegated representative and to comply with any reasonable recommendations resulting from the investigation.

7.11.2 If the service user remains dissatisfied, Stage 3 of the Complaints Procedure will be triggered where Providers will be expected to act on these recommendations.

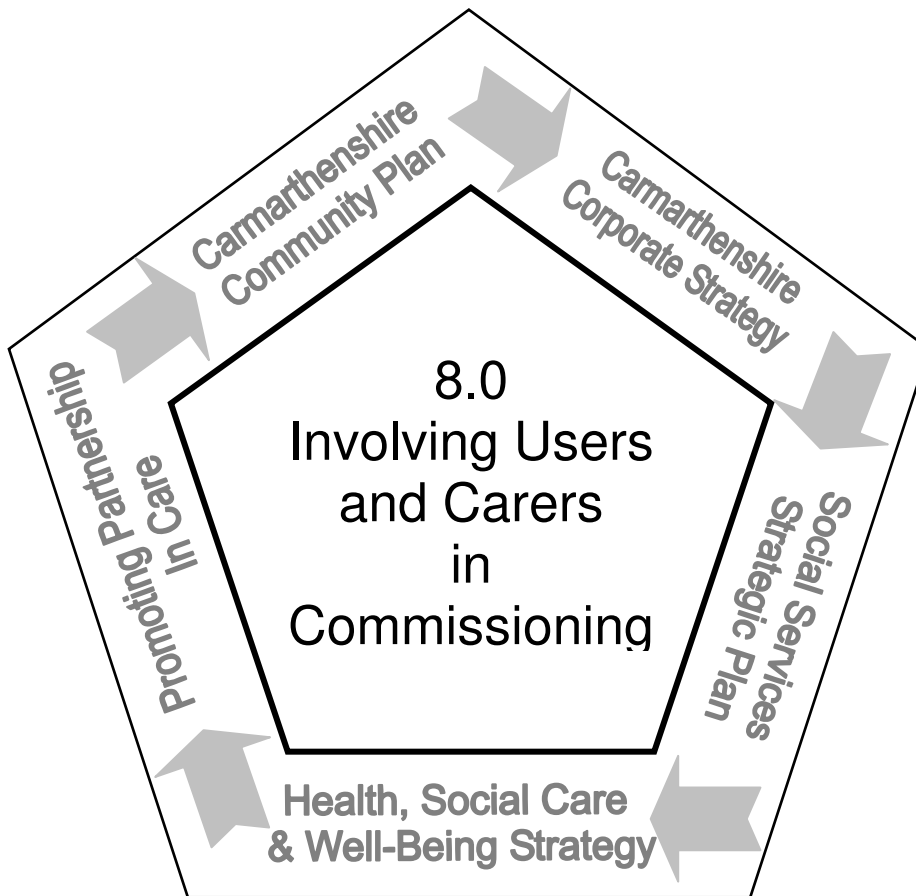
7.11.3 For its part, the Department will work with providers to:

- Make sure the service users understand their rights

- Make sure providers of care understand how our complaints procedures work, and how they will be expected to co-operate in the investigation and resolution of complaints
- Monitor and learn from complaints investigations
- Publicise the procedure and report back annually about how complaints have been handled and lessons learnt.

Policy Statement

- **It is recommended that the Department considers how it can secure the resources necessary for the full implementation of the strategy.**
- **It is recommended that an approved provider list for residential and domiciliary care agencies is established with a registration system.**
- **Each and every social care contract will be properly managed and monitored.**



- 8.1** The Department is committed to the involvement of users and carers in planning, monitoring and evaluating of services. This is being increasingly developed via the joint commissioning groups wherein the active participation of service users and carers is encouraged and supported as well as through the Department’s contracting processes with providers.
- 8.2** The following procedures apply to the involvement of users and carers in care commissioning and review:
- (a) Contracting For Care Services**
Users/carers may not contract for a service to be purchased by the Department unless the service has been authorised by an officer of the Department.
 - (b) Partners in Contracts**
It is a basic requirement of care contracts that the individual user is involved in the contract. The aim of this arrangement is to promote the standing of the user as a purchaser of care and to emphasise to providers that the user is the real customer of the service.

Where ethical dilemmas arise over the ability of the user, it is a matter for relevant parties to reach a negotiated outcome/settlement.

(c) Contributions to Costs

Subject to legal requirements (s117 of the Mental Health Act 1983 and Children's services) and the Department's charging policy, users will be expected to contribute to the cost of services. The aim will be to ensure that no one will be denied a service (where need has been assessed) due to an individual's exceptional circumstances of financial hardship.

(d) Direct Payments

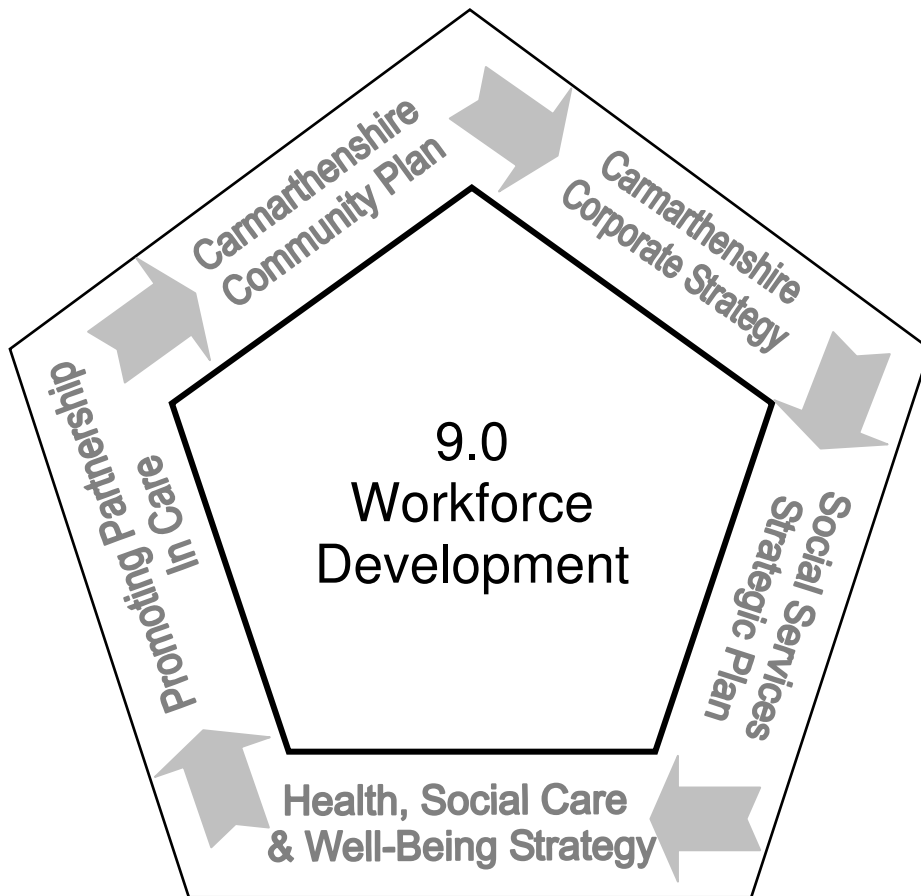
As aforementioned, the Department has awarded a contract in partnership with Pembrokeshire and Ceredigion County Council to the Rowan Foundation for the administration and running of a Direct Payments Scheme. The intention will be to extend the Direct Payments Scheme for all service users. This will be detailed in the service user commissioning strategies.

(e) Additional Purchasing

Individuals are not excluded from the purchasing of additional services they may wish to receive from any provider approved by the Department. Where this happens it has to be explicit this is a separate arrangement and there is no financial or other liability attached to the Department. The pricing arrangements for the provision of such services is a matter for the provider and user to determine.

Policy Statement

- **Service users and carers must be seen increasingly as commissioning/contracting partners.**



- 9.1** Integral to the success of high quality service delivery is a competent, skilled and trained workforce. The Social Care Workforce Development Programme (SCWDP) for Personal Social Services 2003/04, formerly the Training Support Programme, requires the local authority to take the lead in developing a Social Care Workforce Development Partnership that will link to the local authority strategic plans for the social services with its accompanying human resource strategy and plan. The broad aim of the SCWDP is to improve the quality and management of social services provision, through a planned approach to training. The specific objective of the SCWDP is to increase the proportion of staff with the qualifications, skills and knowledge they need for the work they do. The SCWDP will assist in implementing the wider agenda to raise standards and protect vulnerable people by linking this objective to the human resources management agenda, commissioning processes and to the training and development of staff employed by independent providers.
- 9.2** The Department will establish a Training Strategy Partnership working group, inclusive of all major stakeholders, in order to produce the Training Strategy Plan. This will be a phased five year plan aligned with strategic service planning and the future Health, Social Care and Well-Being Strategy, aimed at identifying and implementing training's contribution to moving towards the provision of quality services, however they are provided. While the first year will concentrate on collating the workforce needs of the independent sector, the Department would wish to see the independent sector identify training budgets for their staff. The Department would expect the provider forums to be

one of a number of platforms for the independent sector to articulate its opinions on workforce planning and training.

- 9.3** The Department has provided training to staff from a range of independent sector provider organisations e.g. Adult Abuse Awareness training, manual handling, welfare benefits. However, the Department will wish to develop and progress this area.

Some of the ways the Department will consider are:

- Share training strategies and partnerships
- Support provider training e.g. manual handling.

This will run alongside other means of working with the independent sector:

- Using the independent sector in formal monitoring mechanisms
- Co-locating.

- 9.4** Arrangements for funding training should be included in the commissioning and contract process. Commissioners, as purchasers of service, should be clear about the standards of staff training and qualifications they expect and they should make adequate provision for the support of training. The Authority's Welsh Language Scheme must be specifically addressed at both the commissioning and training level. This is specifically referred to in *Promoting Partnership In Care*.

- 9.5** Within each commissioning strategy, there will be a need to address capacity building in relation to workforce planning and training; recruitment and retention strategies; and the development of regional partnership structures to identify key workforce issues.

Policy Statement

The Department will ensure that its commissioning and contracting processes address the workforce development agenda across the social care sector.

CONCLUDING REMARKS

This is the first time the Department has produced an overarching commissioning and contracting strategy. It provides information to all providers in all sectors about the direction, the principles and values and the means and processes by which the Department intends to conduct its future commissioning and contracting business. The Strategy will be translated into operational reality through the service user commissioning strategies applying these principles and processes.

The Strategy is intended to encourage close and constructive working relationships between commissioners and providers. It is our hope that the Strategy will help to enhance our existing good working relationships with all stakeholders and will provide further evidence of, and momentum to, the Department's commitment to securing choice and quality for service user and carer.

Following the consultation period, the Strategy will be reviewed and thereafter on an annual basis.

ACTION CHECKLIST: PERSON (S) RESPONSIBLE/RECOMMENDATIONS

Primary Aim	Key Action	Outcome	Performance Indicators	Person (s) Responsible	Resource Implications	Timescale
To provide a coherent and consistent Departmental approach to commissioning and contracting in accordance with Corporate policy.	To implement the Strategy.	Consistent and coherent application of commissioning and contracting approach.	1. Direct evidence of consistent strategy formulation and contract management system. 2. Internal audit approves Department's community contract processes. 3. External inspections approve Department's commissioning and contracting processes.	Head of Policy and Performance.	Existing resources	April 2004.

1. Commissioning Process

Objective	Key Action	Outcome	Performance Indicators	Person (s) Responsible	Resource Implications	Timescale
The commissioning process to be applied to each commissioning strategy.	To inform the responsible commissioning bodies of the importance of following a systematic and rational commissioning process.	Good quality processes based on clear methodology and principled based approach	1. Training workshops held on commissioning and contracting. 2. Officers will be able to demonstrate knowledge and understanding of the key components of commissioning and provide evidence that the process has been applied. 3. Representation of service users and all providers in commissioning process.	1. Principal Officer: Commissioning and Contracting 2. Joint Commissioning Officer/Senior Principal Officer	Existing resources	April 2005.

Objective	Key Action	Outcome	Performance Indicators	Person (s) Responsible	Resource Implications	Timescale
To map the market and develop market intelligence (demand and supply).	To liaise with providers, government departments, LHBs and in-house officers on demand and supply.	1.Provision of good quality data to inform existing and future commissioning intentions 2. Meet needs of service users more effectively.3.Enable a more efficient, effective and rational use of resources.	Information available on local providers, including their costs and price, staffing levels and training needs.	Joint Commissioning Officer/Senior Principal Officer/Planning Officer (Adults Services)	Existing Resources	October 2004.
To involve independent sector in each commissioning strategy.	To engage with private and voluntary sector via Provider Forums and other strategic planning networks	An inclusive approach to commissioning. Better appreciation of each other's needs and values.	1. Representatives from private and voluntary sector will fully participate in planning groups and have views reflected in the commissioning strategies. 2. Development of joint approach to areas such as workforce development.	Joint Commissioning Officer/Senior Principal Officer	Existing Resources	April 2004.

2. Commissioning with the Independent Sector

Objective	Key Action	Outcome	Performance Indicators	Person (s) Responsible	Resource Implications	Timescale
To establish a provider forum for each service user area.	To invite all existing and potential providers to individual service user forums and pursue PPIC agenda	<ol style="list-style-type: none"> 1. Improved relationships between commissioners and providers. 2. Commissioners and providers aware of each other's issues. 3. Cross fertilization of ideas for innovative service delivery. 	<ol style="list-style-type: none"> 1. Full and active participation in running of provider forum from all sectors. 2. Participation in joint enterprise / exercises. 3. Delivery of new ways of working. 	Principal Officer: Commissioning and Contracting/ Senior Principal Officer/Joint Commissioning Officer.	Existing Resources	January 2004.
To develop a standardized contract framework for voluntary organizations.	To apply revised terms and conditions with improved service specifications.	<ol style="list-style-type: none"> 1. Consistent approach with the voluntary sector. 2. Improved joint working. 3. Improved service quality. 	Positive feedback from voluntary sector.	Principal Officer: Commissioning and Contracting.	Framework developed. Implementation depends on additional resources	January 2004.

Objective	Key Action	Outcome	Performance Indicators	Person (s) Responsible	Resource Implications	Timescale
To apply a consistent contract management system to the voluntary sector.	To inform Senior Principal Officer/ Joint Commissioning Officer of the importance of their roles supporting, advising, monitoring and reviewing voluntary sector and contracts.	1. Improved relationships between commissioners and providers. 2. Create knowledge of performance of contract.	1. Contracts in place for every voluntary organisation to whom we provide funding. 2. Regular quarterly or six-monthly review meetings and annual contract review meetings held. 3. Good flow of monitoring and evaluating data centrally collated and analysed. 4. Existence of a database.	Senior Principal Officer/Joint Commissioning Officer.	Additional resources required	April 2005.
To develop a joint contracting process with the LHB for the voluntary sector.	Agreement with respective officers on merit of joint contract.	1. Less duplication for voluntary sector. 2. Consistent commissioning approach to outcome based services.	Joint contracts where Local Authority / Local Health Board both fund the organisation.	Principal Officer: Commissioning and Contracting.	Additional resources required	April 2004.

3. Purchasing Procedures

Objective	Key Action	Outcome	Performance Indicators	Person (s) Responsible	Resource Implications	Timescale
To establish a Departmental Procurement Group.	To invite representatives from all sections of the Department.	To act as a link between Corporate Procurement Unit (CPU) and Department as a whole.	Establishment of the group with regular dialogue with CPU.	Head of Policy and Performance.	Existing resources	October 2004.
To develop consistent pricing arrangements for day and domiciliary care.	To audit existing arrangements with providers and establish an agreed system.	1. Consistency and fairness.	An open and available pricing system which providers accept as consistent and fair.	Principal Officer: Commissioning and Contracting/ Senior Principal Officers.	Additional resources required	October 2004.
To create a central register of key departmental procurement activity of contracts.	To liaise with senior management, administration and financial sections.	Co-ordination and order of type and volume of significant procurement activity.	Database with accurate, up-to-date information.	Principal Officer: Commissioning and Contracting	Additional resources required	October 2004.

4. Contracting Processes

Objective	Key Action	Outcome	Performance Indicators	Person (s) Responsible	Resource Implications	Timescale
To improve contract documentation.	Apply revised terms and conditions and service specifications for domiciliary, residential and day services.	Up-to-date and relevant policies, practices and procedures.	Implementation of terms and conditions with private sector care homes and domiciliary care agencies.	Principal Officer: Commissioning and Contracting.	Documentation being revised but additional resources required for implementation	April 2004.
To establish a system of approving existing and new care providers.	To develop documentation and procedures necessary to approve a provider.	Management of quality of providers for service users and carers.	1. Use of tendering procedures. 2. Formation of a panel to examine quality standards of new entrants and existing providers.	Principal Officer: Commissioning and Contracting.	Additional resources required	October 2004.
To establish fair and open contracting monitoring procedures for both in-house and external providers.	Commissioning to establish system/ team to monitor services in an even-handed way.	1. Equal and fair treatment for all providers. 2. Department is seen to be acting with propriety.	1. Collation of standard forms open to external inspection. 2. Satisfaction reported by providers of value of monitoring.	Principal Officer: Commissioning and Contracting.	Additional resources required	April 2005.
To develop different contracting mechanisms.	To liaise with legal, financial and procurement on block and cost and volume contracting mechanisms.	1. Improved security for providers. 2. Better quality of services for department. 3. Stable market. 4. Best Value tests met.	Implementation of alternative contracts to current dependence on spot contracts.	Principal Officer: Commissioning and Contracting/ Senior Principal Officer.	Existing resources	October 2004.

5. Involving Users & Carers in Commissioning

Objective	Key Action	Outcome	Performance Indicators	Person (s) Responsible	Resource Implications	Timescale
To involve service user and carer in the drawing up, awarding and monitoring of contract.	To ensure Senior Principal Officer/ Joint Commissioning Officer and providers embrace the service user/ carer participation agenda.	1.Improved service user/carer participation in Department's commissioning and contracting process. 2. Knowledge on performance of contract and level of effectiveness.	Service user participation in annual audit of contracts.	Principal Officer: Commissioning and Contracting/ Senior Principal Officer/Joint Commissioning Officer.	Additional resources required	April 2004 – Ongoing.

6. Workforce Development

Objective	Key Action	Outcome	Performance Indicators	Person (s) Responsible	Resource Implications	Timescale
To ensure the workforce development agenda is integrated into the commissioning and contract processes.	To disseminate via establishment of Provider Forums. To link closely with Training Section in establishing of Training Strategy Partnership Group	Consistent standards within in-house, private and voluntary sector. Greater harmonisation and unity of effort	1. Joint training initiatives. 2. Workforce development agenda is routinely discussed at provider forums, and sub-groups are formed to examine areas of common need.	Head of Support Services/ Training Manager: Adult Services/ Principal Officer: Commissioning and Contracting.	Existing resources	April 2004.

KEY FINANCIAL STATISTICS

Information on the Department of Social Care and Housing's gross expenditure for the financial year 2002/03 in children's and adults services.

Figure 1	Total expenditure on children's and adults services: £42, 901, 000
Figure 2	Proportion of expenditure on adult services, total: £38, 033, 000
Figure 3	Proportion of expenditure on children's services, total: £4, 868, 000
Figure 4	Proportion of expenditure on older people's services, total: £28, 851, 000
Figure 5	Proportion of expenditure on services for people with physical disabilities, total: £1, 460, 000
Figure 6	Proportion of expenditure on services for people with learning disabilities, total: £6, 575, 000
Figure 7	Proportion of expenditure on mental health services, total: £1, 147, 000
Figure 8	Total expenditure on residential services for children and adults: £27, 165, 000
Figure 9	Proportion of expenditure on Local Authority and private residential services for adults, total: £24, 518, 000
Figure 10	Total expenditure on Local Authority residential services for children and adults, total: £10, 958, 000
Figure 11	Total expenditure on private residential services for children and adults, total: £16, 207, 000
Figure 12	Total expenditure on home care services for children and adults: £9, 294, 000
Figure 13	Total expenditure on day care services for children and adults: £6, 442, 000
Figure 14	Total expenditure on domiciliary care services for older people: £8, 761, 000
Figure 15	Total expenditure on the voluntary sector: £3, 045, 000

Figure 1 - Total expenditure on children's and adults services: £42, 901, 000

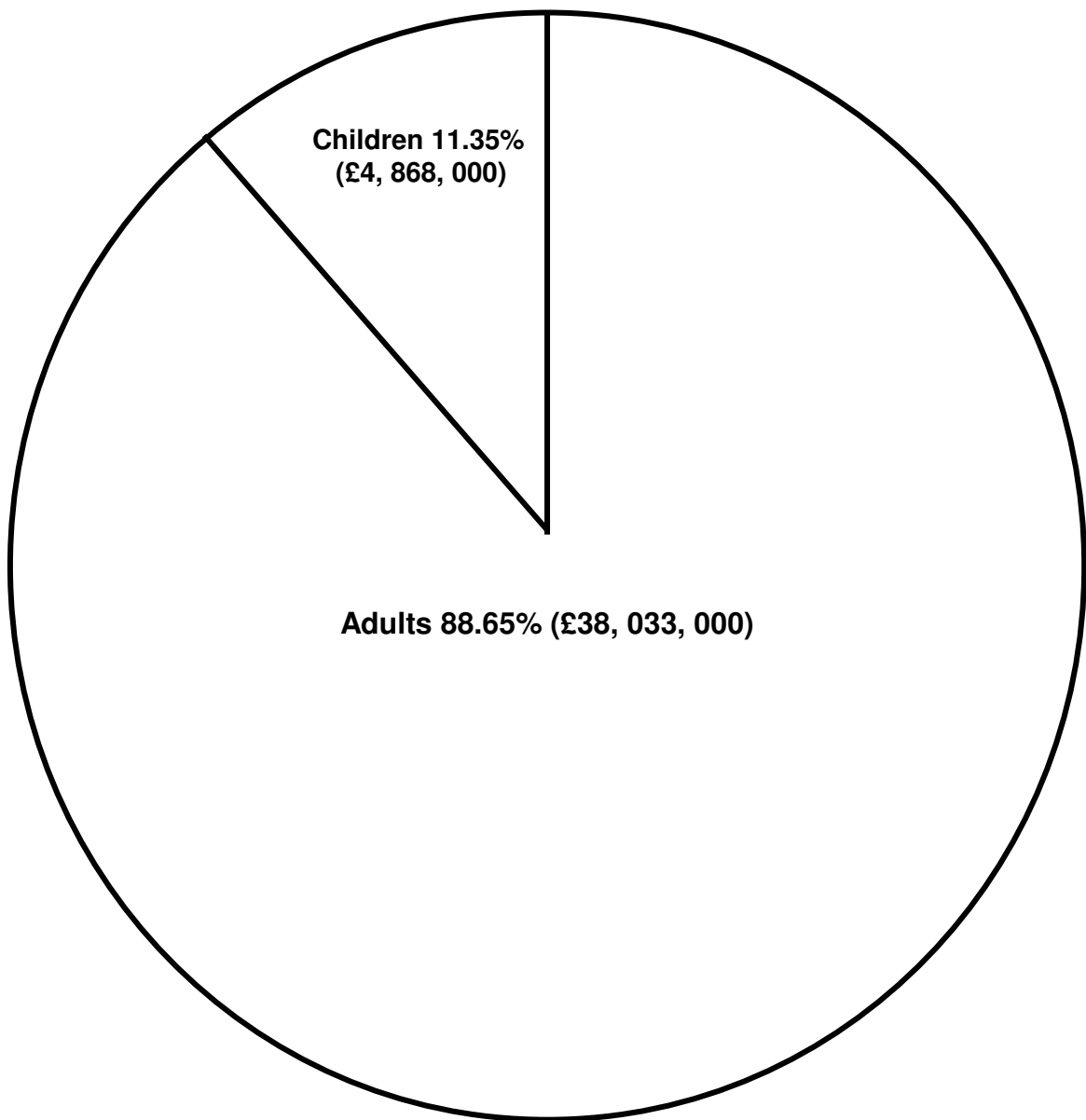


Figure 2 - Proportion of expenditure on adult services
Total: £38, 033, 000

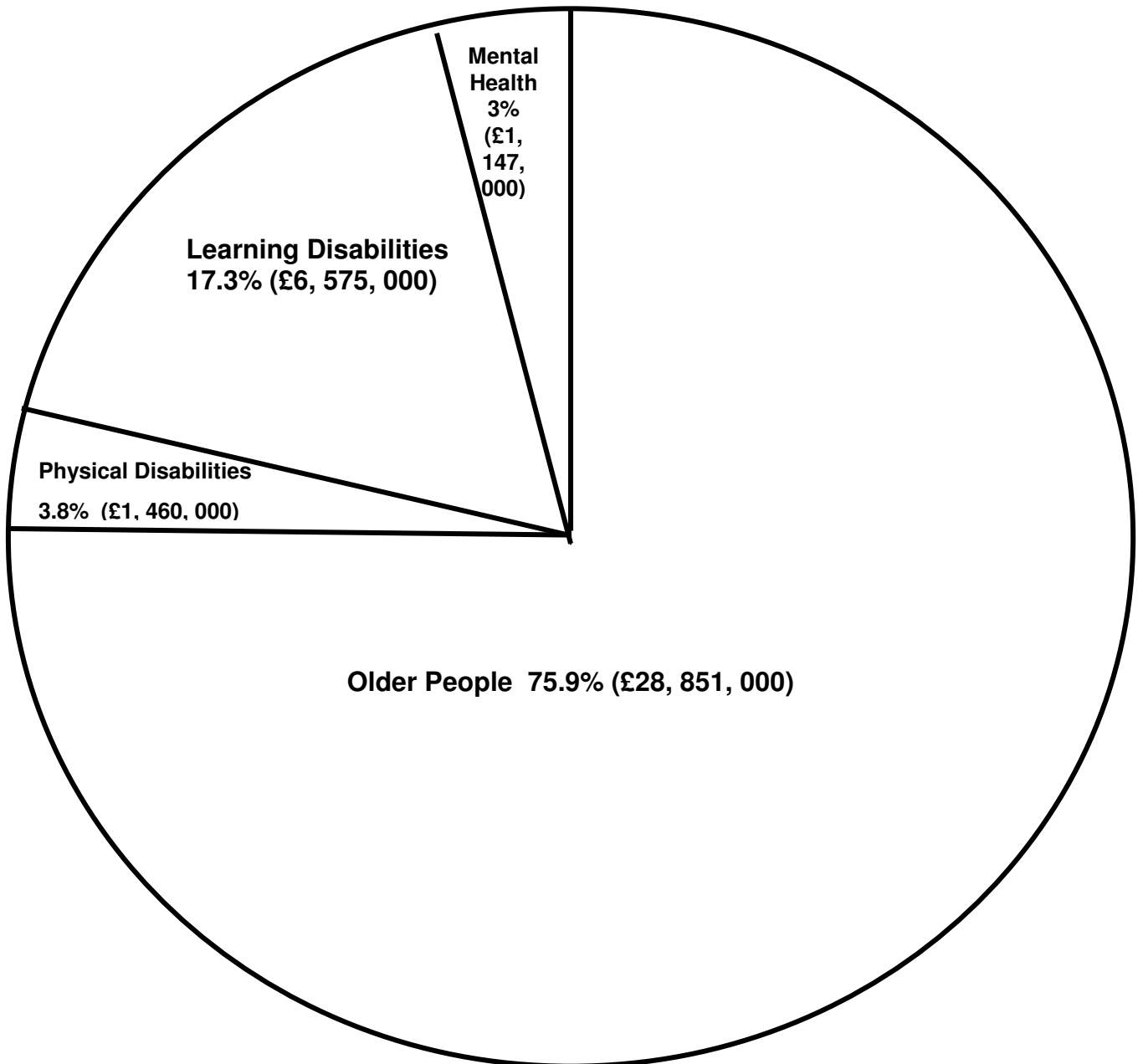


Figure 3 - Proportion of expenditure on children's services
Total: £4, 868, 000

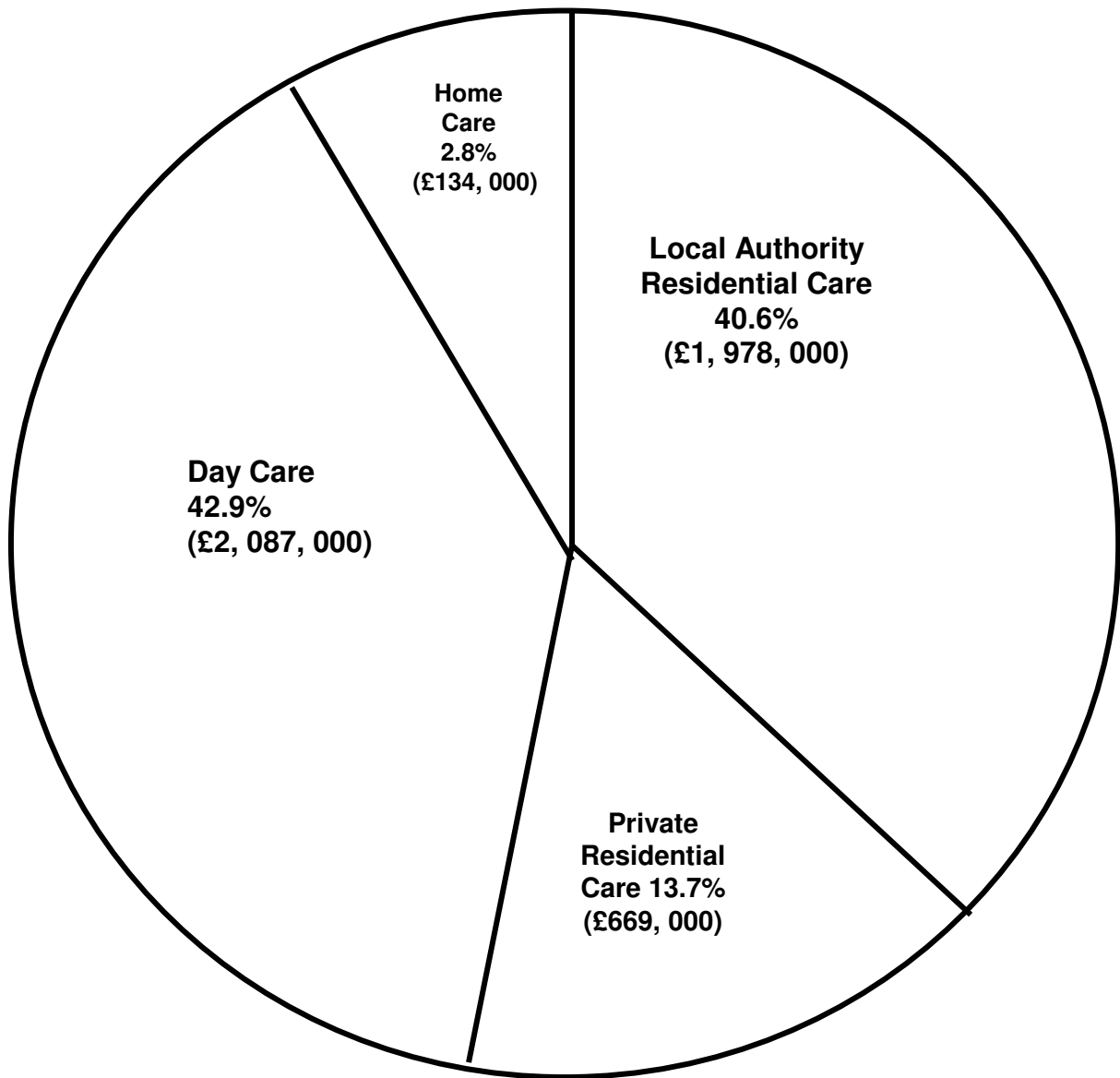


Figure 4 - Proportion of expenditure on older people's services
Total: £28, 851, 000

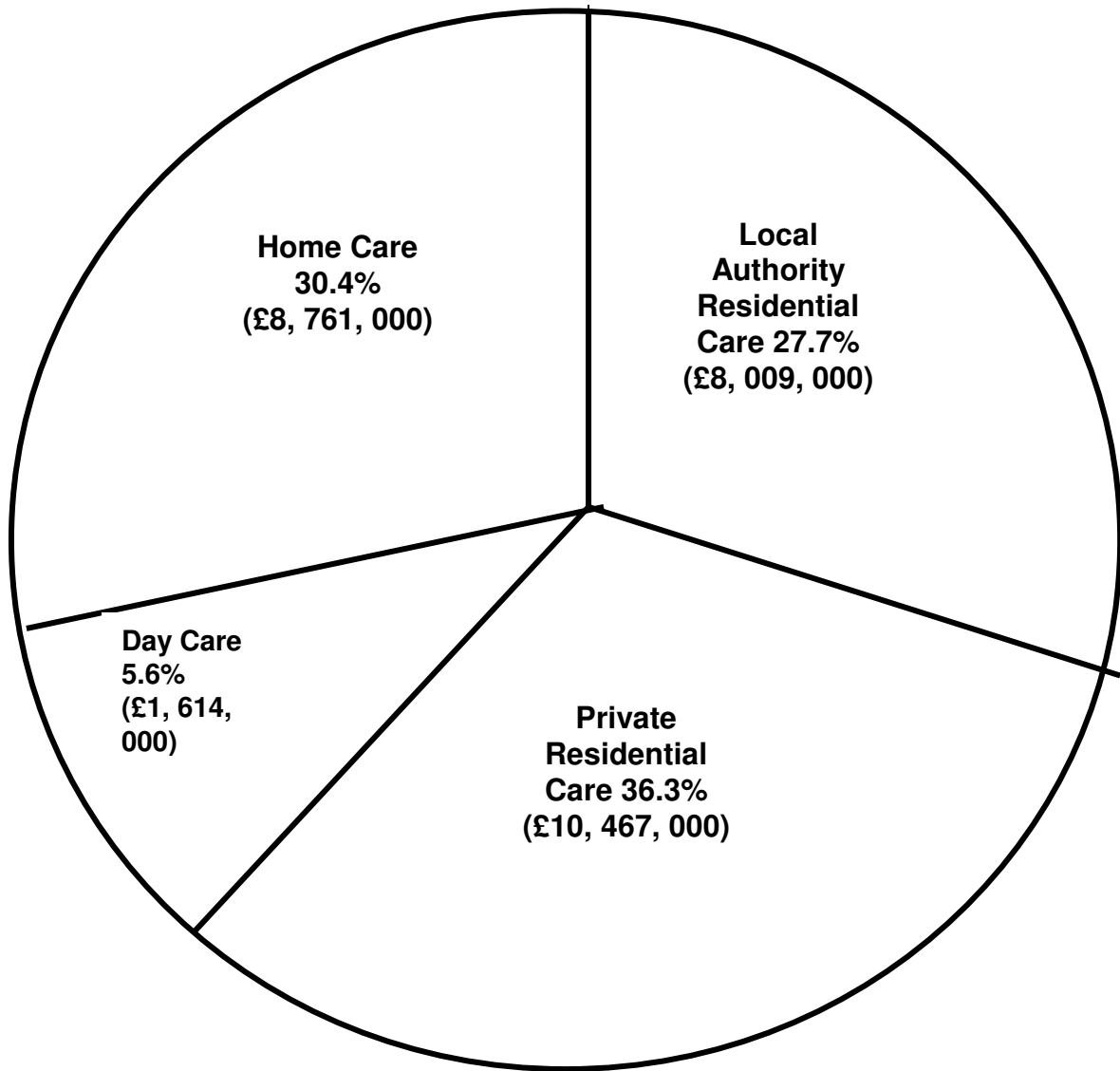


Figure 5 - Proportion of expenditure on services for people with physical disabilities
Total: £1, 460, 000

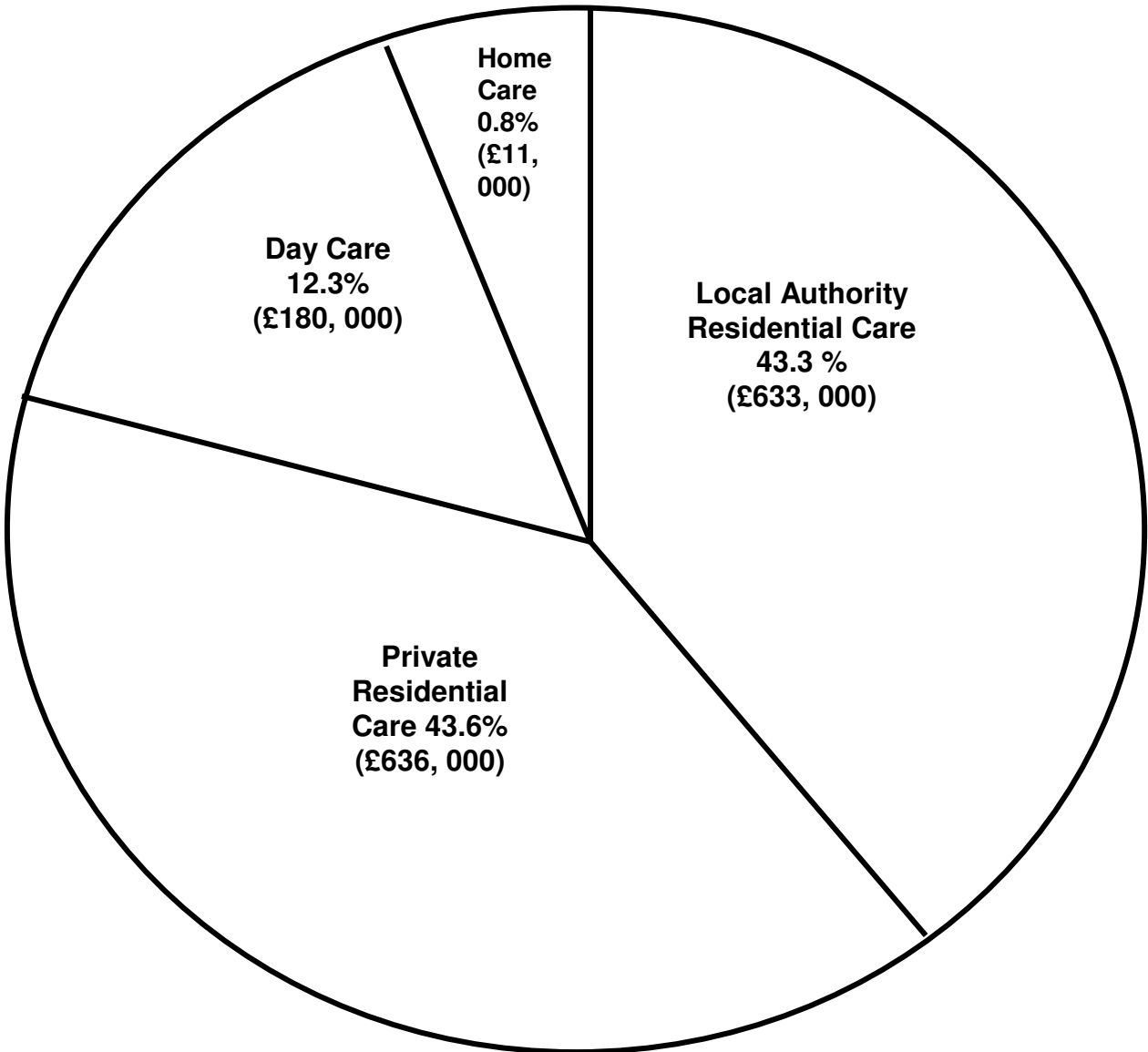


Figure 6 - Proportion of expenditure on services for people with learning disabilities
Total: £6, 575, 000

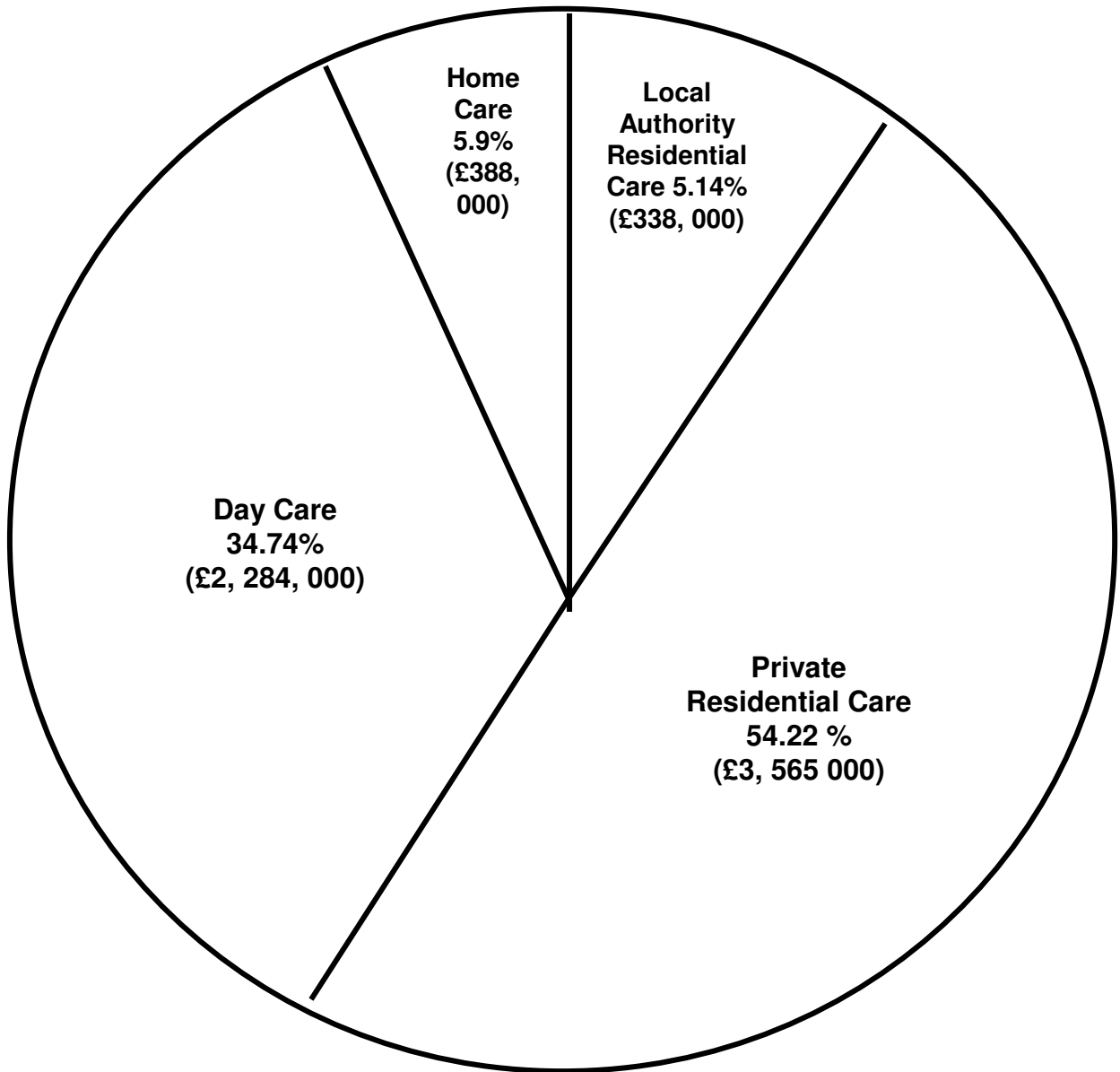


Figure 7 - Proportion of expenditure on mental health services
Total: £1, 147, 000

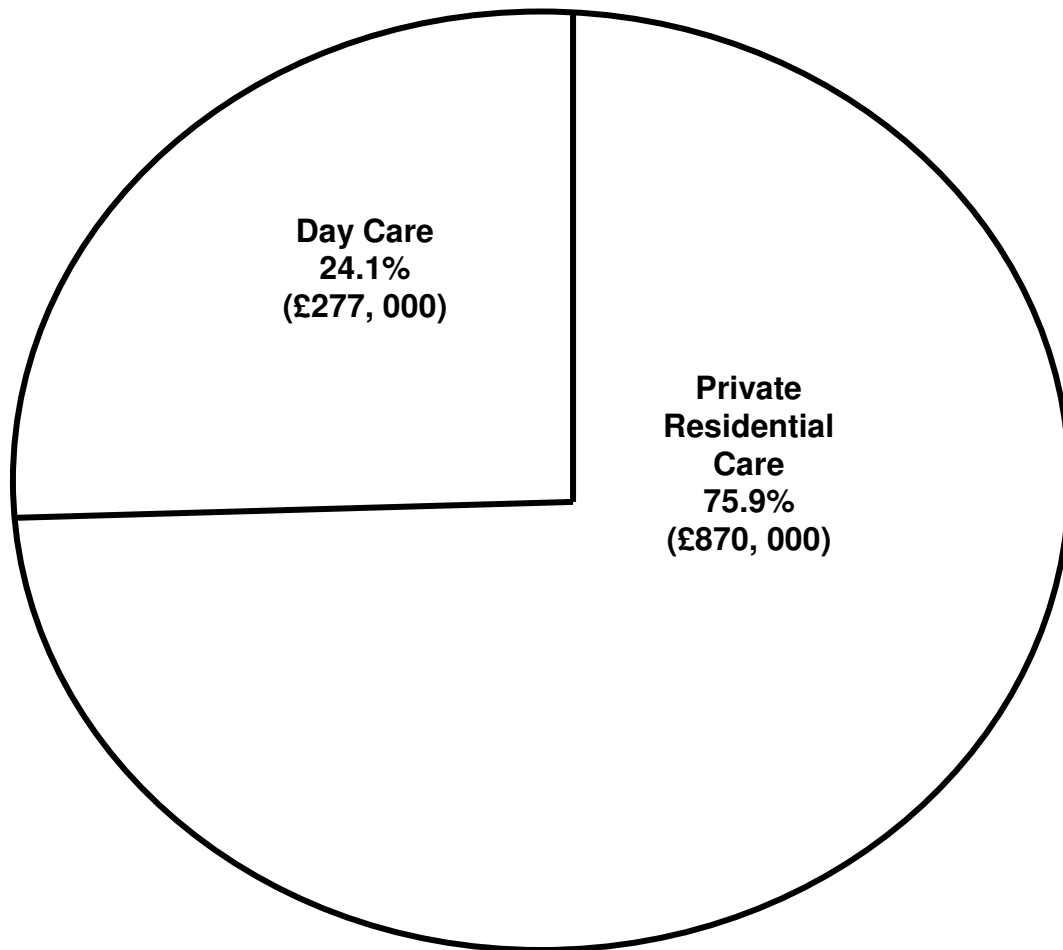


Figure 8 - Total expenditure on residential services for children and adults: £27, 165, 000

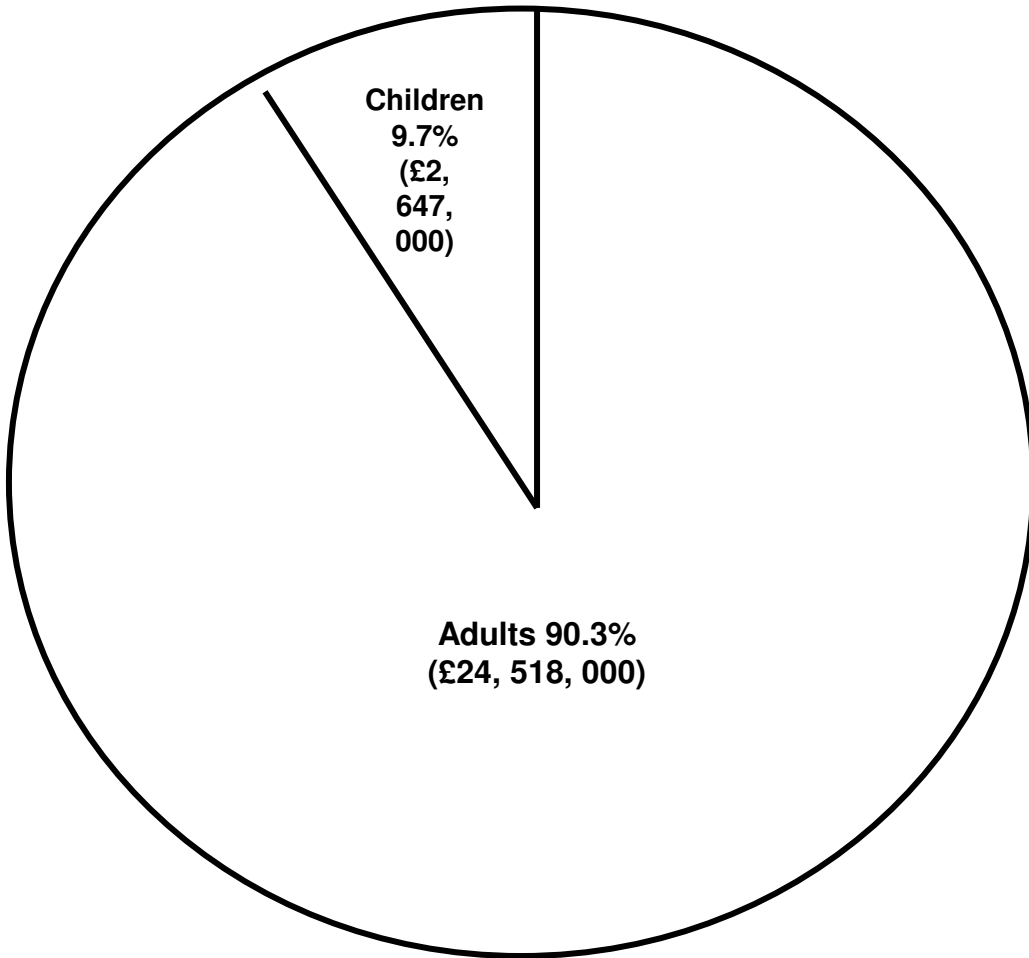


Figure 9 - Proportion of expenditure on Local Authority and private residential services for adults Total: £24, 518, 000

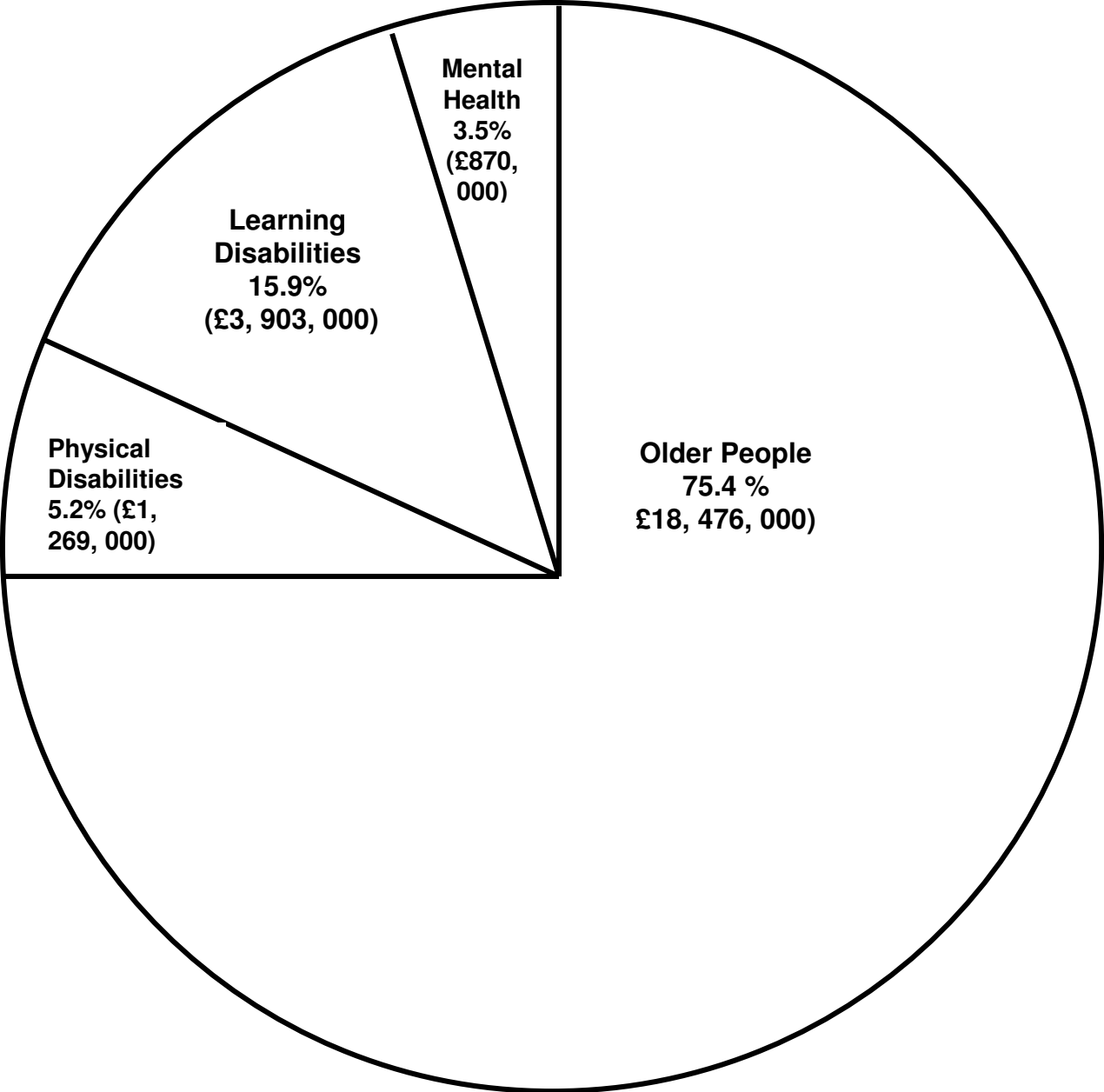
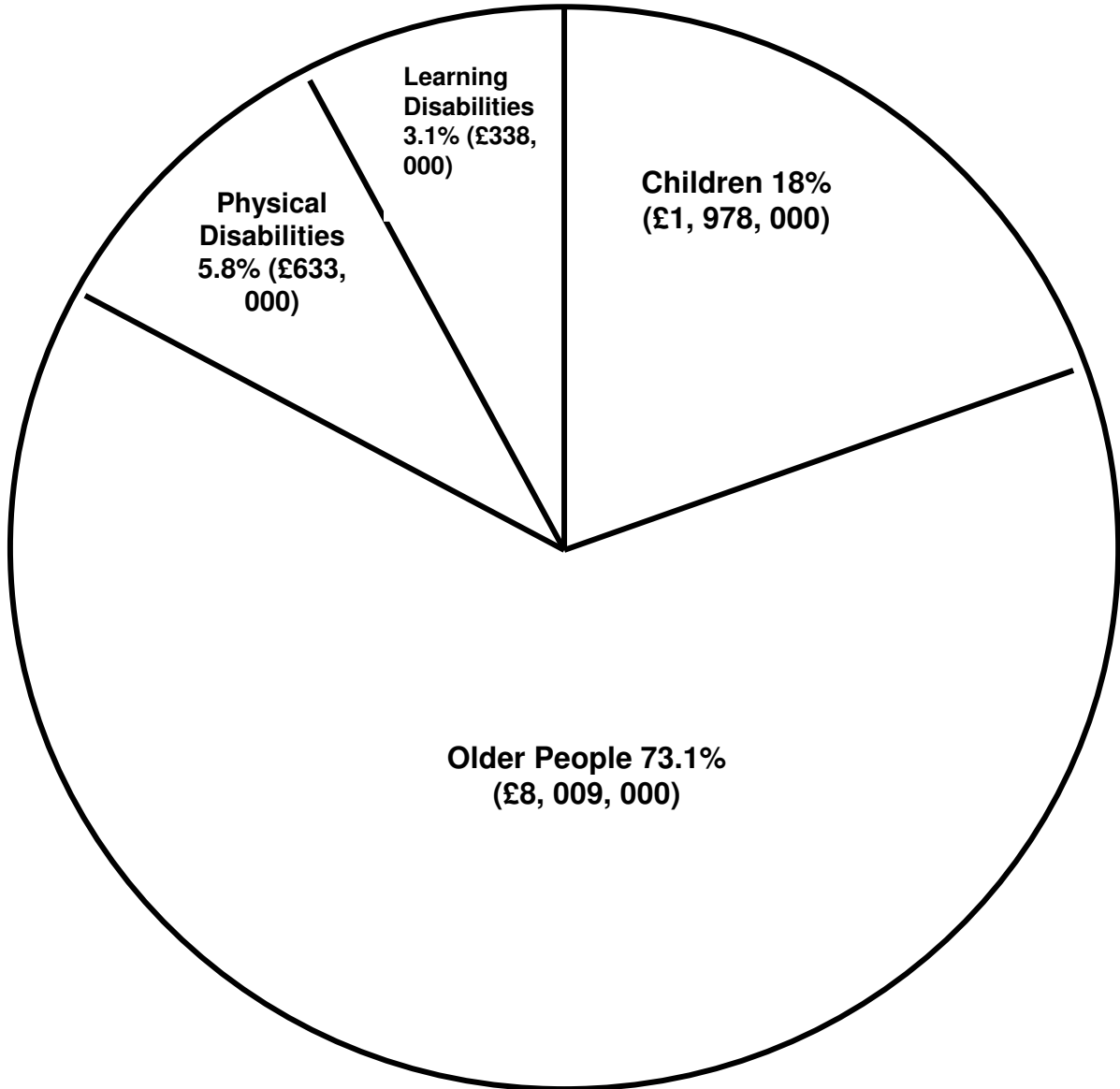
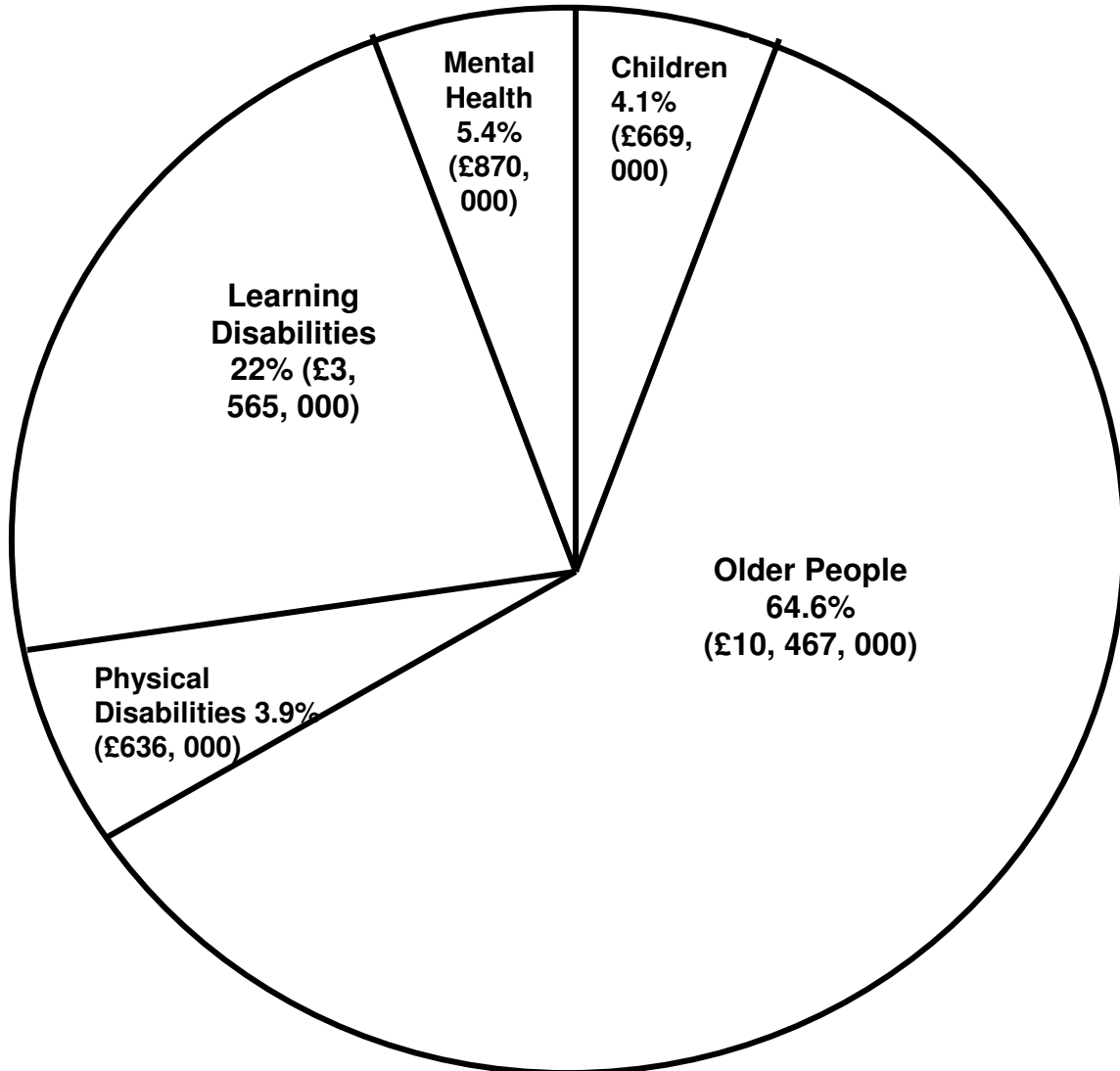


Figure 10 - Total expenditure on Local Authority residential services for children and adults: £10, 958, 000



**Figure 11 - Total expenditure on private residential services for children and adults:
£16, 207, 000**



**Figure 12 - Total expenditure on home care services for children and adults:
£9, 294, 000**

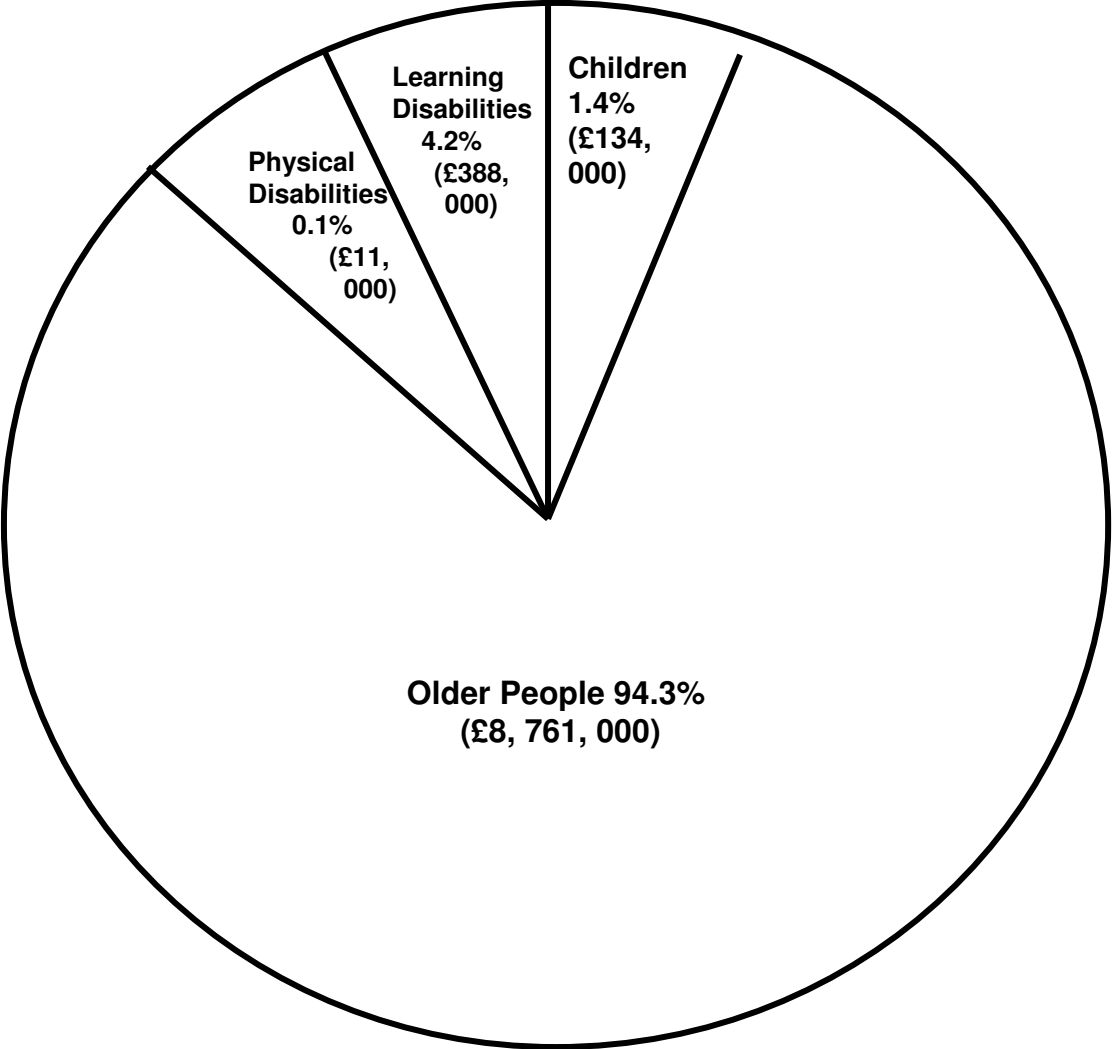


Figure 13 - Total expenditure on day care services for children and adults: £6, 442, 000

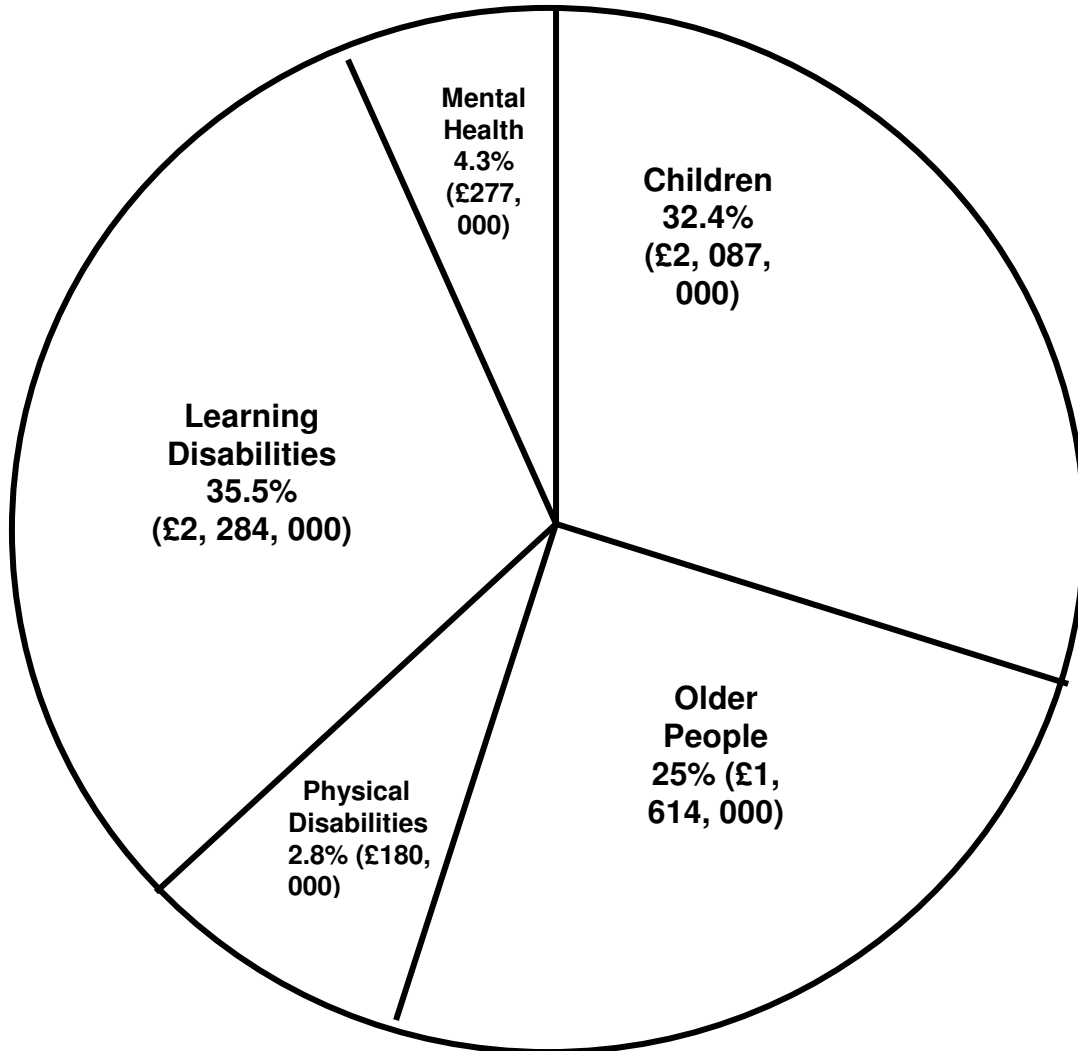


Figure 14 - Total expenditure on domiciliary care services for older people: £8, 761, 000

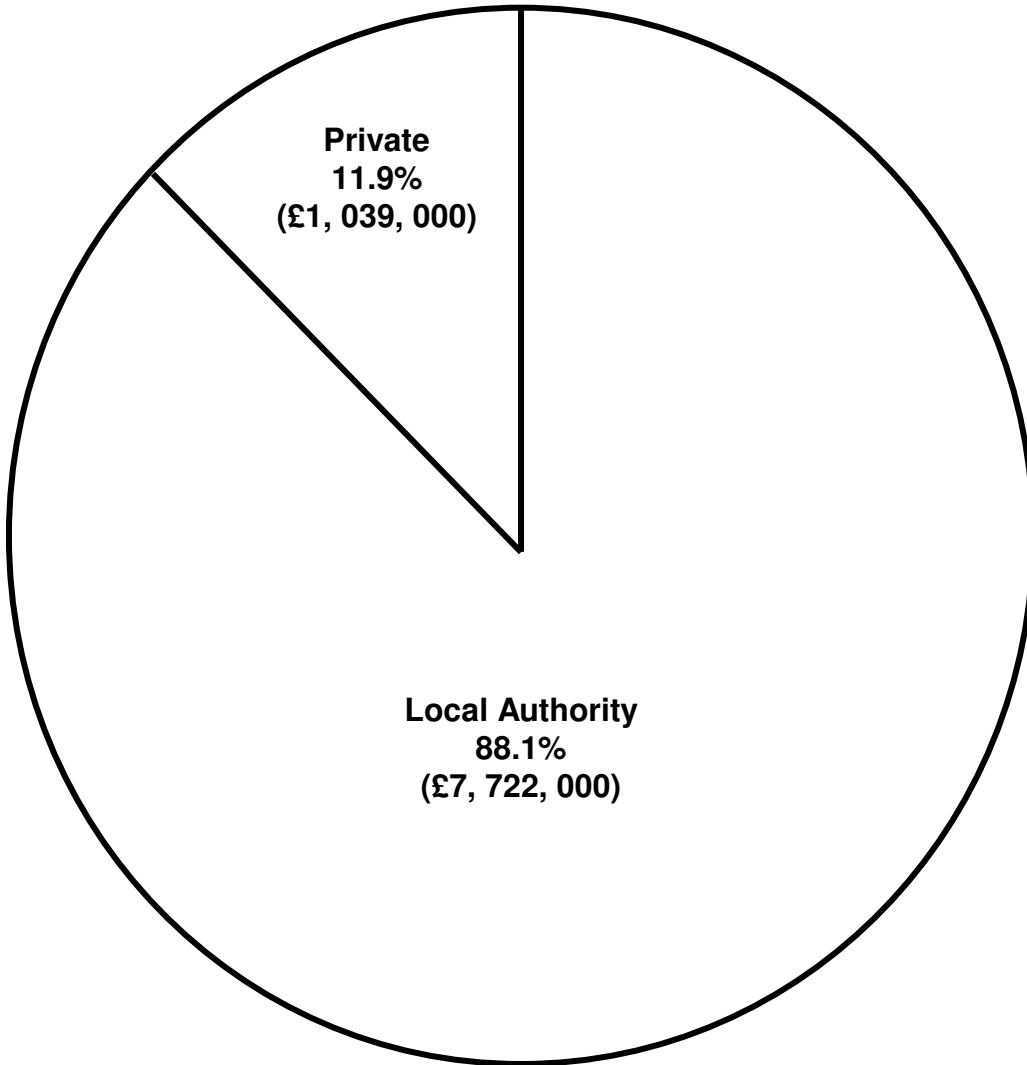
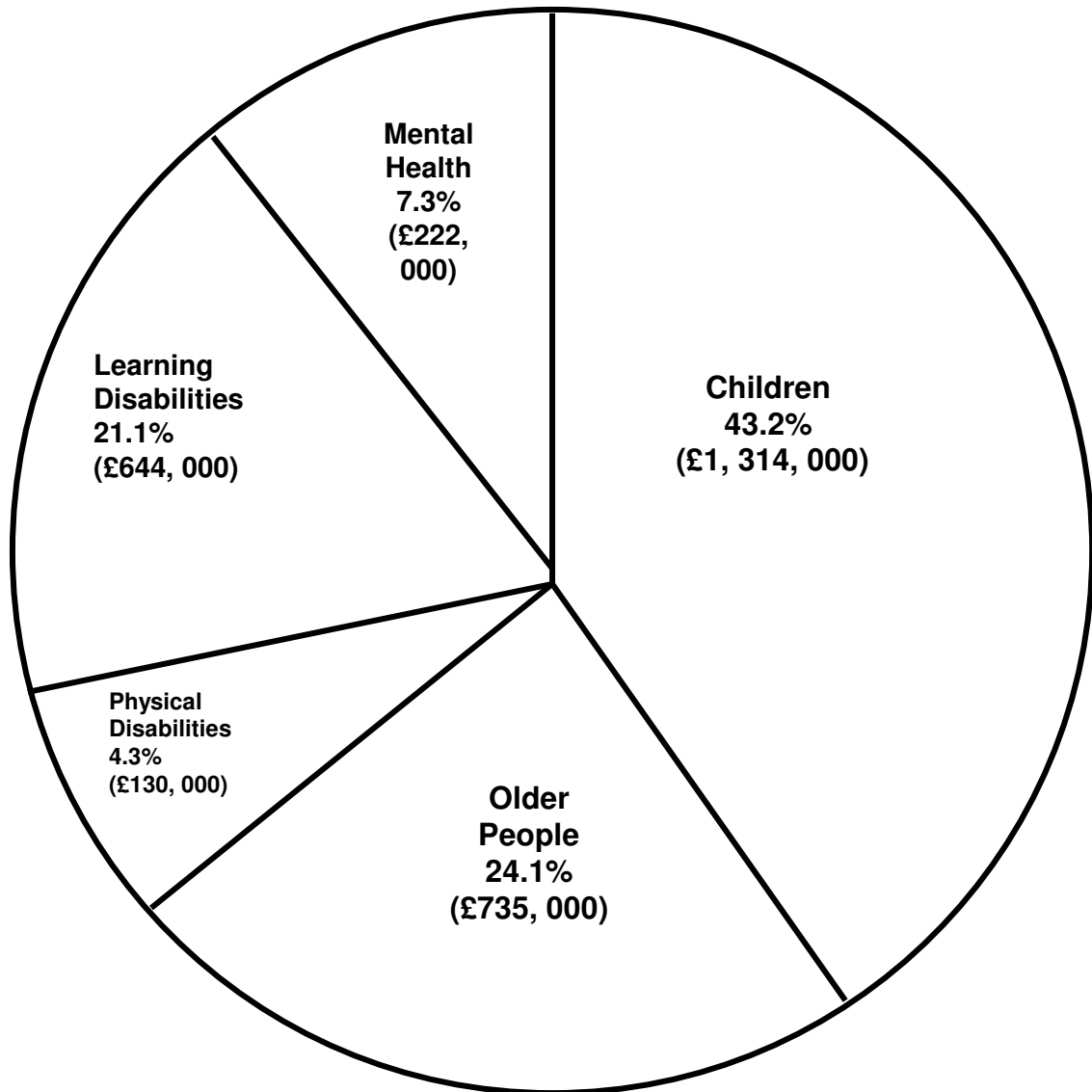


Figure 15 - Total expenditure on the voluntary sector: £3, 045, 000



SERVICE USER PROVIDER FORUMS

Proposed Terms of Reference

Background

The Welsh Assembly Government document *Promoting Partnership In Care: Commissioning Social and Health Care Services* (2003) recommends commissioners and providers of health and social care work together to provide “excellent services that promote independence, self-esteem and social inclusion”.

Issued as statutory guidance under section 7 of the Local Authority Social Services Act 1970, *Promoting Partnership In Care* provides a framework for future working relationships between commissioners and providers locally.

The guidance has been issued alongside *Planning and Commissioning NHS Services* (2003) in order to achieve consistency and uniformity in health and social care commissioning policy and practice.

The aim of *Promoting Partnership In Care* is:

“to promote the establishment of close and harmonious working relationships, good communication and to foster constructive co-operation between all parties involved in providing care and support services for adults”.

The guidance seeks to establish a way of joint working that:

- Promotes positive outcomes and good quality care for people using services and their carers
- Promotes mutual trust
- Encourages openness and transparency
- Is intended to result in fair treatment for all parties concerned.

It is essential that to develop the high quality and diverse range of services, commissioners and providers must work together at all stages of the commissioning cycle. Establishing Provider Forums is a key element ensuring this happens and realising the goals of *Promoting Partnership In Care*.

Aims and Objectives

1. To enable an exchange between commissioners and providers about the statutory aims of the Authority and an open discussion about commissioning options for actioning those aims.
2. To act as a source of information exchange and the development of innovative ideas for service design.
3. To gain provider participation, including the private sector, in the development of future commissioning strategies.
4. To discuss with providers new policies, practices and procedures (including those which the Authority/LHB intends to introduce, statutory or otherwise).
5. To provide a mechanism to improve joint working and service delivery.
6. To stimulate service diversification through collaboration and mutual support.
7. To enable commissioners to remain cognisant of providers issues.
8. To consider and propose joint training initiatives and develop a common workforce and training strategy.
9. To improve relationships between all providers in a spirit of collaborative competition.
10. To raise the quality of contracting.
11. To raise the quality of services and to create choice.

12. To assist providers are kept up to date with the national minimum standards being applied by the CSIW for different services.

13. To disseminate good practice

Membership

The Provider Forum will be open to any service provider, existing or potential, in-house or independent, who provides services to the service user group.

Funding and Organisational Arrangements

Each provider forum will be responsible for their own administrative and organisational arrangements led by the Joint Commissioning officers in collaboration with the Senior Principal Officers. It will be the decision of both commissioners and providers as to the running of the forum although the commissioners will start the process both by organising a launch half day event.

It is proposed that each forum will meet quarterly with an agreed agenda. Minutes will be taken and distributed to all relevant parties.

Review Process

The proposed terms of reference and the running of the Provider Forum will be reviewed within one year of the launch.

CARE COUNCIL OF WALES CODE OF PRACTICE FOR EMPLOYERS OF SOCIAL CARE WORKERS

The Department requires social care employers, with whom it contracts, to adhere to the Code of Practice for Employers of Social Care Workers. To meet their responsibilities in relation to regulating the social care workforce, social care employers must:

1. Make sure people are suitable to enter the workforce and understand their roles and responsibilities;
2. Have written policies and procedures in place to enable social care workers to meet the Care Council for Wales' (the Care Council) Code of Practice for Social Care Workers;
3. Provide training and development opportunities to enable social care workers to strengthen and develop their skills and knowledge;
4. Put in place and implement written policies and procedures to deal with dangerous, discriminatory or exploitative behaviour and practice; and,
5. Promote the Care Council's Codes of Practice to social care workers, service users and carers and co-operate with the Care Council's proceedings.

PROMOTING PARTNERSHIP IN CARE: ACTION CHECKLIST

1. Information for good commissioning

Commissioners should ensure they have in place the following:

- A clear information strategy that underpins information sharing, collection, analysis and planning and performance management. This should involve providers from the outset, as well as people using services and their carers
- An understanding of how information about demand can be matched with up-to-date information about supply. For example, by the electronic capture of information about providers' current spare capacity
- A method of keeping staff up to date with the national minimum standards being applied by the Care Standards Inspectorate for Wales for different services
- Assessment and care management processes that obtain and record essential information including data on ethnicity and are operated on a joint basis between health and social services. Information will need to be aggregated across and between agency boundaries and include both assessed and unmet needs. The new unified assessment process provides a basis for strengthening such links
- A variety of ways for staff to contribute their views
- The means to exploit all available information sources, including complaints, in order to understand patients'/users' choices and preferences. A workforce planning strategy, involves local providers anticipating problems, growth etc. This should support evidence based commissioning
- A forum which enables an exchange between commissioners and providers about the strategic aims of the authority and an open discussion about commissioning options for action and aims.

Providers should ensure that they:

- Keep full and accurate records
- Develop feedback mechanisms for patients/users and their carers
- Agree information sharing protocols with commissioners
- Take a more proactive approach to alerting commissioners to spare capacity they may wish to use – for example, by setting up on line “vacancy catalogues”
- Are prepared to take the initiative to help commissioners address information issues.

2. Strategic Planning

Action Checklist

Commissioners should ensure that they have in place the following:

- Systems that involve all stakeholders, including people using services and local councillors, in developing a strategic vision for the future balance of services
- Methods for making the best use of the expertise of providers in the planning process, routinely and from the outset
- Clear processes for the planning, delivery, monitoring and evaluation of services and sophisticated planning mechanisms that deal with the long-term
- Clear systems for consultation with all (and potential) providers

- Agreed contingency plans to deal with unforeseen events such as seasonal fluctuations in demand
- Ways of managing cross boundary commissioning in appropriate circumstances through effective use of the new flexibilities
- A clear understanding of the skills and numbers of staff required for the strategic commissioning function.

Providers should ensure that they:

- Are committed to minimising the impact upon patients of any market changes
- Directly participate in planning through a representative body
- Become involved in the development of appropriate services that acknowledge change (e.g. for black elders and adults with early onset dementia)
- Develop appropriate responses to the new agenda of promoting independence/ offering intermediate care
- Contribute to planning for diversification, as appropriate, to meet service users' needs
- Evaluate existing skills and services in order to raise quality
- Are prepared to innovate and develop new services.

3. Building Capacity , Confidence and Reducing Instability

Commissioners should ensure they have in place the following:

- A clearly spelt out joint planning strategy spanning five years and a realistic commissioning programme for a three year time frame
- Access to the knowledge and expertise of the independents sector when devising the local commissioning strategy
- The means to make providers aware of any changing requirements and contractual expectations
- Regular reviews of current commissioning arrangements, including contract setting, in the light of the need to create a confident and stable market
- Fee negotiation arrangements that recognise providers costs and what factors affect them (as well as any scope for improved performance) and ensure that appropriate fees are paid
- Arrangements that ensure that funding levels are linked to the outcome of the individual assessment process
- Ways of reducing transaction costs wherever possible – for example, by paying bills promptly and eliminating unnecessary bureaucracy
- A fair arbitration process
- The means to provide a full and accurate breakdown of the costs of the services that are directly provided, with reference to CIPFA guidelines including the use of commercially available care costing models
- Methods and systems that recognise and reward quality.

Providers should ensure that they:

- Provide services that deliver stated desired outcomes for patients/users
- Are able to provide a full breakdown of the costs of services provided
- Have the ability to demonstrate the quality or added value of a service
- Undertake prompt and timely communication with commissioners

- Are proactive in raising standards
- Seek opportunities to diversify, as appropriate, into more innovative forms of care and support and social care work.

4. Joint Working and the Workforce

Commissioners and providers should ensure that they:

- Include the use of longer term contracts
- Seek ways to support each other in developing new services
- Work together in the best interest of patients, people using services and their carers
- Are committed to full and early involvement of each other within a co-operative culture based on a collaborative rather than an adversarial approach
- Recognise the financial and other constraints faced by partners
- Acknowledge interdependence and joint interests, and that the dialogue is between partners of equal status
- Take account of the new regulatory framework, including codes of practice for employees and employers
- Give adequate forewarning when one partner is planning action that impacts on other partners
- Are able to share practice
- Support services that are financially and professionally viable
- Develop an understanding and trust in each other's language, culture, definitions and processes.

SELF DIAGNOSTIC COMMISSIONING QUESTIONNAIRE

Section 1: Reviewing the Market and Developing a Strategy

1.1 Mapping the market to understand both demand and supply

1. Does the Authority know how many people are currently supported in all types of services?
2. Does the Authority have a profile of these users by age, gender and ethnic group?
3. Does the Authority analyse the source of its referrals to get a clear picture of where demand is coming from?
4. Are the views of users, carers, care managers and providers collected systematically to identify gaps in services?
5. Does the Authority have length-of-stay data on users in different service types?
6. Does the Authority have information on its suppliers in terms of:
 - Numbers and location?
 - Quality?
7. Does the Authority know what proportion of the local market it represents (in relation to other funding sources, such as, private payers, preserved rights and other authorities) in:
 - Residential and nursing home care?
 - Home care?

Yes	No

1.2 Understanding current resource allocation

1. Does the Authority have a clear idea of how it compares with other similar authorities in terms of:
 - Expenditure on different service types?
 - Expenditure on different sectors (in-house, private and voluntary)?
 - Proportion of resources on assessment and care management against spend on provision of services?
2. Does the Authority know what proportion of its expenditure is accounted for by its largest five providers in:
 - Independent sector home care?
 - Independent sector residential and nursing care?

Yes	No

1.3 Developing an informed strategy

1. Does the Authority have a written commissioning strategy?
2. If so, has it:
 - Been agreed with health and housing agencies?
 - Been based on the needs of users rather than organisational constraints?
 - Incorporated a thorough understanding of the market and been discussed with providers?
 - Taken a long term view of where the Authority wants to be?
 - Set targets and established ways of monitoring whether these have been achieved?
 - Set out purchasing intentions for independent sector providers in the form of extra services it needs and those it plans to reduce?
3. Does the strategy include financial modelling to assess likely spending implications and match these to estimated resource projections?

Yes	No

1.4 Planning for decommissioning

1. Have the areas of current activity which need to be decommissioned to meet the Authority's objectives been identified?
2. Have members formally agreed these?
3. Have they been discussed with providers?
4. Has the Authority planned how it can minimise the impact on current users?

Yes	No

Section 2: Making Commissioner User-Led

2.1 Helping users influence and control their care

1. Does the Authority provide information to users about how the care management process works?
2. Do all users and carers get a copy of their:
 - Assessment?
 - Care plan?
 - Details of their financial assessment and calculation of their contribution?
3. Does the Authority have an advocacy scheme which is available to users and information on how many users it serves?
4. If so, are users encouraged to use advocacy at the key points in the care process, for example, during discharge from hospital or at the first review?
5. Has the Authority developed a Direct Payments scheme?
6. Does the Authority undertake regular reviews of the accessibility and responsiveness of its complaints procedures?
7. Is complaints information used in a systematic way to inform commissioning?

Yes	No

2.2 Supporting user choice

1. Does the format of the directory of care homes reflect the key factors influencing user choice such as geographical location of homes?
2. Does the directory provide any objective information on service quality?
3. Are inspection reports easily accessible to service users and are they in a user-friendly format?
4. Does the Authority record the range of service provider offered to users and the choice made?
5. Does the Authority promote choice through its contract agreements, for example, by allowing users / carers to arrange their own respite care?

Yes	No

2.3 Making services more user-focused

1. Does the Authority have a user / carer forum for individual client groups?
2. Has the Authority conducted a survey of users to determine their views about services and the care management process in the last 12 months?
3. Have significant changes to services resulted from user consultation?
4. Is information from individual care plans collated and used to plan services?

Yes	No

Section 3: Enabling Care Managers to play a more effective commissioning role

3.1 Removing organisational barriers to commissioning

1. Do the Authority's main home care providers offer a service in the evenings and at the weekends?
2. Are care managers able to choose which provider they feel will meet a user's needs best and not restricted by having to try one provider first?
3. Are the costs of all service providers included when determining the gross cost of packages for financial limit purposes?

Yes	No

3.2 Improving the effectiveness of care management

1. Does the Authority have information on:
 - The time spent by care managers on different activities?
 - Care managers' workloads?
2. Does the Authority have information on the proportion of users who received a formal review of their care?
3. If so, are reviews of all users with home care packages undertaken at least once every 12 months?

Yes	No

3.3 Aligning managerial and financial responsibility for commissioning

1. Has the Authority devolved significant financial resources to team or care managers to purchase care?
2. Are care managers / team managers directly responsible for ensuring purchasing budgets are not overspent?
3. Are care managers applying eligibility criteria consistently?
4. Do care managers / team managers have the flexibility to purchase:
 - Innovative packages of care?
 - Intensive short-term packages to assist the rehabilitation of users?

Yes	No

Section 4: Getting a better service from providers

4.1 Developing more mature relationships

1. Is the Authority taking action to promote long-term relationships with selected independent sector providers?
2. Is quality rather than price ever the key factor in negotiations with providers?
3. Does the Authority recognise the concerns of independent sector suppliers and take them into account in a way that benefits both parties when undertaking contract negotiations?

Yes	No

4.2 Developing a clear role for in-house services

1. Does the Authority set targets for the number of contact hours the in-house home care service will provide annually and monitor this?
2. Does the Authority set quality standards for the in-house home care service (for example, targets for reliability and consistency) and monitor these?
3. Does the Authority have a clear picture of the activities being undertaken by the in-house service and the proportion of time and resources spent on each?
4. Does the Authority incorporate the above information into a formal Service Level Agreement (SLA) for the in-house home care service?

Yes	No

4.3 Fair and open contracting

1. Does the Authority have an effective system to give assurance that providers will deliver services to a minimum standard acceptable to the Authority?
2. Does this take account of providers' needs in terms of ensuring information requirements are not too onerous or unnecessarily costly to compile?
3. Does the system adequately reflect the difference in the size of providers?
4. Are all providers given adequate support to help them get through the system?

Yes	No

4.4 Developing better contracts

1. In purchasing services from the independent sector does the Authority make use of:
 - Cost and volume contracts
 - Block contracts?
2. Does the Authority's current contracting approach give enough security to providers to allow them to invest to improve services?
3. Does the Authority's approach also minimise the financial transaction costs of purchasing services?
4. Has the Authority used tendering to improve its approach to purchasing services?
5. Does the Authority have a clear idea about what represents quality and how this can be specified in contracts for:
 - Residential and nursing home care?
 - Home care?
6. Does the Authority feel confident that the standards it uses in contracts help ensure quality in service delivery?

Yes	No

4.5 Contract monitoring and compliance

1. Does the Authority have a contract monitoring approach that co-ordinates the roles of contracts officers, care managers, inspectors, users and providers?
2. Are surveys used to get user feedback on provider performance?
3. Are all major providers monitored using the same criteria and measures to enable comparisons of performance?

Yes	No

4.6 Communicating with providers

1. Does the Authority encourage providers to discuss with it how commissioning arrangements can be improved?
2. Does the Authority monitor areas that are of concern to providers, for example:
 - The complexity of contract documentation?
 - The number of days notice given to providers before services are to start?
 - The length of time before payment?
3. If so, are the results of this monitoring communicated to providers?

Yes	No

Section 5: Supporting the process centrally

5.1 Developing commissioning skills

1. Has the Authority reviewed the skills it needs for commissioning:
 - To support the process centrally?
 - To facilitate commissioning by team / care managers?
2. Is the Authority confident that it has the right balance between spending on central support and direct services to maximise value for money in the use of its resources?

Yes	No

5.2 Financial support systems

1. Is budget monitoring information as timely and accurate as it needs to be to manage resources effectively?
2. Does budget monitoring include detailed information on activity levels to improve financial planning?
3. Do budget holders have easy access to financial advice?

Yes	No

5.3 Information strategy and systems

1. Does the Authority have an overall strategy for developing the information required for commissioning decisions at different levels of the organisation?

Yes	No

5.4 Managing the market

1. Does the Authority use its market management and pricing strategy to influence the market to:
 - Improve quality?
 - Encourage innovation?

Yes	No

GLOSSARY OF TERMS

ASSESSMENT

The process of identifying an individual's needs and determining eligibility for assistance against stated policy criteria.

AUDIT COMMISSION

The Audit Commission was established in 1983 to appoint and regulate the external auditors of local authorities in England and Wales. In 1990 its responsibilities were extended to include the National Health Service.

CARER

A person, usually a relative or friend that provides care or support on a voluntary basis in excess of that relationships between family members.

CHILDREN

In this document, 'children' generally covers all young people below the age of eighteen.

COMMISSIONING

The process of turning planning into a specification for service provision which is relayed to potential providers.

DECOMMISSIONING

The process of planning and managing a reduction in service activity in line with commissioning objectives.

CONSULTATION

Asking people what they think or what they would like to happen. This is different from participation which implies involvement in the decision making process.

CONTRACTING

The process whereby planning specifications for services are turned into actual operation, i.e. determining what, when, where and how much of a particular service is required. Contracting is the process of negotiating with service providers as to how to deliver the service in the most effective and cost efficient way.

INDEPENDENT SECTOR

The sector is made up of both privately operated and voluntary not for profit organisations.

JOINT REVIEW

Process by which Social Services Departments are inspected by a team of SSI/Audit Commission officers to assess whether:

- Services are focused on users
- The authority can shape better services for the future
- Performance is effectively managed
- Resources are managed to maximise value for money.

LOCAL HEALTH BOARDS (LHBs)

Boards established to bring together GPs, nurses and other primary care professionals with local government and other representatives of local communities. They identify local need and

determine local priorities. Within the parameters of the Strategic Health Plan, they decide what services should be provided for the population they serve.

MARKET MANAGEMENT

Using contracting and other processes to influence the supply of services to achieve strategic commissioning objectives.

OUTCOMES

The contribution to the well being of the service user made by the services provided.

PROVIDER

Any person, group of persons, or organisations supplying a care service.

PURCHASER

A budget holder in the local authority or health authority who contracts with providers for the supply of services.

SERVICE SPECIFICATION

A set of minimum requirements that providers have to meet.

SERVICE USERS

Individuals that use care and support services.

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