

**What preparation should be underway now by the public sector to ensure the efficient delivery of public services within a period of tightening public expenditure?**

Community Care Providers Scotland (CCPS) is the national association of voluntary organisations providing care and support services in Scotland. In 2008-09, the combined membership of CCPS supported approximately 220,000 people and their families across the country, and managed an annual income of nearly £1.1 billion. An average of 70% of this income per member organisation related to public funding, giving CCPS members a considerable stake in the issue of public service delivery.

CCPS members operate primarily under contract to local authorities. Our comments therefore focus on ways in which local authorities can make the best use of the resources available to them, in particular in relation to the contracting and provision of social care services. We believe that local authorities can do this through:

- retaining and strengthening their focus on Best Value, in particular as part of local commissioning strategies;
- promoting choice and control for service users, to ensure that resources are distributed in ways which produce the best outcomes for individuals; and
- increasing their support for early intervention and preventative services, which can result in long-term savings for other public services such as health or criminal justice.

**1. In preparing for the forthcoming reductions in the Scottish budget, how can public sector bodies best take service users' views and needs into account?**

Recent protests mounted by people who use social care services and their carers in Edinburgh highlight the importance of including people in decisions about services which impact on their lives. Unilateral decisions by councils to cut or alter social care service delivery, without consultation with people who use services, can be extremely unsettling and disruptive for those who rely on social care support.

We would encourage local authorities to make decisions regarding funding by focussing on outcomes for individuals, and to include people who use services in their discussions. In social care, for example, we would encourage local authorities to explore models of personalisation and self-directed support with people who use services, in assessing how best to achieve positive outcomes in times of financial constraint. Evidence as to whether or not models such as individual budgets can lead to cost savings is mixed; what is clear, however, is that such models can lead to the achievement of better outcomes with the resources available<sup>1</sup>.

**2. How can public service providers ensure that the most vulnerable groups do not unduly suffer from any budget reductions?**

It seems to us that there are two issues within this question: how to ensure that funding for services to the most vulnerable, such as social care, is not overlooked in budget-setting processes, and how to ensure that the people who use those services are not adversely affected should resources become tighter.

In relation to the second point, we would echo our comments under question one around the importance of focussing on outcomes achieved by particular interventions, and including people who use services in thinking around this. With evidence to show that systems which give more choice and control to individuals, such as individual budgets, can lead to better outcomes from available

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<sup>1</sup> Glendinning et al (2008) *Evaluation of the Individual Budgets Pilot Programme: Summary Report* Individual Budgets Evaluation Network

resources<sup>2</sup>, we would urge local authorities to consider such models in relation to the provision of support for some vulnerable people.

The issue of competing priorities in budget-setting is more complex. In the past, ring-fencing was introduced to protect particular budget headings, often those relating to services to the most vulnerable, and in the absence of this system we need to find alternative ways of ensuring that such budget headings don't lose out to more populist, vote-winning local issues.

We are concerned the Single Outcome Agreements, which lay out local priorities, are scant in their references to social care<sup>3</sup>. If priorities set out in the SOAs are to be used as a guide in budgeting decisions, we do not see a mechanism whereby the importance of services for vulnerable people, which do not feature highly in SOAs, can be introduced into discussions to ensure that they are not overlooked when budgets are set. This is a major issue, and an analysis of local authority budgets to ascertain to what extent they have been influenced by SOAs is needed.

**3. Should any spending area be protected from real term cuts and, if so, what would the implications be for other areas of the public sector? Should there be an emphasis on seeking uniform efficiency savings, or are there particular bodies/ spending areas that should be targeted?**

At a macro level, we would endorse the policy focus on early intervention and preventative services established by documents such as *Getting it Right for Every Child* and *Changing Lives*, and urge local authorities not to cut these types of services in making short-term savings.

Social care services result in a variety of savings to other public services, including health and criminal justice. Support services for people with alcohol or substance misuse issues, for example, assist in preventing hospital admissions and potentially cut crime, while housing support and care at home services avoid the costs of residential care, while leading to a better quality of life for the individuals concerned. Cutting these low-level, preventative services may seem like an easier option than cutting high profile budgets in health or criminal justice, but we would urge decision makers to take a longer term view, and consider the longer term savings to these budget headings that support services can make.

At a micro level, we would urge local authorities not to use across the board cuts to external providers as a way of reducing costs, asking instead that they first follow the principles of Best Value in considering the cost and the quality of services they commission. There are clearly some very efficient providers whose services result in positive outcomes for individuals, and we would urge local authorities not to penalise these providers with across the board cuts. Many voluntary organisations, for example, have made strenuous efforts to respond to the efficiency agenda over the last five years or so, and now run extremely lean organisations; if all providers in an area are subject to across the board cuts, those who have already made efficiency savings and are now able to run more streamlined organisations will be unduly penalised.

We would also ask local authorities to use the principles of Best Value in deciding whether or not to re-tender services. As the draft social care procurement guidance produced by the Scottish Government states, it will not be necessary in all cases to re-tender contracted services<sup>4</sup>, and local authorities should assess both the cost and quality of existing services in their decisions. We would further ask that, rather looking only to externally provided services as a route to cost savings, whether through re-tendering or across the board cuts, services provided by the local authorities should also be subject to an assessment of cost/quality in consideration of areas where savings might be made or better outcomes achieved with limited resources.

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<sup>2</sup> Ibid.

<sup>3</sup> Gooday, K (2009) *Single Outcome Agreements 2009-10: An Analysis by Community Care Providers Scotland*, Community Care Providers Scotland

<sup>4</sup> Scottish Procurement Directorate – Joint Improvement Team (2010) *Social Care Procurement Scotland Guidance – Consultation Draft* Scottish Government, p.19

**4. How should the public sector best be organised to deliver the services for which it has responsibility and what barriers would have to be overcome to achieve this? What are the principles that should underpin any future strategic changes to the configuration of the Scottish public sector?**

We have no comment on the organisation or configuration of the Scottish public sector. We would, however, support moves which see public bodies better coordinating their activities, such as a national commissioning framework. This idea, intended to make commissioning more strategic across the 32 local authority areas, was mooted by the Local Government and Communities Committee in its response to its inquiry into Homecare Services for the Elderly.

**6. What are the best examples of efficiency savings being achieved by public bodies working together and across boundaries, for example, through procurement, and can these savings be replicated across the public sector?**

If efficiency savings are taken to be interventions which reduce costs, *without impacting negatively on quality*, it is our view that procurement of social care services is often used by local authorities as a way to cut costs, not to make efficiencies, and would draw the Committee's attention to the distinction between these two terms.

The Care Commission provided figures to the Local Government and Communities Committee meeting in June 2009 showing that 89-92% of voluntary sector care at home services receive only high gradings (4s, 5s and 6s), whereas this is achieved by only 65-72% of services operated by local authorities and the private sector. As services provided by independent providers are known to cost considerably less than local authority direct provision, contracting services out of local authority provision to the voluntary sector can be a way to make savings at the same time as improving quality.

Our concerns about the use of procurement, however, relate to the *re-tendering* of services already provided by the independent sector, where procurement is viewed as a way to make cost savings but risks impacting on the quality of services provided<sup>5</sup>. The lack of strategic commissioning was a concern noted by the Local Government and Communities Committee in its letter to the Cabinet Secretary in June 2009.

**7. Have efficiency savings had an impact on the quality of public services? To what extent can efficiency savings continue to be made while maintaining current levels of service delivery?**

As in question six, we would note here the difference between efficiency savings and cost savings: savings which impact negatively on quality are, we would contend, not efficiency savings but cuts.

To ensure that quality is maintained, we would encourage local authorities to adopt a strategic approach to commissioning which considers the cost and quality of existing services before seeking to re-tender them in a cost-cutting exercise. We would also, as noted in relation to questions one and two, encourage local authorities to work with service users and providers in considering desired outcomes, and how these might be best achieved within existing resources.

**8. Have any improvements that have been made to the delivery of public services always been commensurate with the amount of funding that relevant delivery bodies have received? What is the best way of measuring the quality of public services and ensuring that this performance monitoring leads to improved service delivery?**

In social care, performance is formally monitored, and graded, by the Care Commission. In addition, providers in the voluntary sector are working to measure the outcomes and impact that their services produce. There are examples, however, where these issues do not appear to have been taken into

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<sup>5</sup> CCPS (2008) *Re-Tendering of Social Care Services: Service Providers' Perspectives. Findings of a survey of CCPS Members* Community Care Providers Scotland

account by service commissioners, who in some cases focus their decision-making on inputs and resources.

We believe that the best way to ensure that performance monitoring in social care leads to improved service delivery is by ensuring that those who commission services take account of the performance/quality information gathered, both in deciding whether or not to re-tender services and in assessing bids where tender exercises are carried out. In pursuing this issue, we worked with Government to have an amendment introduced to the Public Service Reform Bill, obliging commissioners to take account of performance information produced by the social care regulator.

### **9. How should technology be utilised to ensure the better provision of public services?**

Within social care, developments in telecare have allowed more people to stay in their own homes without the need for intensive support services, in some cases reducing direct costs to the local authority. While this works well in some cases, we would caution that the lack of human contact in the support package may in other cases be to the detriment of the care provided, in that it considers only an individual's physical needs, rather than an emotional need for company. This may be a more cost-effective way to provide services without in all cases being a *better* way.

### **11. Given reduced budgets, will the public sector have the capacity to deliver efficient public services while also responding to the longer-term challenge of demographic change?**

Public services will only be able to respond to the challenge of demographic change if, as noted under question three above, they implement the policy move towards early intervention. We would encourage local authorities at this point to preserve and nurture low-level, preventative services, as a way to avoid the need for more costly interventions in future.

The use of people's natural supports will also be of vital importance in meeting the demands of demographic change. We would be concerned, however, if there was an assumption that there are high levels of informal care which can be relied upon if low-level public services are cut. We would support measures which reinforce and support what people have already got, rather than attempting to replace, undermine or exploit it.