

Scotland Excel

To: Scotland Excel Joint Committee

On: 27 November 2015

**Report
by
Director Scotland Excel**

Social Care Update

1. Introduction

This paper provides the Joint Committee with an update on Scotland Excel's expanding role in the provision of social care procurement services.

Significant local authority resources are invested in the purchase of social care services from the private and voluntary sectors to meet the increasingly complex needs of the most vulnerable members of our communities. In response to this investment, over the past five years, Scotland Excel has established a portfolio of social care contracts on behalf of local authority members.

This work is currently conducted by a small team of five dedicated staff.

2. Current Frameworks

Our social care contracts cover some of the most complex, high value and high risk services procured by local authorities. The current contract portfolio consists of seven contracts designed specifically for care in a Scottish context, encompassing the wide range of legislative and policy requirements prevalent across community care, children services and adult services:

Contract	Advertised Annual Value
Agency Workers	£20m
Care Homes for Adults with Learning Disabilities	£31m
Children's Residential	£75m
Community Meals	£3.5m
Foster Care	£24m
Secure Care	£20m
Telecare & Telehealth Technologies	£3.4m

Scotland Excel works closely with the Scottish Government and COSLA to ensure all contracting arrangements align with evolving social policy direction. Scotland Excel's collaborative approach to stakeholder engagement includes consultation with providers and people accessing services to ensure arrangements are aligned to needs. In order to ensure maximum efficiency from collaboration Scotland Excel also liaises closely with other public bodies such as the Care Inspectorate.

The work undertaken by Scotland Excel has ensured greater scrutiny has been brought to bear on commercial matters such as fee negotiation and budget analysis to maximise value for local authorities. The contracts support the sharing of best practice and national oversight of market and quality trends to assist local authorities with their commissioning of social care services.

Contract documents, purchaser and provider guides and administrative tools such as outcome focused placement matching processes and service registers developed by Scotland Excel are improving the effectiveness and efficiency of sector wide administrative processes and are supporting best practice across the local government sector.

3. Care Home Services for Older People

The National Care Home Contract arrangements have been in place since 2006. The arrangements are coordinated through COSLA, which currently takes the lead role in the annual negotiations with provider representatives on fees.

Scotland Excel has agreed to provide a suite of new procurement and contract management services for the care home services for older people to supplement existing contract monitoring services. Funding contributions for each of the 25 participating local authorities have been agreed to provide the necessary procurement, data analysis, financial accounting and legal skills required to deliver the planned activities. The funding agreed reflects the significant scale of the older peoples' care home sector in Scotland.

This new role will enable national oversight in a number of key areas including greater financial monitoring of providers to prevent unexpected provider failures and support local authority contingency planning. It will also allow for increased local market knowledge to support local authority decision making and will provide a joined up approach to drive further improvements in the quality of care.

Work is already underway with local authority leads and sector and statutory bodies. Scotland Excel is also meeting with relevant groups that represent the views of older people to ensure the views of people accessing care home services are central to any development work taken forward. An extensive body of work is also being undertaken to explore all of the available procurement options for the future contracting of care home services for older people.

4. Potential New Work and Required Resources

A number of other areas of new work have been identified by local authorities as potential areas for further collaboration. These include two significant areas of local authority expenditure - adult supported living and care at home.

Initial research and market analysis into adult supported living suggests there is significant scope for collaborative opportunity. Annual spend in this areas is in the region of £400m, with approximately 65% of this spend incurred with 20 providers. A procurement exercise in this area could produce greater transparency and understanding on costs as well as provide clarity on terms and conditions and national oversight and monitoring of the financial stability and performance of key providers.

Annual spend on care at home services is approximately £450m. While this market is far less concentrated, there remains scope to improve our understanding of trends and variations across Scotland and, as a result, enhance local commissioning responses. National work is needed to dissect costs of service provision, identify service gaps and deliver a more cohesive approach to procurement of these services across Scotland.

5. Conclusion

There are no other collaborative procurement organisations offering social care contracts covering critical services such as those provided by Scotland Excel. This role is challenging and has taken significant investment from Scotland Excel and local authorities to develop the market knowledge, contract expertise and stakeholder relationships to enable Scotland Excel to lead the way in the development of successful national social care arrangements.

As noted above, there are a number of areas of potential further involvement for Scotland Excel in the provision of social care procurement services. Any additional activity will be driven by local authority demand.

The Joint Committee is asked to note:

- the progress made to date in developing and managing social care contracts; and
- Scotland Excel will continue to explore new social care procurement opportunities with local authorities.