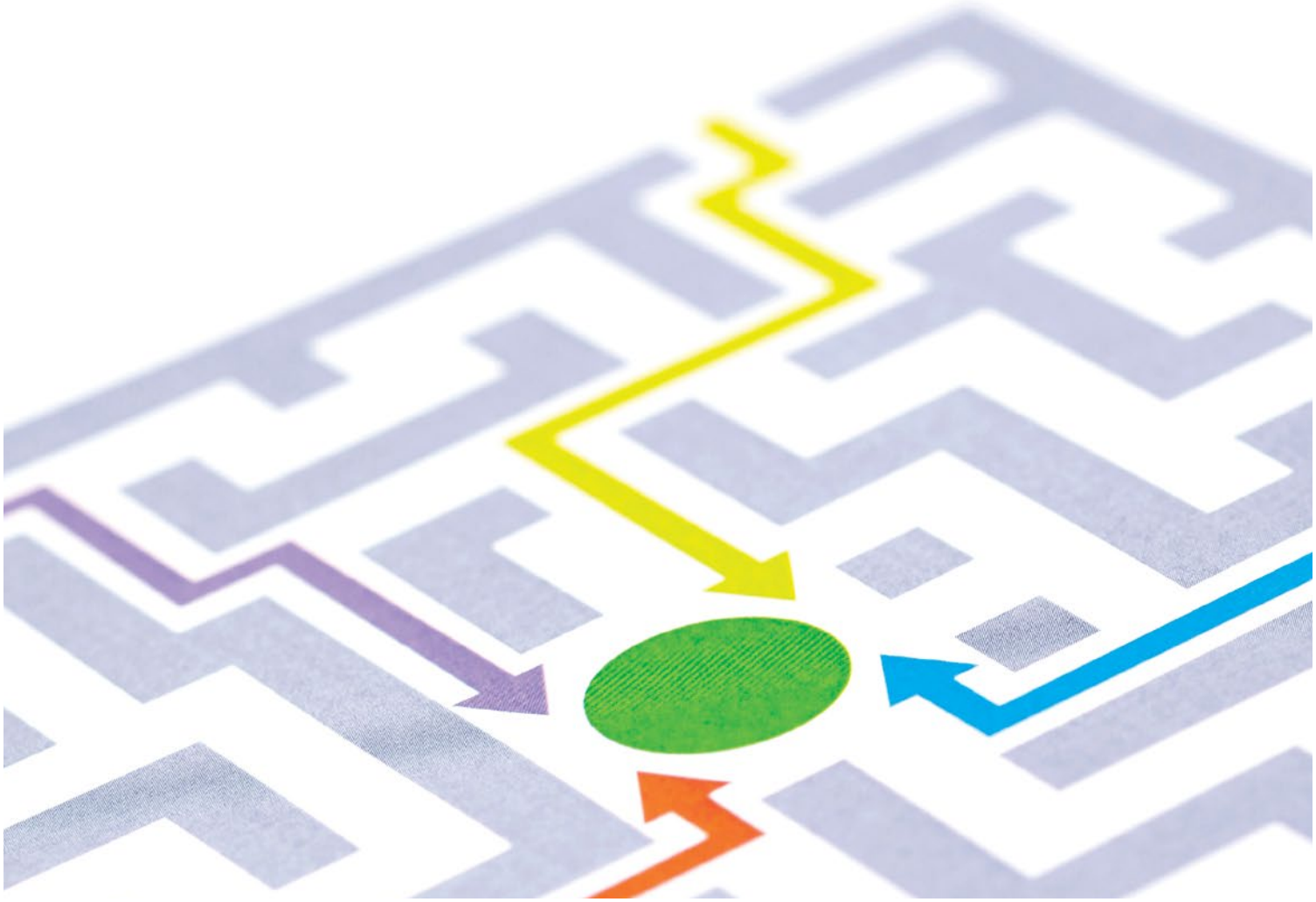
Self-directed support



ACCOUNTS COMMISSION

AUDITOR GENERAL

Prepared by Audit Scotland
June 2014

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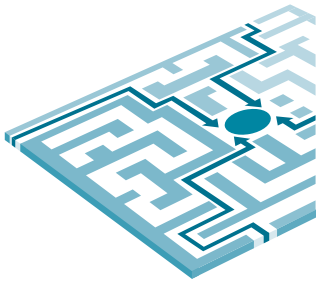
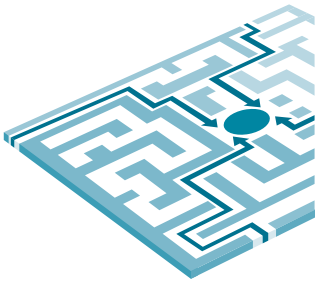


Summary



Key facts

The start date for councils' legislative duty to offer the SDS options

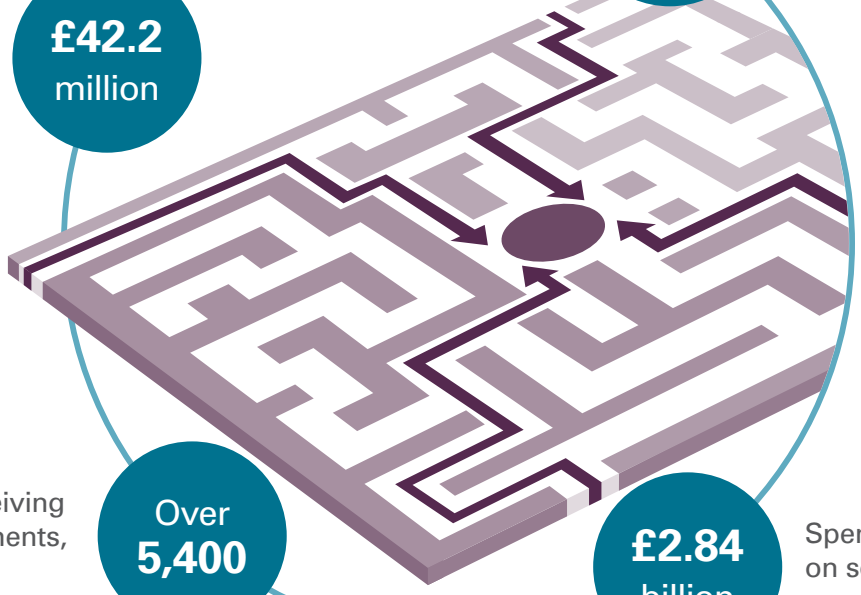
1 April 2014

Over 152,000

People receiving social care services, March 2013

Funding from Scottish Government between 2011/12 and 2014/15 to help implement SDS

£42.2 million



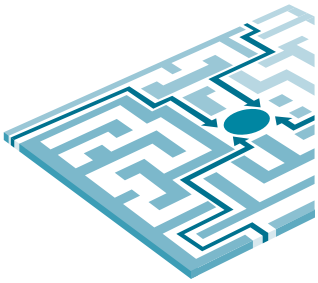
People receiving direct payments, 2012/13

Over 5,400

£2.84 billion

Spent by councils on social care services, 2012/13

Background



1. Self-directed support (SDS) is a major change to the way people with social care needs are supported. SDS is based on the human rights principles of fairness, respect, equality, dignity and autonomy for all.[1] This means that people should be equal partners with relevant professionals in determining their social care needs and controlling how their needs are met. SDS aims to improve the impact that care and support has on people's lives by helping them to choose and control what type of social care services they get, when and where they get them, and who provides them. Social care services include supporting people to live their daily lives and helping them with basic personal care like washing, dressing and eating. The support may be intended to help someone become more independent, or to keep in touch with friends or activities they enjoy. This means they are not limited to choosing from existing services such as day centres, respite care or homecare, but may still choose them if that will best meet their needs.

2. As well as changes for people who need support, SDS brings significant challenges for councils and third and private sector social care providers.[2] Councils will have to transform the way they deliver social care by changing many of their processes and procedures, the way they plan and manage their budgets, and how they work with external providers to ensure a balance of flexible, good-quality services. It will be challenging for councils to give people more choice and control over their support, and the freedom to be creative and take the everyday risks other people take for granted. These changes come at a time when councils' budgets are under pressure owing to ongoing financial constraints, increasing expectations and demand for social care. As the new arrangements for integrating health and social care progress, this transformation will need to be made in partnership with NHS boards.[3]

the introduction of self-directed support will have a major impact on social care in Scotland

3. In 2010, the Scottish Government and the Convention of Scottish Local Authorities (COSLA) published an SDS strategy.[4] They intended councils to begin planning and implementing SDS from that point. They expect the strategy to take until 2020 to be fully implemented because of the scale of the changes required for everyone involved. In January 2013, the Scottish Parliament passed the Social Care (Self-directed Support) (Scotland) Act 2013 (the Act). The Act places a duty on councils, from April 2014, to offer people newly assessed as needing social care a wider range of options for choosing and controlling their support. People already receiving support before April 2014 should be offered these options the next time their council reviews their needs with them.

4. Social work services in Scotland have aimed to provide care and support tailored to individuals' needs for several years.[5, 6] Before the introduction of the SDS strategy, councils could already offer the SDS options to many people with care needs, but relatively few people have accessed support this way.

The strategy and legislation were introduced to make change happen more quickly. Each person now assessed or reviewed as eligible for social care should expect their council to discuss and agree with them: how they want their life to improve; what support they would prefer and would help most; how much money the council will spend on their services; and how much control they want over arranging and managing their support and budget.

5. Many of the social care services provided today by councils and other organisations should look different by 2020 and beyond. The range of services available to people may differ between council areas as they should be developed in response to individuals' needs and choices. These changes will affect how councils manage the £2.84 billion a year they currently spend on delivering social care services in Scotland.

About the audit

6. Our audit examined councils' progress in implementing the SDS strategy and their readiness for the Social Care (Self-directed Support) (Scotland) Act 2013. It focuses on councils because they have the lead role, working in partnership with users, carers, third and private sector providers, NHS boards and other organisations. We carried out our audit work between December 2013 and February 2014.

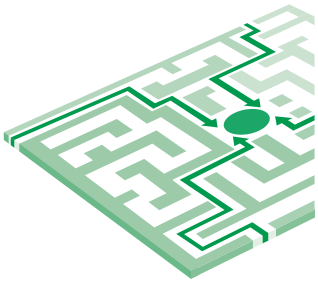
7. We reviewed progress at this relatively early stage because SDS has significant implications for the way councils and other organisations provide social care, and for people needing support. We highlighted SDS as a challenge in our report *Commissioning social care* (PDF) (March 2012). Reporting now allows us to identify risks and examples of good practice to help councils with implementation and the changes ahead. The report also highlights issues for councils and NHS boards to consider as they establish new partnership arrangements for health and social care.[7]

8. We reviewed councils' plans for implementing SDS and carried out detailed case study work in four councils: City of Edinburgh, Dumfries and Galloway, Perth and Kinross, and South Ayrshire. We spoke to council managers, front-line staff, councillors, third sector providers, and people with support needs and their carers. This approach means we were not able to assess progress in every council but we have used case studies in our report to highlight examples of local progress, good practice and areas of potential risk. The risks we address in our report are the financial and organisational risks to councils in successfully implementing SDS rather than the risks relating to councils' responsibility for keeping people safe as they live their lives with social care support.

9. Our audit methodology is in Appendix 1. Appendix 2 lists members of our project advisory group, who gave advice and feedback at important stages of the audit. We have developed separate checklists on our website:

- issues for councillors (PDF)
- self-assessment checklist for councils officers (PDF)

Key messages



1 Councils still have a substantial amount of work to do to fully implement SDS. Some have made slower progress than others and they will have to implement the cultural and practical changes more quickly over the next few years. Councils need effective leadership from senior managers and councillors and continued support from the Scottish Government through detailed guidance and regular communication on how implementation is progressing across the country.

2 Councils have adopted different methods of allocating the money they spend on social care to support individuals. There are risks and advantages with each model. Regardless of the approach taken, councils should manage the risks carefully without unnecessarily limiting people's choice and control over their support.

3 Social care professionals have welcomed SDS because it has the potential to improve support for people who need it. SDS will work best if councils make sure that people can choose from a range of different services and support. Councils should work more closely with people who need support, and with their carers, providers and local communities to develop the choices that will improve people's lives.

Key recommendations

Councils should:

- ensure that they have a clear plan and effective arrangements for managing the risks to successfully implementing SDS. They should monitor the risks regularly, and keep councillors and senior managers informed of progress
- plan how they will allocate money to pay for support for everyone who is eligible as demand for services increases. They should have plans for how and when to stop spending on existing services if too few people choose to use them, and plans to develop and invest in new forms of support for people with social care needs
- assess and report on the short and long-term risks and benefits of the way they have chosen to allocate money to support individuals. They should monitor and report on budgets and spending on social care services. They should also take action to lessen the risks of overspending, which might mean that they are unable to provide support for everyone who needs it

- work more closely with people who need support, their carers and families, providers and communities, to involve them in planning, agreeing and implementing SDS strategies. They should discuss with people what SDS may mean for them and help them to think creatively about what services would have the most positive impact on their lives

- work more closely with people who need support, their carers and families, third and private sector providers, local businesses and communities, to develop a strategy for what social care services and support will be available to people in the future. They should take account of the various challenges faced by different communities, for example those living in rural areas or areas of high deprivation.

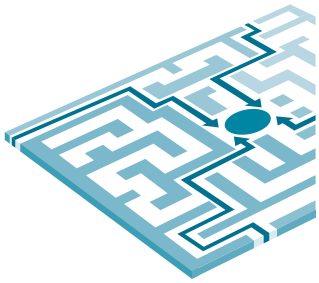
The Scottish Government should:

- have a strategy to measure and report on:
  - what councils have achieved with Scottish Government transformation funding
  - the progress of SDS implementation
  - the impact of SDS on people who need support.

- engage and maintain contact with COSLA, the Association of Directors of Social Work (ADSW) and other key national partners to:
  - identify guidance and other activities that would help with some of the challenging areas of implementation, including any issues that arise after April 2014 and guidance on the practical issues relating to option 2 of SDS (paragraph 31, page 18)
  - coordinate development of guidance and sharing good practice
  - support councils and other partners as they learn more about what works well and develop their approaches to SDS.

Part 1

Planning for self-directed support



SDS will have a significant impact on social care at a time of increasing demand and financial pressures

10. Councils have a statutory duty to assess people's social care needs. If they assess a person as needing support and eligible to receive services, councils must provide or pay for services to meet these needs. People with social care needs include children and families, people with physical, sensory or learning disabilities or mental health problems, and older people. The duty to meet people's care needs can be difficult to manage as demand can be hard to predict and the amount of money available to pay for these services is finite.

11. The legislative duty of SDS comes at a time when councils' budgets are under pressure owing to ongoing financial constraints. Between 2009/10 and 2012/13, council spending on social care services decreased by five per cent in real terms, from £2.97 billion to £2.84 billion.[8] Expectations and demand for social care are increasing because:

- people are living longer, but not necessarily healthier, lives
- more people with long-term or complex conditions are living longer.

12. The Scottish Government predicted in 2010 that spending on health and social care for older people would need to rise from about £4.5 billion in 2011/12 to nearly £8 billion by 2031, because of an ageing population. This is unless there are changes to the health of the population and the way public, third and private sector organisations deliver services.[9]

13. The Scottish Government expects councils to fund SDS from existing social care budgets. To do this, councils should work with their partners in the NHS and third and private sectors, and with people using care services and their carers. This will help to ensure that people get the services and support they need. Councils also need to make sure that services are sustainable. As they change the way they provide social care, councils will need to target their spending effectively at service users' priorities and choices.

14. SDS changes the way people have their care needs assessed and the services they might receive. Previously, people had fewer choices and less control over the types of care and support they could receive. With SDS, professional staff such as social workers and occupational health staff must work in partnership with the person and, where appropriate, their family to identify and agree their needs, what difference they want services to make to their lives and what sort of services and support will help them to achieve it. This partnership working, where professionals and people who need support combine their knowledge and expertise to make joint decisions, is sometimes called co-production.

self-directed support will affect all social care services and is expected to take up to ten years to implement

15. The council determines an appropriate budget for each person's support, sometimes known as an individual budget. The person can choose to have as much control over their individual budget as they wish. There are four distinct options under SDS (Exhibit 1, page 11). There are some exceptions to the duty to offer the four SDS options. For example, a person may be refused a direct payment if it would put their safety at risk; a child or family in need of short-term emergency support may not be offered the SDS options; and people choosing long-term residential care cannot be offered a direct payment, although the Scottish Government is currently exploring this.

SDS aims to give people greater choice and control

16. The traditional approach to social care has been for the council to arrange services for people (SDS option 3). But for over ten years, many people with support needs have been entitled to ask for a direct payment (SDS option 1).[10] Option 2 is an approach that many councils and people who use social care services have not tried before. It allows people to have choices and to control their support, without the responsibility of managing the money. Someone else arranges their chosen support and administers their budget on their behalf. There are few examples so far of how this works in practice. But there are many examples of the positive impact that controlling their own support can have on people (Case studies 1 and 2).

Case study 1
Andrew in South Ayrshire

Andrew is a young adult who has cerebral palsy and epilepsy.[1] He lives at home with his parents. He attended a special school when he was younger but is now an adult and wants to live his life more independently.

On leaving school, Andrew attended a local college with the support of a local care provider. Andrew's mother attended a local event on SDS and realised that this could offer Andrew more independence and choice over how he lives his life. His parents then contacted the council and sought a direct payment to employ a personal assistant for Andrew.[2] They spoke to the provider and directly employed one of the provider's staff on a part-time basis. Andrew was happy with this new arrangement because he already knew and liked the personal assistant.

Andrew now gets out with his personal assistant, who accompanies him to watch ice hockey, his favourite sport. He reached a huge milestone last winter when he went to Belfast with his personal assistant and his younger brother and stayed overnight to watch a big match. These activities have helped to give Andrew more independence as a young adult, making his own decisions and experiencing things many people would take for granted. This in turn is helping to build his confidence in other aspects of his life.

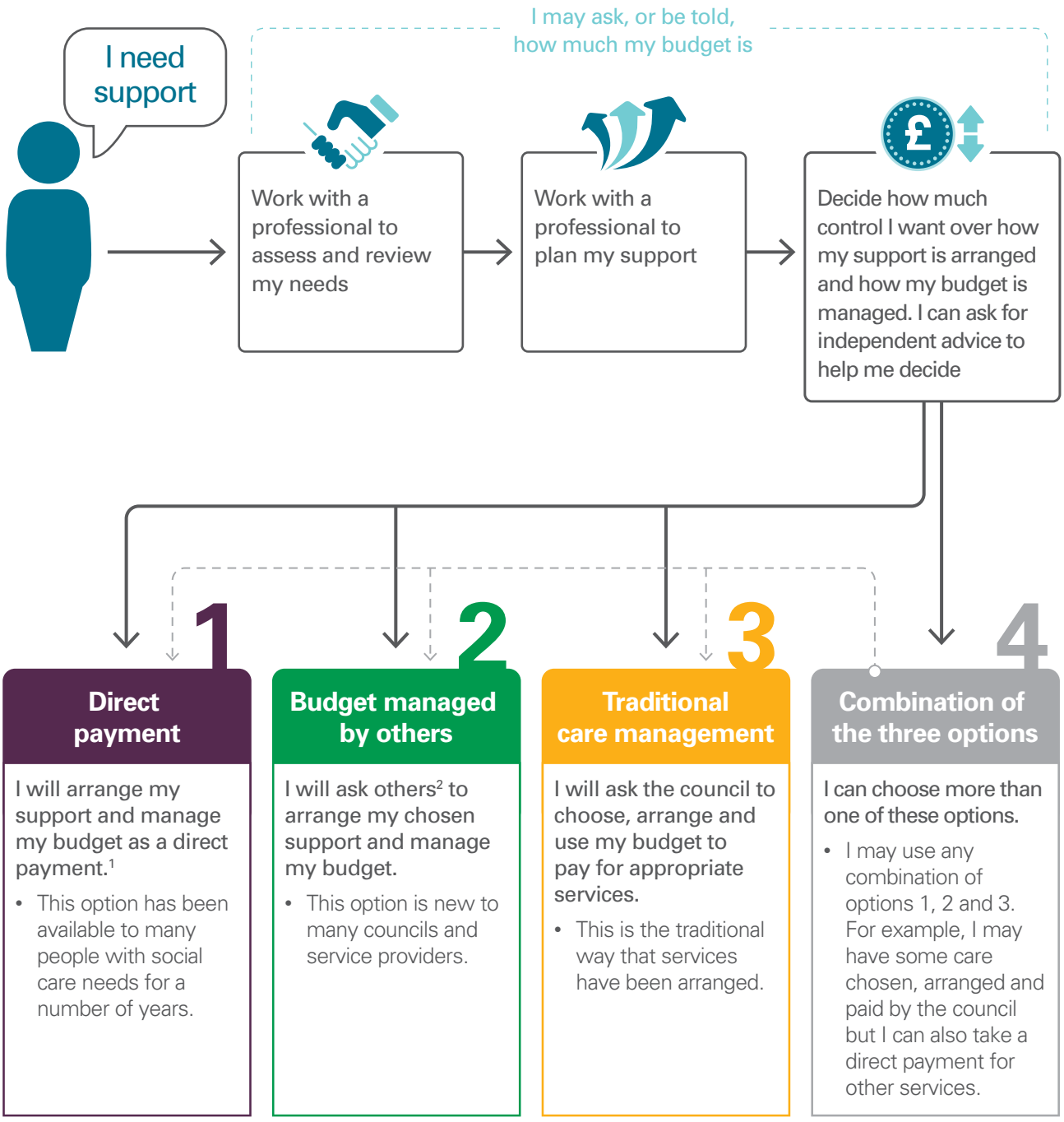
Notes:
1. We have not used the young man's real name in order to protect his anonymity.
2. Personal assistants are care staff employed by someone to provide personal care and daily living support. People often choose direct payments so that they can employ a personal assistant.

Source: Audit Scotland

Exhibit 1

How councils work with individuals to assess their care needs and arrange support

SDS is designed for each person to choose his or her services and how much control they want.



Notes:
1. My parent, guardian or someone I trust may help me.
2. This may be the council, a third or private sector social care provider or an organisation that manages people's budgets in return for a fee.

Source: Audit Scotland

Case study 2
Families working together in Perth and Kinross

Several parents of disabled children living in Crieff worked together to arrange a programme of activities for their children. They felt that this programme would better meet the needs of their children compared to traditional council services, and provide a stimulating environment for them.

This project is part of the work of 'Building Bridges', a group of people with a learning disability, family members and other local residents from the Strathearn area. The group identifies its own resources to support people with learning disabilities to become more active in their local communities, instead of only using paid council services. For example, the group works with local bus companies to improve the transport for people with learning disabilities.

Source: Audit Scotland

17. Many people who need social care support have said that having more choice and control through direct payments has been a very positive experience. For example, a user support organisation told us about service users who had previously found it difficult to organise appointments (eg, with a doctor or dentist) because there was no flexibility in what time care workers visited. The organisation also reported that people receiving direct payments said they now feel enabled rather than disabled, and that having direct payments was 'like getting out of jail'.

Councils have started to make significant changes to social care but progress is slower in some areas

18. Over 5,400 people received direct payments in 2012/13, but no national data is currently available on the number of people being offered option 2 of SDS.[11] The number of direct payments has been growing steadily over the last decade but is only approximately five per cent of eligible social care users. Direct payments accounted for £67 million (2.4 per cent) of councils' social care spending in 2012/13.[12]

19. The SDS strategy is a ten-year strategy, running from 2010 to 2020. The way councils plan and deliver social care is not expected to change immediately. Councils will gradually spend an increasing proportion of their social care budgets on direct payments or newer packages of care that people have designed through SDS. Our case study councils expected to take between one and three years to offer the SDS options to all eligible people. They anticipate that fewer people will choose day centres and respite care. Councils often provide respite care in a local residential centre where supported people stay for short periods at a time to give their carers a break. Councils will find it challenging to manage this change because some people may still want to use these existing services but there may be so few people using a service that it may not remain financially viable. As some elements of SDS are relatively new, it is difficult for councils to plan for the impact of these changes. This means that councils must monitor closely the choices people make following the introduction of the Act, and keep reviewing their plans to make sure they are ready to provide the services people choose in future.

20. Councils should make sure that they have arrangements in place to offer the SDS options to people assessed as needing support (Exhibit 2).

Exhibit 2

Council arrangements for implementing SDS

Councils should have the following arrangements in place as they implement SDS.

Strategies and plans for implementing SDS

Methods for working with people to assess their needs, identify the desired impact of social care on their lives and decide the budget for their support

Methods for assessing and reviewing individuals' support to make sure it is having a positive impact on their lives

Information and support, including advocacy, for people about their choices under SDS. This includes information about, or referral to, independent organisations (eg, Scottish Personal Assistant Employers Network or local, user-led organisations such as Centres for Inclusive Living[1])

Engagement and partnership working with people who need support and their carers

Engagement and partnership working with third and private sector providers

Joint working with the NHS so that people receive coordinated health and social care support

Note: 1. A user-led organisation is one where at least half of the management committee or board members are people who have experience of using social care services.

Source: Audit Scotland

21. We did not examine in detail the progress made with implementing SDS in each council. At January 2014, the majority of councils had documented evidence of planning for SDS implementation. Not all of these written plans and papers demonstrated a clear commitment to fully implementing all the arrangements set out in Exhibit 2. For example, some councils' plans did not set out what actions they would take, or by when; some referred to providing information for people, but not seeking their views or contributions to developing SDS; and many did not mention joint working with the NHS.

22. For those councils that have done little to implement the SDS strategy in its first few years, there is a lot of work to do. Now the legislation is in place, councils should continue to implement and review their plans and arrangements. Our fieldwork identified:

- examples of councils identifying and monitoring risks to their implementation strategy, although this was not happening well enough in all areas
- evidence of councils monitoring the use of existing services and being clear about when these services might become unsustainable, as people choose alternative types of support.

23. It will take time for councils to move their spending away from existing services such as day centres, respite provision or homecare, if necessary, and towards giving people their own budget to spend. It can be very difficult to withdraw services like day centres, even when they are clearly underused, owing to public and political pressures. It will also take time to develop new services that people will want. This is particularly an issue in rural parts of Scotland where there may not be local alternatives to traditional homecare services. There are examples of good practice of councils working with local businesses and communities to manage and develop what services are available to people (Case study 3).

Case study 3

Perth and Kinross Council working with local communities to develop social care

Perth and Kinross Council has set up a community engagement group in Pitlochry. It involves:

- people who need support and their carers
- the Pitlochry Community Care Forum
- the Institute for Research and Innovation in Social Services (IRISS)
- GrowBiz, which helps local businesses and social enterprises in Perthshire to get started or expand
- postgraduate students from Duncan of Jordanstone College of Art and Design.

Group members are working together to better understand how local social care services are delivered. The group's aim is to plan new ways of providing people with the support they need.

The group has identified what services are currently available in the community and recorded how people would like their care services to look in future. The group is now thinking creatively about how to provide these services in the community and has narrowed these ideas into themes and priority areas. IRISS has allocated a £10,000 challenge fund to the project to help pilot any new approaches.

Source: Audit Scotland

Some councils have underestimated the scale of the cultural change and the need for effective leadership

24. Implementing SDS involves changing the way councils support people with care needs. This means changes for staff working in social care. For example, staff will have to move away from allocating people to existing services, and work together with people to help them choose what support they want and would best meet their needs. People may choose new and different types of support that staff have not considered before. This cultural change is at the heart of implementing SDS. In each of our four case study areas, front-line social care staff were very positive about what SDS means for people and their carers, while acknowledging the challenges in moving to this new way of working.

25. Achieving this cultural change is a major task for councils. Research shows that it is likely to take at least three years to establish a new culture.[13] Our review of councils' plans suggests that several have underestimated the scale of the changes required. They have built staff training into their plans but have no documented evidence of tackling the other things that matter. These include:

- having a clear, shared vision across the whole service
- giving managers and front-line staff opportunities to examine their procedures and contribute to changes (Case study 4)
- ensuring leadership from councillors, managers, team leaders and front-line staff
- developing ways of assessing the impact of the changes.

Case study 4

City of Edinburgh Council's Collaborative Inquiry Group

In early 2013, the City of Edinburgh Council established a staff group to address the cultural change needed to implement SDS. It recruited 18 members from the main staff groups that would be involved in the changes, including social workers, occupational therapists, business support, homecare, finance, commissioning and IT. The group's remit is to:

- contribute to working out the council's approach to SDS in practice
- develop procedures and tools for all staff to use (eg, forms and IT systems for recording information)
- pilot and test new tools and procedures
- design and help to deliver staff training
- help other staff implement the new procedures.

The group has been working on all of these areas and by May 2013, the 18 members had been in contact with over 500 other relevant staff members.

Source: Audit Scotland

Councillors and senior managers are not providing effective leadership for SDS in every council

26. Changes of this scale require effective leadership from councillors and senior managers. Yet in January 2014, councillors in five councils had not been updated through formal committee papers on progress with implementing SDS in their council, or the implications for social care and other services.[14] Councillors in a further three councils had considered information within committees for the first time in late 2013 or early 2014. Nine councils had regularly updated councillors on progress over at least the last two years, through committee papers. Without this information, councillors and senior managers cannot provide the leadership and oversight needed to fully implement SDS.

27. In two of our four case studies, we saw evidence of effective leadership from relevant councillors and the councils' senior management teams:

- Sharing a clear vision with managers, team leaders and front-line staff of the council's approach to SDS and how social care services would be delivered in the future.
- Receiving regular, formal reports about progress in implementing SDS, and being involved in decision-making.
- Being actively involved in meetings and events to engage with people who use social care services and their carers, and providers about the council's approach to SDS.

The Scottish Government has fully involved stakeholders in developing SDS policy but more guidance and support may be needed in future

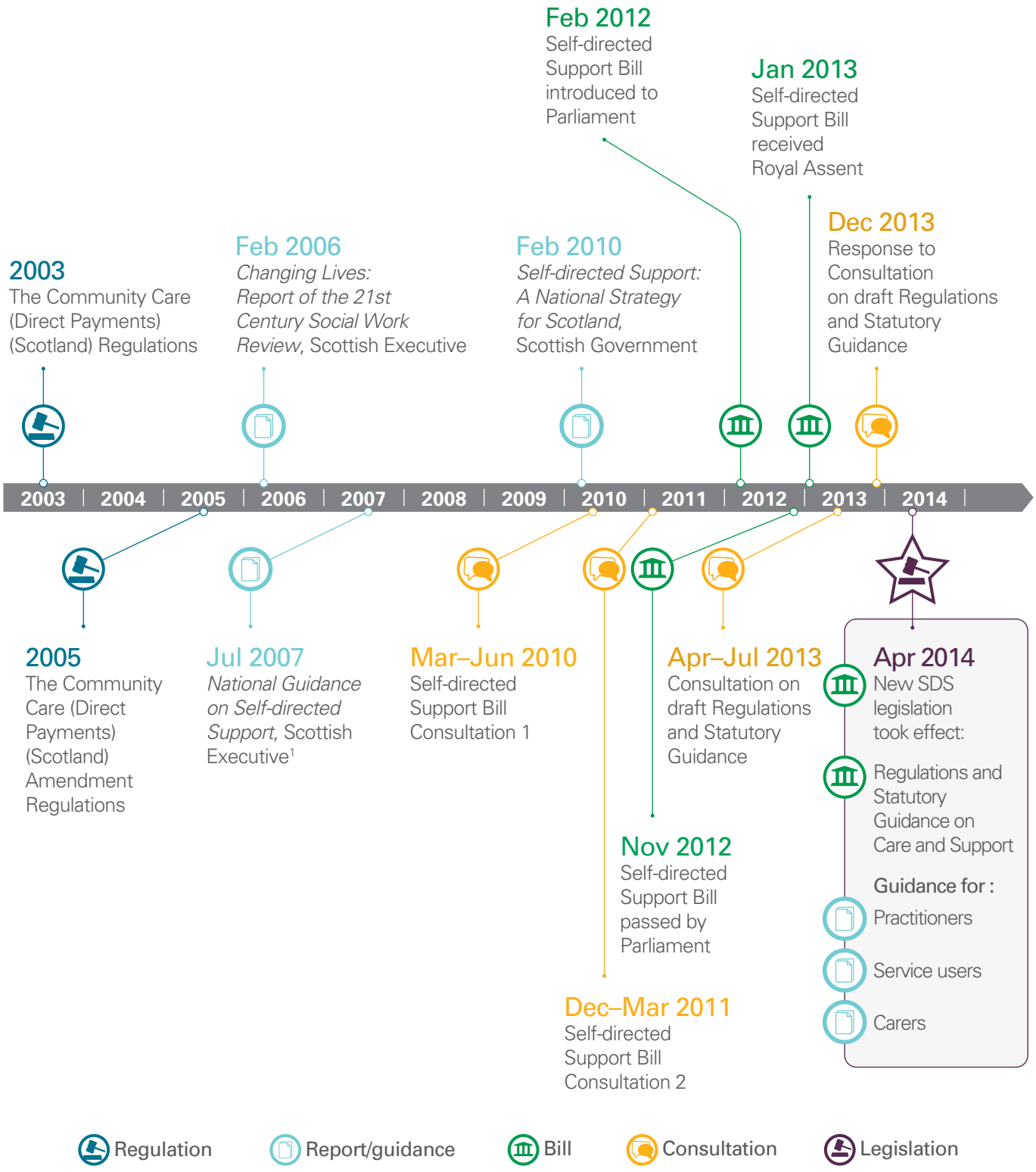
28. SDS is part of a long-term aim of the Scottish Government to have more personalised health and social care in Scotland. COSLA and groups representing users, carers and providers support a move to more personalised care. A number of key policy and legislation developments since 2003 have contributed to this move (Exhibit 3, page 17).

29. At every stage of developing the SDS Bill, regulations and statutory guidance, the Scottish Government consulted with and involved councils, people who use services and their carers, organisations representing users, third and private sector providers and other relevant organisations. They were involved as partners in developing guidance and overseeing work programmes to help with implementing SDS and participants saw this as a very positive and inclusive approach. As part of that effort, the Scottish Government created a network of named people in every council to keep in touch by email and to meet regularly. This has been an important way for councils to keep up to date with the Scottish Government's progress, to share experiences and learn from each other.

Exhibit 3

How the SDS legislation has been developed

A number of policy and legislation developments have led to the new Social Care (Self-directed Support) (Scotland) Act 2013.



Note: 1. This is guidance on direct payments, which was referred to as self-directed support at that time.

Source: Audit Scotland

30. The consultation and close working took time. But some case study councils reported that delays in producing the final regulations and guidance, which were finalised seven weeks before April 2014, held up their progress with implementing some aspects of SDS. The issues that were clarified late include:

- the circumstances in which certain people would not be offered some of the SDS options
- employing family members as personal assistants
- waiving of charges to carers
- how SDS should work for children and families.

However, the Scottish Government circulated draft regulations and guidance in advance to all councils. The delay with the final regulations and guidance should not have prevented councils from planning and implementing major changes, such as improving how they assess people's needs and planning the services they expect people to choose in future.

31. Further guidance and national coordination may be required to help councils implement option 2. This option gives people choices and control over their support, but the council or another organisation arranges the services and manages the money for them. Although councils will want to find local solutions, they will all have to deal with legal and contractual issues because, under option 2, they formally purchase the services and have duties in relation to best value and procurement. Currently, all 32 councils are trying to address these issues without clear guidance. There is a risk that some will interpret the rules and regulations so cautiously that they may limit the choice and control people have over their own support. As councils develop their approach to option 2, the Scottish Government should work with COSLA, ADSW and other partners to provide guidance and share learning.

The Scottish Government allocated £42.2 million to help organisations prepare for SDS

32. The Scottish Government does not expect SDS to increase social care costs in the long term. Based on evidence from other parts of the UK, it expects that the money councils spend on people's individual budgets will come from current spending on services that people will no longer want. The Scottish Government recognised there may be a need for short-term funding to help councils make this shift in spending and transform how they deliver social care. It estimated that short-term funding of £42.2 million would be required to help councils, user organisations, third and private sector providers and others to transform culture, systems and approaches.[15]

33. The Scottish Government allocated £24.9 million of the transformation funding directly to councils over a four-year period: £1.1 million in 2011/12, £6.8 million in 2012/13, £11 million in 2013/14 and £6 million in 2014/15. It specified to councils that the funding should be used to achieve significant progress towards delivering the SDS strategy and to ensure they were ready to meet the statutory duties of the Act. Councils were able to choose how they would use the funding to do this. The Scottish Government is using the other £17.3 million to support SDS implementation more widely, including:

- developing the knowledge, skills and capability of social care staff
- providing information and guidance on SDS for users, carers, providers and professionals
- funding people who use social care services, their carers and representative organisations, and service providers to develop new and innovative services and ways of supporting people
- exploring how people with long-term conditions or combined health and social care needs can best benefit from the SDS options, supported jointly by NHS boards and councils.

34. Councils are spending a significant proportion of their transformation funding on extra staff to help implement SDS. This information comes from a Scottish Government survey in 2012 and our four case studies.[16] An important part of calculating the funding for councils was to make sure every council had at least enough to appoint a person to coordinate SDS implementation. Our case study councils had all appointed staff for this purpose.

35. Councils that are further behind in implementing SDS must plan for how they will continue to make the necessary changes if transformation funding from the Scottish Government does not continue at current levels after 2014/15. If they are using the funding for additional staff posts, there is a risk that from April 2015, a decrease in staff numbers may lead to delays in assessing and reviewing people's needs.

36. The Scottish Government is monitoring the success of the development initiatives it funded. It has published the evaluation reports of early pilots, research on the costs of SDS and a survey of councils' preparation activities in 2012. It has also built into the initiatives the need to evaluate the projects and share learning. However, it should also seek appropriate evidence of what councils have achieved with the transformation funding. This would help to demonstrate value for money.

37. In our report *Reshaping care for older people* (PDF) (February 2014), we highlighted that the Scottish Government needs to ensure its policies are implemented successfully and achieve what it intends. The SDS strategy sets out what successful implementation of the SDS policy as a whole should look like (Exhibit 4, page 20). It is too soon to expect to see a major impact in most areas, as the changes are just taking effect for new people assessed as needing care from April 2014.

38. Assessing the impact of SDS is challenging as the policy focuses on enabling people to design different ways of meeting their needs and improving the quality of their lives. These factors are hard to measure locally and even more so at a national level. The Scottish Government is developing a monitoring and evaluation strategy, including a set of indicators for councils to use to monitor and report on SDS implementation locally. It is important that the Scottish Government can demonstrate the impact of the policy, including the intended improvements to the quality of people's lives. It will collect national data from 2014 to monitor how many people choose each of the four SDS options.

Exhibit 4
Measures of success from the SDS strategy
The SDS strategy sets out a number of measures of success.

Better quality of life for individuals
Radical increase in uptake of SDS and direct payments
A sustainable network of advocacy and peer support organisations
A sustainable network of independent support organisations for training and supporting personal assistants
A proficient body of trained, experienced personal assistant employers
An appropriate workforce of trained personal assistants, with regulated employment conditions
Improved partnership working between people receiving support, public bodies and third and private sector providers

Source: *Self-directed Support Strategy: A National Strategy for Scotland*, Scottish Government and COSLA, 2010

SDS has implications for integrated services and how the Care Inspectorate will scrutinise the quality of social care

39. Many people need a combination of health and social care support. Under current legislation, an NHS board can transfer money to a council so that a person can receive a direct payment that includes funding from both the council and NHS.[17] There are examples of this working well. However, there is no obligation on NHS boards to release funds to contribute to a direct payment. The SDS Act only places a duty on councils to offer the SDS options in relation to assessed social care needs. NHS boards only have the duty where councils have formally delegated responsibility for social care to the board. For example, NHS Highland is responsible for adult social care services in the Highland area.

40. The Public Bodies (Joint Working) (Scotland) Act 2014 requires NHS boards and councils to establish new health and social care partnerships. Under these arrangements, NHS boards and councils will be required, as a minimum, to combine their budgets for adult social care, adult primary healthcare and aspects of adult secondary healthcare. Although the SDS Act does not apply directly to health services, the SDS policy will have implications for health because NHS boards and councils will share money, staff and other resources under the new arrangements. For example, councils can charge people for some social care services while NHS services are free at the point of contact. Councils and NHS boards should be clear about the implications of SDS before they put new partnership arrangements in place.

41. The Care Inspectorate has an essential role in ensuring that care services meet quality standards. To do this, it registers care providers and inspects services against national care standards. It also inspects how councils plan and deliver social care. The SDS strategy was launched three years ago and the Care Inspectorate is now taking account of this in the way it inspects councils' adult and children's services.

42. The Care Inspectorate should also review the way it regulates individual care services. As SDS gives people more choices about their support and more control over how they use their budget, more people are likely to choose a mixture of different services and support.[18] They may purchase services from more than one provider, choose services not regulated by the Care Inspectorate (eg, personal assistants or cleaning agencies), and use their budgets more creatively to purchase support other than existing services. The national care standards are also being reviewed to reflect the new emphasis on the impact that social care services have on people's lives, not just their experience of the service quality.

43. With the introduction of the Public Bodies (Joint Working) (Scotland) Act, the Care Inspectorate is required to work with Healthcare Improvement Scotland to review joint strategic commissioning plans prepared by the new health and social care partnerships. These plans should set out how councils and NHS boards will jointly plan and deliver health and social care services, including SDS. The Care Inspectorate and Healthcare Improvement Scotland are considering how they will inspect councils' and NHS boards' health and social care services.

Council staff meet routinely with users, carers and organisations providing care, but have not always worked together with them in planning SDS

44. Councils should plan and implement SDS working closely with people who need care and support, their carers and families, and organisations providing services. We saw evidence of some good user involvement at City of Edinburgh and Perth and Kinross councils (Case study 3, page 14). In Dumfries and Galloway, service users' involvement included designing and delivering staff training, and developing a way for people to assess their own social care needs, with help from professionals. We also heard from users and user representative organisations that some councils have not given people who use services the opportunity to contribute to local SDS strategies.

45. The national SDS strategy is clear that it is about improving people's lives, not about delivering services more cheaply. However, like other public sector services, social care finances are under continuing pressure and councils have to find savings in some services as well as finding ways to respond to increasing demand for social care. This creates a risk that communities may see SDS solely as an opportunity for councils to reduce spending rather than to improve the lives of people who need support. Councils should spend time working with communities, explaining the benefits of SDS and helping people to think creatively about what services would have the most positive impact on their lives. Without this, people may be less willing to think about alternative approaches to care because they may view alternatives simply as cost-saving measures. For example, Glasgow City Council extended its engagement with service users, carers and families, and providers after they expressed concern about implementation of the first phase of its personalisation programme (SDS programme) (Case study 5, page 22).

Case study 5

Glasgow City Council's engagement with users, carers and providers

Glasgow City Council has been implementing a programme of personalisation since 2010. The objective of the programme was to ensure a fair and equitable distribution of available financial resources to provide services for people with a learning disability, mental health issues or physical disability. The council intended this programme to:

- reduce spending on existing services by an expected 20 per cent
- redirect some of that spending to new users and services, giving them a fair share of the available resources based on comparable needs, for example to look after young people in transition beyond the age of 19
- contribute to savings the council had to make because of public sector funding reductions.

Councillors approved the programme in October 2010, with the council aiming to allocate individual budgets to nearly 2,700 service users over a period of 18 months, starting with 1,800 people with learning disabilities.[1] Implementation actually took over three years. The anticipated speed of implementation and a reduction in some people's services led to unions, user groups, service providers and others expressing concerns. Providers supported the policy but felt that the council had not communicated and consulted adequately with providers and service users.[2]

In 2011, the Care Inspectorate highlighted the concerns of users, carers, staff and providers involved with learning disability services, and their perception that the council's motive was primarily or solely that of saving money rather than improving services.[3] Since then, the council has been consulting and working more closely with service users, carers and providers by, for example:

- Running regular scrutiny sessions, where user and carer representative organisations and service providers challenge council officers and councillors about aspects of the personalisation programme. This has progressed from six-monthly informal scrutiny sessions to eight-weekly multi-stakeholder sessions, formally linked into the council's committee structure.
- Continuing to invest in the Social Care Ideas Factory (SCIF), a third sector organisation that facilitates a range of communications between providers, service users and carers and the council.
- Developing an innovative Public Social Partnership involving the voluntary sector and service users.

Notes:
1. *Personalisation of social care*, Glasgow City Council Executive Committee, 7 October 2010.
2. *Personalisation: Readiness and capacity to respond: A survey of providers in Glasgow*, Social Value Lab, 2012.
3. *Glasgow City Council Scrutiny Report*, Care Inspectorate, 2011.

Source: Audit Scotland

Not all the case study areas had arranged independent information and advice about SDS

46. People may be confused about what SDS is and what it might mean for them. Some service users we spoke to, and some information produced by local organisations for service users, describe SDS in quite different ways. They often confuse SDS with direct payments, when in fact direct payments are only one of the SDS options. This makes it important that councils provide the information and advice that people need to help them understand their options and choose the best way to arrange their support. Councils should also direct people to independent sources of advice and advocacy.

47. In our case study councils, some information and advice were available for people choosing direct payments but councils were still considering how best to expand this to include all social care users. There are user-led organisations in each area, such as centres for inclusive living or support networks, but councils were being cautious about investing too much in these services until they could be more certain of demand. Organisations offering information and advice to people told us they found it difficult in some areas because the council did not regularly provide them with up-to-date information to give users about its SDS processes and the services available in the area.

Councils should work more closely with providers to develop a range of support for people

48. The Act requires councils to take reasonable steps to promote a variety of providers and support so that people who use services have real choices. Councils should communicate and work with providers to do this successfully. Councils are at different stages in their relationships with current providers. It can be hard to work closely with providers if there are a lot of them in a single council area, such as a large city. For example, they can be business competitors in some circumstances and yet be expected to work collaboratively together in others. Larger providers often work with several councils. Some told us they were finding it more difficult to plan their services and make changes in areas where the council has not communicated its plans to providers.

49. The four case study councils we visited were at different stages. For example, Perth and Kinross Council has been working together with providers in its SDS preparatory work and in developing innovative services over a number of years. Other councils have more recently begun to develop closer working relationships with providers specifically in preparation for full SDS implementation.

50. Councils also work with providers in different ways. In some cases, councils only provide information and may talk to providers through formal network meetings. In others, councils involve providers in their SDS implementation programmes by being represented on project boards and other forums and have a say in the council's approach (Case study 6, page 24). It is important to involve providers as they can bring new and constructive ideas and experiences and can help deliver the required changes. We recommended in our *Commissioning social care* (PDF) (March 2012) report that councils establish and maintain good working relationships with providers in line with Scottish Government guidance.[19] Providers have told us that this is still not happening in every council.

Case study 6

City of Edinburgh Council's engagement with providers

The City of Edinburgh Council published a draft market-shaping strategy for consultation and launched this at an event in July 2013. Councillors hosted the event, which was attended by 60 providers. This was subsequently followed by over 50 smaller meetings and individual provider question-and-answer sessions.

There have been some tensions between the council and providers, who feel they were not fully involved in developing the strategy. They feel the council has been telling them what it expects of them without engaging them in considering the market as a whole, including the council's own services.

Third sector providers in Edinburgh told us that the council is now really trying to work in partnership with them. They recognise that the council is ultimately responsible for providing social care, so it must have controls in place to ensure people are supported effectively and public money is used properly. However, they feel the council is beginning to trust them more and work more closely with them.

In September 2013, the council created an Innovation Fund of £500,000 to invest in new and innovative services. Decisions about which projects and organisations to invest in were made through a *Dragons' Den* approach in November and December 2013. The 'dragons' included service users, carers, third sector representatives and council staff.

The council awarded 16 organisations funding through this approach, including:

- small organisations developing targeted activities such as outdoor activities for Polish families affected by depression, story-sharing sessions for older people with dementia and a gardening project to help vulnerable people become involved in their communities
- projects that help supported people meet and make friends with other, like-minded people
- a financial advice service for carers and specialist support for young carers
- a service user cooperative for adults with learning disabilities whose parents are getting older and want to see something more sustainable for their sons/daughters.

Source: Audit Scotland

Providers have to change the way they work and councils can help by having strategies for developing services in each area

51. It is not only councils that need to change the way they work; providers need to change too. Third and private sector providers employ two-thirds of the social services workforce.[20] These organisations are all at different stages in implementing SDS, just as councils are. They may need to:

- focus more on having a positive impact on people's lives
- diversify the support they offer
- be more flexible and responsive to people's choices
- be able to manage people's budgets under option 2 of SDS
- provide more detailed information about their services to councils and people who need support
- manage their funding and budgets differently to help them make these changes.

52. The Scottish Government has allocated funding to third and private sector organisations to help them develop SDS. For example, it allocated £519,846 over four years to the Coalition of Care and Support Providers in Scotland (CCPS) to run the 'Providers and Personalisation Programme' (including separate guidance for users and carers, and providers). It also allocated £213,050 to Scottish Care, the organisation representing private sector care organisations, to run a three-year programme 'People as Partners'. These programmes aim to help providers understand the implications of SDS and develop their services. Scottish Government transformation funding of £13.3 million has also supported 72 provider and user support organisations to develop new and innovative approaches and to share these with other organisations (Case study 7, page 26).

All councils should have a strategy for developing services in their area

53. Councils should make sure they have the right balance of services in their area to meet people's social care needs. To do this, they should develop a strategy that sets out the services people are likely to need in the future and where there are gaps in current services. This is known as a market-shaping strategy or market position statement. This helps both the council and providers to make decisions about the future. City of Edinburgh and Moray councils have published market-shaping strategies. If councils do not have clear strategies and do not work closely with providers, they risk leaving gaps in the services available. This risk is higher in rural or remote areas where there may already be a lack of choice or shortage of some type of services. The risk is also greater for specialised types of services that relatively few people need, such as care for people with Huntington's Disease, neurological illnesses or acquired brain injuries.

Case study 7

Examples of initiatives funded by the Scottish Government

Click-Go

The Scottish Government awarded Carr Gomm £188,199 over four years to develop 'Click-Go' and pilot it with a range of social care providers, including Penumbra and The Richmond Fellowship Scotland (TRFS). 'Click-Go' is a web-based tool that helps people to choose their support, manage their budget and record their progress. Carr Gomm provides support for adults and children with a very wide range of support needs.

'Click-Go' runs on any device with internet connectivity. It is easy to understand and use, and helps people who receive support, and their families and carers, to access information and make informed decisions about what support they want and which worker they would prefer. For example, there are pictures of each worker with information about them to help people choose.

'Click-Go' allows a person to view their budget and expenditure, plan and request their support visits, send and receive messages from support workers, review and record their outcomes, and see information about the team of workers that supports them. People who use it say:

> 'It helps me to put faces to names, and reassures me that the worker who is coming to my house is someone that I've met before.'

> 'Click-Go is great; it really meets our needs and is easy to work. It opens up a world of opportunities for supporting people with dementia.'

There are 19 organisations using 'Click-Go' so far and Carr Gomm is working with others to help them start using it too. Carr Gomm has 35 people using 'Click-Go' and says: 'We can see the difference it is making: translating grey legislation into the colourful reality of choice and control'.

The Minority Ethnic Carers of Older People Project (MECOPP)

This project in Edinburgh and the Lothians works to help minority ethnic carers to access services and support that suit their caring situation. It received £133,360 Scottish Government funding over four years to:

- raise awareness of SDS in black and minority ethnic communities
- provide information, advice and practical help to people considering SDS.

The project has hired two members of staff. One works with South Asian communities in Edinburgh and the Lothians to offer information and advice about SDS and help people access direct payments. The other is working in three council areas with gypsy/traveller communities to explore how SDS might help.

Cont.

Case study 7 (continued)

These two staff have identified barriers to people taking more control of their support and are developing information and advice to increase uptake, including:

- an easy-read book to help service providers understand the issues and barriers that gypsy/traveller people face in trying to use social care services
- an animated DVD and online video with voice-overs in Bengali, Chinese, Punjabi and Urdu to help people understand what SDS is all about
- a guide to help translators explain SDS in these languages
- individual help for people using direct payments.

Source: Audit Scotland

Workforce issues may affect the services available for people with support needs

54. The introduction of SDS has major implications for the social care workforce. As people choose new and different types of support to improve their lives, social care workers will have to develop different ways of working. The Scottish Social Services Council (SSSC) is leading work to implement the SDS workforce learning and development strategy.[21] The strategy aims to increase awareness and understanding, provide accessible information and help social care workers to develop the way they work to deliver SDS.

55. In 2012, there were an estimated 191,000 people working in social care, excluding personal assistants.[22] A third work for the public sector, 41 per cent for the private sector and 27 per cent for the third sector. They are mainly female (84 per cent). Approximately 80 per cent have permanent contracts, although this does not necessarily mean fixed working hours. Many workers in the third and private sectors are paid the national minimum wage (currently £6.31 an hour for adults).

56. We heard from our case study councils that social care providers find it difficult to recruit and retain social care staff in some areas. This is mainly because there are other jobs available that pay the same or more, such as retail jobs. Under SDS, the social care workforce will need to become more flexible to work collaboratively with people and respond to their choices. For example, people may choose not to have the same level of support every day or every week. But social care jobs may become less attractive if the hours are more varied and flexible or there is no guaranteed weekly income.[23] This may mean that third and private sector providers have to improve staff pay and conditions to attract and retain the right staff, leading to an increase in their costs and therefore the prices they charge.

57. More people may choose direct payments to employ their own personal assistants. Direct payments typically allow people to pay personal assistants the Scottish living wage. The Scottish Government has made a commitment to pay public sector employees at least a living wage, set at £7.65 per hour from April 2014. Social care workers in the public sector are also paid at least the living wage, and normally have terms and conditions that are better than the legal minimum, for example annual leave or pension provision. This difference in pay and conditions between social care workers in the different sectors may add to recruitment difficulties for third and private sector providers.

58. By 2020, the SSSC will register and regulate the majority of the social care workforce. This means all staff will:

- have their criminal records checked regularly through membership of the Protecting Vulnerable Groups Scheme[24]
- be signed up to the SSSC code of practice
- have, or be working towards, a suitable qualification
- have regular training and development.

59. The Care Inspectorate registers and inspects the services provided by this workforce. But personal assistants are not required to register with the SSSC and the Care Inspectorate does not inspect the services provided by personal assistants. Some argue that as more people choose direct payments and employ personal assistants, the current system will not be able to provide assurance that people's needs are being met. Others argue that people should continue to be able to make an informed choice to employ a personal assistant who does not have to be registered with the SSSC or inspected by the Care Inspectorate. Regulating personal assistants would introduce extra administration costs and reduce people's flexibility about who they choose to employ; but insufficient regulation, advice and help may put people at risk of not having their needs met.

60. Councils have responsibilities for all the people they support, whether this is through direct payments, a service provided by others, or by providing services directly. They must take action where necessary to ensure that there is a strong social care workforce in their area. They should work with the SSSC, Care Inspectorate, other relevant organisations, local businesses, colleges and communities to do this.

61. Some councils are considering ways of tackling recruitment problems. For example, South Ayrshire Council runs an apprenticeship scheme for social care workers and is working with small rural communities to match up people who need support with people who might be willing to be their personal assistant or home carer.

Recommendations

Councils should:

- monitor closely the activity and costs of care services following the introduction of the Act, as they spend an increasing proportion of their social care budgets on direct payments or newer packages of care and less on some traditional services

- review their SDS implementation plans, including identifying and monitoring risks to successfully implementing SDS. Their plans should ensure they:
  - have a clear, shared vision across the whole social care service
  - give managers and front-line staff opportunities to examine their procedures and contribute to changes
  - have effective leadership from councillors and senior managers, including active involvement in engaging with people who use social care services, their carers and providers
  - include actions that aim to change the council's social care culture, in addition to core staff training
  - develop ways of assessing the impact of the changes on how successfully social care services improve people's lives
  - provide regular progress reports to senior managers and councillors that include information about the implications for social care and other services
  - are clear how they will continue to implement the changes required for SDS after 2014/15 if Scottish Government transformation funding does not continue at current levels
  - work more closely with people who need support, their carers and families, providers and communities to involve them in planning, agreeing and implementing SDS strategies. They should discuss with people what SDS may mean for them and help them to think creatively about what services would have the most positive impact on their lives

- work more closely with people who need support, their carers and families, third and private sector providers, local businesses and communities to develop a strategy for what social care services and support will be available to people in the future. They should take account of the various challenges faced by different communities, for example those living in rural areas or areas of high deprivation

- take action, where necessary, to ensure that there is a strong social care workforce in their area, working with the SSSC, Care Inspectorate, other relevant organisations, local businesses, colleges and communities.

Councils and NHS boards should:

- consider the implications of SDS before they put in place the new health and social care partnerships planned under the Public Bodies (Joint Working) (Scotland) Act 2014.

The Scottish Government should:

- ensure it finalises any regulations and issues effective guidance in time to help the relevant organisations implement policy

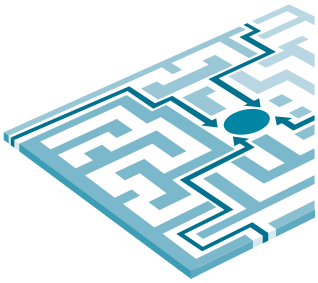
- engage and maintain contact with COSLA, ADSW and other key national partners to:
  - identify guidance and other activities that would help with some of the challenging areas of implementation, including any issues that arise after April 2014 and guidance on the practical issues relating to option 2 of SDS
  - coordinate development of guidance and sharing good practice
  - support councils and other partners as they learn more about what works well and develop their approaches to SDS

- have a strategy to measure and report on:
  - what councils have achieved with Scottish Government transformation funding
  - the progress of SDS implementation
  - the impact of SDS on people who need support

- complete its revision of the national care standards to reflect better how services focus on having a positive impact on people's lives.

Part 2

Managing budgets



SDS will change how councils manage their social care budgets and this directly affects the support available to people

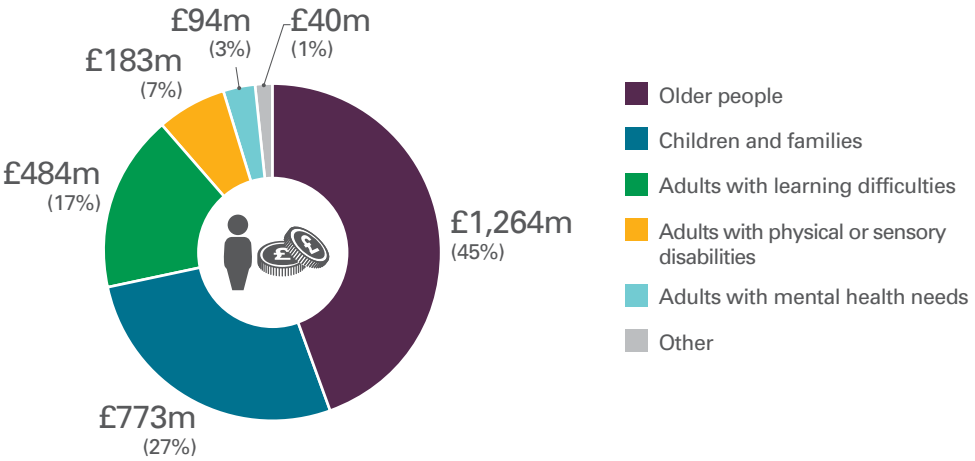
62. Councils spent £2.84 billion on social care services in 2012/13 (Exhibit 5). They provide care and support for over 152,000 people. Councils provide some of this through council-run services and buy some from external providers in the third and private sectors. Although SDS is not necessarily about delivering services more cheaply, councils are implementing SDS while managing pressures from declining budgets and increasing demand. In transforming the way they deliver social care, councils must also find ways to ensure that services are sustainable, as these pressures increase.

self-directed support will affect all social care budgets

Exhibit 5

Council spending on social care by user groups 2012/13

Forty-five per cent of councils' social care expenditure is on older people; 27 per cent is on children and families.



Source: Audit Scotland analysis of Local Government Financial Returns, 2012/13

63. An important aspect of SDS is how the council calculates an individual budget for each person assessed as having social care needs. This is a new approach for most councils and involves calculating their costs in a very different way. For example, rather than budgeting to run a fixed number of services such as respite centres, day centres, shared living units, or homecare services, councils must now budget to pay for individual care and support services for people.

64. This does not necessarily mean that existing services have to close. Some people will choose to spend their individual budget on these services anyway, and others may opt for the council to choose their services for them. However, if enough people stop using an existing service, it may not be financially viable. Councils have difficult decisions ahead about what to do in these circumstances. They may have to:

- reduce, merge or close a service
- find a way of paying for it
- find an alternative way of running it
- change it into a service that people will choose to use.

65. Councils should base these decisions on an appraisal of all the options and should take into account the effect on current users.[25] These changes will happen gradually as councils implement SDS. But in our case studies, we saw examples of councils closely monitoring which services they were spending money on and calculating which ones are sustainable as demand changes.

66. In our case studies, we saw evidence of short-term financial planning but less evidence of detailed, longer-term planning. It is difficult to predict what choices people will make in future and councils recognise the need to monitor trends carefully. However, it is important that they have longer-term plans in place so that they can:

- identify if progress varies from their plans
- spot trends in what is happening
- be ready to make potentially difficult decisions.

67. Long-term planning and regular monitoring of social care spending and activity are even more important at present because of current pressures on budgets and demand for services. In preparing budgets, councils need to develop scenario planning so that they are prepared for events which could have a significant impact on expenditure. An example is an unexpected rise in the number of people asking for a direct payment while money is still committed to paying for existing services.

Most councils have chosen one of two main ways to allocate individual budgets, each with benefits and risks

68. From April 2014, councils should be able to allocate individual budgets to people assessed as needing social care. The way they allocate budgets should make sure the council can afford to support all eligible people, both now and over the long term. Getting this wrong is a major risk for councils. It may result in their overspending their budgets, being unable to afford social care for some people, or providing inadequate support for them. These challenges are not new. Councils have always had to determine how to use available social care resources to best meet the needs of the local population.

69. Most councils have chosen one of two main ways to allocate individual budgets: a Resource Allocation System (RAS) or an equivalency model. We also saw a third approach at Perth and Kinross Council (Exhibit 6, page 33). Councils should consider carefully which is best for them, how to best meet the needs of local people and how to ensure that social care is sustainable in the longer term.

Exhibit 6

How councils allocate budgets to individuals

Most councils have adopted one of two models to allocate budgets to people who need support, with Perth and Kinross Council adopting a different approach.

Model	Resource Allocation System (RAS)	Equivalency model	Solution-led model (Perth and Kinross Council)
Description	Allocates budget based on a scoring system for people's assessed support needs. The amount of money allocated for each point scored is determined after calculating the total budget available and the projected demand for services	Allocates budget based on the estimated cost of the services people need. Councils normally estimate this from the services they would traditionally have given a person, for example seven hours a week of homecare	Allocates the actual cost of the support a person needs, which is agreed during assessment and discussion with the person's family and social worker or other professionals. Councils control allocation of resources through staff having differing levels of authorisation
Benefits	Easy to adjust in future Predictable total spending Seen to be fair when calculations are transparent and based on assessed needs and calculated budgets Can ensure that no group of users is favoured over another	Results in little change for existing service users who wish to continue with their current services Predictable total spending Seen to be fair because it is clearly based on the amount of money that would have been spent before SDS was introduced	Aim is for people to get exactly the amount they need to pay for the support they have agreed Seen to be fair because it is clearly based on the actual cost of the support required
Risks	Depends on knowing costs to calculate the total budget Depends on having good information on projected demand Requires a lot of development and testing May be perceived by service users as a rigid and time-consuming process, at the expense of a good discussion about what support people would prefer	May perpetuate any existing inequity between user groups Unsustainable if demand increases	May result in overspending if the support costs more than planned and strict financial monitoring is not in place Unsustainable if demand increases People's expectations may be raised and not met if there is a need to cap spending

Source: Audit Scotland

70. Case study councils that have opted for an equivalency model know that they may not be able to sustain it in the longer term because of rising demand. They may consider using a RAS in future. Councils in this position should not underestimate the amount of work involved in developing a reliable RAS.

71. Perth and Kinross Council is allocating individual budgets by calculating the costs of the support required. The council intends to give people exactly the budget they need. It is confident that this approach helps focus the discussions between the person and the professional on the support the person needs, rather than how much these services cost. However, this approach has a high risk of overspending the total budget. This could mean that some people get the support they need and others do not. Strong financial controls are needed (Case study 8).

Case study 8

Perth and Kinross Council's approach to allocating people an individual budget

Perth and Kinross Council has introduced financial controls to manage the amount of money that front-line staff can approve.

Each member of staff has an expenditure limit and can approve people's budgets below that limit. If a person needs to spend more than the limit, a manager must approve it. Managers also have an expenditure limit. If they want to spend more, they must refer the individual's budget to a group of managers for approval.

A crucial element of this approach is frequent reporting and review of how much is being spent. In the early days, finance and social care staff are meeting weekly to review spending.

Source: Audit Scotland

Councils are already changing their contracts with external providers

72. In recent years, councils have been using more block contracts with providers in the third and private sectors. This type of contract guarantees that councils pay an agreed fixed price and commits them to paying for a minimum amount of service, for example homecare hours, whether they use it or not. Councils are beginning to change their contracts because they do not want to commit to paying for services people may not choose to use. Instead, they have begun to introduce framework agreements.

73. Framework agreements are a way for councils to provide assurance about the quality of support or services people choose under SDS option 2, where they ask the council to arrange and pay for their chosen services. A framework agreement between a council and a provider requires the provider to meet certain standards and agree to provide certain information in return for being on the council's list of approved providers. The standards and information required should not be so demanding or restrictive that some new or innovative services would have difficulty meeting them.[26] Providers report that some current framework agreements restrict their ability to be flexible in response to service users' choices.

74. Not all councils have framework agreements in place, but several councils are introducing them in 2014. In our 2012 *Commissioning social care* (PDF) report, we highlighted that councils needed more staff with better skills in commissioning and procurement. Councils also need these skills to manage the introduction of framework contracts.

Councils need to manage financial risks when implementing SDS

75. Given the scale of the changes involved in implementing SDS, there are financial risks to the council involved in moving to this new way of working. Councils should ensure that they have considered and set out how they will identify and lessen these risks as more people take on SDS (Exhibit 7, page 36).

Recommendations

Councils should:

- plan how they will allocate money to pay for support for everyone who is eligible as demand for services increases. This requires regular monitoring of social care spending and activity. They should have plans for how and when to stop spending on existing services if too few people choose to use them, and plans to develop and invest in new forms of support for people with social care needs
- base any decisions on when to change or close a service on an appraisal of all the options, taking into account the impact on current users
- have short and long-term financial plans for SDS to monitor progress, identify variations between the progress and the plans, spot trends and be ready to make potentially difficult decisions
- assess and report on the short and long-term risks and benefits of the way they have chosen to allocate money to support individuals. They should monitor and report on budgets and spending on social care services. They should also take action to lessen the risks of overspending, which might mean that they are unable to provide support for everyone who needs it
- allow adequate time and resources to develop a transparent Resource Allocation System if they decide to develop one, and learn from councils that already have one in place
- when introducing a framework agreement, ensure that the standards and information required are not so demanding that new or innovative services would have difficulty meeting them
- ensure that they have a clear plan and effective arrangements for managing the risks to successfully implementing SDS. They should monitor the risks regularly, and keep councillors and senior managers informed of progress.

Exhibit 7

Financial risks of SDS

There are a number of significant financial risks councils need to address when implementing SDS.

Risk	To lessen the risk, the council:
Failure to enable sufficient flexibility and creativity in the way that people are supported, resulting in people's needs not being met well and their needing more support in future.	• is listening to and encouraging users, carers, families, providers and communities to develop flexible, creative approaches to support • actively supports development of innovative solutions, both financially and practically • keeps its policies and practices under review to make sure they help, and do not get in the way of, new and creative approaches.
There is not enough money to help fund preventative services, such as lunch clubs and social activities, because councils spend the entire social care budget on people's current needs. This may mean that the council fails to divert or delay demand for services resulting in: • an increased demand that the council cannot afford • people who need support not getting it.	• is working with communities to find out what preventative services currently exist and what is needed • supports new and existing services, both financially and practically, to grow and diversify.
An unreliable RAS that is based on inadequate information about costs or demand for services could mean: • an increased demand that the council cannot afford • people who need support not getting it • an increase in spending on crisis or exceptional situations.	• understands the costs of each element of its social care services • identifies which elements of the total budget must be kept and which must be included in the RAS • develops a good system of analysing trends and predicting future demand for services.
Increases in demand mean that councils that have not reviewed and changed significantly the way they provide social care for SDS, including those using an equivalency model, overspend their social care budgets.	• understands the costs of each element of its social care services • develops a good system of analysing trends and predicting future demand for services • develops financial plans using this information • monitors its social care budgets closely against its financial plans and takes prompt action when it identifies any variation.
Running in-house services that are no longer financially viable, resulting in overspending on these services.	• knows the costs of running each in-house service and has calculated the point at which there are not enough users to financially sustain the service • monitors how many people are using the service • acts quickly to consider the options when trends show the number of people using the service is declining.

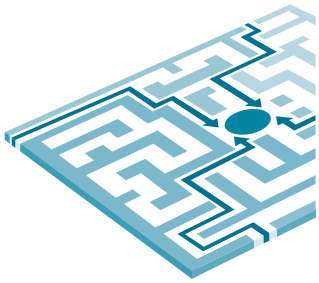
Cont.

Exhibit 7 (continued)

Risk	To lessen the risk, the council:
Being tied into block contracts that are no longer fully used, resulting in overspending on these contracts.	• monitors and reviews block contracts regularly to identify where it is paying for services that people are not using • if necessary, considers at the earliest opportunity the options for changing or withdrawing from contracts • considers using framework agreements.
Inadequate financial controls for individual budgets, resulting in misuse of funds or fraud.	• has reviewed its financial controls for direct payments • has reviewed previous misuse of direct payments and takes a proportionate approach to guarding against this • has suitable arrangements for approving single large items of expenditure.
Disproportionate financial controls for individual budgets, resulting in excessive administration costs and in service users being deterred from choosing to control their support and budget.	• has reviewed its financial controls for direct payments • takes a proportionate approach to monitoring individual budgets • has streamlined arrangements for approving expenditure.
Higher unit costs for external services owing to the need for greater flexibility, resulting in more expensive services.	• monitors closely the choices people make • works in partnership with providers to ensure that their services match what people want and that costs are kept to an affordable but realistic level.
People arranging their own support run into difficulties with their personal assistant or support provider and are found liable or lose money.	• gives people information and advice about employing a personal assistant, including employers' insurance and how to be a good employer • refers people to a user-led organisation that can advise and help them • ensures that people have contingency plans so they know what to do if their personal assistant is ill or does not arrive as planned.
An external provider fails to provide appropriate support or goes out of business because not enough people choose its services.	• monitors contracts with external providers, including their financial health • reviews regularly the impact that support and services are having on people's lives • has plans in place to ensure that everyone who needs a service continues to receive it.
SDS implementation not far enough advanced by the end of 2014/15. If Scottish Government transformation funding does not continue at current levels, this could result in a reduction in staff and delays in assessing and reviewing people's needs.	• has detailed SDS implementation plans in place for 2014/15 and beyond • prioritises actions to ensure progress does not stall in 2015/16.

Source: Audit Scotland

Endnotes



1 The Human Rights Act 1998.

2 The third sector is also referred to as the voluntary sector, and the private sector as the independent sector.

3 Public Bodies (Joint Working) (Scotland) Act 2014.

4 *Self-directed Support: A National Strategy for Scotland*, Scottish Government and COSLA, 2010.

5 *Changing Lives: Report of the 21st Century Social Work Review*, Scottish Executive, 2006.

6 *Changing Lives: Personalisation: A Shared Understanding; Commissioning for Personalisation; A Personalised Commissioning Approach to Support and Care Services*, Scottish Government, 2009.

7 Public Bodies (Joint Working) (Scotland) Act 2014.

8 *Scottish Local Government Financial Statistics 2012-13*, Scottish Government, 2014.

9 *Reshaping Care for Older People – A Programme for Change 2011–21*, Scottish Government, COSLA and NHS Scotland, 2010.

10 Following several pieces of legislation, most adults assessed by their council as needing social care, and the parents of disabled children, may receive a direct payment. This legislation includes the Community Care (Direct Payments) Act 1996 and subsequent amendment regulations to that Act.

11 *Social Care Services, Scotland 2013*, Scottish Government, 2014. The Scottish Government intends to include data on other SDS options in future years.

12 *Scottish Local Government Financial Statistics 2012-13*, Scottish Government, 2014.

13 *Culture change in the public sector (IRISS Insights, No. 17)*, Michelle Drumm, Institute for Research and Innovation in Social Service, 2012.

14 Argyll and Bute, Clackmannanshire, East Lothian, Stirling, West Dunbartonshire. No council committee papers on SDS between January 2011 and January 2014.

15 Social Care (Self-directed Support) (Scotland) Act 2013 Financial Memorandum.

16 *Self-directed Support: Implementation of the SDS Strategy and Bill – 'Stock take' Questionnaire Analysis Report*, Scottish Government, 2013.

17 The Community Care (Joint Working etc) (Scotland) Regulations 2002 (SSI 2002 No. 533).

18 *Self-directed support, regulation and inspection, Research 2014*, Coalition of Care and Support Providers in Scotland, 2014.

19 *Guidance on procurement for social care and support*, Scottish Government, 2010.

20 *Scottish Social Services Sector: Report on 2012 Workforce Data*, Scottish Social Services Council, 2013.

21 *Self-directed support in Scotland – workforce learning and development strategy*, Scottish Government, 2013.

22 *Scottish Social Services Sector: Report on 2012 Workforce Data*, Scottish Social Services Council, 2013. This figure excludes childminding assistants, volunteers, personal assistants and office staff not based where the services are provided.

23 *Public sector austerity, personalisation and the implications for the voluntary sector workforce,* University of Strathclyde, 2013.

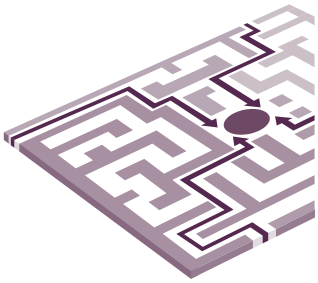
24 All care workers in Scotland who have regular contact with children or protected adults through paid or unpaid work must be members of the Protecting Vulnerable Groups Scheme. It allows their employers to check that they do not have a record of harmful behaviour.

25 *How councils work: Options appraisal: are you getting it right?* (PDF) Audit Scotland, March 2014.

26 *Commissioning social care services: Focus groups with social care services providers* (PDF) ODS Consulting for Audit Scotland, 2011; *Guidance on procurement for social care and support*, Scottish Government, August 2010.

Appendix 1

Audit methodology



We reviewed a range of published information to inform our audit, including:

- Scottish Government strategy and policy documents, reports, statistics and financial information
- draft bill, consultations and responses relating to development of the SDS legislation
- reports and research by Institute for Research and Innovation in Social Services (IRISS), Scottish Social Services Council (SSSC), academic institutions and other relevant organisations
- plans, reports and papers submitted to us by all 32 councils in response to our information request.

We carried out case studies in four councils – City of Edinburgh, Dumfries and Galloway, Perth and Kinross and South Ayrshire – including interviews and group discussions with the following:

- council managers
- front-line staff
- councillors
- third sector providers
- people with support needs and their carers.

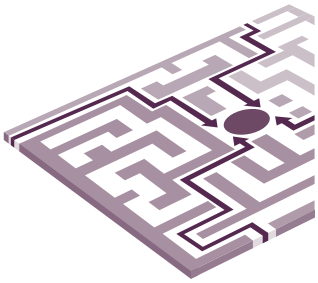
We interviewed staff and representatives from various public, private and third sector organisations including:

- Association of Directors of Social Work (ADSW)
- Care Inspectorate
- Coalition of Care and Support Providers in Scotland (CCPS)
- Convention of Scottish Local Authorities (COSLA)
- Encompass

- In Control Scotland
- Joint Improvement Team
- Self Directed Support Scotland (SDSS)
- Scottish Care
- Scottish Government
- Scottish Personal Assistant Employers Network (SPAEN)
- Social Care Ideas Factory.

Appendix 2

Project advisory group



Audit Scotland would like to thank the members of the project advisory group for their input and advice throughout the audit.

Member	Position
Craig Flunkert	Scottish Government
Dee Fraser	Coalition of Care and Support Providers in Scotland
Beth Hall	Convention of Scottish Local Authorities
Duncan MacKay	Association of Directors of Social Work
Sally Shaw	Care Inspectorate
Jess Wade	Self Directed Support Scotland

Note: Members of the advisory group sat in an advisory capacity only. The content and conclusions of this report are the sole responsibility of Audit Scotland.

Self-directed support

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Audit Scotland, 110 George Street, Edinburgh EH2 4LH
T: 0131 625 1500 E: **info@audit-scotland.gov.uk**
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