Healthcare Improvement Scotland

Transformational Change through Ethical Commissioning

Change ideas on supporting widespread adoption of Ethical Commissioning across health and social care

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1 Summary

Our health and social care system faces sustained pressures in relation to funding, workforce and the rising burden of disease. We have a clear direction of travel set out in legislation and policy for an integrated health and social care system that supports people holistically, close to home and in a way that treats people and their carers as partners in decision making.

Within this context, the way that we commission plays an important role in cohesively bringing together provision from across the public, third and independent sectors to be able to meet people's needs. The way we commission matters for providing safe and high-quality services, reducing inequalities, being flexible and responsive to multiple and complex needs, and effectively implementing prevention and early intervention.

The way we commission is a vital enabler to key areas of reform and change prioritised by the Scottish Government:

- **National Care Service** - The NCS looks to bring together a wide range of services and organisations to provide more consistent, coordinated and higher quality care. Making changes to the way the system works and providing appropriate support to develop the enablers for Ethical Commissioning will be important to enable the NCS to deliver different outcomes and not just different delivery.
- **Scottish Learning and Improvement Framework** – The SLIF is a newly developed Framework, currently in draft, that seeks to articulate a common direction for improvement activity across adult social care and community health and support the tracking of improvement against a set of outcomes that matter to people. The ethical planning, commissioning and procurement within health and social care sits within the SLIF as it recognises it as key mechanisms to achieving better outcomes for people.
- **NHS Reform** - NHS Reform agenda is focusing on
    - Moving towards more Scotland wide approaches which will see more national and cross-boundary delivery which has implications for how NHS Boards plan, commission and allocate funding to their internal delivery.
    - Continuing to increase investment in prevention and early intervention – much of which is or would be delivered in the community by other organisations.

  Utilising commissioning approaches well will make a big impact on the extent to which NHS Boards are able to effectively plan, commission and deliver services in a very different way than they currently do now.
- **Delayed Discharge** - Delayed discharge is often used as a barometer for integration between health and social care. Focusing too heavily on the measure in isolation from the wider system is unlikely to see material gains in integration beyond what has been achieved to date. Instead, the findings from the ethical commissioning research provide us with an alternative, fuller picture to look at as the mechanism for understanding integration across the whole system. In doing this, delayed discharge fits within this bigger picture, rather than acting as the key driver of integration.

- **Complex needs, multiple disadvantage and inequalities** - Individuals with complex needs, facing multiple disadvantage, and/or facing inequality of outcomes and access need holistic, preventative and person-centred support that crosses traditional service boundaries and addressing things further upstream rather than only responding to crisis in our services. Ethical Commissioning is important in ensuring that we effectively
    - Bring in third and independent sector organisations into a cohesive and collaborative landscape of services and support together with the public sector to reach and support people
    - Commission services that enable someone to be supported holistically across their needs and before crisis.

Good practice in commissioning across health and social care has been discussed and researched in many forms, with many different names, including more recently as Ethical Commissioning. Feeley, amongst others, identified that there is still a large implementation gap between the policy direction of good commissioning/ethical commissioning and its consistent delivery at scale.

Healthcare Improvement Scotland has a responsibility to support health and social care integration through the way that we support assurance and improvement. To support health and social care organisations across Scotland with transformational change, we hold commissioning expertise in-house. This is bought together with other disciplines like strategic planning and service design to be able to support the development of the enabling infrastructure required for continuing to integrate our health and social care system.

In December 2023, Healthcare Improvement Scotland commissioned two pieces of research in relation to Ethical Commissioning. The purpose of these research pieces was to inform our own work in relation to Ethical Commissioning. These research pieces explored ethical commissioning through a range of case studies to build knowledge around the realities of delivering ethical commissioning approaches on the ground. The scope of the two research pieces was

- Blake Stevenson was commissioned to explore 5 case studies to identify learning around ethical commissioning across social care, learning disabilities, and mental health. The five case studies included Falkirk HSCP, West Dunbartonshire HSCP, Edinburgh HSCP, Scottish Borders HSCP and CAYR South Ayrshire.
- IRISS was commissioned to explore 3 case studies triangulated with lived and living experience to understand the current commissioning landscape in drugs and alcohol and explore opportunities for ethical commissioning within this sector. The three case studies included North Lanarkshire Alcohol and Drug Partnership, Clackmannanshire and Stirling Alcohol and Drug Partnership, and Perth and Kinross Alcohol and Drug Partnership.

This report is Healthcare Improvement Scotland's reflections on the findings of the research pieces, connecting them with our knowledge and experience, and outlining the change idea areas that we feel warrant further exploration as part of the Ethical Commissioning agenda.

1.1 Summary of research findings

The table below summarises the key themes of the research findings – articulated in the four categories.

1	**Investing in the skills and resourcing required to make ethical commissioning work**
1.1	Understanding how to resource the investment required in relationship development and co-design
1.2	Building the leadership capacity (at all levels) required – skills, attitudes, persistence, harnessing appetite for change, and relationship management
1.3	Building a shared commissioning professional identity and professional development infrastructure
1.4	Building knowledge and skills in relation to operationalising ethical commissioning and creating a space for sharing expertise and reflecting
2	**Developing locally driven solutions**
2.1	Starting with local solutions
2.2	Building the markets you want to see
3	**Challenging the fundamentals of how our system currently works**
3.1	Challenging a competition driven system
3.2	Creating safe spaces to address power imbalances
3.2	Challenging the ways that we currently arrange our budgets
3.3	Challenging inaccurate myths in what is possible within current levers
3.4	Challenging risk aversion in organisations that drives behaviour
4	**Drug and alcohol specific findings**
4.1	Building a shared understanding of commissioning
4.2	Developing commissioning strategies in ADPs
4.3	Build on progress of involvement of lived and living experience
4.4	Addressing the fundamentals of how we fund alcohol and drug services
4.5	Linking commissioning between alcohol and drugs and other areas
4.6	Shifting how we consider outcomes in our commissioning
4.7	Building data capacity within ADPs to inform commissioning decisions

1.2 Areas for action for Healthcare Improvement Scotland

The table below summarises the key areas for action for Healthcare Improvement Scotland after considering the implications of the research findings.

1 Investing in the skills and resourcing required to make ethical commissioning work

- Develop a clearer professional identity and development infrastructure for commissioners in Scotland – across health and social care.
- Create a space and resources to develop the appropriate leadership and technical skills required to make Ethical Commissioning work.
- Understand how we can appropriately resource the investment in relationship building and engagement necessary to build the foundation of trust, transparency and co-design that Ethical Commissioning relies on.

2 Developing locally driven solutions

- We will continue to work directly with Health and Social Care Partnerships, NHS Boards, and Alcohol and Drug Partnerships through our planned Improvement Programmes[1] and our bespoke work to support the development of locally driven solutions using Ethical Commissioning.
- We will work closely with the Scottish Government, IRISS, and Scotland Excel to understand how best to use national frameworks and guidance to support locally driven action.

3 Challenging the fundamentals of how our system currently works

- We will work closely with the Scottish Government, local leaders in health and social care, and other relevant national and local stakeholders to understand how we can effectively challenge the fundamentals of our system to create more sustainable and systemic Ethical Commissioning solutions. We will ensure that we are no longer overly reliant on finding workarounds to how our system works, including competition-driven systems, addressing power imbalances, budgeting and funding, myths and misconceptions, and risk aversion within the system.

[1] For example, through our improvement programmes on Mental Health and Substance Use Protocols, Redesigning Pathways for Residential Rehabilitation, MAT Standards, Mental Health Reform, Focus on Frailty, and Dementia.

4 Drug and alcohol specific findings

We will continue to work directly with Alcohol and Drug Partnerships and other relevant stakeholders through our planned Improvement Programmes across MAT Standards, Mental Health and Substance Use Protocol, and Redesigning Pathways for Residential Rehabilitation and our bespoke work to:

- Build a shared understanding of the principles, approaches and technical methods regarding commissioning and Ethical Commissioning and their connections to Strategic Planning and Procurement.
- Support local areas to adopt Ethical Commissioning approaches in their work.
- Work with Public Health Scotland to build data capacity used locally to inform commissioning decisions.
- Build on the way commissioning organisations engage with lived and living experience – including how they utilise insight to inform their decisions.
- Create a learning space for commissioners in drugs and alcohol to provide and receive support.

2 Summary of Case Studies

The two pieces of research highlight eight case studies across Scotland on how local areas grapple with commissioning and ethical commissioning. The case studies are designed to articulate how they went about it, what they found worked for them, and what they learned from doing this work. This chapter provides a summary of each of the eight case studies, with more detail provided in the two research reports appended to this report.

2.1 Falkirk HSCP – a framework for Adult Care Home placements

Falkirk HSCP has recently developed a new Adults Care Homes for Under 65s Framework to provide an outcomes-based commissioning mechanism that decreases the need for off-framework placements. The framework represents a shift away from competitive tendering processes and towards collaboratively developing a commissioning and procurement strategy and framework in partnership with relevant stakeholders internally and externally.

A critical enabler of Falkirk's collaborative approach was the upfront investment in stakeholder engagement as a mechanism to ensure they understood what was important to people using services as well as their families, providers, and staff. This included a dedicated engagement period with people using the existing services. They also engaged directly with national and local organisations to ensure the framework was in line with legal and policy expectations – including Care Inspectorate, Scottish Care, Healthcare Improvement Scotland, IRISS and specialist teams within the HSCP.

The framework uses the 'Light Touch Regime' already available through public procurement legislation, which focuses on streamlining the procurement and ongoing contract management processes in order to reduce the burden on staff and enable more timely responses to challenges and questions.

As part of the engagement with colleagues and staff representatives, it was understood that a fair work discussion was needed to explore challenges around staffing issues and pay gaps—recognising that these

are not easy to solve challenges. This approach created an in tandem but distinct process for discussing fair work, ensuring staff time could continue investing in improving services.

Falkirk HSCP attributed their success to:

- The strong commissioning and procurement knowledge held within the team.
- A set of individuals willing to persistently drive change.
- Strong investment in relationship building both across the various parts of the HSCP (including finance) and with external providers and lived experience.

2.2 West Dunbartonshire HSCP – working closely with finance colleagues and developing a new framework

West Dunbartonshire appointed a new Contracts, Commissioning and Quality Manager in late 2022 with responsibility for commissioning and Self-Directed Support across learning disabilities, carer services, respite and short breaks, mental health, addictions, residential care, specialist training, physical disability, sensory impairment, and services for older adults. Since their appointment, they have embarked on recommissioning services for adults with disabilities and mental health needs, recognising the challenges presented by a market with a limited range of providers and services available to commission from.

They achieved this through the following activities:

- Bringing together operational, quality and procurement colleagues to explore what is done now, the challenges and strengths, and the insight available on outcomes and lived experience.
- Facilitating engagement with finance colleagues to explore commissioning and value for money to bridge the gap between what they were able to achieve through their existing systems and the principles of what they were trying to achieve through Self-Directed Support. The purpose of this session was to arrive at a shared understanding of the ambitions of what they were trying to achieve and what the systems would need to look like to enable this – bridging an important gap between commissioning and finance perspectives.
- Developing a new outcome-based framework for providers centred around the Self-Directed Support principles, which are more attractive to providers, enabling them to build new service models. The outcome-based framework had as its core the principles of proportionate guidance, due diligence and support to reduce the barriers for providers of all kinds to apply. West Dunbartonshire HSCP found this framework also enabled a more collaborative approach to developing services and specifications; it enabled providers to be involved in the development of contract management and monitoring requirements, as well as removing the requirement for voluntary sector providers to submit onerous details on community benefits.

West Dunbartonshire HSCP attributed their success to

- Being able to support their finance colleagues to understand that it was ok to have more expensive providers under Self-Directed Support options one and two, as it is financially neutral to the health and social care budget whether an individual chooses more support at a lower price or less support from a higher priced provider

- Investing upfront in developing trusting relationships with providers and colleagues within the HSCP enabled a better-quality framework. This was relatively more practical because West Dunbartonshire is a smaller authority with a more manageable number of internal and external stakeholders to work with.

2.3 Edinburgh HSCP – Public Social Partnership for Community Mental Health

Edinburgh HSCP began a Public Social Partnership (PSP) process in 2016 by developing an initial strategic level "Edinburgh Wellbeing PSP." This acted as a foundation for developing an operational-level PSP that led to the development of the Thrive Welcome Teams and the Thrive Collective.

The Edinburgh Wellbeing PSP took 12 months to co-design with partner organisations, citizens, service staff, and carers. It developed a clear articulation of the services and supports that were needed in Edinburgh to meet the mental health and wellbeing needs and aspirations of those living in Edinburgh. On the back of this, 18 third-sector organisations received two years of pilot funding to work in partnership with statutory organisations, people and carers to create four locality wellbeing PSPs and four cross-city PSPs focused on specific activities (24/7 crisis support, capacity building for peer working, promoting green spaces and physical activity, and counselling and psychological interventions).

Through this pilot, they worked through the details of how to 'join the dots' across a 'cluttered' landscape and how to work effectively across public and third-sector organisations to tackle systemic challenges like long waits for psychological therapies.

In 2018 they partnered with the Innovation Unit to explore this model further, supported by £300,000 from the Community Lottery Fund. To design the next phase of service delivery, they created a "multi-disciplinary, multi-agency, multi-skilled Design Team" made up of stakeholders from across statutory and third-sector organisations, carers, and people with lived experience. Their first step was to agree the principles that would underpin the way they would work together. Four 'Extended Design Teams' were then developed within four localities across Edinburgh. These teams were tasked with working intensively with people in their areas to find new ways of working that suited each locality.

Following the design phase, a tendering process was conducted with the following features:

- Five-year contracts by default with an extension option
- The tender was issued in lots tailored to localities and themes of activity
- Based on prior procurement activity, interested parties were brought together and actively encouraged to support adopting collaborative bids. Edinburgh HSCP created a transparent process for interested parties to see other providers interested in a thematic lot to enable this process. As such, seven of the nine lots were eventually awarded to consortium/collaborative bids.
- Introduced a multi-staged approach for evaluating bids received to enable a dialogue with feedback provided to bidders to improve their submissions at each stage of evaluation prior to a final decision.

They have attributed their success to several features, including

- Focusing people's passion on areas within their control that can be changed.

- They remained flexible, deliberately speeding up the process when needed to maintain momentum but slowing the pace when they needed to tackle challenges which required appropriate due consideration.
- Creating a psychologically safe space by ensuring discussions were in confidence, investing in an approach that brought together the value of their processes and participants' values, as well as carefully selecting appropriate venues to make participants more comfortable – e.g., football grounds, art spaces, and avoiding clinical spaces.
- Openly acknowledging power imbalances at the beginning, working together to shift the balance where possible, and being clear about the boundaries of that power sharing. Part of this also included transparency around governance structures and funding.

2.4 Scottish Borders HSCP - commissioning framework and collaborative approach to Care at Home

The Scottish Borders HSCP recently created a new role, 'Chief Officer Strategic Commissioning and Performance'. They are at the initial stages of developing an overarching commissioning framework that guides all commissioning for services relevant to the HSCP, bringing together commissioning historically siloed into separate budgets.

To do this, they have designed new governance arrangements that have established a Strategic Commissioning Board that has commissioners and representatives from across finance, mental health, learning disability, primary care, housing, procurement, quality improvement, and children and adults' social work. This Board will now make commissioning decisions. To support this decision-making, they are developing a commissioning strategy built upon the principles of commissioning for outcomes, early intervention, prevention, and innovation. They are currently undertaking a mapping of existing provisions to act as the basis for recommendations to the Board for future commissioning decisions.

At the same time, Scottish Borders HSCP is also reviewing its Care at Home Framework to improve capacity and sustainability and enable innovation. They are doing this through a more collaborative approach with providers and lived experience, hoping to commence services on the new framework in 2025.

They have attributed progress to

- Their ability to build an appetite for change amongst stakeholders
- The practical experience and knowledge of the Chief Officer of Strategic Commissioning and Performance
- Ensuring that the work was appropriately resourced from their Project Management Office
- Framing the solutions in the context of what will likely be required by the National Care Service.

2.5 CAYR South Ayrshire – micro providers for health and care

South Ayrshire established a group (CAYR) which included the HSCP, Council, Voluntary Action South Ayrshire (the Third Sector Interface), and two organisations called Ayrshire Beats and the Ayrshire Independent Living Network to assess the viability of introducing micro-providers to address existing gaps in provision due to workforce supply challenges. It drew on examples of the model in rural

Perthshire and Somerset. In Perthshire more than 60 small enterprises (usually only one or two staff) operate under an umbrella Community Interest Company to provide health and care support. In Somerset, they have more than 1,200 micro-enterprises operating. The flexibility to work hours that suit them is the attraction for staff to operate as a micro-enterprise.

The pilot consisted of raising awareness to attract interest, training sessions with potential providers, one-to-one bespoke support for providers, supporting the liaison with other provisions to manage the risk of duplication, and developing an online directory of the micro-providers. It was funded in part by the Integration Joint Board, with a local small business support organisation called Grow Biz providing support.

They attribute their success to

- Ensuring that local and national partners were on board,
- Funding from the Integration Joint Board,
- Ensuring that the solution didn't compete with the traditional providers – it targeted parts of the market that the existing providers were unable or unwilling to cater for
- Its deliberate linkage to the local priorities such as Community Wealth Building, local employability teams including the Business Gateway and the economic development work in the area.

2.5 North Lanarkshire Alcohol and Drug Partnership – adaptive leadership and learning in commissioning

The North Lanarkshire Alcohol and Drug Partnership's plan centres on the role of the Alcohol and Drug Partnership as a coordinator of effort from partnership working. It benefits from the wider commitment made by the North Lanarkshire HSCP to taking a Human Learning Systems approach to governance, which invests in learning cultures more than organisations' traditional performance management cultures. There are a number of ways that the North Lanarkshire Alcohol and Drug Partnership are demonstrating its commitment to various elements of ethical commissioning:

- They have recently appointed a peer worker as part of the team that supports the Alcohol and Drug Partnership in order to recognise the importance of investing resource into taking lived and living experience 'involvement' deeper. They are exploring ways to ensure, over time, that this is not a separate role but is an expected core part of the way that all staff work and reduce the delineation between 'worker' and 'peer worker'.
- They are focused on utilising commissioning to test new innovative approaches and make systemic changes to the overall support system available. These experiments are funded for longer than many pilots to ensure that the testing is given the space and time to develop and learn from.
- They use three-year funding commitments, which is helped by the Alcohol and Drug Partnership having access to some unrestricted funds and have a commitment to provide funding transparency through publication on their website.

2.6 Clackmannanshire and Stirling Alcohol and Drug Partnership – human rights in commissioning

Clackmannanshire and Stirling Alcohol and Drug Partnership are moving away from a 'treatment' centred approach and towards a tiered structure for organising support that recognises the role of wider psychosocial support in meeting people's needs. To enable this change, they have:

- Developed a commissioning consortium of providers of psychosocial support and specialist medical treatment for substance use (tiers 3 and 4) who have an explicit requirement to bring in lived and living experience.
- Invested in relationship building with public and third sector services that fall into the other tiers of support to enable people to access these more easily.
- Created a single point of access for people to access commissioned services.
- Changed the commissioning agreements to be less proscriptive to enable support to be more flexible and responsive to individual need.
- Provided transparency to commissioned services about the level of funding available for each tier as a first step to trying to rebalance the way that funding is currently invested and to increase the proportion spent on non-specialist, non-medical and preventative support.

They are also actively exploring how to shift organisational culture and mindsets and better utilise their planning and commissioning mechanisms to support the shift in the balance of investment across the tiers. They are looking at how to use human rights as a core principle to drive this change in culture.

2.7 Perth and Kinross Alcohol and Drug Partnership – relationship development and whole system approach to commissioning

At the core of Perth and Kinross Alcohol and Drug Partnership's delivery plan is the ambition to create parity between statutory and public sector provision and the third sector in supporting people seeking or supporting others in recovery. As such, their work has focused on tackling the prevailing idea that the public sector provides the critical components of care and support, with the third and independent sector 'doing the rest of the bits'. In doing so, Perth and Kinross ADP have identified as key strengths of the third sector their high rates of flexibility, established culture of 'meet[ing] people where they are' and having more holistic conversations and ambitions for those seeking recovery. These attributes, it is argued, give the third sector a distinct advantage in preventing crises and building effective relationships with people who use drugs and or alcohol.

Recognising that the way that funding is currently allocated continues to limit the ability to shift that balance completely, Perth and Kinross are looking at other practical ways to help this, including:

- Aligning the monitoring expectations between statutory and third-sector services.
- Building relationship development between the various providers and with the statutory services into processes by default. For example, conducting activities that map the system and processes they use to build relationships, make spaces for discussion, and play a practical purpose for informing decisions about services and referrals.

3 Research findings

This chapter summarises the research findings, broken down into four themes.

The first three categories include findings relevant to commissioning across social care, mental health, alcohol and drugs, and other community health and care services. They are also relevant to housing which forms an important part of the commissioning picture for people with health and social care needs. The fourth category includes findings specific to the drug and alcohol commissioning landscape.

3.1 Investing in the skills and resourcing required to make ethical commissioning work

The research's findings were clear: investing in the right skills and having the right financial resources available was crucial to enabling Ethical Commissioning practice to become widespread across Scotland.

The case studies within the research identified a combination of the following key enablers as the reason why progress towards Ethical Commissioning practice as possible.

- Sufficient commissioning and procurement awareness, knowledge and experience
- Strong leadership skills that combined strong technical expertise with persistence, influence and stakeholder relationship management skills that enabled people to harness the appetite for change
- Strong relationships within and between the public, third and independent sectors
- Robust data systems that enabled high-quality decisions.

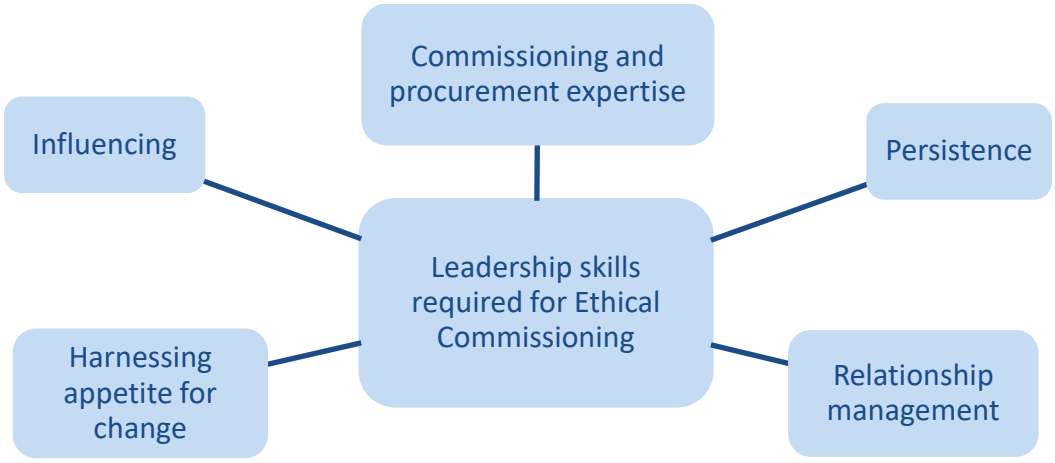
The research argued that there is currently insufficient capacity across each of these enablers, which hinders the system-wide realisation of Ethical Commissioning. Addressing this capacity gap will require investment in the right skills and resourcing.

3.1.1 Understanding how to resource the investment required in relationship development and co-design

The research identified that significant resource, time and energy needs to be invested in developing the strong relationships, infrastructure, processes, assurance and monitoring required to make Ethical Commissioning work. The case studies all included extensive stakeholder engagement or co-design processes that brought public, third and independent sector organisations together to build the commissioned solution together. Then, once the solution was implemented, the case studies demonstrated the need to ensure sufficient ongoing investment was required to oversee, adapt and monitor the arrangements. We need to recognise that without a specific investment in Ethical Commissioning in terms of resourcing, focus, and time, it is unrealistic to expect widespread adoption of Ethical Commissioning practices in Scotland.

3.1.2 Building the leadership capacity (at all levels) required – skills, attitudes, persistence, harnessing appetite for change, and relationship management

Each case study that was able to gain traction in relation to Ethical Commissioning had one or more strong leaders within the public sector organisation persistently driving the change in a way that was able to lead others to work together towards a common goal. The most successful leaders in this space possessed a combination of skills that enabled that traction. Leaders had commissioning and procurement expertise. They were persistent and proactively sought out workable solutions, and to overcome roadblocks over an extended period of time, they built strong relationships across their organisations as well as with the third and independent sectors. This enabled them to hold a position of influence with those stakeholders, and they were able to build and harness the local appetite for change effectively.



3.1.3 Building a shared commissioning professional identity and professional development infrastructure

The research identified a large variation in commissioners' skills and knowledge and how commissioning is done across Scotland. It discussed the lack of cohesive professional identity held by commissioners and a lack of professional development infrastructure for commissioners in Scotland. According to the research, this contributed to a challenge in supporting the widespread adoption of Ethical Commissioning approaches. Instead, we see progress happening in small pockets with few mechanisms to share the learning from this progress more widely across the profession. We note that there is current work underway to support the development of further training on Ethical Commissioning currently being led by IRISS.

3.1.4 Building knowledge and skills in relation to operationalising ethical commissioning and creating a space for sharing expertise and reflecting

The research identified rising awareness of Ethical Commissioning and its principles. However, this awareness isn’t yet system wide, and many stakeholders identified that there isn’t yet detailed knowledge on how to operationalise many of the principles of Ethical Commissioning. The research identified that many areas had benefited from external expertise and facilitation from organisations like IRISS and HIS in helping them build their knowledge, apply that knowledge, and create safe spaces to share and reflect on the experience.

3.2 Developing locally driven solutions.

The research identified that the most successful Ethical Commissioning approaches were founded on the principles of developing locally driven solutions to meet the needs of their local communities. In practice, this means that they

- Started with local need and identifying local solutions and then drew on national frameworks and other levers available to their best effect.
- Proactively supported third and independent sector to build the market that they needed to commission.

3.2.1 Starting with local solutions

The case studies included in the research identified that they gained the most traction when they started developing a local solution. They drew on practice and examples from elsewhere and drew on national frameworks available to help understand the levers they could use in their local solution. But the fundamental difference was where they started – instead of starting with a national framework or an example from elsewhere and working out how to adapt it for their local context, they started with their local context and designed a solution from there.

The research concluded that there is strong evidence from current practice that there is no one single template for Ethical Commissioning – the essential element is that responses should be specifically tailored to the local need and conditions. It requires a bespoke approach designed in partnership with local stakeholders and with lived experience—and this local work cannot be replaced by a 'quick' or single solution.

The research identified that providing 'just enough' guidance to inform local action can be a useful way of conceptualising how to provide national support – which stops short of providing rigid structures and frameworks that local areas are expected to utilise.

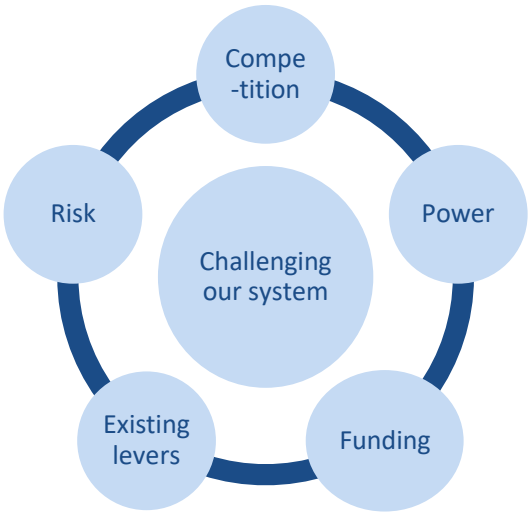
3.2.2 Building the markets you want to see

Market facilitation and the availability of providers within the market were identified as key themes within the research. Across a number of care areas, a lack of providers or the right kind of provision was identified where local providers didn't have the scale or nature of provision required to meet the needs of local communities.

The research identified examples of commissioning organisations playing an active role in supporting the development of the market needed. This challenged the traditional approach of articulating the need and service solution and asking for providers, and instead looked at ways to create capacity within the third and independent sector by providing individuals and organisations support to change. For example, providing the supporting services and advice required to facilitate a market of micro-providers, or support to develop a multi-organisation consortium to provide more holistic support for people with multiple and complex need.

3.3 Challenging the fundamentals of how our system currently works

The case studies identified that where change was happening to adopt Ethical Commissioning approaches, this was done through persistently pushing against the way the system currently operates. There is a risk to the sustainability of these changes unless we see a systemic change that results in the system reinforcing the direction of travel towards Ethical Commissioning, and not being constantly at odds with it.



As a result of these findings, we need to challenge some of the fundamentals that our system is currently built on. We need to challenge a system driven by competition, the power imbalances within the system, how we currently arrange budgets and funding, demystifying incorrect assumptions about what is possible within existing levers, and risk aversion that drives behaviour.

Challenging the system's fundamentals enables us to provide critical leadership at the national level to navigate legislation, address structural obstacles, and support local leaders. This section of the report explores each of these.

3.3.1 Challenging a competition driven system

One key finding across both pieces of research is that Ethical Commissioning is at odds with the traditional competitive tender process used within procurement. The development of an Invitation to Tender that goes to an open or short-listed group of contractors to a blind bidding process with a defined price and quality scoring criteria stands in stark comparison to a more collaborative relationship between commissioners and third and independent sector organisations. Ethical Commissioning challenges the idea that you can drive quality and efficiency through creating competition – instead, it focuses on collaboration to ensure that interventions and support are tailored to the needs of local populations and are appropriately resourced to achieve the quality required.

Challenging a competition driven system will require national and local action across finance, procurement, planning, service management, commissioners, and commissioned organisations.

3.3.2 Creating safe spaces to address power imbalances

The research identified several key power imbalances that exist within the system

- A power imbalance between public sector organisations and the third/independent sector. The power imbalances exist across the way that decisions are made, the different expectations for reporting and accountability between internally provided services and externally commissioned services, and differences in the pay between the three sectors enabled through the price of contracts.
- Power imbalances between finance, procurement and legal colleagues and commissioners where the voice of commissioners on what can and should happen isn't given the same weighting as the more

clearly defined professions of finance, procurement and legal teams within public sector commissioning organisations.

The case studies explored the research demonstrated that naming and working to address those power imbalances are key features of successfully gaining traction on Ethical Commissioning. This means that

- The target audience for engagement on Ethical Commissioning isn't just limited to commissioners. It includes budget holders, senior management, finance, procurement and legal teams. Creating genuine spaces for addressing these power imbalances is vital.
- We need to support organisations in defining clear boundaries, adjusting risk tolerances, and actively facilitating the power-sharing required for meaningful collaboration.

3.3.3 Challenging the ways that we currently arrange our budgets

Disparate and siloed budgets were identified as barriers to Ethical Commissioning across every case study in the two research pieces. Core to Ethical Commissioning is using it to achieve outcomes for people – and this requires action across traditional funding silos and budget boundaries.

There is more that we need to do in bringing together budget lines in the way that local areas are funded from national funders and a willingness to provide funding with longer timeframes. Without addressing this, the research suggests it is unreasonable to expect meaningful traction on Ethical Commissioning to be sustained.

3.3.4 Challenging myths on what is possible through existing levers

The research identified that existing levers and legislation can enable a lot within Ethical Commissioning. Light touch procurement, Sustainable Procurement Duty, and Self-Directed Support are all examples of underutilised existing levers. The research also identified a high prevalence of misunderstandings or long-held beliefs about what is and isn't possible within existing legislation that isn't always accurate. It identified examples of progress being blocked by stakeholders who were uncomfortable with doing things differently from how they have always been done by convention.

The case studies demonstrated that when energy was invested in building strong connections with legal, finance and procurement teams within commissioning organisations, they were able to achieve the understanding and buy-in required to challenge prevalent myths, and new opportunities within existing levers were able to be pursued.

3.3.5 Challenging risk aversion in organisations that drives behaviour

The research identified that the appetite for risk within a commissioning organisation drive the extent to which it is willing to pursue Ethical Commissioning. Concerns about control, risk and challenge can hinder the adoption of Ethical Commissioning approaches.

The research identified that successfully adjusting organisations' risk appetite often required building a stronger understanding amongst leadership, managers, finance, legal, and procurement teams of what was trying to be achieved through Ethical Commissioning and by familiarising themselves with the alternative models and approaches that were being pursued to provide reassurance around risk, control, and outcomes.

3.4 Drug and alcohol specific findings on ethical commissioning

The findings from IRISS' report articulated that drug and alcohol services face similar challenges around Ethical Commissioning as other areas of health and social care. However, there are several specific features to the way that Alcohol and Drug services are commissioned that require particular consideration.

The research concluded that "the underpinning structures, insufficient resourcing, and competing priorities mean a fundamentally ethical approach to commissioning is currently not being, and cannot be, delivered."

3.4.1 Building a shared understanding of commissioning

The research explored the extent to which there was awareness and adoption of Ethical Commissioning. As part of this exploration, it explored the extent to which alcohol and drug services and Alcohol and Drug Partnerships understood commissioning and the extent to which they saw themselves as commissioners. It concluded that there is a strong "shared ethical basis that drove the way staff behaved" but that there was a "high degree of variation" in how they saw themselves as commissioners, how commissioning works, and the role of various enablers of good commissioning around leadership, decision making, use of data, and collaboration. The research concluded that there was scope to build a more "consistent and shared understanding of commissioning within Alcohol and Drug Partnerships" in order to act as a firm foundation for Ethical Commissioning.

In addition, the research concluded that there was an opportunity to build on the shared ethical basis for their practice and turn it into Ethical Commissioning practices. This would require a greater understanding of how to translate the principles into practice within the drug and alcohol context – focusing on the behaviours, practices and effects – particularly around shared accountability, full involvement of lived experience and the role of human rights. The research recommended that this was done through the provision of proportionate light touch guidance paired with coaching support and networking/peer support opportunities.

3.4.2 Developing Commissioning Strategies in Alcohol and Drug Partnerships

Each Alcohol and Drug Partnership is required to develop a strategic delivery plan. A review of a sample of 16 strategic delivery plans concluded that they vary in approach and content but that overall, they focus heavily on how Alcohol and Drug Partnerships would meet national objectives, with less on how they will respond to local needs.

The research concluded that the strategic delivery plans in their current form are not sufficient to inform commissioning. It recommended that Alcohol and Drug Partnerships develop commissioning strategies that link with the strategic delivery plans while providing a sufficient steer for commissioners on how to implement strategic objectives in their commissioning.

To support the development of these commissioning plans, the research recommended that 'just enough guidance' should be provided that isn't overly prescriptive or adds to the directive nature of the various other guidance. The research noted that more important than guidance to success is to provide 'comprehensive implementation support,' as it felt that guidance alone does not drive improvement.

3.4.3 Build on the progress of involving lived and living experience

The research concluded that those participating in the research felt that progress had been made in involving lived and living experience in alcohol and drug service planning and delivery. Views within the research varied about the quality and depth of the engagement that was currently undertaken. Therefore, there is an opportunity to build on the progress made in this area to ensure that engagement continues to become more meaningful, and that people can see their views reflected in the decisions made and actions taken by planners, commissioners and services.

3.4.4 Addressing the fundamentals of how we fund alcohol and drug services

The funding landscape within alcohol and drug services was identified as one of the largest barriers to being able to use Ethical Commissioning approaches. There are several features of the way that we currently fund services that pose particular challenges to Ethical Commissioning

- Siloed funding – with much of the funding ear-marked for specific purposes and interventions, making it challenging to cohesively plan and commission support.
- Highly targeted funding – there is a "highly directive funding environment" which "intrinsically limits their ability to commission, and to commission ethically."
- Short-term funding – with very few sustained multi-year funding streams that would provide more certainty for delivery
- Multiple funding sources – alcohol and drug services receive funding from a wide range of national and local funding sources, making it challenging to understand the funding available and direct it effectively. Alcohol and Drug partnerships are only responsible for a small portion of the whole system of drug and alcohol services, so action around funding and commissioning needs to go beyond just Alcohol and Drug Partnerships.

3.4.5 Linking commissioning between alcohol and drugs and other areas

The research reinforced the understanding that drug and alcohol support need is closely linked with need in other areas – in particular around poverty, justice, and housing. It is important to ensure that commissioning across these four areas is well aligned – both in terms of its strategic approach and enabling people to access care across these four needs, without the procurement and funding arrangements becoming barriers.

3.4.6 Shifting the way we consider outcomes in our commissioning

The research concluded that drug and alcohol policy and ambitions are framed around outcomes, but that they face challenges translating this into being able to use outcome-focused commissioning, evaluation and data capture. The research identified frustration that outcomes are not effectively integrated into national priority settings or local decisions around commissioning. The research argued that building 'a learning orientated system to ultimately replace the current target driven approach" would help to link better the outcomes framed policy with the target driven operational delivery.

3.4.7 Building data capacity within ADPs to inform commissioning decisions

The research identified that if Alcohol and Drug Partnerships had access to greater data analytical capacity, then they would be in a better position to base commissioning decisions on local population needs.

4 Areas for action for Healthcare Improvement Scotland

The purpose of commissioning the two research pieces was to inform our ongoing work around commissioning. Healthcare Improvement Scotland has considered the findings from the two research pieces alongside the insight we have from our own experience. From this we have identified where it makes the greatest sense to invest our efforts in relation to Ethical Commissioning. This chapter sets out what we intend to do.

4.1 Investing in the skills and resourcing required to make ethical commissioning work – we will work closely with the Scottish Government and IRISS to:

- Develop a clearer professional identity and development infrastructure for commissioners in Scotland – across health and social care.
- Create a space and resources to develop the appropriate leadership and technical skills required to make Ethical Commissioning work.
- Understand how we can appropriately resource the investment in relationship building and engagement necessary to build the foundation of trust, transparency and co-design that Ethical Commissioning relies on.

4.2 Developing locally driven solutions

- We will continue to work directly with Health and Social Care Partnerships, NHS Boards, and Alcohol and Drug Partnerships through our planned Improvement Programmes[2] and our bespoke work to support the development of locally driven solutions using Ethical Commissioning.
- We will work closely with the Scottish Government, IRISS, and Scotland Excel to understand how best to use national frameworks and guidance to support locally driven action.

4.3 Challenging the fundamentals of how our system currently works

- We will work closely with the Scottish Government, local leaders in health and social care, and other relevant national and local stakeholders to understand how we can effectively challenge the fundamentals of our system to create more sustainable and systemic Ethical Commissioning solutions. We will ensure that we are no longer overly reliant on finding workarounds to how our system works, including competition-driven systems, addressing power imbalances, budgeting and funding, myths and misconceptions, and risk aversion within the system.

4.4 Drug and alcohol specific findings

We will continue to work directly with Alcohol and Drug Partnerships and other relevant stakeholders through our planned Improvement Programmes across MAT Standards, Mental Health and Substance Use Protocol, and Redesigning Pathways for Residential Rehabilitation and our bespoke work to:

[2] For example, through our improvement programmes on Mental Health and Substance Use Protocols, Redesigning Pathways for Residential Rehabilitation, MAT Standards, Mental Health Reform, Focus on Frailty, and Dementia.

- Build a shared understanding of the principles, approaches and technical methods regarding commissioning and Ethical Commissioning and their connections to Strategic Planning and Procurement.
- Support local areas to adopt Ethical Commissioning approaches in their work.
- Work with Public Health Scotland to build data capacity used locally to inform commissioning decisions.
- Build on the way commissioning organisations engage with lived and living experience – including how they utilise insight to inform their decisions.
- Create a learning space for commissioners in drugs and alcohol to provide and receive support.

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