

Personal budgets

Opportunities and challenges for the voluntary sector



Introduction

This article explores issues relating to the introduction of personal budgets, a new mechanism for delivering adult social care in England. The article covers lessons learned from pilot projects and outlines opportunities and challenges that personal budgets present to organisations engaged in delivering social care.

It summarises key literature and views presented in personal budget workshops at NCVO's Public Service Delivery Network Conference in March 2009.

Glossary

- **Individual budget**

A single, needs-based budget allocated to service users, from which they can choose and purchase their preferred support relating to health, social care and other specific needs.

- **Personal budget**

Similar to an individual budget, but relating to adult social care support only.

- **Self-directed support**

The general personalisation of social care services.

- **Direct payment**

One potential aspect of a personal budget (also a previously existing way of delivering social care), whereby a local authority allocates clients cash, so they can purchase their own support.

- **Brokerage**

The process of informing, advising and enabling people to select or purchase their preferred support.

- **Advocacy**

Representing the interests of service users. This might include identifying support needs, gaps in service provision, and/or lobbying local authorities and service providers to meet needs more effectively.

What are personal budgets?

As outlined in the 2007 protocol *Putting People First* and the 2006 White Paper *Our Health, Our Care, Our Say*, the government aims to embed prevention, early intervention and personalisation in all local government services across England. This wide-ranging reform is designed to enable effective and sustainable services in an ageing population.

Personalising local services is intended to improve outcomes by giving people more control over their support. As part of this process, personal budgets are being phased in for adults eligible for non-emergency social care. Instead of selecting and providing social care support, local authorities will provide clients with a defined budget. Service users can use their personal budget to purchase support, equipment or fund life-enhancing activities from public, private or voluntary sector providers, or to maintain existing arrangements provided via the council.

While this is a logical progression from the established system of direct payments, personal budgets are much more flexible. So long as they are spent on legal goods or services that improve quality of life and are not spent on gambling, there are few limits on personal budget expenditure. They have been spent on buying pets and air conditioning as well as personal care and assistance.

The implementation of personal budgets is being led by local authorities. The government suggests this reform should involve public, private and third sector organisations, service users and carers at every stage. This presents many challenges and opportunities for voluntary and community organisations (VCOs) involved in delivering services or representing service users.

Transforming the social care system: strategic planning

Personalisation is gaining a foothold in public services, but is in its infancy. Between 2006 and 2008, individual budgets were piloted in 13 English local authorities. Client satisfaction and cost-effectiveness were broadly positive when compared with conventional social care. However, integrating health, social care and other funding streams proved extremely difficult, because of varying eligibility criteria and processes.

The government has committed to introducing personal budgets in the current spending period, with individual budgets a longer-term aim requiring legislative change. The target is to make 'significant progress' towards implementing personal budgets by April 2011. Some local authorities – including the London Borough of Richmond – are well ahead of these targets.

Transforming the social care system is a tall order, but an exciting prospect. To ease the process, local authorities have access to Social Reform Grant funds, totalling £520 million nationwide. At the local level, this transformation offers VCOs and others a chance to tailor care to community needs, which may involve establishing new services, brokerage support and strengthening advocacy. This is likely to entail changes in working practice, new partnerships, budgeting and resourcing challenges, and may involve significant organisational change, as in the case of RUILS.

The transition to personal budgets: adapting to changing demands

The National Evaluation of the Individual Budgets Pilot Projects (IBSEN) interviewed social care providers in four pilot sites. These providers welcomed personalisation, and many – like RUILS – embraced the opportunity to expand or develop client services. However, some expected managing individual service user accounts to be more costly than handling local authority contacts, and anticipated considerable costs in transferring to individual budgets, including investment in IT systems, administration and financial staff.

The key to successful transition to personal budgets is adapting local authorities' commissioning systems. It is vital that councils set up systems to communicate personal budget holders' demands to providers, and support providers to adapt accordingly. This process is easier when a range of service providers and clients are involved in the transformation process, as in Richmond.

Adapting to changing service demands may involve developing, costing and marketing services, or re-costing services and renegotiating delivery contracts. This market development may build local capacity and better serve clients, but uncertain uptake, income and expenditure will pose real challenges for many VCOs and councils. Even well-established services may be subject to some change, as those previously free to clients may need to be paid for from personal budgets, or falling demand may increase their cost.

Most individual budget holders in the pilot schemes purchased similar support to their previous arrangements. This suggests that changes in demand for services may be gradual rather than dramatic, as people get used to having more choice.

Brokerage: an opportunity for the voluntary sector

Personal budgets should offer service users greater control over their own care, greater flexibility and a more transparent and equitable system. However, identifying and purchasing support can be bewildering or stressful, particularly for older people.

Support planning and brokerage are fundamental to the effectiveness of personal budgets, as they enable clients to identify their needs and appropriate solutions. Social care staff conducting support planning need specialist training and information, and many clients will rely upon external brokers and advocates to access their preferred support. RUILS has found that some clients require extensive support, whereas others need help compiling documents or to understand the local system. The National Brokerage Network, an information exchange, also notes a wide variation in the level of broker support required by service users.

User-led organisations and service providers can play a significant role in enhancing service users' experience, by acting as brokers or training or advising social care staff, as RUILS does. *Putting People First* calls for information and brokerage to be universally available, even to people who do not qualify for publicly funded social care because of their level of income or need. This may broaden the market for self-funded social care.

While effective brokerage will benefit service users, the pilot projects demonstrated that brokerage is time-consuming, and therefore costly. It is also unclear how many clients will require ongoing brokerage support, as opposed to initial guidance. Perhaps most importantly for VCOs, there is some uncertainty about how to ensure brokers are truly independent, and how brokerage should be funded. Richmond directly commissions independent brokerage, which seems to be a good model in the short term at least. An interesting example of brokerage is developed by the social enterprise In Control, designed to help service users find and discuss local, affordable care and support themselves.

Embedding personal budgets: practical implications

Implementing personal budgets is a chance to make service users' voices heard, to learn which services and processes work, and to adapt accordingly. This should enable social care to be more innovative and responsive, but will not be a straightforward process.

Many findings from the pilot schemes reflect interim experiences, so the next two years will require adapting to a growing understanding of the potential and pitfalls of personal budgets. Challenges identified so far include meeting varying levels of need within existing budgets, some resistance to change and a lack of services to choose from. Practical concerns include safeguarding vulnerable adults while enabling them to exercise control over their own care. VCOs can play an active role in overcoming most of these obstacles.

Some service providers have concerns about the financial implications if bulk commissioning of services is no longer feasible. This may present new opportunities for small or specialist organisations to engage in service delivery, but is possible that niche services may become prohibitively expensive for both users and providers. In principle, it makes sense for service providers to respond to demand, so long as effective brokerage ensures clients are aware of all available services.

It will take time to embed personal budgets and tackle teething problems. These obstacles will pale into insignificance if, as the pilot projects suggest, most social care service users experience greater satisfaction, more control and a better quality of life.

In conclusion

Personal budgets – and personalisation more widely – are here to stay. In the coming years, personalisation and service integration may extend to healthcare, public health, housing, employment, benefits advice, education and training. It is vital that VCOs engage with and influence the transformation of these services, to improve outcomes for their stakeholders.

Despite presenting many challenges and uncertainties, this change process is a real opportunity to improve service delivery. As a locally-led process, even relatively small and specialist VCOs may be able to play a part in developing, delivering or publicising social care services.

London Borough of Richmond

Richmond council participated in the individual budgets pilot. Since August 2008, all new adult social care clients and service users reviewing their support have transferred to self-directed support. The borough has more than 500 clients on personal budgets.

Richmond has redesigned its whole service delivery system, involving representatives from carers' organisations, user-led organisations and the local primary care trust. It is evaluating care outcomes and cost-effectiveness, but initial impressions are positive.

The council has commissioned independent brokerage, rather than funding brokerage through personal budgets. Some people get support via the local community, user-led organisations or their families. Working with service users and VCOs to develop local capacity is seen as a way of helping to deliver sustainability once the Social Reform Grant funding expires.

Richmond Users Independent Living Scheme (RUILS)

RUILS is a user-led group that provides information and advice to people with support needs. The organisation also trains and advises social care staff.

RUILS coordinates RIBS (Richmond Independent Brokerage Service), a local consortium of VCOs with an interest in self-directed support. RIBS approached Richmond council with a brokerage proposal, which led to a brokerage support contract. The group also provides information on personal budgets, runs a service user helpline and trains brokers. RIBS members are full of ideas, and are working together to develop services, bid for service contracts and expand their consortium.

For RUILS, the transition to personal budgets has involved rapid growth and a revised governing structure. Staff have had to adapt to significant change, be clear about what RUILS can take on, and support clients through two parallel systems during the transition period.

Further information and support

- **The Public Service Delivery Network** is for those working in, and with, the voluntary and community sector, with a responsibility for negotiating and managing public services contracts. The Network is run by NCVO's Sustainable Funding Project, in partnership with the Office of the Third Sector.

www.ncvo-vol.org.uk/psdnetwork

- **The Care Quality Commission** is the health and social care watchdog for England, runs consultations and informative events relating to personalised service delivery

www.cqc.org.uk/news_and_events.aspx

- **Putting People First protocol**
www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndguidance/DH_081118

- **The Putting People First personalisation toolkit** contains best practice models for councils and their partners
<http://networks.csip.org.uk/Personalisation/PersonalisationToolkit>

- **National evaluation of the Individual Budgets Pilot Projects** (IBSEN report)
<http://php.york.ac.uk/inst/spru/research/summs/ibsen.php>

- **National Brokerage Network** is an information exchange, has lots of information on brokerage, including a guide to costing brokerage services
www.nationalbrokeragenetwork.org.uk

- **Shop4Support**
The system is not yet fully operational, but further information can be found at www.shop4support.com

- **London Borough of Richmond** Self-directed support
www.richmond.gov.uk/home/health_and_social_care/adult_social_care/self_directed_support.htm

- **RUILS**
www.ruils.co.uk

This article is based on a workshop held on 3 March 2009, during the third PSDN Annual Conference with speakers: Sam Bennet from the Putting People First Programme in the Department for Health, Simon Stockton, Programme Manager of the Personalisation and Self Directed Support Programme in the London Borough of Richmond and Cathy Maker, Director of Richmond Users Independent Living Scheme.

This article forms part of NCVO's Public Service Delivery Network's work to develop tools and resources for the improvement of procurement and commissioning relationships between the voluntary and community sector and the statutory sector.

For further information about the work of the Public Service Delivery Network visit www.ncvo-vol.org.uk/psdnetwork or call the Sustainable Funding Project on 020 7520 2411.

The Sustainable Funding Project is an NCVO initiative working in partnership with the Big Lottery Fund and Charity Bank.

The project is the sector's premier provider of tools and resources encouraging and enabling voluntary and community organisations to develop and implement a sustainable funding strategy.

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