

# COMMISSION ON PERSONALISATION

## Briefing I Surveying the landscape

### 1. Summary

This briefing by the Commission on Personalisation surveys the landscape with regard to personalisation. It focuses particularly on personalised funding mechanisms, such as personal budgets, that are currently being used, piloted or proposed in order to personalise public services. It outlines a number of types of personalised funding mechanisms. It then surveys where they are being applied across the service spectrum, from social care to education to employment, and where they might be applied in future. Taken together, these initiatives have the potential to radically reshape the system of support that so many third sector organisations and their beneficiaries are involved in.

### 2. What do we mean by ‘personalisation’ and ‘personalised funding mechanisms’?

The personalisation of public services represents one of the most significant reforms to the welfare state for decades. Benefiting from strong cross-party support, it will affect organisations right across the third sector: service providers and providers of information, support or advocacy; organisations working in social care, health, employment, education and work with offenders. It relates to attempts to achieve two, usually overlapping aims: to give individuals greater control over the services they use, and to tailor services to individual needs and aspirations in order to achieve better outcomes.

Personalisation comes in many forms, and does not necessarily need to involve personalised funding mechanisms such as personal budgets, direct payments or vouchers. For instance, the Department for Work and Pensions aims to achieve greater ‘personalisation’ of welfare to work services in part through centrally-commissioned, large block contracts. Similarly, even where personalised funding mechanisms are used to personalise services, they are but one tool to be used in combination with others, such as better provision of information and advice, reforms to commissioning such as better needs analysis, or more effective mechanisms for people to feed back on and influence the design and direction of the services they use.

Personalisation does not, then, equate with personalised funding mechanisms such as personal budgets, direct payments or vouchers.

Nevertheless, the importance of the issues associated with these personalised funding mechanisms (for service users, for Government, for providers) and the increasing interest in them amongst policy-makers mean that personalised funding mechanisms are an important area of focus for the Commission on Personalisation.

### **3. Some types of personalised funding mechanisms**

#### **Real cash budgets**

Personalisation might be achieved by giving service users real cash budgets to buy services. For instance, in social care, 'direct payments' are cash payments made directly to a social care service user or carer, in lieu of services, for the purpose of purchasing goods and services to meet agreed support needs.

#### **Nominal cash budgets**

In some cases, giving service users real cash budgets might not be appropriate, and instead personalisation might be achieved by giving them control over nominal budgets of money. For instance, 'personal budgets' are individual allocations of funding from one funding source (such as social care or health) that can be used to meet an individual's assessed eligible needs. Personal budgets can take a variety of forms, including direct payments (see above), but they can also take the form of 'notional budgets' directed by individuals who nevertheless don't receive 'cash in hand', or budgets directed by other parties (families, trusts, provider organisations, professionals). 'Individual budgets' are similar, but whereas personal budgets are made up of one type of funding only (currently usually social care funding), an individual budget combines that money with funding from other sources.

#### **Vouchers / menu of choice**

In some cases, Government may want to restrict the choices individuals can make, for instance by allowing people to choose services from a menu of accredited providers or specified services, or by giving people vouchers. Vouchers represent funding allocations which an individual can only redeem against a set of specified services / accredited providers.

### **4. Personalised funding mechanisms across the service spectrum**

Personalised funding mechanisms are being mainstreamed or piloted in a number of areas, including:

#### **Social care**

The service area where personalised funding mechanisms are most advanced is in social care. In this field, direct payments were introduced in 1997, whilst personal budgets and individual budgets were piloted by the social enterprise In Control from 2003, and then by the Department of Health in 2005-7. Currently, over 80,000 people are receiving a social care personal budget, the vast majority in the form of a direct payment.

This picture is likely to change significantly over the coming years. The Government has told local authorities that it expects 'significant progress' in rolling out personal budgets by 2011, and has set a minimum target for 30% of local authority-funded adult social care service users to be on an individual budget or direct payment by April 2011. Many local authorities have gone further, with a number of 2008 Local Area Agreements setting targets higher than 60% for 2011.

## **Health**

Alongside personal budgets in social care, the recent Darzi Review committed the Government to piloting 'personal health budgets' for NHS patients. The Department of Health received 74 pilot proposals from 80 primary care trusts (PCTs), and has now given 70 of those proposals "provisional pilot" status, subject to an assessment of their progress later this year. The pilots are expected to begin shortly, in 2009, and will run for 3 years. Initially, the pilots will be able to offer personal health budgets as 'notional budgets' or as real budgets held on the individuals behalf. The Health Bill, currently going through parliament, should enable PCTs to offer personal health budgets as direct payments from 2010.

More information is available on the DH website and the Personal Health Budget learning network:

- [http://www.dh.gov.uk/en/Healthcare/Highqualitycareforall/DH\\_090018](http://www.dh.gov.uk/en/Healthcare/Highqualitycareforall/DH_090018)
- <http://www.dhcarenetworks.org.uk/PHBLN/>

## **Employment**

In December 2008, the Government's White Paper on welfare reform, 'Raising Expectations and Increasing Support', set out a commitment to piloting a 'Right to Control' for disabled jobseekers, which would give them greater control over the funding spent on their services. The Right to Control is expected to combine funding from specialist employment programmes (such as Access to Work, Workstep, Work Preparation) with funding from other sources (such as social care, Supporting People and the Independent Living Fund).

The Welfare Reform Bill setting out the legislative framework for the pilots is currently going through Parliament, and the Government is consulting on the form the pilots should take until autumn 2009. Local authorities are to be invited to bid to become 'trailblazers' in November 2009, with approximately eight local authority areas in England selected in early 2010, and the pilots going live in autumn 2010 and then running for two to three years.

More information is available on the Office for Disability Issues website:

- <http://www.odi.gov.uk/working/right-to-control.php>

## **Skills**

The Leitch Report, *World Class Skills* (December, 2006), called for a more demand-led system of adult learning. In response, regional Skills Accounts trials began in September 2008. They are undergoing a two year pilot, which will expand throughout England during 2010. Skills Accounts are a free, personalised service, providing adults with direct, online access to skills and careers advice. In addition, Skills Accounts give learners an indication of the amount of money the Government will invest in their training, which they can then 'spend' on a course delivered by an accredited training provider. Currently this function is referred to as a 'Skills Voucher', but from autumn 2009 this will be replaced with a new tool to enable learners to assess their eligibility for funding.

Individuals can open a Skills Account at <https://skillsaccounts.direct.gov.uk/>.

More information is available on the LSC website:

- <http://www.lsc.gov.uk/providers/skillsaccounts/>
- <http://www.lsc.gov.uk/publications/latestdocuments/Detail.htm?id=7a1896b7-7f8d-46f0-a273-7f90538dda90>

### **Services for children**

The Department for Children, Schools and Families is currently piloting individual budgets for disabled children and their families. The pilots began in April 2009, led by six local authorities and their PCT partners and involving around 200 individual budget recipients. They will run until March 2011, with a possible extension to March 2012 dependent on funding.

More information is available on the DCSF website:

- <http://www.dcsf.gov.uk/everychildmatters/healthandwellbeing/ahdc/otherareas/ahdcotherareas/>

### **Drugs**

The Home Office and Department of Health are leading a cross-government pilot which aims to use individual and/or personal health budgets to improve the reintegration and rehabilitation of drug users. The pilots will cover drug treatment in the community, treatment in prisons and continuing care for drug-using offenders leaving prison, with the budget being held by drug workers rather than drug users. Seven 'Drug System Change Pilots' started in April 2009, of which five plan to explore the use of individual/personal budgets. The pilots will run for two years.

More information is available on parts of the Home Office and National Treatment Agency websites.

## **5. Where next?**

The political wind behind personalisation is currently strong. Over the past few years interest in personalisation has been growing amongst policy-makers, and is now a priority for all the major political parties. In June 2009,

the Prime Minister made “reformed public services that are tailored and far more responsive to people’s needs” one of his three top priorities for Government, alongside cleaning up politics and recovery from the recession. Personalisation figures heavily in Conservative thinking too, with David Cameron more recently arguing for a significant expansion of individual budgets.

That has three broad implications:

1. **Policy-makers are more likely to mainstream the pilots outlined above than to pull back from them or allow them to wither away.** The Government has made its commitment to these schemes explicit, while the Conservatives have tended to suggest that they would have gone further, quicker.
2. **Policy-makers are increasingly looking to apply personalised funding mechanisms to new areas of service provision beyond those outlined above.** For instance, the Conservatives have promised to reform school funding on a similar model to the Swedish voucher system. Others are exploring whether personal budgets could be used to tackle homelessness, or looking abroad to voucher schemes for the reintegration of ex-offenders.
3. **Policy-makers are looking at ways to join up the various personalised funding models outlined above.** The government is currently working on greater integration of different personalised funding streams, for instance through its Right to Control pilots startign in 2010. Meanwhile David Cameron has argued that parents of disabled children should have more flexibility to ‘pool’ funding for health, social care and education into one individual budget.

The Commission on Personalisation will be asking how far personalised funding mechanisms can go in future at fringe events with Demos at the party conferences.

You can find out more about the fringe events on the ACEVO website:

- [www.acevo.org.uk/personalisation](http://www.acevo.org.uk/personalisation)

## About the Commission on Personalisation

### *Terms of Reference*

The Commission on Personalisation aims to explore ways to make the personalisation of public services<sup>1</sup> work for third sector organisations (providers, networks, brokers and advocates), policy-makers, practitioners and above all citizens, across a wide range of delivery areas.

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<sup>1</sup> By ‘personalisation’ we mean efforts to make public services more responsive to individual citizens’ needs, and to give individual citizens and their families greater control over those services. We do not equate personalisation with personalised funding models (such as individual budgets). However, given their ability to achieve change, and the scope of their implications for policy-makers and third sector organisations, our focus will centre on those funding models without being limited to them.

In more detail, the Commission on Personalisation aims to:

- 1) Review the personalisation of public services in relation to a range of key social needs and distinct life stages;
- 2) Engage as widely as possible, above all with citizens so they can shape the new system of personalisation that will best meet their aspirations;
- 3) Consider the opportunities and risks associated with in any large-scale move towards personalisation;
- 4) Propose practical ways of exploiting the positive opportunities and mitigating the risks presented by the move towards personalisation funding;
- 5) Build on the knowledge and experience of front-line third sector organisations and other practitioners so as to identify, disseminate and build upon a range of effective practices;
- 6) Act, where practicable, as a seedbed for the implementation of new approaches.

#### *Commission Membership*

Matthew Pike	(Chair)
Mohammad Ali	QED
Jamie Bartlett	Demos
Virginia Beardshaw	I CAN
Lynne Berry	WRVS
Stephen Burke	Counsel and Care
Rhodri Davies	Policy Exchange
Neil Hunt	Alzheimer's Society
Paul Jenkins	Rethink
Emma Jones	OTS
Neil McIntosh	CfBT
Joyce Moseley	Catch 22
Dame Denise Platt	
Bob Ricketts	DH
Stuart Rigg	Advance
Pat Samuel	OTS
Caroline Tomlinson	in Control

For more info visit [www.acevo.org.uk/personalisation](http://www.acevo.org.uk/personalisation)

