

NORTH YORKSHIRE COUNTY COUNCIL

CARE AND INDEPENDENCE OVERVIEW AND SCRUTINY COMMITTEE

31st May 2012

Commissioning and Personalisation

1.0 Purpose of Report

- 1.1. To outline to Members, how the Health and Adult Services (HAS) Directorate has approached the implementation of Personalisation (now known as Think Local, Act Personal), particularly in respect of services commissioned from the voluntary sector.
- 1.2. To outline the implications for commissioning arrangements in adopting a personalised approach.
- 1.3. To detail discussions and the consequent arrangements put in place to assist voluntary organisations in the transition towards personalisation.
- 1.4. To give Members specific examples of how these arrangements have been implemented.
- 1.5. To allow Members to consider the progress that has been made for introducing personalisation into commissioning arrangements with voluntary sector organisations.

2.0

- 2.1 Both the previous government and the current administration have been consistent in directing adult care Directorates to adopt personalisation in the provision of services. Directives have been in the form of targets set for local authorities, the first of which was that 30% of people should have a personal budget by March 2011. This has now been updated to indicate that 100% of people should be offered a personal budget by March 2013. In North Yorkshire, the original target was met and work is continuing to ensure that the second target is also met.
- 2.2 The general themes from the Think Local, Act Personal initiative are:-
 - 2.2.1 Provision of information advice (Having the information I need, when I need it);
 - 2.2.2 Supporting active and supportive communities (keeping friends, family and place);
 - 2.2.3 Flexible integrated care and support (My Support, My Way);
 - 2.2.4 Workforce issues (my support staff);
 - 2.2.5 Risk enablement (feeling in control and safe);
 - 2.2.6 Personal budgets and self funding (my money)

The continuing development of arrangements in North Yorkshire will need to be based within a framework of the above.

- 2.3 The Directorate has steadily worked towards a situation where as part of a person's assessment, their needs will be used to determine, initially an indicative personal budget and then an actual budget. In some instances a person will choose to take this in the form of a direct payment and will use it to purchase their own services. At the other extreme, a person will be aware of the budget allocated, but will request the local authority to purchase any support services on their behalf. A further option is where the arrangement is made with a provider organisation in the form of an individual service contract (ISC) and this part of a person's budget is paid directly to the provider.
- 2.4 In terms of the implications, both for commissioners and for provider organisations, personalised arrangements make the use of "block" or guaranteed contracting arrangements unsustainable. These are usually arrangements where the local authority has agreed to pay an annual sum of money. In return it receives a specified amount of service, whether it be hours of domiciliary care, numbers of day care places or places within a supported employment environment.

Where people have full control of their own budget or are asking the local authority to spend it on their behalf, the flexibility and choice that this gives means that the authority can no longer guarantee to take up the volume of services within a "block" contract. As a result the Directorate, like other local authorities, has embarked on a programme to move away from such arrangements.

- 2.5 The implications for providers are as follows:-
- 2.5.1 They lose the guarantee of income and attendance;
 - 2.5.2 Block contracting arrangements usually involve payments in advance whilst individual arrangements are paid on an invoice basis after services have been provided;
 - 2.5.3 The provider will only receive payments in respect of people actually attending or receiving service and this will not always correlate to the numbers that would have been funded under a block arrangement.
 - 2.5.4 The business planning of organisations needs to take these changes into account.
- 2.6 The move from current arrangements to individual ones has been the subject of meetings and dialogue with providers both collectively and on an individual basis. As a result of these discussions, the following arrangements have been put into place to assist the move:-
- 2.6.1 Providers and HAS have agreed a transition period to move to the new arrangements. This has generally consisted of a tapering arrangement where the "block"

contract is gradually reduced over a period which has been as long as two years.

- 2.6.2 Consideration has been given to the contractual arrangements for the payment of individual service contracts. Variations have included the length of notice periods when people have not attended, the payment arrangements in terms of in advance or arrears and flexibility of new unit costs as opposed to that which would have been in place under a “block” arrangement.
- 2.6.3 Providers themselves have looked at making their services more relevant and attractive to both people with a budget, self funders and other local authorities and health services.
- 2.6.4 The Directorate has worked actively with providers to look at the potential for income from acting and trading as a Social Enterprise. This has been particularly relevant to organisations providing supported employment opportunities, as it reduces their reliance on funding from the local authority. The enterprise enables them to offer employment opportunities and move people through the service and on to work.
- 2.6.5 The Directorate’s Innovation Fund has made payments to successful bidders of up to £50,000 to provide sustainable and innovative projects delivered by the voluntary sector.

3.0 Examples of transition arrangements

- 3.1 **A day centre for people with learning disabilities** has moved entirely from a “block” contract arrangement and everyone attending is funded via a direct payment or an individual service contract. Although this organisation was initially wary of a loss of income, the move from a block contract has allowed them to offer more places and they now have attracted additional people to that under the “block” contract arrangement. This flexibility and the organisation’s ability to offer services which are attractive, has been to the benefit of the organisation.
- 3.2 **A day centre for people with mental health problems** had been operating at around 55% of the capacity of its “block” contract. A transitional agreement was reached to reduce block contract payments down to this level and then to move the people attending to individual service contracts. This has been a particularly painful process for the organisation, but they have realistically looked at a business plan which has reduced staffing levels to those appropriate to the attendance. The process has focused the organisation on looking to increase its income from an allied social enterprise and to make its service more attractive to potential attendees, both from North Yorkshire and neighbouring local authorities.

- 3.3 **An organisation providing supported employment opportunities in the horticultural field** had been funded by a “block” contract from the Directorate. After various negotiations, the commissioning manager agreed that this “block” contract would be tapered over a two year period to eventually leave everybody supported by individual service contracts. A liaison operational manager was also identified to work with the organisation in terms of communicating the opportunities within the organisation so that appropriate referrals and choices were made in terms of numbers of people attending. In addition, support has been offered regarding the social enterprise via the development of a council website whereby staff members and the public will be able to access information about social enterprises. This will reduce the organisation’s reliance on the Directorate funding and will also assist in seeking employment opportunities, both within the organisation and with other businesses in the locality.
- 3.4 **The Innovation Fund** has supported a number of organisations. One example is the establishment of a business supplying wedding stationery which will provide employment opportunities for people with learning disabilities. The project demonstrated a keen business plan which identified average spend on wedding stationery and the fact that North Yorkshire is one of the most popular venues for weddings in the country. A condition of the payment from the Innovation Fund is that if the targets for employment are not met, the funding will be repaid to the county council.

4.0 Summary

- 4.1 The introduction of personalisation and Think Local, Act Personal is very challenging both for local authorities and voluntary sector providers. However, the government direction on this is set and the outcomes for users of service are unchallengeable.
- 4.2 The Directorate is acknowledging the difficulties of transition and this report has outlined the steps that are and will be taken. There will be a need for close working between organisations and the local authority, but as examples demonstrate, organisations who are realistic about the services that they provide and the opportunities that are available are making big steps in terms of what they can provide.

5.0 Recommendations

The members are asked to consider the arrangements that have been put in place and the progress made to date.

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