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Self-Directed Support in Lancashire

An interim report

by

Kim Haworth

County Commissioning Lead for Personalisation,
Lancashire County Council

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Foreward by Richard Jones, Executive Director Lancashire County Council

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Introduction

If you think you can, you can, if you think you can't, you are probably right! That has been the philosophy in Lancashire during our journey of learning and discovery in relation to self directed supports. The outcomes to date have been driven by a commitment to local citizens and enabling people to have a better life.

This practical and illuminating guide, based on the Lancashire experience, is presented in the spirit of learning and discovery, not a 'this is how you should do it' manual. The author Kim Haworth has lead the developments in Lancashire for the past 5 years, developing and applying the model, with some really fabulous outcomes for citizens living in Lancashire. Kim has certainly taken the 'If you think you can, you can' philosophy to a new level.

The publication is based on real experience and outcomes and offers sound practical information and experience that can support citizens, carers, practitioners and commissioners further their own thinking and understanding of self directed supports.

The best solutions and models are often simple, some have gone as far as suggesting that they are ordinary. There was a statement made at a commissioning forum, five years ago, at the start of both Kim's and Lancashire's journey, that the trick is in ordinary! Well I can guarantee that you will find no tricks in this publication and certainly nothing ordinary. What you will find is sound practical guidance and some creative innovative practice.

I highly recommend this publication and I hope it enables more people to 'think they can' and have a better life!

Terry Mears

Head of Commissioning (Central Lancashire)
Adult Services Social Services Directorate

Personalisation is here to stay ....

"The next few years will see a major change in the way we support people to maintain their independence and dignity.

This is a change process which is built upon the values that brought many of us into social care. It is characterized by an approach which treats people as individuals with the capacity to determine their own futures, with support when needed, and to take control of their lives and the service that is offered to them.

It is about treating people as customers who want services to be developed with them and not handed down to them as a result of a professional assessment or decision.

The offer that we will make to all people in Lancashire will include support to assess their needs and then the identification of resource allocation which they will be able to take as a personal budget if they want.

Personalisation is here to stay. It makes sense in terms of better outcomes for people and it makes sense in terms of our value base as social care professionals."

Richard Jones

Executive Director of Adult and Community Services,
Lancashire County Council

Contents

Chapter 1

Service Users Are Now Customers

Lancashire is a large authority. During 2007/08 our adult social care gross expenditure was £402,729,777 with 36,252 individuals being supported. We work across three PCT footprints and 12 city/ borough/ district councils and anyone who is eligible under Fair Access to Care is enabled to have a budget. Currently we are enabling people to use a personal budget in every service group.

As Richard Jones has said, we are committed to moving to self-directed support and we are in the process of implementing the changes necessary to achieve this goal on behalf of the people of Lancashire.

We are already far beyond the pilot stages of SDS. Our target is 10,775 personal budgets by 2011 and we are in the throes of a metamorphosis as radical as that experienced by any local authority in recent times. In this report, I will try to explain where we have reached and what the landscape of SDS looks like from here. This report will no doubt be updated periodically, but this is how things are as 2008 draws to a close.

The biggest lesson we have learned is the size of the challenge presented by scaling-up. In essence, SDS is a jigsaw of three pieces:

- the individual. Though the individual is paramount in SDS and the opportunity to have a personal budget can transform lives, there is nothing inherently complicated here. You get your money, look at how you are going to spend it, and you live your life.
- the provider. There are more complications here – finance and HR issues and the business model, in particular - but in essence, the provider gets paid and provides support.
- the authority. This is where, because of the problems of scale, the issues begin to become extraordinarily complex. Pilot schemes illustrate well the issues confronting individuals and providers, but they do not give authorities many leads in the task of scaling up from a few tens of individuals requiring the efforts of a few staff to thousands requiring the focus of an entire workforce. Huge numbers of staff to redeploy and a large number of work streams to pursue together turn an apparently simple process into an incredibly complex piece of business.

And this is just one component of the personalisation agenda - so if we start to look at commissioning across communities, or connecting with other organisations, we are facing a huge task.

To be clear about the challenge of the next three years: our target is 10,775 people with personal budgets by 2011. This requires us to enable 65 people a week from April 2009 to have a personal budget – no mean feat if you look at Lancashire's extended definition of 'having a budget'.

An individual is said to have a personal budget when:

- they know what their indicative budget is so they can plan their support;
- they have a support plan that has been signed off and the money released;
- they know that the support plan will be reviewed at least once a year.

As you will appreciate, this is a higher standard of delivery than that required by the government's 2009/10 performance indicator NI 130.

Various factors are helping us to achieve the necessary momentum. Particularly among providers, SDS can generate its own impetus. To push person-centred approaches forward within Learning Disability services, we made person-centred planning one of the criteria for preferred provider status. But now many providers have recognised independently that SDS is the future basis of support and are adapting their long-term strategy accordingly. Alternative Futures Group's five-year strategy, for example, is based on the inevitability of SDS.

For the people themselves (and their families), we have observed that as genuine power passes into their hands, the personalisation agenda becomes a dynamic and

creative process, despite the fact that the changing care environment has made the last few years challenging for people in Lancashire.

We have been through periods of change while working towards personalisation, and these have sometimes been anxious times for people and their families (particularly in learning disability). The idea of person-centred planning has been difficult for many people to accept. They have not appreciated the ultimate objective and there has been natural resistance to the reshaping of services such as day centres. Now, in moving to the full expression of person-centredness – a personal budget – we are asking our customers and their families to take another giant step.

Good communication through newsletters and dedicated websites from WebEnable has helped convince many of the benefits of empowerment, but we are still working hard to support people through a period of often worrying change.

The third element in the mix – our *own* ability to make the necessary changes – is perhaps not surprisingly the hardest piece of the jigsaw to put in place. Richard Jones has spoken of the values that bring people to work within social care, and it is easy to underestimate how reluctant staff can be to abandon the traditional caring approach until they can see the genuine benefits of self-directed support and their crucial role in making it a success.

We are in a period of transition from the old ways to the new and the purpose of this report is to take stock and share the experience so far with others who may be embarking on the journey.

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We started our journey 5 years ago with a small team in learning disability services. Our first positive action was to invest £500 per partnership board area (£3,000) from the Learning Disability Development Fund to explore personal budgets. My colleague Terry Mears and I organised a two-day meeting with Simon Duffy and our Learning Disability Care Management Teams to look at person-centred approaches.

As part of this work we tried to do a rough spend profile in learning disability services looking at:

- Cost of day services
- Residential care
- Supported tenancy
- Respite
- Short breaks

We plotted the cost of packages of care and found that, though there were peaks and troughs, the average spend was approximately £25,000 per person. Interestingly, similar spends did not necessarily reflect similar needs.

We linked this to a profile of the level of service that could be achieved for this amount, and how person-centred it was. We then analysed the levels of spend and the service and supports that should be expected. This led eventually to the determination of Resource Allocation bandings. The aim was to make it possible for individuals to translate their resource allocations in terms of traditional services, to be confident of receiving a reasonable level of service.

Working with Simon, we tried to apply some of the thinking that had been done by in Control: we recognised that there were pathways for developing a support plan and, as Ian Turnbull identified, there were also a range of pathways for managing the budget. This has turned out to be profoundly important, as the success of personal budgets depends to a large extent on the quality of brokerage

Next we set up an in Control Operational Group, comprised in the first instance of Terry Mears, Ian Turnbull, myself, and a number of Team Managers from Learning Disability Services. As time went on, the membership was widened. This group developed the concept of 'domains' as the basis of the Resource Allocation System that we have been applying (see Chapter 2).

Lancashire is now part of the in Control Total Transformation Programme - 'Network for Social Innovation' - working hard to ensure that we have the capacity, knowledge, skills and abilities to enable everyone in Lancashire who is eligible for services under FAC's to use a personal budget.

One of my colleagues, Steve Sinnott, has led on the programme brief. The work is split into three main areas – People, Systems, and Processes and Commissioning – and the Leads are now working on the identification of further work streams within these broad headings.

These work streams are set out in detail in Chapter 5, underlining how much effort is still required in order to make personal budgets a reality for the people of Lancashire. However, while much is still developing, we already have tools in place - including a workable resource allocation system - and have already enabled approximately 300 people to use a personal budget.

The next chapter will explain the practical application of the model and give a flavour of some of the thinking behind it.

Chapter 2

People's Personal Budgets

In this chapter, we give an overview of Lancashire's Resource Allocation System and details of the seven steps to creating a personal budget.

Overview of Lancashire's Resource Allocation System (RAS)

Our new system for allocating resources through personal budgets is based on a person's assessed need taking into account all their circumstances – including whether they have a good circle of support or if they are living at home. It is not based on simple entitlement without regard for the circumstances.

The personal budget system is a robust system of fair funding. It is different from the previous system in the following ways:

- Previously, there was no consistency or transparency in the packages of care allocated to people with similar needs. Levels of care were influenced by a range of extraneous pressures – some people were more articulate in demanding supports; some providers may have charged inflated hourly rates; the provider could have devised the care package within an arbitrary

amount set by the social worker. Now, since the benchmark hourly rate for work within Learning Disability Services, the commissioners are able to say what a particular support package should cost, based on formal support hours.

- The package of support – fully documented in the Support Plan – now makes sense to the individual. It is not a series of services pulled together by us from what is available: customers can reach out into the wider market to put together their own support package. The implications of this new approach are yet to be worked out for most providers.
- The main advantage of the new system is that people know early in the process how much money they will have, so they can start to plan on a budget rooted in reality. The advantages of the new system are that the person is enabled to feel in control and fully involved with the process. Previously, it was frustrating for people when their care plan was submitted to Panel with an associated cost and they found that they needed to renegotiate their package because it was considered too expensive.

In the new system, people understand what things cost - but this does not mean that the process always runs smoothly. In completing the self-rating questionnaire, people can overestimate their needs and therefore they expect a substantial budget rise. The validation system – through which needs are confirmed - can lead to disagreements. Equally, there is a danger that people will underestimate needs. We have found that both these difficulties are answered when the support plan is properly developed and costed. A particular area where the self-rating system may fall down is when people need 2-to-1 support. A high support rating in the SRQ will not necessarily indicate this need – but in the support planning process, it will become clear and we may have to increase the budget accordingly.

How we calculate a personal budget

We recognise the seven steps of in Control in the personal budget process, namely:

Step 1: **Calculating an Indicative Budget**

Step 2: **Planning Support**

Step 3: **Agreeing the Plan**

Step 4: **Handing over the Budget**

Step 5: **Organising the Support**

Step 6: **Living Life**

Step 7: **Reviewing & Evaluating**

Step 1: Calculating an Indicative Budget

i. Introduction

At present we calculate the personal budget as follows:

- The individual completes a self-rating questionnaire. They can do this alone or with the help of others.
- The self-rating questionnaire (SRQ) has 6 "domains". These domains are the key to understanding the SDS process in Lancashire and we discuss them in detail below.
- Each domain has roughly five levels of need, each of which is allocated a number of points. We ask people to tick the statement that fits them best, even if it doesn't fit exactly.
- The total number of points equates to an indicative budget.

Currently we operate two scales. The lower scale applies where there are significant elements of informal support for that person (eg. if they are well supported by their family or have an active circle of support) and where the person does not generally need 24/7 support.

Within Lancashire we are striving to establish a generic RAS but this is still very much 'work-in-progress'.

Work is also under way to incorporate the self-rating questionnaire into the overview assessment of the single assessment process. We are hopeful that we will be using this by early 2009.

ii. About the domains we use

We developed these domains from some of the early in Control resource allocation systems plus our own interpretation of what was needed in Lancashire. We wanted to design an SRQ that was as positive as possible, giving us a really good indication of what each person needs to live their day-to-day life.

Some domains are weighted more heavily than others - eg. staying safe scores more than work, leisure and learning. This was a judgement made by myself and my colleagues based on experience. We had done some desktop exercises to show that if you had this level of need then roughly you would be using that amount of budget. We looked at the essential character of the domain: staying safe really does affect your life and should score higher. We tried to think of real people's profiles and tried to get the right number of points for that level of need. It involved a great deal of trial and error and hard work!

The 6 domains and their maximum and minimum points are:

- Staying Safe – 30 & 5
- Communication – 5 & 1
- Work, Leisure, Learning - 5 & 1
- Essential Living Tasks (cooking, general domestic etc.) – 10 & 2
- Personal Care Needs – 10 & 1
- Health (other than support from GP, CPN, District Nurse or Outpatients) – 10 & 2

The cost profiles within the domains are largely based on the social care spend – but within the use of a personal budget there is a need to stretch what people would ordinarily think of as 'social care spend'. For example, if someone uses part of their budget to pay the admission fee to the local baths for a friend to take them swimming, they are not only gaining exercise, but, in having a shower, they are meeting one of their personal care needs - as well as getting out and about in their local community. We have some wonderful examples of people using their budgets in a creative and flexible way, which can in turn reduce the overall social care spend.

Stretching the domains in this way does raise issues with some people and again illustrates how culturally challenging this method of support can be. We are saying that people can use personal budgets for supports that are outside traditional social care providing that they meet needs in broad terms.

The trick is not to revert back to hours of support to judge whether expenditure is justifiable, because then you lose flexibility. But to do this on occasion does make it possible to make useful comparisons. So spending £300 on a holiday for a friend could equate roughly to the cost of 25 hours of paid support – but the friend is actually giving 7 days of 24 hours support which is good value and makes more sense to the person than either having paid support or using traditional 'respite' services.

So, to be clear, the domains were developed so that we could get an accurate picture of the main areas of people's lives where support might be needed and a good indication of what must be covered in the support plan. Where someone scores 'keeping safe' highly, then it is our job to check that a share of the budget is indeed being spent on keeping safe. The direct link between the domains and the spend ensure that the criteria for approving the support plan are met - i.e. that the plan meets the individual's needs in broad terms whilst ensuring that they are safe, healthy and well and using their money legally.

For example, in one support plan it was obvious that to stay safe, the person needed someone around during the night as this is when he had seizures. The plan clearly states that this is a need, as he becomes very unsteady and confused after a seizure and is prone to falling. The plan had to demonstrate how he was going to be enabled to stay safe during the night, otherwise it could not be signed off.

iii. When the domains and resulting points do not work

In the points system we have not factored in cases where people need 2-to-1 staff support. However, this information would come through in the support plan (for example, if someone needed this level of support in handling and moving) and in this case we would clearly have to look at funding above the indicative budget.

Our evidence suggests that in the main, the amount of money outlined in the support plan does come out very near to the indicative budget, although it must be noted that the bulk of the work has taken place with people who have a learning disability or physical disability.

iv. Generic RAS

One issue we are discussing is whether we can ever have a generic RAS across all categories. We are gathering all the financial and other data we can for this and other purposes but there seem to be a number of issues impeding progress towards a generic approach which arguably stem from the nature of the disability. This is an ongoing work stream that has a high priority and which we will report on at a later date.

iv. Validation: People need to understand that the budget is not finalised until there is a properly costed support plan in place. Up to this point, both before and after the validation process, the budget remains indicative. I cannot overstate the importance of making this clear as a means of avoiding unnecessary tensions. There have been a number of occasions where individuals have completed the questionnaire to fit into a higher level of funding than they need. This makes validation very difficult for the member of staff.

There is an argument for saying that issuing the RAS is unnecessary, as it contributes nothing to the process of calculating the final budget. This is why in Lancashire we are now advising that the RAS should not be issued, as the important thing is that people should know their indicative budget.

When the SRQ has been validated it is essential to be clear about the amount of indicative budget which the person has in order to begin the planning process.

Currently we have some problems with the validation process. It can vary from team to team and from locality to locality and needs more consistency in approach.

Generally, on completion of the SRQ, it is validated by a member of the community team. The advice given at present is that team members need to get an agreement in principle, usually from the team manager but on occasion this can be given by the panel so that the individual is informed of their indicative budget and can begin planning – provided that they are fully aware that the budget will only be finally agreed and the money passed over once a costed support plan is produced.

v. Indicative Budget Issued

The individual then gets an approved indicative budget to plan their support.

In Lancashire, the indicative budget is currently gross and in almost all cases we would net off Supporting People funding and Independent Living Fund monies.

We would not expect to fund supports that should be met through the person's personal income or benefits.

In some respects, the art of personal budgets is defining the parameters within which it can be spent. This is perhaps the most difficult aspect of the process. For example, personal budgets in Lancashire are spent on:

- Paying for a friend's holiday, where the friend provides the support that paid staff would otherwise provide.
- Supplying assistive technology (eg possum) to give an individual more control over their environment.
- Providing computer and internet access for on-line shopping and web cams to talk with relatives and friends.
- Paying for tickets to a concert for a friend, where the friend provides support that would otherwise have to come from paid staff.

Step 2: Planning Support

The person then begins to develop a Support Plan linked to the indicative budget but taking other income streams into account.

Lancashire has 5 established Pathways that people can use to plan and also to manage their support:

- Self
- Circle of support
- Independent broker
- Provider broker
- Care management

A further pathway has been identified although we know that we need to do more work and thinking about the best way of supporting it. This additional pathway is:

- Community Services eg Age Concern, Mind etc.

Reference will continue to be made to 5 pathways although this will undoubtedly change over the coming months.

To assist with support planning I have produced a support planning template – available on Lancashire County Council's intranet. In Lancashire we are not saying

that this format has to be used, but we do feel it is helpful. Any other format would need to ensure that all the same features were covered in one way or another.

Step 3: Agreeing the Plan

The main criteria for agreeing the Support Plan are that:

- The person is safe
- The person is not using their budget for illegal means
- Needs are being met in broad terms, so the plan has to be robust, clear and outcome-focused.

Currently the support plan is based on the 6 domains within the self-rating questionnaire.

At this stage in Lancashire we need more training to ensure that appropriate staff members understand what a good support plan looks like, to help them confidently sign off a plan, so that the money can be released and the person can begin to live their life in a way that makes sense to them.

Step 4: Handing Over the Budget

At present, we are utilising the systems currently in place:

- Direct payment
- Trust Fund
- Provider-led pathway
- Independent Brokerage
- Care Management

These are all supported by the relevant contractual framework.

It is worth noting here that the success of a personal budget for a person can depend on the advice and support they get in all aspects of planning and spending the money. In the recent 'Evaluation of the Individual Budget Pilot Projects', one conclusion was that personal budgets were not so successful with older people. In our experience, older people may receive the money themselves, but nevertheless still benefit from assistance in locating and contracting supports.

Having a personal budget means that the customer knows how much money they are entitled to; they can use their budget flexibly, on existing services but also on new ideas; and they can plan for themselves or with the help of others. This important element of planning – which involves knowing what is available and suitable – is part of brokerage.

Brokerage means advising the customer on the kinds of formal and informal supports that are best for them and managing or helping to manage the money, including being recipient and custodian of the budget.

If the broker is merely an adviser, there may need to be an agreement that the broker will use their best endeavours to research the marketplace for the customer and give impartial advice on what is best for them.

We have often had the situation in Lancashire where the main provider for the customer is also acting as broker and as recipient and custodian of the funds – a potential conflict of interest and an opportunity for undue influence in promoting their own services and supports.

As explained earlier, independent brokerage is currently underdeveloped in Lancashire. At present my view would be that it may be an advantage to keep it that way and concentrate on looking at utilising the other pathways.

Step 5: Implementing the Support Plan

The plan has been completed and agreed.

The money has been agreed and handed over.

Now is the time to mobilise the troops - this means ensuring that people who were named in the plan do what has been agreed. These people may be staff, family members or friends or paid staff.

Step 6: Living Life – the point of the personal budgets

This is the whole point of personal budgets – it is about enabling people to live a life that makes sense to them.

They may choose:

- traditional supports eg the local day centre
- formal services eg buying in hours of support
- informal supports eg a bartering arrangement
- assistive technology eg a voice activator
- events of significance eg needing support to go away to parents' 50th wedding anniversary

If people want to deviate from the plan, they know that they must check it out. The trick of using a personal budget to the greatest effect is to be flexible and think

creatively. As we have seen, budgets can be spent in a variety of ways that may not bear any resemblance to a traditional care plan.

Step 7: Reviewing & Evaluating

The use of the personal budget is open to review just like any other support. The periods between reviews can be flexible and may depend on the view of assessment and care management.

Obviously events in people's lives can dictate unscheduled reviews.

The budget may also change as a result of the review.

Chapter 3

Case Studies

In this report so far, we have looked at how SDS arose in Lancashire and how personal budgets are calculated and implemented. We are now going to look at some of the actual work that has been done and then go on to consider some of the issues that arise for providers and the county council itself from these case studies.

To date, we have enabled approximately 300 people to use a personal budget. It is perhaps useful to repeat here Lancashire's definition of what 'using a personal budget' means:

- The person has a personal budget and is aware of the amount that has been allocated to them;
- An outcome focussed support plan is in place, with clear costings linked to the budget; and
- The support plan is reviewed (as opposed to a "Care Plan").

The majority of these 300 people have either a learning disability or a physical disability. However, work that is being undertaken in the east of the county with people using the Re-enablement Service is seeing increasing numbers of older people using a personal budget.

We have reached these numbers in a largely unstructured way – mainly through either the re-commissioning or re-profiling of services. One of the keys is to find the right opportunity for introducing personal budgets and to capitalise on it.

It is perhaps worth pointing out that many staff demand evidence that a personal budget will work for older people who have the most complex needs. My response is that, while I am sure we can produce this evidence, in terms of learning and

supporting people through this process, teams should really concentrate their energies on more straightforward pieces of work.

There is natural resistance to change and we are changing a long-term culture and way of working; I cannot overstate the pressure I felt to ensure that the first major test of Self-Directed Support did not fail.

I was lucky in one respect, in finding contained opportunities for rolling out Self-Directed Support. The following case studies broadly reflect the range of approaches that we have taken over the last two years. I will refer to these examples throughout this book – and as you will see, you have to apply the model flexibly to suit individual circumstances.

1. Supported Living

a. Castle Supported Living

Castle is a small service provider – a registered charity originally developed by families in the Ribble Valley, Lancashire, who wanted to provide person-centred supports for their sons and daughters.

The organisation was committed to doing the best for the people it served, but was finding it difficult to balance the increasingly complex funding arrangements and escalating expectations of families and care managers. The complex web of funding was causing the organisation great difficulty and even beginning to threaten its viability. A fresh approach was needed and one that would enable Castle to do what it does best – focussing on supporting people to get a great life.

So in the summer of 2006, when I was still the local integrated commissioning manager (East Lancashire), I teamed up with Clare Sherliker, the manager of Castle Supported Living, to begin the work of implementing Self-Directed Support.

Firstly, individuals supported by Clare and the team completed a self-rating questionnaire (SRQ) - part of the Resource Allocation System (RAS). As Lancashire was still testing its RAS, they carefully double-checked the process with care managers. Crucially, this check demonstrated that the RAS was largely reliable. Of the 12 SRQs, there were 10 where there was agreement. In the other two cases there were factors not covered by the RAS that led to more discussion in order to agree on the level of need.

This process allowed Lancashire to set personal budgets for all 14 people. Interestingly, the aggregate cost of all 14 services was actually somewhat lower than the previous cost. The overall reduction in cost to the pooled fund was 23%.

It also allowed Lancashire to clarify how much Supporting People funding should be used for each individual and to integrate Supporting People properly into the allocation.

Contingency Funding : On occasion I have factored in a contingency fund on top of an individual's personal budget – for example, for one young man with a learning disability who also experienced mental health difficulties in the course of a year. His signed-off support plan was based on him experiencing good mental health all through the year. However, experience had shown that it was highly likely that he would need more support for approximately 4-6 weeks per year. I calculated an amount of money that would cover this period and sat it in a contingency fund as part of the support plan. This enabled us to respond promptly to this individual's difficulties as they arose and avoided the care manager having to go to panel for approval.

This all took time, energy and good leadership. The following factors were particularly important to the success of the Castle project:

- we worked with the Board of Directors, taking time to explain the advantages of Self-Directed Support, how the system would work and how it suited the ethos of the organisation: Castle was set up on a foundation of person-centred approaches and was therefore very receptive to this process.
- many of the families were already connected to networks of other families and were beginning to hear more about how lives were improving.
- Lancashire was prepared to challenge and support its own care managers, helping them to see the advantages of working in respectful partnership with service providers.

Each person's money is now treated as a 'restricted fund', so Castle must account for it individually and must use it to benefit the individual; any shared use of support must be part of an agreed plan. Castle charges each person a 10% management fee, but beyond that it does not take out any further money from the person's fund. It is also now agreed that Castle can sub-contract with other preferred providers' services if they are better able to provide specific aspects of a person's support.

Once the indicative allocations had been agreed Clare and the team developed support plans within the personal budgets, alongside the individuals and, where possible, their circles of support.

Each support plan reflected what was important to and for the individual. It set out how support would be delivered, and described the outcomes in terms of success as defined and measured by individuals themselves.

Gone were the old constraints of a commissioning system that focused on hours of support costed at different hourly rates; instead Castle were able to work with the person and their family to identify the best possible use of the money.

Examples include:

Jane, who uses her funds to balance the support she needs to stay healthy with the pursuit of her first love – dancing.

Paul, who uses some of his funds to pay for a gym membership for someone to support him to attend the gym twice a week, something he would previously not have been able to consider.

Dianne, who is looking, with support, into the use of assistive technology to enable her to sleep safely at night without the need to pay staff to sleep in her home.

There is a real sense of control, flexibility and innovation amongst the people who have personal budgets. But not only has this process been good for the people that Castle support, it has also benefited the organisation. Today Castle is actually able to manage its finances better: random changes in funding have been avoided and complex cross-subsidies and multiple sources of funding have been simplified. The financial future for Castle looks encouraging and they hope to develop their business in line with the learning they have made around personal budgets.

To look at one case in detail:

Stephen: no longer uses paid support to go to his weekly drama class but is able to use part of his funds to pay for a taxi and experience the class without worrying about having his style cramped!

Stephen is supported by Castle Supported Living in his own flat. We previously contracted with them through a spot contract, paying the provider a certain amount per four-week period to support Stephen in line with a social work assessment. All this was translated into formal support only. Stephen's support was reviewed annually. Whilst this review paid attention to the quality of the service, it did not look at the cost in relation to the support provided.

1. Choice: since getting his personal budget, Stephen has used part of it for informal supports.
2. Finances: the money under the spot contract was not a restricted fund, so it was difficult to understand the underlying spend of the budget. Now Stephen's money is restricted funds with a transparent support plan that clearly links to his personal budget, and it can be used for things other than formal support. Stephen wanted to go to a drama class which was outside the locality where he lives. As there was no flexibility for Castle to pay for a taxi out of the spot contract, they had to get a member of staff to drive him there and stay with him. Now he pays for a taxi out of his budget and goes independently. This represents a saving on formal support of approximately £1,700 a year and an overall saving on Stephen's budget of approximately £900.

3. Provider-led Pathway: Castle are also Stephen's brokers. They pay invoices from other providers on his behalf, ensure that Stephen's money is held in a restricted fund, and report to Stephen on his expenditure on a monthly basis.

b. Alternative Futures

Shaun: Shaun uses a personal budget and, in his words, this has changed his life. Through his support plan and with the support of his staff, he has been able to live his life in a way that was never envisaged by a range of people. Sean has made a DVD to explain what a personal budget has meant to him.

2. Physical Disability

There are growing numbers of people with a physical disability who are choosing to use a personal budget. Some of these are people who have previously used a direct payment and see a personal budget as a way of gaining more control and flexibility over the way they live their lives.

Graeme is one of these people. Graeme received direct payments and felt that the rules around them were too rigid for him to live his life and manage a range of disabilities that greatly affect him. He was supported to use a personal budget. In his words, "for the first time in a long while I have control over my life and arguably using a personal budget has saved my life."

Graeme uses his budget for a range of supports. He employs his own staff via a direct payment, he has purchased IT equipment, and uses part of his budget for 'thank you's'. This flexible use of his money lets him live a life that makes sense to him. In an attempt to spread the word, Graeme is making an audio tape that he intends to share on local radio stations and with other people who may be considering using a personal budget.

3. Reablement

In the east of the county, work is in progress to ensure that people who are using the Reablement Service and have been identified as needing longer term supports are enabled to use a personal budget.

Anecdotally, many people have suggested that older people will not want to be bothered with a personal budget. Our work in reablement has helped to show that this is not the case. The trick is to ensure that the person is well supported in choosing the pathway that best suits their circumstances.

We have evidence of providers leading on this work, but we also have evidence of families taking the lead and massively assisting in the development of the support plan.

Although it is early days – we have around 30 older people currently being supported through Reablement, with another 12 from the local teams - we are seeing evidence of creative use of the budget. For example one woman is using part of her budget to buy in formal support, but she is also using a small part of her budget for thank you's to friends and family who help her to stay connected to her local community. This might be a small contribution to the cost of petrol, or the occasional lunch out in the local café. The thank you's amount to less than 5% of the overall budget, but what they achieve is very important.

We are also seeing the budget being used to help family carers to continue to support (in most cases) their mother or father. Some people still use the lion's share of their budget on formal support and we are working with providers to look at how they can help them use their money more flexibly. More details of this in Chapter 4.

4. Hyndburn and Ribble Valley PCT Supported Tenancies

In late 2007, following a major review of the 19 supported tenancies managed by East Lancashire Primary Care Trust for 89 adults in Hyndburn and Ribble Valley and Blackburn with Darwen, the opportunity arose to move away from a block contract basis to providing tenants with personal budgets.

The easy choice would have been to re-tender, using a block contract for the 19 houses. However, as Lancashire is committed to self-directed services, I made the recommendation that we re-commission using personal budgets. With the support of Stephen Gross, Director of Commissioning in Lancashire, the Chief Officers of the three other Organisations — Blackburn with Darwen Primary Care Trust, East Lancashire Primary Care Trust and Blackburn with Darwen Council —accepted my recommendation to offer personal budgets to the 89 tenants.

The following is my paper to Chief Officers which led to the decision to re-commission:

Re-commissioning supports for individuals currently supported within the former Hyndburn and Ribble Valley Primary Care Trust, Supported Living Scheme.

Introduction

The model to be described embraces the principles of in Control yet recognises that at this stage it is not practicable to implement the principles in their purest form.

Essentially in Control enables individuals to have a personal budget (resource allocation) which enables people who are eligible for services under Fair Access to Care to become active participants in the design of their own support by telling them, up-front, how much money will be available to meet their needs.

The Model of Commissioning and Contracting

The model to be used steers away from the more traditional methods of re-commissioning services (eg block contracts) and as such does not need to adopt the EU procurement legislation and guidance of Standing Orders. The model follows the 7 steps of in Control and will adopt the service led brokerage pathway.

In simple terms the model should be considered as commissioning using spot contracts (commissioning using an individual service agreement). However, the selection of the care providers and the monitoring arrangements thereafter, shall be conducted in a similar way to those undertaken using a formal tendering procedure. As the in coming provider will be implementing a specified improvement plan alongside the individuals, commissioners and assessment and care management, a close working relationship can be expected.

The Model of Service

The overall model of service will be facilitated by using a service led brokerage pathway. Through agreed support plans this will enable the in coming providers to offer more flexible, creative and person centred services that focus on the outcomes people really want.

The in coming providers will have to ensure that each individuals resource allocation will be treated as a 'restricted fund' and must account for it individually, must use it to the benefit of the individual and any shared use of support must be part of an agreed plan.

The incoming providers will be implementing a specified improvement plan largely based on the findings of the 'Review of East Lancashire PCT Supported Tenancy Scheme' The plan will reflect the 'Reach Standard in Supported Living' thereby ensuring that individuals are enabled to have the life that makes sense to them. Attention will be given to housing specifications to ensure that individuals are supported in tenancies that are appropriate to their needs. The number of tenants sharing a house will not exceed 4, therefore considerable work will need to be undertaken to realise this expectation.

The process - The 7 Steps

Resource Allocation	A self rating questionnaire will be completed with/on behalf of each individual. As a result of this they will receive a budget.
Plan Support	A service led brokerage pathway will be used. The provider will lead on devising a support plan for each individual.
Agree the plan	The support plan will be agreed by the respective panel members. A template to assist this process has been developed.
Manage the resource allocation	An individual service fund will be developed and payment would usually be over 13 x 4 week cycles.
Organise the support	The provider will ensure that support is organised in accordance to the support plan.
Live Life	Use the funding flexibly and creatively to ensure the person gets the best out of their live (and their resource allocation)
Review and Evaluate	In this instance the review and evaluation will be conducted in a manner usually used in a formal tendering process.

Sequence of Proposed Events

Please note - the timing of the sequence of events is entirely dependent upon having finance, HR and assessment and care management information available.

Tenant Workshop	This will enable information sharing and gathering with existing tenants to take place. It will be explained how individuals can take part in the process of selecting and recruiting new providers and the supports that will be available to do this. This will be carried out across BwD & HRV
Coffee morning/ afternoon - family members and/or significant others	As above. In the first instance these sessions will be for family members and/or significant others. However subsequent sessions will be made available to tenants, family members and/or significant others. This will be carried out across BwD & HRV
Provider Briefing	All Lancashire Learning Disability preferred providers and Blackburn with Darwen providers will be invited to a briefing to give details regarding the re-commissioning of the service. There are currently 69 learning disability preferred providers in Lancashire with several other providers within the BwD locality. The Expression of Interest (EOI) will be ready for distribution by email following this meeting. (* Please see below table) This will be carried out across BwD and HRV
Return of the EOI	It will be expected that Providers return the EOI within a 2 week period. The EOI will be returned to BwD and EL commissioners respectively. Lancashire would be unable to commission with providers who were not part of the Lancs LD PP Scheme.
Short listing the EOI	The agreed panel will meet to shortlist from the EOI. This would be undertaken by a BwD panel and a HRV panel respectively. From this point the following tasks would be undertaken separately
Site Visits	Tenant and family/significant other representatives will be supported to undertake site visits to the short listed organisations between the time of shortlist and selection panel. Please note this will only take place with the full agreement of the tenants supported by that organisation.

Meet and Greet session	Tenants, family members and significant others will be invited to meet short listed providers. The agreed panel would seek the views of the wider group in readiness for the pre interview panel.
Pre interview panel	The agreed panel will meet discuss the findings of the site visit and the meet and greet session and agree what questions would be asked and the expected responses.
The interview panel	The agreed panel will select the providers of their choice.

The EOI will contain the service specification that will outline the model, give details of the resource allocation, including other funding streams. It will also contain brief pen pictures that are designed to give providers a 'feel' for the individuals and therefore the overall pieces of work.

The EOI will give details of the groupings of the houses. For example in HRV it is recommended that the business is split into 3 chunks. This will enable the provider to respond to the service led brokerage model and ensure they are expressing an interest in what will reflect their core business.

There will be a pricing schedule for the providers to complete to give an indication of associated TUPE costs.

There will be a series of questions (approximately 7) that the provider will need to answer. These will have been devised in collaboration with the tenants, family members/significant others. These will be word limited with the clear expectation they will be written in plain English."

In the project to recommission our supported tenancies, I always made it clear that what we were using was not a purist model and that therefore individuals would not be able to exercise choice fully until the transfer had been fully accomplished. Individuals now know what their budget is and have fully-costed support plans that reflect how they want to live their lives.

Whilst I prefer to apply the model in its purist form, there are times, as here, when it is necessary to take a pragmatic approach. My view is that if you want to make progress you cannot wait until everything is just perfect, otherwise you wouldn't get out of the starting blocks. I think this reflects the motto that Terry Mears, Ian Turnbull and I used when we first began trying to enable people in Lancashire to use personal budgets: "Test to Destruction".

Four months after the completion of the project, I held a review workshop, facilitated by Helen Sanderson from HSA. We were joined by colleagues from the three provider organisations which are now managing the Hyndburn and Ribble Valley part of East Lancashire Primary Care Trust Supported Living Scheme. Staff from operations, finance, human resources and senior management were

all represented. This gave us all the opportunity to reflect on the work we had collectively undertaken and share what had worked and what had not.

In discussing what had made the work successful, we identified four main themes:

Leadership and focus – the project was successful because there was leadership on the ground as well as from a senior management perspective. Focus was vital because it is important to understand the practical application of the model and not to allow circumstances to distort the model.

Good lines of communication – we had a clear strategy for dealing with concerns and questions from service users and family members and we gave a lot of thought to ensuring there was absolute transparency in what we were doing. We had named contacts for each aspect of the scheme. Our messages were consistent and we were in a position to say whether something was true or not. We succeeded in killing the many rumours that sprang up. We were also able to use the website provided by WebEnable to make sure that all the information was fully accessible and available to everyone.

Positive and enthusiastic providers – the providers really signed up to the idea of people having a personal budget and worked in partnership with us. The high levels of trust between us were very significant. The providers had worked with colleagues in Lancashire in the past and knew that they would be supported – that we wouldn't just hand over the work and disappear, but would support them with the new model.

Working together and being solution focussed – it was heartening that the three providers were very open with each other, sharing with each other information that they would have been justified in keeping to themselves.

These were all key factors in the success of most of the work we have undertaken. On an individual basis, I would definitely argue that positive and enthusiastic workers from assessment and care management have made all the difference. Their tenacity and determination has without doubt given people in Lancashire the opportunity to use a personal budget.

5. Residential Care

In early 2008, my Manager, Terry Mears — who is now Head of Commissioning in Central Lancashire but at that time was Head of Physical Disability, Sensory Impairment — asked me to lead on a piece of work to assist people to move on from traditional residential care to more person-centred supports using a personal budget.

The residential care home, run by Lancashire County Council and situated in the north of the county, provided care for approximately 20 people with a physical disability. The building was ageing and the model of support outdated. The decision was made to close it and enable the residents to explore alternative housing and supports using a personal budget.

A subsidiary decision had previously been made to build a number of apartments close to the residential home and now a number of residents made the choice to move into these apartments.

The question then arose as to how the soon-to-be tenants could move into the apartments and get the best possible use from their personal budget.

After discussion with the tenants it was agreed that, where appropriate, they would each contribute a certain amount of money from their personal budgets to pay for background support by one provider, whom they would be fully involved in choosing. Their contribution each made to the background support would be based entirely on their individual needs: for example, they would only contribute to a member of staff sleeping in on the premises if they needed this level of support.

This enabled people to use the remainder of their budgets on supports of their choice, which might be informal support, assistive technology, or formal support, either by the provider supplying their background support or by an alternative provider. Some people also chose to use part or all of their budget to employ personal assistants via a direct payment.

The chosen provider for the background support is North West Community Services who will, for the first 12 months, act as broker for the majority of tenants, unless the tenants are dissatisfied with the support they receive during this time. This decision was taken to ensure stability all around – and to give us a chance to test the model with the provider, who needed to invest much time and energy in taking on board the role of provider-broker. The provider is acutely sensitive to the need to get the support right for the tenants, given that the tenants are fully aware that they can seek support elsewhere.

It is probably worth mentioning that developing the support plans with people proved quite challenging. Although this is essentially provider-led brokerage, the

bulk of this work was undertaken by my colleague Kate Burgess who helped people to look at the type of support they would require when they moved into alternative settings, and, importantly, the type of life they would like to live. Kate and I both found that some people had almost lost the ability to dream and aspire to a life that was different from residential care.

With this in mind, it was agreed that, every 3-4 months for the first 12 months, Kate will work alongside the tenants, the provider, significant others and (where appropriate) member/s of the local assessment and care management team, to help tenants develop their support plans further and achieve better outcomes, reflecting the lives that tenants want to live within their budgets and the criteria set down for support plans. At the end of this 12-month period, the provider — with the agreement of the tenant — will take responsibility for this work. The support plans and associated support will be reviewed by the local A&CM team.

At the time of writing, all the tenants have moved out of the residential care home and, whilst this hasn't been without challenges, the early signs are very positive and for the majority of tenants the old world is happily in the past.

Chapter 4
Providers

Introduction

While it is the service user who obviously benefits the most from self-directed support, arguably it is the traditional provider who bears one of the heaviest burdens. From one day to the next, the provider has to move from negotiating block contracts with a familiar commissioning or contracts manager to meeting the needs of an array of customers each armed with individual purchasing power.

It is worth emphasising the impact of SDS on providers, because not enough thought has been given to helping them cross the chasm that has opened. Providers have to confront three main issues:

1. 1. Their relationship with social services
2. 2. The implications for the internal workings of their organisation – changes to their finance, HR and management systems, and their potential role in brokerage
3. 3. The challenge of understanding what personal budgets and the shift to a 'customer-led' marketplace might mean for their organisational objectives and strategy: in the new environment, what will constitute success and profit for a commercial organisation, or viability for a charity?

The size of organisation is also relevant here. Small organisations can, in the short term, be at an advantage in terms of flexibility and having 'customers' who are more likely to remain loyal to them. If we take the case of the Castle project, for example, the organisation was able to move from a more traditional method of contracting to personal budgets in a relatively short space of time because the commissioning

decision was made that any future work with Castle must be done using personal budgets. This enabled Castle to concentrate on the systems necessary to ensure transparency in the use of the personal budget and to shape their business in organisational terms in order to respond to the self-directed support agenda.

Larger organisations, on the other hand, find it more difficult to adapt at first, not least because of the volume of their business, and they do have to operate dual systems: running block contracts and offering services for self-directed support at the same time. In addition, larger organisations are more likely to work across a number of authorities all operating in different ways. This is certainly true for Alternative Futures in Lancashire, although their 5-year strategy definitely envisages a world of self-directed support.

Over the longer term, it is not clear where the advantage lies. Larger organisations are better at marketing and finding funding for new initiatives that may attract customers away from smaller providers. Their greater capacity for meaningful strategic planning may result in the larger providers being better suited to the marketplace of the future. It may be that commissioners in the future may feel that they have a duty to intervene in the marketplace for the benefit of small providers in order to maintain some diversity of choice.

There is also an argument that larger providers will, in the longer term, be better placed to provide brokerage services. They will be able to harness technology to ensure comprehensive, up-to-date databases and employ specialist staff to liaise with families and customers.

Does this point to a future where large providers dominate? In order to ensure diversification in the provider market, I am collaborating with Lancashire providers on work that will actively encourage a consortium approach. It is intended that some of the larger players will host arrangements that will enable smaller providers to express interest in pieces of work that involve the re-commissioning of large block contracts.

In this chapter, we will look at a range of issues for providers in the new world of self-directed support:

1. The relationship with Social Services.

There is no longer one single contract with Social Services covering a range of service users. Now the 'contract' is between the provider and the customer, although it is subject to scrutiny and review by Social Services.

This alters the position on both sides. In theory, the provider need no longer have contact with Social Services at all at the stage where they 'sell' – persuade customers to use their services. If someone has a support plan that is signed off, then unless things are going badly, there is no reason for Social Services to be involved - except at review. For the providers, this divorce from Social Services means that their

orientation as a business has, in theory, shifted 180 degrees from a Social Service focus to a customer focus.

However, in practice, Social Services must still be seen to fulfil their statutory functions. Therefore, we must explore the most appropriate method of contracting - one that enables statutory functions to be fulfilled without distorting the fundamental principles of in Control.

In practice, it will continue to be necessary for a form of contractual agreement to be in place – primarily to safeguard and ensure the wellbeing of service users, but also to remove the potential risk of contravening statutory requirements, to minimise litigation challenges, and to ensure transparent audit of public spend.

But clearly contracts will now have to be written in a different way as far as requirements and expectations of service are concerned. Social Services will no longer state cost, type of service, expectation of service delivery, duration of service etc. All these requirements should form part of the Service Agreement between provider/supplier and the customer (service user).

Below is a diagram giving some indication of how contracts might look, (including type of agreement, parties to the agreement and funding mechanisms).

Pathway	Contractual agreement	Parties to the agreement	Payments
SELF	Individual Service Fund. (will include budget, frequency of payment, accountability around choices, need to identify spend)	Local Authority/ Service User	Funding released once agreement signed and returned
AGENT (Family, Friend, Appointee)	As above	As above	As above
TRUST	Further work is needed in this area. Early indications would suggest the same system as for Self and Agent		

Provider/3rd Sector	Full Framework Agreement (includes terms and conditions, service description, individual service fund)	Local Authority/ Provider and ISF between above plus Service User	In advance. Funding released upon signature to agreements
Independent Broker	Further consideration required. Early indications would suggest the same system as for Provider		

Equally, Social Services are not involved in the choice of provider. It is now up to the customer, and there is nothing stopping any provider approaching any customer with a personal budget to offer their services.

Whereas previously providers were contractually obliged to meet service levels (as well as meeting their regulatory obligations), there are now no such demands from Social Services.

Some residual controls left to Social Services are:

- Reviewing the support plan
- Fulfilling Social Services' duty of care
- Creative commissioning elsewhere
- Maintaining a schedule of preferred providers and educating customers in the good sense of choosing a provider who at least meets standards set by Social Services

The idea of creative commissioning is at the moment pure speculation. It would be possible for Social Services to scope the needs of service users in their area and provide funding to ensure that the right mix of supports is available. Alternatively, there may be no need for a commissioning service at all, if the marketplace turns out to provide successfully for people's needs. While block contracts are still in existence, commissioners still have leverage with providers. It will be interesting to see how the dynamics of the relationship change once these contractual links between providers and Social Services have ended.

2. Contracts for the delivery of supports to customers.

The drawing up of these contracts is uncharted territory, and it will evolve. Social Services have no role in drawing up these contracts, though we have considered developing model contracts.

From the contracts that we have seen, some significant features appear to be:

- Description of the services
- Duration of the contract
- Service levels
- Waivers of liability
- Indemnity for damage or injury to staff or property

This may be an area where Social Services can influence the marketplace by running training courses in contracts for customers, families and brokers.

3. Implications of the fundamental change in control for the internal workings of provider organisations.

a. Human Resources

The service user is now a customer in a very real sense, in that they buy what they want directly from the provider. Providers are aware that customers may no longer choose them to supply supports and that they may bring in other providers as part of their support mix.

The point to emphasise here is that this has implications for the staff employed by providers:

- Staff do sense a change in culture. They are at the forefront of keeping the service user as a customer of their company: the customer's demands have to be met or they will (in theory) shop elsewhere. Staff have also commented on the novelty of having to think about how to spend an individual's budget to best advantage.
- Terms of employment also need to change: staff hours must be more flexible and customer-led. Customers will want particular members of staff at particular times. We have one couple who want to go to bed at 2am, while other individuals choose times between 8pm and midnight.

Some of the main changes to contracts of employment are as follows:

- When providers hire a new member of staff, they are looking to match the new person to a specific customer. (The question arises - what happens when that client moves on?)
- Rotas have to be much more flexible. The hours of working will not be fixed each week but will have to vary to be in line with the support plans and what individuals want to do.
- If a provider is managing the budget (provider-led pathway) and there is shared or individual support, then in practice day-to-day responsibility for managing the budget is being delegated down to front-line workers. They are the ones who work with the customer day-to-day and come up with the creative ideas for helping people to use their budgets in the way that makes most sense to them. In this scenario, the front line worker has to have permission to do what the customer wants, subject to meeting the overall objectives of the support plan laid out in the criteria for agreeing support plans. This allows workers to use their initiative and gives them much greater job satisfaction – but should providers be seeking a different kind of person-profile when they recruit to these posts?

  Is this flexibility something that can be the subject of training?
- There is also the point that some people are already choosing not to have human supports at all for some functions. For example, one woman who has very limited movement has spent some of her budget on voice-activated control technology and IT lessons so that she can order her groceries on-line and keep in touch with her family via webcam.

b. Financial accounting.

In addition to human resource issues, self-directed support has implications for financial accounting, requiring a more complex accounting system as each customer's budget is a restricted fund. This has of course meant similar pressures in contracting and financial management for Social Services.

The main issues for financial management are as follows:

- Each customer has to have an individual cost centre – his budget falls within the category of restricted funds.
- The finance system has to permit regular reporting to the customer or to there broker. The provider needs to track the hours used per week to see how this corresponds with the budget and then report back to the individual on how the money is being spent and what is left.
- The system has to cope with irregular cash flow. At the moment we do not know how reliable customers or brokers will be in paying invoices; careful management of their cash flow may allow them to squeeze the maximum out of their money.

- Providers only get their money when they have completed a properly costed support plan, and we have found that, at least in the first instance, they need a lot of help to do this. (While costing support plans is for the most part straightforward, budget line by budget line, there can be real complexities with shared support). The system has to cope with sub-contracted services.
- More broadly, the role of the finance department changes from bean-counting big block contracts to meeting the demands of what could be a fast-moving retail business where the 'sales' are small and frequent.
- And the exercise becomes more complex when the provider is also the broker.

In addition, financial services are presented with a major challenge when two or more customers want to share services: how do you apportion shared support? All concerned have to be happy with their apportionment, but there can be complications.

To take, for example, a supported tenancy model: if on occasion someone doesn't use some of their agreed background support and wants to claim it back, this can be nigh on impossible to manage, as it affects everyone else's contributions. I think that common sense has to prevail: there must be agreement that people will not pull out of their obligation to pay for the background support. Clearly if their circumstances change and they no longer require background support, or the amount that was agreed is no longer appropriate, then the arrangement must be reviewed and the support plan/s changed accordingly.

Aside from background hours, I always make a point about the difference between refused hours, unplanned non-usage of hours, and banked hours. People need to understand that a provider will still have to charge them for refused or unplanned non-usage of hours but will work with them to plan and bank hours.

Where we have applied self-directed support to Extra Care Sheltered Housing, we have had to get the agreement of all concerned that, if required, they will use part of their budget for shared support that will be provided by a single provider. The remainder of the budget can be spent according to personal choice.

Sometimes shared support is impossible to avoid. If you take a supported tenancy where tenants require nightly background support — ie a sleep-in staff member — then logistically it is highly likely that there will only be one bedroom available in the building for that support, so individuals have to share the services of that staff member, and they have to agree to share the cost. Without doubt this enables people to get the most from their budgets, and experience has shown that people see the sense in this and are happy to contribute to shared supports.

4. Strategic questions.

By imposing SDS, we are making providers go into a world very different from that which they have been used to. They cannot even be certain that the care services which they have been providing are going to be the ones the customers demand.

From what we have seen, some providers are looking to the future and considering their strategy across the board. My worry is for those providers who still cannot see that the future of their business is dependent upon their ability to enable people to use a personal budget. The picture is quite bleak for commercial organisations that have been comfortable in the present climate of preferred-provider status and pitching for block contracts.

One interesting feature to emerge from the process in Lancashire is clear evidence of over-provision for some service users in the past. Benchmarking and paying close attention to each individual's precise needs through the support plan gives a very accurate picture of costs in a way that block contracts (and arguably some traditional spot contracts) do not. In one piece of work I undertook, it became evident that certain individuals were being over-supported and it was necessary to agree non-recurring funding that enabled staff to taper support down over time in a planned and managed way. This suggests that the new transparency may seriously impact on the profitability or viability of some providers' operations.

Besides the implications of financial transparency, providers looking forward over the next 5 –10 years have to ask themselves:

- What kind of organisation will they have to become in order to sustain profits, in the case of a commercial organisation, or to remain viable as a charity? One provider charges a flat 10% management fee: how does this standardised approach affect the bottom line?
- Will they have to have a new vision and mission? a new brand?
- Who are their real competitors? What makes them different from the competition?
- What kind of growth is possible? And to achieve growth, what kind of resources do they need? What buildings? What staff skills?
- How do they think about targets?
- What is the pace at which the change to 100% SDS will be made?
- How do they market to the new customers? What will they need to do in order to keep them?
- What is their risk profile? What will their insurance portfolio look like?
- Where does assistive technology fit in the mix?
- Will personal budgets for health also be a feature to consider?

5. Provider-Led Pathway

A number of points about the provider-led pathway have emerged in Lancashire:

- Providers generally have been very slow at seeing this as a business opportunity. In the east of the county we did work with our learning disability providers to think about provider-led brokerage and what it means to them and their organisations. We have reaped the benefits, because we now have providers who operate that system well.
- There is much argument about whether the customer's own provider can also be his or her broker, but I firmly believe it can be done. I also struggle to see how we are going to meet the Government's expectations if we do not utilise this important pathway to self-directed support. We have clear evidence in Lancashire that the provider-led pathway is taking place and working well. What is needed is investment in the provider to help them understand what brokerage means for their future business, and to support them in applying the model in practice. We need to harness the expertise and knowledge of person-centred providers to deliver individualised support. It takes time and effort – true partnership working, trust, shared problem solving and leadership - but otherwise it is difficult to see how we can make this pathway work.
- Support plans developed by providers face the same scrutiny as other support plans and must meet the criteria set by Lancashire. Providers are also well aware that we would have to have very good reason to sign off a support plan that spends the whole of the individual's budget on that provider. This again highlights the value of the robust reviewing procedures led by assessment and care management.
- We must not forget that some providers support individuals in a person-centred and timely way of their own accord. Neither must we forget that some of what providers provide comes as a result of the way we commission.

We are seeing a range of providers coming forward to work with us to ensure people can effectively use their budgets through the provider-led pathway. This includes a full range of providers who are supporting all service groups. Whilst it is undeniably scary for them to have to work in this new way, it can't be as scary as being a provider who can only provide supports utilising traditional methods.

Chapter 5

Scaling Up

Our experience in Lancashire is that self-directed support requires differing degrees of change from the various participants in the system.

The individual is faced with the least change. The person has to come to terms with a personal budget but, as we have seen, one of the keys to success here is selecting the most appropriate pathway. I would suggest that any evaluation of personal budgets must take into account the pathways for managing the budget that people have selected.

Providers need to implement new systems of finance and human resources and think about their strategy and business model. Change seems easier for smaller providers than for large. Larger providers can find themselves running two schemes – personal budgets and block contracts – with different systems demands for each scheme. Castle, on the other hand, was able to switch simply to a business model for SDS.

But it is the authority that has to confront the greatest change. Lancashire is a large authority. The pilots we have run have impacted on the individual and the provider, but barely disturbed our traditional systems.

We have obviously learnt some lessons from these pilots, but we did not anticipate the qualitative difference that would be made by a commitment to implementing SDS throughout the county and throughout all the categories of service user.

Scaling up from pilot to full-blown SDS requires a complete metamorphosis of systems and culture, and the challenge is compounded both by the short time-frame for implementation and the need to offer personal budgets whilst in the process of change.

The landscape alters from day to day, so in this chapter I shall focus on some of the key issues that we have identified so far.

The starting point is to set out our own analysis of the multiplicity of tasks that we see as either critical or urgent. In this chapter, I list the various work streams and then go on to highlight some of the particular issues that concern us now.

Work streams currently fall into three main areas – People; Systems and Processes; and Commissioning:

Work Stream 1 – People
Communication strategy, engagement & involvement plans
Risk Management Plan
Practitioner role evaluation / re-definition
Positive Risk-Taking Policy
Skills Audit / Workforce Development & Training plans across all disciplines
Legal opinion on SDS
Develop locality based SDS work plans
Work Stream 2 – Systems & Processes
Specify CAF-compliant IT system
Appraise feasibility of Generic RAS
Integrate SRQ within SAP and develop finance system
Develop tools for Supported/Self-Assessment, Support Planning and System/ Process Guidance
Review Fairer Charging policy
Review financial governance policies
Review procedures for Review of Support
Develop SDS Compliance impact assessment tool
Work Stream 3 - Commissioning
Agree strategic direction, collaborative commissioning for personalisation (citizenship) using vehicle of self-directed supports for all long-term support needs.
Use JSNA to inform future demand and capacity, within a whole systems approach, across the community. (key domains: Prevention, Acute, Post- Acute Rehabilitation, Community Rehabilitation, Long-term Support and Relapse Prevention).
To develop collaborative and integrated commissioning arrangements that develop local community infrastructures, to maximise universal and targeted resources.
To develop strategic housing plans, with the 12 districts, to reflect the needs of citizens likely to need or in need of support.
Identify a range of models of support across the key domains including universal and targeted support.

Assess the current market in terms of existing capacity, and model against future demand and capacity.
Develop and stimulate the market in terms of future models and capacity.
Develop robust and flexible contracting arrangements that reflect the new models of support within SDS.
Review all existing block contracting arrangements (including In-House PCT and LCC), agree a plan of work to re-commission or re-model ISF spot contract, based on SDS approach (3 – 5 year plan).
Clarify and identify appropriate registered residential models and how they will fit within SDS.
Agree strategic approach to existing inappropriate registered residential accommodation.
Identify and commission sufficient capacity within the 6 pathways for support planning, consistent with population needs across the county. (Identify existing opportunities within advocacy and carers' grant funding)
Agree with Hof PSC disinvestment and reinvestment options for current PSC capacity, based on outcome of commissioning capacity within 6 pathways of support planning (particularly if provider brokerage and independent brokerage grow significantly).
Agree with Hof PSC generic resource allocation matrix to be applied.
Develop with Hof PSC 'review' strategy and Safeguarding agenda.
Agree strategic direction with PCT commissioners relating to CHC funds within ISF and IB arrangements.
Review SP funding and inclusion in ISF IB arrangements.
Ensure county-wide opportunities for provider engagement.
Ensure county-wide opportunities for citizen engagement.
Ensure county-wide opportunities for engagement for carers.
Develop performance management function to measure impact and outcomes for citizens, informing future commissioning decisions.
Develop web-based commissioning (Shop 4 Support).
Review Direct Payment policy in light of SDS, and clarify operational practice.
Develop a strategic response to deal with self-funders (Advance directive policy for self-funders choosing residential models).
Develop capacity for development of Peer Support Groups.
Develop SDS Compliance Impact Assessment Tool for evaluating any new proposals.
Explore alternatives for brokerage.
Explore opportunities for Social Enterprise.
Engage educational establishments with a view to creating a Centre of Excellence for Lancashire.

In addition to the above, and with the support of colleagues from in Control, we have signed up to 5 pieces of work that are currently being scoped by in Control Total Transformation Leads. These are as follows:

- Converting in-house services
- Care Management (evolution)
- External Provider market
- Corporate Systems (IT back office)
- Safeguarding

You can see that, while we believe that our work under all these headings will bring Lancashire to the point of a complete metamorphosis from a service-user culture to a customer-led culture, scaling up is an enormous challenge.

Particular Issues

From my perspective as County Lead, there are a number of issues that arise from these work streams. Many of them will probably soon be resolved, but I note them now because they loom large in the current landscape of change.

Underpinning all these issues is the pressure to get on with offering personal budgets. The result is that a system is undergoing root-and-branch transformation at the same time as having to deal with a growing torrent of people demanding the new type of support. This is inevitable: work cannot stop until we are ready. But the pressure compounds the challenge.

1. Staff Issues

Needless to say, the staffing implications of moving to SDS are immense. I want to highlight three areas here:

i. **Management and staff structures:** Offering personal budgets now effectively means creating a parallel structure within the authority. Eventually, the personal budget structure will subsume the traditional service structure but this is a process of change requiring the most careful direction from the top.

ii. **Culture change:** It is impossible to avoid a sense of threat permeating staff teams – threat to roles, job satisfaction and even tenure. On occasion, this sense of threat has generated animosity toward me as County Lead. There needs to be a fundamental shift in culture, which can only be achieved through transparency, good internal communications and well-structured training for all managers and staff. This is obviously a layering process, but I would suggest that in thinking about a training strategy the following areas are of immediate importance:

- Understanding the difference between the support plan and the care plan, and that it is not enough to review only the care plan.
- Understanding what a good support plan looks like.
- Understanding the practical application of the 7 steps.
- Knowing how to cost the support plan.
- Understanding that direct payments are only one pathway to implementing a personal budget: they are not the same as a personal budget.
- Understanding the pathways and their potential usage.
- Knowing how to explain personal budgets to the customer.
- And being able to answer the questions that providers may have – see below.

iii. c. Expert help: Front line staff (and managers) cannot be sure of understanding all the ramifications of personal budgets. Until they have gained experience, it is useful to have an advisory team to hand. It would also be useful to develop a support planning network for problem-solving and sharing good practice.

2. Commissioning

We are already seeing interesting questions arise around traditional roles. Commissioning, for example, seems likely to play a different role in the process both during the transition period and in the future once SDS is embedded.

Currently, though, commissioning is critical for ensuring the strategic development of the wider personalisation agenda. We need to think not just about social care commissioning, but also wider commissioning across communities, to ensure that people do have choice and control over how they use their personal budgets.

Commissioning, with support from contracts, will play a critical role in creating a framework within which individuals can achieve the best possible outcomes through the most effective use of budgets.

3. Targets

Every commissioning plan, team plan etc. needs a clear target for the number of people using personal budgets. In these early days of managing change, SDS should be a standing agenda item on staff supervisions, appraisals and team meetings, so that we can hear the views of staff and really understand their concerns.

4. Support plan issues:

- Building capacity for support planning will be difficult at first. We cannot expect new team members to make the change to fully-fledged 'support planners' at once. This will become an increasing issue in our work with re-ablement.
- There is also the question of who is going to sign off the support plan. It is important to have consistency, so there is an argument that delegated authority should lie with the team manager. Where there is uncertainty as to whether the plan meets the criteria (ie does it ensure that the person will be safe?), it may be useful to refer the issue to a risk enablement panel similar to the one operating in Cumbria.
- There are issues around Independent Living Fund and Supporting People monies and the costing of the support plan.
- The whole area of review needs to be explored in detail. There is a need to ensure that the support plan is being reviewed and information from individual support plans is collated in such a way that it informs strategic commissioning.

5. Finance

- When individuals choose to manage their own budgets, staff have experienced problems completing the DP FA1, as budgets must be converted into hours/units. Sometimes a budget cannot be converted into an exact number of hours/units, which results in either an under- or over-payment on the annual budget.
- When an existing Direct Payment ('DP') user transfers to a personal budget, there need to be agreed procedures in place for ceasing the DP and recouping any unspent DP monies remaining in the DP bank account. When surplus / unspent DP monies have been identified, there are two options for recouping these monies:
  - Finance can recoup any surplus / unspent monies from the individual in the same way they recoup surplus DP funds.
  - The unspent monies can be deducted from the IB payment made to the individual.
  - The former is likely to present fewer problems for social workers and finance officers.
- When an individual decides to manage his or her own budget, we have to ensure that Finance is always aware that they have a personal budget and are utilising the DP pathway for payment. They need to be aware that a fully-costed support plan is in place and need to audit in line with the support plan – otherwise there is a risk of causing the individual unnecessary distress by questioning them about their use of the monies in the course of a financial review/audit.

- It is important to track expenditure in personal budgets as there is some small- scale evidence (e.g. minor OT spends) that over time we will have to realign budgets.

6. Block Contracts

There are obviously major work implications in deconstructing block contracts on a personal budget basis. However, decisions about whether or not to renew a block contract must be made consciously, according to agreed criteria. In particular, there needs to be an evidence trail that demonstrates why a block contract has been renewed.

7. The interface with providers

Teams have to deal with providers in the early stages, whether they are deconstructing existing arrangements or working with the provider as the broker. Staff have to understand the concerns of providers, and need to be able to give them clear information on issues such as:

- future commissioning intentions
- finance and auditing
- charges and contractual arrangements
- the support and training that is available to them from LCC.

8. Trade Unions

Trade unions play a critical role in this process of change, and it is important to talk to trade unions at an early stage, because they do not necessarily understand the full implications of SDS any better than staff members, providers or customers themselves. This is particularly important with regard to the application of TUPE when a service moves from a block contract with social services to individual contracts with customers.

9. Risk

Some of the risks entailed by SDS – those surrounding the employment of staff, for example - are familiar from the direct payments scheme. But there are new concerns as well:

- Customers may spend the money unwisely: this is a judgement call where you have to be as objective as possible. As long as proposed expenditure meets needs in broad terms, you may have to accept things that you would not personally have thought were obvious. For example, Sally uses part of her budget to have a manicure at a local college where the service is cheap. Even at this low cost, there may be raised eyebrows that this

is not the best use of money, but it gives an incredible boost to her self-confidence, which saves the provider having to go in and work with her to lift her spirits. You need to be able to identify the justification – improving personal care, for example, or staying safe. We were clear that she could not afford this kind of 'luxury' from her own income.

- **Exaggeration in the self-rating questionnaire:**
  - people may over-egg the SRQ. The problem here is that staff lack confidence in validating budgets, and I am often asked for help in doing this. I discuss the appropriate ratings with them and explain that even if the initial validation is incorrect, the support plan provides a chance to sort out the details. We are hopeful that this will be addressed by integrating the SRQ into the overview assessment in SAP.
  - Under-egging is also a risk, especially where people are reluctant or even embarrassed to highlight the need they have in certain areas of the SRQ. Skilled and sensitive work is required in this instance, particularly when assisting with the development of the support plan. Again the integrating of the SRQ into SAP may assist.
  - We have had a number of people who have wanted to broaden the scope of the support associated with the communication domain eg. to cover learning to read and write, IT support etc. The risk here is that the member of staff, unfamiliar with the boundaries of the areas in the SRQ, gives in to an argument for a larger budget where there is no genuine need.
- **Brokers who are also providers:**
  - The concern is that providers will groom people into choosing them to provide the lion's share of their support. My view is that the support plan should give you an idea of whether or not this would be reasonable. But in other cases, it may be obvious that the provider should be signposting to other sources of support that might use the budget in new and creative ways. This is an area that is dealt with in the workshops that I have designed when working with providers.
  - If the person chooses a particular provider as their broker, there is an obligation on that provider/broker to choose other providers when they can better meet needs. But some people will insist that they want a particular provider, so they will want that provider to provide the supports.
  - It is not unusual for providers to provide most of the supports, so long as these supports are part of their core business. For example, certain organisations offer supported living or residential supports but also offer a day service. In this instance you will need to ask whether they should consider looking at a wider range of supports or whether they can provide them all themselves.
- **Isolation and loneliness:**
  - This can sometimes have more to do with the model of housing support than the personal budget. You would hope that self-directing will make people less lonely, since the personal budget works through linking people to the community and a range of informal supports.

Where for an older person the traditional package might be 10.5 hours of domiciliary care over a week, with a personal budget they may choose to go to bingo one afternoon, which brings them more company than the traditional package. Staff need to be objective and think more creatively when signing off support plans. Going to bingo may not seem at first glance to be the best use of public money, but it has real benefits for the person. Similarly, spending money on going on holiday would not be a priority in traditional commissioning, but in a balanced life a holiday is a necessity – not just the time away, but the whole process of planning and the memories when you return.

- **Physical risk to the individual:**
  - the element of choice in personal budgets often raises the level of risk-taking for the people receiving supports. This is the other side of the coin of enabling people to live the lives they want. There have been no incidents yet, but there is a chance that greater independence may result in accidents that could not have happened in the more confined care structure of the past.
  - We all accept that the level of risk-aversion needs to be recalibrated (subject to the points below) but one potential source of additional risk is the rise of unqualified, unregulated carers. Within even the most careful support plan, there is scope for the budget-holder to utilise the services of a wide range of individuals from their family circle or from the commercial sector, including people who are not employed by one of our preferred providers.
  - Social Services' duty of care: We are currently discussing the model of a risk panel to consider risk. Additionally this is one of the areas that we are signed up to as part of our involvement in Total Transformation
  - Providers' liability and insurance premiums: Providers may be asked to support a wider range of activities in more challenging environments as a result of these 'riskier' support plans approved by Social Services. Their duty of care to the individual remains constant, but the chances of something going wrong increase. This means that their risk profile as an organisation changes and the costs of risk management and their insurance premiums may increase.

- **SDS reshaping the providers' marketplace:**

It is possible that support services based on SDS will tip the balance towards larger providers, leaving social services facing effective monopolies when setting support rates.

There are two reasons for this:

- The new demands of HR, finance, marketing and staff training may over the long term favour larger organisations, who will squeeze out the smaller provider.
- Risk is best managed by large organisations that have the resources for training and the professional infrastructure to create the necessary written policies and procedures that – in terms of insurance premium,

at least – keep the costs of risk to a minimum. Small providers who cannot afford the same levels of risk management may find their risk profile rising and their premiums increasing as a result.

10. Health

I am optimistic that we will see exciting times ahead working with colleagues from Health in piloting personal health budgets as outlined in the Darzi Report. As there is only some very preliminary work in this area at the time of writing, this is something I hope to spend more time exploring in one of my later reports.

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In this report, I have tried to illustrate some of the thinking and work that has taken place in Lancashire up to the beginning of 2009. It is intended that I will write further reports that will inform our progress and will hopefully enable others to learn from our journey. I would like to thank all the people I have met and worked with in Lancashire, who in many different ways have assisted in enabling me to write this report.

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