



Understanding Personalisation

*Implications for third sector infrastructure
and their work with organisations
on the frontline*

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1. Introduction

This report provides the findings of an ESRC Third Sector Placement Fellowship which explored the implications of the personalisation agenda in public services for third sector organisations. The Fellowship was a partnership between the Centre for Economic and Social Research (CRESR) at Sheffield Hallam University and a network of local infrastructure organisations (LIOs) in South Yorkshire¹.

A vision for the future of public services

The personalisation agenda is central to the government's wider plans to modernise public services. At the heart of personalisation is a commitment to the provision of more personalised services that are tailored to the specific needs of individuals, and to give service users more choice and control over the interventions they receive. Third sector organisations (TSOs) that deliver public services will be profoundly affected by these developments as activity which has previously been funded under contract or through grants with statutory bodies will increasingly become 'purchased' by individual clients using devolved personal or individual budgets². In the longer term some types of traditional services may disappear altogether to be replaced by 'micro-commissioned' or 'co-produced' services which have been shaped in response to specific user needs.

This emerging environment represents a fundamental shift in the way most third sector organisations work but the full impact of personalisation on third sector service providers has not been fully researched.

Aims of the Research

The project was developed in response to concerns about the impact the personalisation agenda will have on frontline third sector service providers and how LIOs should support their members through the period of transition. In summary, it aimed to support the partner LIOs (and LIOs in general) to:

- improve their understanding of personalisation
- gather evidence about the opportunities and challenges facing frontline TSOs as a result of personalisation

¹ The four project partners were: Voluntary Action Rotherham (lead partner), Voluntary Action Sheffield, Voluntary Action Barnsley, and Doncaster Council of Voluntary Services.

² There is a tendency to use the terms 'personal' and 'individual' budgets interchangeably. For the purposes of this report we use the term 'personal budget' to refer the general concept of devolved budgets for individual support. We only use the term 'individual budget' when referring the to the 2005-07 local authority pilot.

- identify examples of positive and innovative practice by LIOs and frontline TSOs responding to personalisation
- understand how they could improve the ways in which they are responding to personalisation

Although previous research has touched on some of these issues it has rarely considered the impact on the third sector directly and the role of LIOs has not been addressed. LIOs play a vital role in supporting third sector service providers at a local level and will need to support these organisations to adapt and respond as policies are implemented at a local level. However, as there has not been any research focussing on the particular role of and implications for local infrastructure as a result of personalisation the evidence base is underdeveloped.

Research Methodology

The Fellowship ran from February to May 2010 during which time a number of key research tasks were undertaken:

- a review of academic, practice and 'grey' research and policy material linked to the personalisation agenda
- a series of semi-structured research interviews with a mixture of LIO staff (7 interviews) and frontline third sector organisations (7 interviews), plus extensive engagement (via email etc) with a further 11 LIOs and 9 frontline TSOs in response to our call for evidence
- a learning event attended by more than 50 staff from LIOs, frontline TSOs and the public sector

In addition to these formal research activities the research was informed by regular contact and meetings with the project partners to discussion their progress and activities in relation to personalisation. The Fellowship funding required the researcher to spend a proportion of time embedded within the lead project partner - this enabled a series of informal discussions with LIO staff about their understanding of personalisation and how it might affect their work. These experiences have also informed this report.

Structure of the report

The remaining chapters of this report highlight the findings of the research. **Chapter 2** addresses the question 'what is personalisation?' It provides a brief history of personalisation, an overview of the policy developments to date, and outlines how personalisation is likely to develop in the future. **Chapter 3** identifies the learning to be

gained from developments in personalisation to date, focussing in particular on the experience of third sector organisations funded through self-directed support. **Chapter 4** considers the experiences and support need of frontline TSOs as result of personalisation while **Chapter 6** outlines the implications for third sector infrastructure organisations. **Chapter 7** provides overall conclusions and recommendations following the completion of the Fellowship.

2. What is personalisation?

Personalisation is at the forefront of government policy to modernise public services but as a concept it can be open to interpretation and often leaves people confused. Government has broadly defined personalisation as:

“...the way in which services are tailored to meet the needs and preferences of citizens. The overall vision is that the State should empower citizens to shape their own lives and the services they receive”

Prime Minister's Strategy Unit, 2007

Personalisation is seen as a response to growing dissatisfaction about the limitations of existing welfare services which it is argued prevent individuals with disabilities or support needs from living independently (Morris, 2006). The ‘choice and control’ offered by personalised services are often contrasted with the ‘one-size-fits-all’ approach of traditional service delivery in the way that services and support are tailored to individual needs (Boxall et al, 2009).

Although this broad vision of personalisation is currently more rhetoric than reality, several key policy developments in the last 20 years suggest that a more personalised approach to welfare provision is a genuine policy objective, and that the implementation of personalisation policies is gathering pace. These developments are outlined in the following section.

A brief history of self-directed support

Personalisation is particularly associated with health and social care, and moves to transfer increased choice and control to individuals receiving services associated with physical and impairment disabilities, mental health conditions, and the effects of ageing. The origins of the personalisation agenda can be traced back the ‘self-directed support’ and ‘independent living’ movements, which started in North America in the 1980s and gained momentum in the UK during the 1990s, but it is only since 1997 that a proportion of people eligible for adult social care have had the option to select or purchase the services they need themselves. Some of the key policy and practice developments since 1997 related to self-directed support are outlined below.

Direct Payments

Direct payments were introduced in 1997 following the 1996 Community Care Act. The act was the outcome of a longstanding campaign by disabled people and their advocates

to allow people access to funds through which they could tailor their own packages of support. Direct payments represented a step-change in social care policy as they enabled individuals eligible for support to receive the cash equivalent of a directly provided social care service. A direct payment can be used to contract services from private or voluntary sector providers, or the recipient can choose to become an employer and hire their own staff such as personal assistants.

Personal Budgets

For many the introduction of direct payments did not go far enough, for although they provided symbolically important recognition of the voice of disabled people (Scourfield, 2005) they offered only qualified empowerment (Jack, 1995) from the needs-based means-tested welfare system which continued to exist in parallel. In response personal budgets (PBs), pioneered by *In Control* since 2003, were proposed as a way of transforming the welfare system from the bottom-up by placing greater choice and control in the hands of service users.

In Control is a Social Enterprise established jointly between the Department of Health, Mencap and a group of local authorities to support the roll out of personal budgets as a more comprehensive form of self-directed support through a series of local pilots. The processes developed by *In Control* enable service users to decide what level of control they take of their budget and plan and decide how their budget is used. Service users can use their budget flexibly to achieve the outcomes that are important to them. Whereas direct payment recipients typically used their funds to employ personal assistants to support their personal care, *In Control* promotes the use of a wider range of community based services and supports (Glendinning et al, 2008).

Individual Budgets

Following the experience and relative success of Direct Payments and *In Control* the Government undertook to implement personal budgets more widely as part of a range of proposals designed to improve equality and enhance social inclusion for disabled people. In 2005 three key policy documents were published:

- Improving the Life Chances of Disabled People (Prime Ministers Strategy Unit)
- The UK Strategy for an Ageing Population (HM Government)
- Independence, Well-being and Choice (Department of Health Green Paper)

All three documents included a commitment to pilot individual budgets (IBs) more widely. Individual budgets were to be similar to personal budgets but would draw on a

wider range of funding streams (including local authority social care, housing related support, and adaptations and equipment budgets). The pilot commenced at the end of 2005 and ran until the end of 2007. Thirteen local authorities were included in the pilot: each pilot site received additional funding from the Department of Health to implement individual budgets along with support from the Care Services Improvement Partnership (CSIP). The pilot was evaluated by a network of leading academic institutions (known as IBSEN) - the findings of the evaluation have informed this report.

The future of personalisation

Despite the recent change of government the drive towards more personalised public services will remain: the Conservatives have made an explicit commitment to promote greater use of direct payments and individual budgets in health and social care. However, it is inevitable that local social care budgets will be squeezed during the deficit reduction programme and there is particular concern that the Social Care Reform Grant - used by local authorities to support the transformation - will be reduced.

Up to now the policies associated with personalisation have impacted on relatively few recipients of health and social care services and provide organisations - as of 2009 only seven per cent of users had access to self-directed support. However, as the personalisation agenda gathers pace more service users, and therefore more third sector organisations, will be affected:

- from October 2010 local authorities will be required to offer personal budgets to all new service users and to those receiving a care review
- by April 2011 there is an expectation that 30 per cent of local authority social care clients should receive a personal budget
- by 2012 all eligible social care users should have the option of a personal budget.

The primary research we have undertaken suggests that meeting these targets are the main focus of current local authority activity. The emphasis appears to be on developing the appropriate "back office functions" to ensure that the financial and administrative systems necessary for the expansion of self-direct support are in place.

Although developments under the banner of personalisation have so far been restricted to the relatively narrow field of social care and support, a range of similar proposals are being piloted and developed across the broad spectrum of social services. Several key developments are outlined below.

Personal Health Budget Pilots

In 2009 the Department of Health announced that personal health budgets would be piloted in 73 Primary Care Trusts (PCTs) across England. Personal health budgets represent an extension of personal budgets for social care and have been promoted as a way of giving NHS patients greater control over the services they receive and the providers from which they receive services.

Right to Control Trailblazers

In addition, in February 2010 the Office for Disability Issues announced that the 'Right to Control' principal would be rolled-out in eight 'Trailblazer' sites across the country. Right to Control aims to give disabled adults more choice and control over the state funding they receive so that they can shape their own support, or use the money to buy their own services or equipment. Disabled people in the Trailblazer areas have been promised a 'more personalised service' that joins up various funding streams. They will also be provided with extra support and advice to help them choose services and decide how to spend their money.

Under the Right to Control, disabled people will be able to organise their support arrangements so that they are better tailored to their needs: they can choose a cash payment to buy their own support services or equipment; or if they are happy with the support they currently receive, they can elect for it to continue that way. An example of Right to Control in practice might involve someone with a learning disability who gets help from Supporting People to learn skills like cooking and budgeting, plus support from Work Choice to help them find a job: through Right to Control they could choose to combine their support by paying for a local college course, where they learn life skills and job skills.

Beyond health and social care

Policies are also being developed to embed the principles of personalisation and self-directed support in a range of other public service areas. In education for example, individual 'skills accounts', which give adult learners an indication of the level of funding available to them and choice about the courses on which it is spent, are being rolled out across the country. A further example is the criminal justice system, particularly offender management, where there is ongoing debate about the development of a more personalised approach to rehabilitation and policies to reduce re-offending.

Conclusion

In this chapter we have discussed the government's vision for personalisation and identified key policy developments from the area of health and social care, focussing in particular on advances in self-directed support. We have also highlighted that personalisation is a vision which extends to all areas of public services and has the potential to affect a large proportion of third sector organisations, not only those working in health and social care.

What is clear is that personalisation is here to stay. With this in mind we argue that it is important for third sector organisations to view personalisation as more than just a change in the way services are *funded* but a step-change in the way they are *designed and delivered*. It is perhaps better therefore to consider personalisation as the *outcome* of a process of service transformation which may or may not include changes to the way activity is funded.

3. Implementing Personalisation - learning from developments to date

Although the personalisation agenda is relatively new within mainstream policy making, the developments outlined in the previous chapter demonstrate that the concept of a more personalised approach to public services has been around for some time, particularly in the area of self-directed support. These developments have had a direct impact on frontline third sector organisations and some of the learning from these experiences has been captured through research and evaluation activity. This chapter draws on a material related to direct payments and the individual budgets pilot to highlight the lessons for third sector organisations that can be learned from early attempts to implement more personalised approaches to health and social care.

An opportunity or threat to existing provision?

Personalisation is regarded by many as a threat to traditional care providers as it may encourage clients to employ personal assistants as an alternative to their normal day services. However, the evaluation of the individual budgets pilot (IBSEN, 2008) did not find evidence of this, with day care providers neither experiencing nor fearing a reduction in their client base. By contrast a range of new opportunities for providers emerged. For example, one day centre provider was able to expand into domiciliary care, because individual budget holders were perceived to be likely to expect a higher standard of service. There were also examples of providers increasing their client base at the expense of less flexible organisations, particularly when it came to putting together smaller support packages. Another potential opportunity identified (by both commissioners and providers) was the provision of services to recruit and manage the administrative aspects of employing a personal assistant such as payroll and sickness/holiday cover.

The evaluation also found that for many providers involved in the pilot, the transition to individual budgets did not have a significant impact on care packages, either because it did not result in changes to user behaviour or expectations, or individual budget allocations would not stretch beyond basic care or support. For these organisations the pilot was mainly an administrative exercise. However, there were instances of service users demanding new types of care. Homecare providers, for example reported the banking of hours, whereby users 'saved up' for particular activity such as shopping, day trips, and even baking.

Self-directed support as a catalyst for third sector innovation

Individuals in receipt of funding for self-directed support have a number of options available to them: the majority use it to employ a personal assistant or 'purchase' services, such as day care or training, often from existing third sector providers. However, the nature of self-directed support has also enabled recipients to use their funding in more innovative ways to shape the types of support they receive. Some examples of how the third sector has been a vehicle for such innovation are outlined in box 3.1.

Box 3.1: Examples of third sector innovation within self-directed support

a) Using direct payments to sustain a community art group

An art group, formed by people with mental health problems and operating from a community centre in an isolated, rural location, was struggling to raise funds to keep running. Group members discovered through their care manager that they were eligible for a direct payment, and decided to use the funds to employ two trained artists to work with them to explore their own creativity. The group is now on a more sustainable footing, and fundraising activity now focuses on exhibitions and other developments.

(Source: Spandler and Vick, 2004)

b) Using direct payments to create employment and work experience opportunities

A group of people with learning difficulties used their direct payments to set up a small charitable business making and selling a range of stationary products. They pooled their payments to pay the salary of a Project Co-ordinator who helps them run the business. The project has provided its participants with the opportunity to develop practical skills and experience outside of a traditional day centre or college environment.

(Source: www.steppingonout.org.uk)

Similarly, a community café and healthy eating project was developed to provide people with a learning disability with practical work experience. Participants used their direct payments to employ a support worker within the project to ensure that their needs were met. They learnt catering skills and were able to pass food hygiene certificates. In addition to practical skills involvement in the project was credited with improving participant's self esteem and ability to cope with social situations.

(Source: Care Service Improvement Partnership)

c) Using individual budgets to sustain local authority provision

Following the closure of a local authority drama group a local provider felt it would be popular amongst individual budget holders. They therefore took over the running of the group as a not-for-profit venture and attracted a number of individual budget holders to attend.

(Source: IBSEN, 2008)

These examples demonstrate how self-directed support has the potential to foster innovative user centred services in new or existing third sector settings. The models that have been developed could be easily transferred into alternative settings, particularly once personal budgets are more widely available. For example, a group of elderly people interested in maintaining a healthy lifestyle could form an exercise group and pool their budgets to employ a fitness expert to lead their sessions. Such initiatives could be established as independent charities or social enterprises in their own right, or they could be an arm of an existing service provider (i.e. a local branch of Age Concern or Mind).

Local authority-third sector relations

Relationships between local authorities and service providers in the individual budget pilot sites were typically poor: providers reported that information and support provided by local authorities was inconsistent and often inaccurate; by contrast local authority commissioners reported difficulty in engaging providers, citing low awareness of individual budgets and the impact they could have (IBSEN, 2008).

Under a system of individual or personal budgets local authorities have a crucial role as an interface between service user and provider informing budget holders about the services that are available from third sector providers. However, the role of 'preferred provider' lists proved a particular area of contention between the local authority and providers in one pilot area: under this system providers were required to offer volume discounts and win a competitive tender to be included on the list. But providers argued that volume discounts could only be achieved through a standardised approach to service delivery; something which would probably result in the kinds of inflexible services so often criticised by the self-directed support movement (IBSEN, 2008).

Despite the tensions that existed between local authorities and providers there was acceptance among commissioners in the pilot areas about the need to engage with and support providers through the transition. Information sharing was regarded as key, with commissioners needing to supply providers with information and market intelligence on which to plan their services. There were also examples of local authorities acting as source of advice on issues such as marketing, costing and pricing, and risk assessment (IBSEN, 2008).

Organisational capacity: Administration, finance and marketing

Personalisation, particularly the transition from block contracts to payments by individual clients, will require additional organisational capacity and significant changes to back office functions such as finance, administration and marketing for many third sector providers. But despite the scale of transformation required the evidence suggests that many TSOs have not made the necessary transition: a survey for the ACEVO Commission on Personalisation found that less than a third of TSOs (29 per cent) felt they were prepared for personalisation (ACEVO, 2009).

In terms of finance and administration the evaluation of the individual budgets pilot found particular issues around non-payment, invoicing and pricing (IBSEN, 2008). There were reports of individual budget holders not paying the bills for their care, leaving the provider out of pocket. However this was viewed by some providers as inevitable and something to factor in to the pricing of services. Individual invoicing and pricing of services was found to create an additional administrative burden for some providers who would have to adjust from invoicing and costing for one client (i.e. the local authority) to many more individual budget holders. In some cases providers were forced to take on additional finance and administrative staff to manage the increased workload.

Marketing is a weakness for many TSOs, particularly those that operate with small and medium sized annual incomes (i.e. of less than £250 thousand): budget limitations require them to focus resources on delivering, managing and administering frontline services at the expense of more developmental activity. However, the ability to market services effectively is likely to grow in importance as more service users are moved onto personal budgets. The evaluation of the individual budgets pilot found conflicting views between commissioners and providers regarding marketing: whereas providers generally reported that they did not expect to have to change the way they marketed their services, commissioners identified it as a common issue for providers and expected it to be an important area of work in the future (IBSEN, 2008).

Support planning and brokerage

Support planning refers the process of deciding how individuals use their budget allocations to achieve the outcomes identified through their needs assessment. Brokerage refers to the process of identifying the necessary resources, services, staff etc to meet the requirements of the support plan. During the individual budgets pilot support planning and brokerage was typically managed in-house by local authorities but

there was a role in the process for TSOs, particularly those with close ties to individual service users and where service users chose to involve a particular TSO in the process (IBSEN, 2008).

Although evidence from direct payments underlines the importance of local support organisations, such as Centres for Independent Living, in ensuring self-directed support becomes a means of empowerment for people (Priestly et al, 2010), the approach to funding TSOs' involvement in support planning and brokerage during the pilot was mixed (IBSEN, 2008): it was rarely funded out of IB allocations but funding additional support through existing adult social care budgets was seen as an expensive option. Another option was for IB holders to pay for it themselves, either through a 'ring fenced' amount of their IB or by adding a sum to all IBs which could be used by service users as they wished. Interestingly, in two of the pilot areas TSO consortia had been established to bid for funding from the 'Department of Health Social Enterprise Investment Fund' to develop the infrastructure to provide a support planning and brokerage service on a sustainable basis.

Developing local markets

It has been argued that for personalisation to be a success it will need to be accompanied by a revolution in the supply of public services with a stronger role for market forces (ACEVO, 2009) but in many areas the local markets still only provide limited choice (NAAPs, 2009).

This view has been accompanied by a concern that some organisations, perhaps those without the capacity or foresight to adapt to the new market conditions, will fail. Although the evaluation of the individual budgets pilot found little evidence that there had been an immediate impact on the number of local providers (IBSEN, 2008) the potential for some third sector providers to be squeezed out is a real possibility. The ACEVO 'Commission on Personalisation' identified several potential risks to providers associated with personalisation:

- lack of capacity prevents providers from offering appropriate services
- fluctuating demand creates cash flow problems and higher unit costs
- lack of clarity from policymakers makes it difficult to prepare for or invest in change
- poor market intelligence creates uncertainty about where to focus resources

These issues will need to be addressed if third sector organisations are to fully engage with and adapt to the personalisation agenda. This is likely to be a particular issue for small providers looking to enter the market who will need to know what services they could provide, and to whom, if they are to respond effectively. The challenges facing micro-providers were highlighted during the NAAPS micro care pilots the key learning from which is highlighted in box 3.2.

Box 3.2: NAAPs - understanding the barriers and challenges facing micro providers

The Department of Health funded NAAPs, a national charity which represents small community service providers, to test a business model designed to stimulate the development of micro care and support services as a way of improving the choice available for people that require care or support. The project identified a number of barriers and challenges to local micro providers responding to the personalisation agenda. These included:

- access to appropriate advice and information about setting up a micro social care or support service, including understanding of local commissioning and contracting practices and local authority approaches to implementing personalisation
- skills and resources to market services to potential purchasers, and access to useful market information (i.e. about the services people want to buy)
- access to training opportunities and tailored business support that is geared to the needs of micro care providers
- start-up funding, such as small loans, with which to pump prime new activity

The findings of the NAAPs pilot challenged the view that new services will simply emerge and thrive in response to growing numbers of people with their own budgets. The experience suggested that people who wanted to develop micro services often lacked the skills and resources needed to put their ideas into practice. Existing micro providers faced similar barriers to expanding or diversifying their existing provision and struggled to compete with larger providers. Local micro markets therefore require extensive support and nurturing if they are to fulfil their potential.

(Source: NAAPs/DH, 2009)

Conclusion

In this chapter we have outlined the key learning for TSOs to have emerged from the early stages of implementing personalisation policies such as direct payments and individual budgets. The experiences of the TSOs involved suggest there are a combination of opportunities and threats facing most organisations. The opportunities are associated with the potential to deliver new, innovative user led services that are more responsive to individual needs. But the ability of TSOs to benefit from these

opportunities may be limited by two factors: limited organisational capacity to make the changes necessary to deliver different types of services, and inconsistent and incoherent approaches to implementing personalisation policies at local authority level.

4. The experiences and support needs of frontline organisations

The previous chapters highlight the importance of the personalisation agenda for third sector service providers working in health and social care and some of the potential opportunities and threats they could face. In this chapter we draw on the part of our primary research which explored the views and experiences of frontline third sector organisations, and our review of existing evidence, to highlight what we have learned about the experiences and support needs of frontline organisations as they get to grips with personalisation.

The central role of local authorities

Local authorities adult services departments are leading the roll-out of personalisation in health and social care at a local level but for all of our respondents the role of local authorities as the '*gatekeeper*' of the personalisation agenda was a key issue. Their concerns centred on three areas: local authorities' engagement with third sector providers, the progress of market development activity, and the role of support planning, brokerage and advocacy.

Level of engagement

Our respondents' overall perception of local authority activity was typically negative with relationships characterised by low levels of engagement and frustration on the part of TSOs about the level of information available and that the agenda was not being progressed quickly enough.

"No information has been provided by (the local authority)...we can't find out the information we need". (Frontline TSO)(c)

"I am severely frustrated with (the local authority) about the lack of engagement and information...the (third) sector has not been involved in the decision making process". (Frontline TSO)(b)

A common concern was that the main driver of local authority activity was their 2011 performance target³, and reducing costs, rather than a commitment to providing a better quality of service. Resistance amongst frontline staff to the change was a further concern for a number of respondents.

³ 30 per cent of local authority social care clients should receive a personal budget by April 2011

"There is cynicism among local authority professionals...many are not on board and don't trust the reasons behind personalisation...they suspect it is about saving money rather than better services." (Frontline TSO)(d)

Despite these negative experiences we did find some examples where effective engagement between TSOs and the third sector had been developed.

"We have a transparent and open approach and very good representation of third sector organisations" (Frontline TSO)(a)

"We are well informed due to the high level of involvement with the programme boards". (Frontline TSO)(e)

Box 4.1 highlights one example of a particularly effective approach.

Box 4.1: A model of local authority-third sector engagement

In one metropolitan borough the local third sector is represented on the main Personalisation Programme Board and a series of key sub-groups where they have executive powers including the ability to veto decisions. The representatives meet regularly as part of an LIO Third Sector Programme Board to discuss progress and agree positions and strategies to take. This Programme Board is accountable to a broader consortium of third sector 'adult services' providers to whom regular updates are provided.

The LIO responsible for co-ordinating this activity attributes their level of representation to series of positive relationships with key individuals within the local authority Adult Services department. These relationships have been developed over a number of years following productive co-operation on a number of key policy issues.

Market development

A further area of contention identified by LIOs and frontline TSOs was the work local authorities were doing to develop the future market for personalised services. Although the importance of their market development role is emphasised in government guidance there was a general perception that local authority activity in this area was limited to mapping existing providers and 'customer journeys', rather developing an understanding of the types of services that would be needed in the future and the ways in which they could be delivered.

*"The approach to market development is wrong...it needs to be user led".
(Frontline TSO)(a)*

"A more open and pro-active approach is needed in relation to the market...how will organizations get on provider lists and how will support planners know what services are available, who provides them, and at what cost?" (Frontline TSO)(b)

This made it very difficult for TSOs to plan ahead and think about what types of services they could provide for the future.

Support planning, brokerage and advocacy

The role of and support planning, brokerage and advocacy was a further concern. Each was seen as a vital part of the personalisation process as they provided an important link between local authority professionals, service users and service providers.

"Brokerage should be independent...the social model of disability means users should be presented with choices of support available...without brokerage you can't have (real) personalisation". (Frontline TSO)(b)

However, we found evidence that in many areas this activity was not being sufficiently resourced by local authorities: support planning was seen as an 'in-house' task to be led by social workers; brokerage was also frequently managed in-house rather than through the 'hub and spoke' model advocated by the national brokerage network⁴; advocacy was often seen as a separate issue, and poorly supported and understood by local authorities.

Awareness and preparedness of third sector providers

We found *awareness of* and *preparedness for* personalisation to be low amongst many service providers. This finding is reinforced by a number of surveys carried out at national and local levels - the findings of these surveys are summarised in box 4.2.

⁴ See <http://www.nationalbrokeragenetwork.org.uk/>

Box 4.2: Awareness and preparedness - findings from national and local personalisation surveys

a)The national picture - findings of the ACEVO Commission on Personalisation

The ACEVO Commission on Personalisation carried out a survey to get a snapshot of how well prepared third sector providers were for personalisation. They found that less than a third (29 per cent) felt they were ready while a larger proportion (35 per cent) admitted to feeling unprepared. The survey also identified key support needs in areas such as clarity around policy developments, marketing, financial issues such as pricing, workforce issues, legal issues, and cashflow pressures.

(Source: ACEVO, 2009)

b)The local picture - findings from Leeds and York

Surveys carried out a local level also suggest that levels and awareness and preparedness of personalisation amongst third sector providers are low. Two broadly comparable surveys were carried out with mental health organisations in York and Leeds. In both areas less than 10 per cent of respondents said they had an 'in-depth' understanding of personalisation. Furthermore, in both studies less than 10 per cent said they were 'fully prepared' for personalisation - in York 36 per cent had some 'strategies or mechanisms' in place but in Leeds this was only 13 per cent. This was despite the fact that between a third (in Leeds) and half (in York) identified personalisation as a 'major strategic concern'.

(Source: Loul and Crawshaw, 2008; Smith, 2010)

In the following sections we discuss our findings about the awareness and preparedness of third sector providers in more detail and discuss the range of organisational support needs identified by front line TSOs and LIO staff.

Awareness

The majority of respondents made a distinction between large organisations with high awareness of personalisation and smaller organisations for which awareness was typically low.

"The 'big hitters' are on top of the issues but small and medium organisations are struggling with the issues and the relevance". (LIO)(f)

"There is evidence that the sector is slowly getting its head around the issues but small and medium sized organisations are struggling...larger organisations are better prepared". (LIO)(c)

Preparedness

Larger organisations with high awareness were generally well prepared for the transition.

"We are confident we are well prepared...just waiting for the local authority to catch up really." (Frontline TSO)(b)

But low awareness was typically accompanied by limited levels of preparedness.

"Small organisations are struggling due to lack of time to prepare...a small community organisation with one part-time member of staff has to focus on day to day running...the real issue is how to fund new services when take-up is unknown". (LIO)(e)

"(TSOs working with) equalities groups are a concern...how will the needs of BME communities be met and understood?" (LIO)(d)

However, there was also a perception that there were a number of organisations who were very aware of personalisation but did not have the wherewithal, capacity or resources to make the necessary preparations.

"Other organisations have their heads in the sand...they are not preparing at all...these are typically fragile organisations and they will be under threat...they just expect it will be ok in the end" (Frontline TSO)(d)

Organisational support needs

We found a range of organisational support needs for frontline TSOs as they try to get to grips with personalisation. These needs fell into four broad areas: marketing, finance and back office functions, and accessing the resources necessary to transform. Each need is discussed in more detail in the following sections.

Marketing

Marketing was the most frequently and most emphatically identified support need. It was widely acknowledged that this was a weakness for many third sector organisations.

"Marketing is a key area where we are struggling...the benefits of our recovery service are not immediately obvious (to users)...we need to sell the possibility of recovery...sell the benefits of employment". (Frontline TSO)(d)

A key concern was the requirement to market services to a variety of different audiences: in addition to funders and commissioners TSOs will need to target current and potential service users, their family members and carers, and also support planners and brokers working for public sector bodies or other TSOs.

"Marketing will require a change of focus...a multi-faceted approach will be needed to target care managers, service users and their carers or family members, and new parts of the local authority". (Frontline TSO)(e)

Finance and back office functions

A further area of concern was the changes to a variety of financial functions as a result of the move to personal budgets. This included issues around how to cost and price services in a way that was realistic and competitive, and how to manage the potential large increase in invoices, including chasing clients for payment.

"Invoicing arrangements would require more administrative support than now". (Frontline TSO)(c)

"Increased invoicing and managing multiple budgets will create capacity issues... this will need to be factored in to unit costs". (Frontline TSO)(e)

A particular issue for some TSOs was the impending transition from block contracts to personal budgets. However, several organisations reported that their block contracts were in the process of being extended despite the transition to personal budgets.

"The transformation from block contracts to direct payments, in the wider context of budgets being cut, will be a real challenge". (Learning event attendee)(a)

"There are currently no plans to cut the Day Service contract...in fact this is potentially being moved from a one year rolling contract to a fixed three year contract...this is because not all service users will want an individual budget and we represent good value for money in terms of price and quality". (Frontline TSO)(b)

Where block contracts are cut or reduced lessons can be learned from the experience of organisations that were forced to adapt following the introduction of direct payments. An example of how one organisation managed this process is outline in box 4.3.

Box 4.3: Managing the transition from block contracts to personal budgets

Organisation K is charity which provides various day service activities for people with learning difficulties. The charity owns a rural community centre which acts as a community hub, hosting the village shop and Post Office and a variety of other community services (such as a meeting and event space and a nursery). The community centre is also the base for a number of day services, although services are also provided in other community localities.

In 1999 organisation K was informed by the local authority that the block contract for day services was to end to be replaced by Direct Payment 'spot purchases' made following referrals by the local social services department. But the volume of subsequent referrals was low due to a prevailing reliance on in-house services and did not meet the value of the previous block contract. As a result organisation K's annual income reduced significantly and its sustainability was threatened.

In response organisation K undertook a range of activities to put themselves on a more sustainable footing:

- collecting **evidence** that their services were **needed** and that their practice model was **effective**
- **diversifying** into to new (but related) activity, such as training and personal development, supported volunteering, and an independent living project
- **raising funds** to develop their community building in order that they could **utilise the asset more effectively**, including the development of a community café and the impending expansion of the shop through a supply-chain and branding partnership with a national food retailer
- **lobbying** the local authority about the absence of referrals and for greater use of **direct payments**
- **improving internal systems and processes** to ensure that the organisation was fit for purpose.

As a result of these changes organisation K managed to survive the move from block contracts and by 2008 it was on a much more sustainable footing. It is also in an excellent position to respond as personalisation is rolled out more extensively over the next few years.

Accessing the resources necessary to transform

Having the capacity and resources to implement the changes necessary for a TSO to transform in response to personalisation was identified as a key concern by a number of respondents. It was highlighted that change can be expensive and many TSOs would require additional funds to embed the changes necessary to transform effectively.

"Capacity to undergo change was a difficulty...this was found through flexibility of staff but it was not easy...extra resources would have made this much easier". (Frontline TSO)(b)

"Funding through the transition will be crucial...otherwise some organisations may go under". (LIO)(c)

Although resources for transformation are scarce we have been able to identify some examples of funds which directly target the resource needs of third sector organisations adapting to personalisation. These are outlined in box 4.4.

Box 4.4: Funding for transformation activity

a) A small grants programme for local providers

In one borough the local authority has ring fenced £135 thousand from the Social Care Reform Grant to support third sector providers to 'transform' their activities in order to meet the challenges of personalisation. It is hoped the fund will support TSOs to develop new and innovative projects and services within adult social care.

b) Finance for seed and working capital

Social Investment Business is the largest provider of loan type finance to third sector organisations that deliver public services. Through the Department of Health Social Enterprise Investment Fund (DH SEIF) they have developed the 'Personalisation Fund', which provides loans-based investments of £50,000 – £10,000,000 which may also include an element of grants and professional support. The fund aims to support TSOs to develop services to manage the transition to personal budgets and develop new services in response to the personalisation agenda.

We asked a number of participants whether they thought loan type funding was a viable option for organisations that needed additional capacity and resources to support organisational development. The response was typically negative, with risk aversion amongst trustees a key factor in rejecting this type of approach.

"...loans...would require a massive cultural change". (Frontline TSO)(e)

"We considered loan funding but the trustees were risk averse". (Frontline TSO)(b)

The potential of personalisation for frontline organisations

Despite the major challenges posed by personalisation the majority of TSOs that participated in the research were positive about its effects in the longer term. For many it represented a series of opportunities: the opportunity to deliver a better quality of service to their beneficiary groups, the opportunity to collaborate with other like minded TSOs, and the opportunity for new and innovative provision to emerge.

Delivering better quality services

The majority of respondents believe personalisation represented an opportunity to deliver a better quality of service to their beneficiary groups. It was also regarded as something of a return to the sector's roots, providing services that respond directly to individuals needs rather than to specifications set out in contracts or by funders.

"Personalisation is consistent with the value base of the third sector". (Frontline TSO)(e)

" It is an opportunity to develop new services...we understand needs". (Frontline TSO)(c)

"We are prepared to tailor services to specific needs of individuals and groups of individuals" (Frontline TSO)(b)

"Personalisation and self-directed support is at the centre of our ethos so all potential impacts are positive". (Frontline TSO)(a)

Collaborating with other TSOs

Increased collaboration between TSOs was seen as a further potential positive outcome of the personalisation agenda. The majority of respondents reflected positively on their involvement in collaboration to date and expected this type of activity to increase in the future.

"There is a strong culture of collaboration within the third sector...we will sign post service users to other providers if we cannot meet their needs...consortium working has helped to build respect". (Frontline TSO)(a)

"...some early collaboration is taking place...we are developing 'joint offers' around user pathways". (Frontline TSO)(d)

"We have worked closely with other organisations on service pricing...even though we are technically in competition each service is different...we tend to sign post to each other". (Frontline TSO)(b)

It is interesting to note that most TSOs did not feel that they would be competing with other TSOs for service users; rather they would be providing a series of complementary services and supports.

New and innovative provision

Our respondents generally recognised that personalisation presented an opportunity to deliver different services in new and innovative ways. A number placed particular emphasis on the potential for small community based providers to enter the market and provide niche services such as those outlined in box 3.1 (Chapter 3, p10).

"There will be real opportunities for community groups...small things could make a big difference". (LIO)(f)

However, it was feared that the emergence of these opportunities may take some time. The reasons for this were twofold: small organisations were not sufficiently aware of or prepared for personalisation, and the market was not sufficiently developed for them to understand what to deliver and to whom. It should be noted that for these organisations personalisation represents less of a threat: most do not have existing block contracts so it is not vital for them to embrace change as quickly as other larger providers.

Conclusion

In this chapter we have explored the views and experiences of frontline TSOs currently in the process of getting to grips with the personalisation agenda. The implementation of the personalisation agenda is an important juncture for TSOs delivering services in health and social care and their ability to transform the way the work will have a lasting impact on their long term sustainability and viability. Local authorities have a central role to play, particularly in the roll-out of personal budgets, but there is considerable

evidence to suggest that their approach is proving to be an inhibiting factor for many frontline TSOs. Of particular concern is the lack of effective engagement with TSOs and their service users about the precise nature and pace of change, the under-developed state of the market *of* and *for* personalised services, and a lack of resources for independent support planning, brokerage and advocacy provision.

Different organisations are at different stages of preparedness for personalisation. TSOs that have been aware of personalisation for a while and have the capacity to change appear to be fairly well prepared. But those with low awareness, or limited resources with which to support change, are less likely to be ready in time. For these organisations a range of support needs are apparent the most pressing of which is marketing. Marketing is a traditionally weak area for TSOs and they will need support to develop new services and market them to a number of different stakeholder groups. TSOs will also need support to develop new costing models adapt their financial processes so that they can manage a higher volume of invoices. Making these changes will require additional resources, and with the decline in the availability of grant funds TSOs may have to consider using loan type funding to pump prime new activity.

However, it is important to emphasise that despite these challenges personalisation does represent an opportunity for many TSOs, including those for whom publicly funded health and social care activity has not been a key function before. Our respondents generally viewed personalisation as an opportunity to improve the quality and responsiveness of their services, and to improve the ways in which they collaborated with other TSOs for the benefit of service users. It also opens the door for more innovative types of micro service delivery provided at a community level with the user at their heart.

5. The role of local infrastructure organisations

Local infrastructure organisations (LIOs) take many shapes and forms by they generally exist to serve a common purpose - to ensure that local third sector organisations get the advice, support and representation they need to improve the circumstances of the people and communities they work with. LIOs do this in a number of ways:

- they **identify and fill the gaps in existing provision** by monitoring the services provided by the third sector in their local area, and working with new and exiting groups to address unmet needs in their communities
- they **raise standards** by providing access to information, advice and support for local groups and organisations in order that they have the knowledge, skills and resources they need to support the local community
- they **enable communication and collaboration** by encouraging local groups and organisations to share resources and to work collaboratively, and establish forums for networking where they can share good practice and form partnerships through which new activity can be developed
- they **provide a voice** through which the diverse views of local groups and organisations can be represented to local public sector bodies. They also enable two-way communication and consultation so that the local sector can be consulted on and contribute to policy developments and decision-making
- they **promote strategic involvement** in local policy-making and planning, ensuring that the sector is represented and involved in local decision making bodies, and actively work with representatives to ensure they keep on top of key local issues.

(adapted from www.navca.org.uk)

LIOs clearly have a crucial role to play in ensuring that local third sector providers are *aware of, engaged with, and prepared for* the personalisation agenda. This chapter draws on our primary research to consider the current and future role of local infrastructure organisations in supporting local providers as they respond to the personalisation agenda.

Learning from the IB pilots

When this research was conceived we had hoped that a large proportion of our primary research would be with third sector organisations (infrastructure and delivery organisations) based in the individual budgets pilot areas. The rationale behind this was that it was in these areas where the personalisation would be furthest developed and therefore where much of the early learning would be concentrated. However, following a call for evidence in each pilot area it became apparent that the majority of infrastructure and delivery organisations from the third sector had not engaged with the pilots at any level.

"We really weren't involved in the pilot stage at all.... Now that the county is in the rollout stage, we are assisting with communication with the wider voluntary and community sector but weren't at the earlier stage." (LIO in a pilot area)(b)

"As an organisation we had no involvement in the individual budgets pilot...This was a missed opportunity really...we have no learning about third sector providers." (LIO in a pilot area)(a)

Although LIOs in the pilot areas were generally slow to react, there are indications that some are now further ahead than LIOs in other areas in terms of their work in support of personalisation, possibly as a result of their proximity to the pilot. We found a number of LIOs in the pilot sites providing support through specific posts such as a 'Personalisation Development Manager' or a 'Personalisation Awareness Officer'. These roles were focussed on providing information, advice, training and support to frontline TSOs, and there was some evidence that they acted as a focal point within the LIO for ensuring that work in support of personalisation linked-up with the more generic capacity building activities undertaken within the organisation.

Current LIO activity in support of personalisation

We explored the nature and extent of current LIO activity in support of personalisation. Similar to the LIOs in the IB pilot areas, the majority of participants admitted that their organisation had been slow to respond.

"(We were) slow to clock personalisation...and did not realise the implications for the third sector at first." (LIO)(c)

This was also a common reflection made by front line TSOs.

"(The LIO) and umbrella bodies have been too slow to respond." (Frontline TSO)(a)

Despite being slow of the mark each LIO that participated in the research was now engaged in some form of activity around personalisation. We found that this broadly fell into three areas: facilitating representation and engagement with the public sector; providing information and raising awareness about personalisation; and providing practical hands-on support to third sector providers. Each area is discussed in more detail in the following sections.

Engaging with the public sector

A large proportion of current LIO activity in support of personalisation is focussed on engagement with the public sector. This engagement has a number of purposes including gathering information about the implementation of personalisation policies and strategies, representing the interests of TSOs in key decision making forums, and working with commissioners on key issues such as support planning and brokerage. The extent of LIO's engagement with the public sector varied considerably by area: many LIOs have struggled to get the level of engagement needed but there are some examples of LIOs achieving much more extensive and productive engagement.

"The local authority is very insular...the team implementing personalisation is a very closed unit." (LIO)(d)

"Engagement with the local authority is currently a one way top down process...they promise to keep us informed but this has not happened." (LIO)(e)

"Our focus is on a strategic role for TSOs in the process...We are represented on the (Personalisation) Steering Group and three sub-groups". (LIO)(f)

Information and awareness raising

Another important focus of LIO activity is providing information about and raising awareness of the personalisation agenda within the wider third sector. This includes holding events and providing updates via email bulletins, newsletters and websites.

"We have run a range of events with local networks and forums...This included a meeting with the PCT and local authority and an event to explore the impact on providers." (LIO)(e)

"We provide regular information through email bulletins and the website...We are trying to 'drip feed' information to slowly raise awareness". (LIO)(c)

Some LIOs were planning to target future activity at specific types of TSO.

"We plan to do more extensive awareness raising with small and medium TSOs in the coming months." (LIO)(f)

Organisational support

In most of the LIOs that participated in the research direct organisational support and capacity building activity was less well developed than their engagement and awareness raising activities. However, there were some examples of support activity taking place.

"We have put on training around support planning and brokerage based on that delivered by (the local authority)...we plan to run more sessions in the future." (LIO)(c)

There were also some examples of LIOs working closely with local public sector bodies to develop toolkits and frameworks through which TSOs could manage the transition to personalisation:

"We are working with the PCT to develop tools to support transformation." (LIO)(d)

"We are working with the NHS to develop a transformation package." (LIO)(f)

Some further examples of the types of organisational support provided by LIOs are outline in box 5.1 on page 34.

Future LIO activity in support of personalisation

We also explored participants' views about the types of activities in which LIOs should be engaged in the future if they are to meet the needs of local third sector providers. Their visions for the future were generally covered by three main themes: improving voice and influence; meeting support needs; and developing a more strategic approach to providing support. We address each theme in more detail in the following sections.

Improving voice and influence

For many respondents the requirement to improve their engagement with local public sector was particularly pressing. It was generally felt that better voice and influence were needed with the right people in the right places within public sector organisations to ensure that the development of personalisation policies did not disadvantage third sector providers.

"The aim for the next 12 months is to improve our strategic position...We want to be more proactive...influencing not just reacting to issues when they arise." (LIO)(e)

"We are aiming for more strategic representation." (LIO)(c)

An important reflection here was the importance of ensuring the third sector was seen as part of the solution rather than part of the problem, bringing proactive input through a process of partnership rather than just bringing a series of complaints to the table.

"Good relationships with individuals in the public sector are vital ...need to make sure (third sector) input is high quality and timely." (LIO)(d)

However, there was acknowledgement that brokering the level of engagement necessary would be a major challenge requiring thick skin and attrition from LIO staff.

"I'll just keep banging on doors." (LIO)(c)

"...nagging works!" (LIO)(d)

Meeting support needs

All of the research participants from LIOs reflected that their organisation needed to do more to meet the support needs of organisations over the next 12 months.

"The focus of LIO activity should be support services to TSOs...strategic action planning is required to enable transformation" (LIO)(d)

"We need to remember what we do best...capacity building the sector." (LIO in a pilot area)(a)

However, a number of respondents were unsure about what types of capacity building support were required and how it could be funded in a sustainable way.

*"What does the third sector want from (the LIO)...what are their expectations?"
(LIO)(e)*

"Work needs to be done on what LIO services are sustainable." (LIO)(d)

Towards a strategic approach

Within all of the LIO research participants personalisation activity was being led by the individual within the organisation with a health and social care remit. These roles typically involved co-ordinating a network or forum for TSOs involved in health and social care activity and facilitating engagement with commissioners and other strategic decision makers within local public sector health and social care departments. However, the individuals in these roles were usually working in isolation, with low awareness and understanding of personalisation across the rest of their organisation.

"(The LIO) is currently not joined up on the issue...this picture is reflected across the region." (LIO)(d)

"We need to take personalisation on board as an organisation...we need more joined up working between teams." (LIO)(e)

There was general agreement that LIO work in support of personalisation could be improved by developing a more strategic and co-ordinated response to supporting third sector but it was frequently emphasised that this would require leadership and ownership from LIO Directors or Chief Executives.

"Personalisation requires a strategic organisational response...but that requires ownership, leadership and direction at a senior level." (LIO)(f)

"We should aim for a more strategic internal approach...set-up a (LIO) group on personalisation." (LIO)(c)

*"(LIO) needs a strategy for personalisation...offer packages of tailored support."
(LIO)(e)*

*"...it needs to be owned at a high level so that support can be co-ordinated."
(LIO)(d)*

Although a lack of co-ordination and strategic direction within LIOs around personalisation appeared to be the norm we did find some examples of LIOs acting in a more joined-up fashion to develop specific packages of support. These are highlighted in box 5.1 (p 34 overleaf).

Conclusion

In this chapter we have discussed the current and future role of LIO work to support personalisation based on the findings from our primary research. The personalisation agenda represents a steep learning curve for LIOs and most are only at an early stage in understanding how they should respond. To date the main focus of their activity has been engaging with the local public sector with a view to influencing the way policies are developed and accessing information which can be disseminated to the wider third sector. But for many LIOs this has been a struggle, with local authorities unwilling to open up policy making boards to external providers or their representatives. This voice and influence work will remain important over the next 12 months but LIOs acknowledge that more work will need to be done to help frontline TSOs build the capacity they need to manage the transition to personalisation. This is likely to require a more joined-up approach across LIO teams, with support for personalisation embedded in plans governing strategic and operational activities.

Box 5.1: Examples of LIO personalisation support packages

a) A large county wide LIO

The LIO has set-up a 'Personalisation Development Project' which aims support third sector providers to adapt to personalisation by:

- Raising awareness and improving understanding of how things will change
- Delivering a structured training programme designed to meet the needs of organisations at different stages of development
- Taking a strategic lead to influence the local public sector's approach to implementing personalisation

It is hoped that the project will help to build the capacity of local providers, particularly smaller ones, in key areas such as marketing, business planning, governance and finance, as well supporting them to develop more personalised and user centred services.

b) A consortium of LIOs in a semi-rural county

The consortium has developed a 'Personalisation Support Package' which focuses on four key business development areas identified through a support needs consultation event:

- Marketing
- Finance
- Organisational planning
- Joint working

The support package is delivered through a standardised process involving the following key steps:

- Action learning sessions: four sessions linked to each of the business development areas
- Organisational action plans: developed during the action learning session to outline the types of support each TSO requires
- Targeted 1:1 support from development workers: each TSO receives direct support to address the needs set out in their action plan
- Ongoing support: Action Learning Sets have been set-up to enable TSOs to access peer support and discuss issues and challenges

The programme also provides opportunities for TSOs to raise issues and concerns about the development of the personalisation agenda which are fed in to public sector policy makers on a regular basis.

6. Conclusion and recommendations

Introduction

In this chapter we outline our conclusions and recommendations from the research. Through the Fellowship we have explored the personalisation agenda from two perspectives: the experiences of frontline third sector organisations (TSOs) as they adjust and develop in response to the new and emerging policy environment, and the current and future role of local infrastructure organisations (LIOs) in supporting these service providers through the transition.

Our research focussed on health and social care as this is the area in which the concept of more personalised public services originated, and where the personalisation agenda is furthest developed in terms of policy and practice. But when reading our conclusions and recommendations it is important to remember that personalisation is a vision for the whole of public service provision, so in the longer term they will be relevant to a much broader range of third sector organisations operating beyond the field of health and social care.

Key findings

Personalisation represents a series of threats, challenges, and opportunities, all of which have considerable implications for frontline TSOs and LIOs and the ways in which they carry-out their work. Here we present the key findings from the research. They are considered in two ways:

- in terms of *organisational development*: in particular the different stages of development that exist within frontline TSOs in relation to personalisation
- in terms of the *challenges* frontline TSOs face: in particular the distinction between the environmental and operational factors which have the potential to limit progress.

Organisational development

We found that there are three broad types of organisation at different stages of development with respect to personalisation. The characteristics of each type of organisation are discussed below.

Organisation type 1 - fully developed

These organisations are acutely aware of the implications of the personalisation agenda and have already built the capacity necessary to respond. They are typically large

organisations providing a variety of health and social care services. They have a wide funding base of which block contracts are only a part. For these organisations personalisation represents a huge opportunity to develop the range and quality of services they provide.

Organisation type 2 - under developed and at risk

These organisations are aware of the personalisation agenda but do not have resources to fully understand the implications or build the capacity necessary to respond effectively. They are typically small or medium sized organisations providing a small number of health and/or social services with quite a narrow funding base which might include a small number of Local Authority contracts which are directly threatened by the move to personal budgets. For these organisations personalisation represents a looming threat to their sustainability if they are unable to build the capacity to respond effectively.

Organisation type 3 - under developed but not at risk

These organisations have low awareness of the personalisation agenda and do not have the capability or resources to build the organisational capacity necessary to respond effectively. They are typically small community based organisations with little or no current involvement in mainstream health and/or social care activities. For these organisations personalisation represents a huge opportunity to develop new and innovative community based services but low awareness and limited resources mean this opportunity may be missed.

Challenges

We found that the challenges frontline TSOs face fall into two broad categories - *environmental* and *operational*. Some of the key issues within each category are discussed below.

Environmental challenges

These are the external barriers over which TSOs have very little control. They are closely linked to the development of personalisation policies and practice at a local level where the pace of change is tied up in the ability and willingness of local authorities to progress and embed the culture and processes required to facilitate a step-change in service delivery.

At the moment a large proportion of local authority activity appears to be geared towards meeting the April 2011 performance target rather than affecting real change in

the ways services are delivered. This has been at the expense of developing a marketplace for personalised services: there remain relatively few service users with the ability to commission a personalised service and as a result third sector providers are unclear about sorts of additional services they could be providing.

A further concern is how service users can be aware of the full range of providers and services that are available: approved provider lists have the potential to address this concern to some extent but they are likely to work in favour of large providers and might limit their ability to innovate. A coherent approach to support planning, brokerage and advocacy will be crucial to ensuring that service users are able to access the widest range of services but there are indications that resources for these activities will be limited. This will place considerable burden on frontline staff such as social workers and care managers who are unlikely to have the time or resources to explore the full range of services available to their clients.

Operational challenges

These are the organisational changes TSOs will need to make if they are to respond effectively to personalisation. They are particularly associated with the transition from traditional models of funding such as block contracts to personal budgets, and the need to market and deliver services in new and different ways.

Personalisation is likely to create pressure on TSOs' back office functions: new systems and processes will need to be developed in areas such as finance and administration. For example, costing and pricing models that have been developed for block or framework contracts will need to be adapted so that TSOs can charge individuals for the services they receive. This means understanding the unit cost of each service once factors such as usage, late or non-payment, and changes to cash flow have been accounted for. In addition, the requirement to produce multiple individual invoices, rather than single invoices to public sector bodies, may mean that TSOs have to take on more finance or administrative staff.

Marketing is traditionally a weakness of TSOs as limited resources tend to be focussed on frontline delivery. Personalisation will require TSOs to market themselves more effectively but also in different ways. For example, for TSOs funded through block contracts the main requirement is to make sure that public sector commissioners and care managers are aware of their organisation and the benefits of its service provision. This will remain important under a more personalised system but it will also be necessary to make sure that marketing activity focuses on services users, their families

and friends, and brokers and support planners from the public sector and other third sector organisations.

Personalisation will also have an impact on TSO staff and volunteers who will need to adapt to new ways of working. For staff this may mean new contractual arrangements, such as zero hours contracts, and new roles and responsibilities such as support planning and brokerage. But embedding a person centred culture within the organisation will also be crucially important, and staff will need to understand how to deliver services in new and more flexible ways to meet the specific needs and requirements of individual service users.

Meeting these operational challenges will require significant resources: changes to core functions such as finance and marketing will need to be funded as will retraining for current staff will and the recruitment of new staff. But most TSOs do not have access to sufficient financial reserves to resource this effectively and grant programmes that support back office functions are rare. Working capital is available through loan type social investment products but this is unchartered and potentially risk territory for many TSOs. There is therefore a real danger that some TSOs will not be able to embed change to the extent or at the pace required, and will not be fully ready for personalisation when it arrives.

Implications

Each challenge will affect the different types of organisation discussed previously in different ways. For *organisation type 1* the main challenges are environmental. They have embedded change within the organisation at a faster pace than the local public sector bodies and in many respects are waiting for them to catch up. For these organisations there is a growing concern that personalisation may prove to be more of a myth than a reality, tied-up in changes to the way services are funded rather than the ways in which they are delivered.

For *organisation type 2* operational challenges are most pressing. They will need to make significant changes to the way they cost activity, administer finances and market services. Their staff and volunteers will need to deliver services in new and more flexible ways. If they are unable to make these changes relatively quickly, particularly if their block contracts are cut or reduced, there is a real possibility that these organisations will not be sustainable in the longer term.

For *organisation type 3* there are operational and environmental issues that need to be addressed. They face similar operational challenges to *organisation type 2* but their needs are not as pressing. They do not need to change in order to survive but they will need to change if they are to make the most of the new opportunities available to them. However, these opportunities might not emerge if the market does not develop sufficiently or if barriers such as inaccessible approved provider lists prevent them from entering the market at all.

Recommendations for Local Infrastructure

In response to the research findings, in this section we outline a series of recommendations for LIOs about how they could support front line TSOs more effectively as personalisation is implemented. Our recommendations fall into three broad themes:

- *facilitating an improvement in the external environment* in which personalisation is being developed
- *building the capacity of frontline TSOs* to respond to personalisation
- *developing a more strategic approach to LIO activity* in support of both of the above.

Below we discuss each theme in more detail and identify a series of specific recommendations for LIOs.

Improving the environment

LIOs could facilitate an improvement in the external environment in which personalisation is being developed by supporting three key activities: facilitating more effective engagement with the public sector, promoting the importance of advocacy, support planning and brokerage, and supporting marketing development and the flow of market intelligence information.

More effective engagement with the public sector

Where LIOs have been able to broker the third sector access to and representation on public sector personalisation decision making bodies such as Programme Boards and thematic working groups there is evidence that the wider sector is more aware of and better informed about the personalisation agenda. However, this level of access can only benefit the sector as a whole if representatives are accountable to the wider sector.

Recommendation 1: In areas where this level of representation does not currently exist LIOs should lobby key public sector officials and elected members for improved third sector involvement.

Promoting advocacy, support planning and brokerage

A coherent and sufficiently resourced approach to advocacy, support planning and brokerage will be a vital component of an effective personalised system. It will ensure that service users' needs are properly identified and appropriate services commissioned on their behalf. It will also help to identify gaps in the market and stimulate new and innovative provision. However, there is evidence that in many areas this activity is not being resourced to the extent required and some TSOs are having to consider if they could resource it independently.

Recommendation 2: LIOs should promote the importance of advocacy, support planning and brokerage with local commissioners. In parallel they should work with the relevant local TSOs to explore the feasibility of independently resourced approaches.

Supporting market development and intelligence

The findings from this research suggest that market *of* personalised services is under-developed. LIOs are uniquely positioned to understand the range of providers, the services they currently offer, and the services they might be able to offer in the future. They are also in a position to support the flow of information about new and emerging needs between TSOs and public sector commissioners.

Recommendation 3: LIOs should support market development in a number of ways:

- they should maintain an up to date picture of which TSOs are providing personalised services and the types of services provided, including information regarding examples of effective and innovative service delivery
- they should hold regular 'marketplace' events, where TSOs can showcase their services to service users, support planners, advocates and brokers
- they should facilitate a network or forum through which third sector service providers and public sector officials can share information about unmet and emerging needs.

Organisational capacity building

LIOs could support frontline TSOs to build their capacity respond to personalisation by offering a range of tailored organisational support activities.

Raising awareness amongst small providers

Awareness of personalisation is low amongst small community level providers. If these organisations are not aware of the opportunities associated with personalisation, or how they should respond, they will not be able to take advantage.

Recommendation 4: LIOs should consider how to raise awareness amongst smaller TSOs. This might be through community level events, or by utilising existing community networks and partnerships.

Managing the transition from block contracts

The transition from block contracts to personal budgets is one of the most pressing issues facing many frontline TSOs. If they are not able to manage the transition effectively the sustainability of some organisations may be threatened.

Recommendation 5: LIOs should work closely with public sector commissioners to ensure that the impact of the transition process is minimised. They should work with frontline TSOs to develop models and frameworks through which to manage the transition. The learning from this should be shared between LIOs in different areas and disseminated throughout the wider third sector.

Developing and supporting organisational capacity

Many TSOs will need to develop new capacity in areas such as finance and marketing. They will also require support in areas such as human resources and legal issues, business planning and workforce development. This plays to LIOs' strengths and is a natural extension of much of the work in which they are already involved.

Recommendation 6: LIOs should develop 'packages' of personalisation specific support in the following areas:

- financial management, in particular unit costing of services and managing a larger quantity of invoices
- developing and marketing personalised services
- training for TSO staff, around specific issues such as support planning
- human resources and legal advice, around issues such as zero hours contracts

Providing back office functions

Personalisation will create additional demands on back office functions, for example those associated with financial administration. The raising and chasing of invoices for example could become particularly resource intensive. A number of research participants indicated they would be prepared to outsource this activity to an LIO rather than employ additional resources themselves.

Recommendation 7: LIOs, perhaps in partnership with umbrella bodies, should explore the feasibility of and demand for the provision of back office functions, in particular whether the economy of scale would lead to a cost saving for TSOs and sufficient income generation for LIOs.

Promoting alternative funding models

Many TSOs do not have access to the resources required to implement the organisational changes necessary to adapt to personalisation. In addition some TSOs may face cashflow problems during the transition from block contracts to personal budgets. Social investment products, such as 'soft loans', can meet the working capital requirements of certain types of third sector organisations (see e.g. Wells et al, 2010) but many trustees are averse to the perceived risks involved.

Recommendation 8: LIOs should promote the benefits of social investment products where appropriate, and support TSOs to identify and apply to social investment providers.

Towards a more strategic approach

The types of support outlined above will work most effectively if they are contained within a more strategic approach to LIO personalisation activity. Such an approach will require a number of key ingredients.

Strategic leadership

We found strong evidence during this research that personalisation is not a current priority among senior LIO staff. As a result LIO staff working on personalisation often felt that their work was not afforded sufficient importance and found it difficult to engage the support of other teams even though their expertise was often vital.

Recommendation 9: LIO Chief Officers, Directors and Senior Managers should consider making responding to personalisation an organisational priority, for example by ensuring it is embedded in business and project plans and encourage staff to undertake more joined up activities.

Raising awareness

Following from the above, we found low awareness of personalisation amongst LIO staff who were not directly engaged with the agenda. This meant opportunities to support TSOs to respond to personalisation were being missed, and activity across the LIO was disjointed.

Recommendation 10: LIOs should consider how awareness of personalisation within their organisations could be increased. This might involve a series of briefings, presentations or workshops through which the issues could be explored.

Providing a coherent package of support

LIO staff engaged in the personalisation agenda typically felt that their organisation would benefit from a more strategic approach to supporting TSOs to respond to personalisation. This would involve LIO teams and projects linking-up more effectively to provide a more coherent 'package' of support. We found isolated examples of LIOs beginning to work this way, both on their own (large LIO) and in sub-regional partnerships (group of smaller rural LIOs).

Recommendation 10: LIO Chief Officers should consider how their organisation could provide a 'personalisation support package', either on their own or through collaboration with nearby partners.

The role of umbrella bodies

We found many pockets of good practice in LIOs across the country but it is difficult for LIO staff in disparate geographic locations to hear about and keep track of their counterparts' activities. Umbrella bodies such, as NAVCA and NCVO, have an important role to play in ensuring that learning and good practice at a local level is identified and disseminated effectively.

Recommendation 11: Umbrella bodies should consider the most effective ways to identify, monitor and disseminate information about good and effective practice by LIOs supporting TSOs respond to personalisation.

Final Reflections

The findings from this research represent a start point in understanding the impact of the personalisation agenda on frontline TSOs and how the response of LIOs might be shaped. Through the funding provided by the ESRC Research Fellowship we have been able to explore a range of key issues but with the time and resources available we feel we have only scratched the surface, particularly in relation to the challenges which are bound to emerge further down the line.

In most localities personalisation policies in health and social care are only now being rolled-out on a large scale and in other areas of public service delivery the implementation of personalisation within mainstream provision is some way off. As such the full impact of personalisation on the third sector may not be understood for a number of years. LIOs will need to monitor the impacts on the organisations they support on an ongoing basis, either through formal longitudinal research or from intelligence gathered by LIO staff working with TSOs on the frontline, to ensure that their approach to supporting the sector remains appropriate, particularly as additional needs emerge.

In making these recommendations we acknowledge that LIOs operate with strict budgets and limited resources. We do not expect the majority of LIOs will be able to implement every recommendation but we hope that in framing the issues through three broad themes, and by identifying a series of concrete recommendations, we have provided a framework through which a proportionate and appropriate approach to supporting frontline TSOs can be developed.

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