

Making It Personal:

A social market revolution

The Interim Report of the Commission on Personalisation



Supported by



improving-support.org.uk

A joint initiative to strengthen support services for the third sector



**JOSEPH ROWNTREE
FOUNDATION**

ACEVO
1 New Oxford Street
London
WC1A 1NU

Tel: 0845 345 8481
Fax: 0845 345 8482

info@acevo.org.uk
www.acevo.org.uk

Published by ACEVO
Copyright © 2009 ACEVO
All rights reserved.

No part of this book may be reproduced by any means, or transmitted, or translated into a machine language without prior permission in writing from the publisher.

ISBN 1-900685-57-4

£10

02	Foreword
05	Summary of Recommendations
09	Section 1 Introduction
15	Section 2 A Journey of Rediscovery
23	Section 3 Making It Work
45	Section 4 Vision Into Action
	Appendices
54	Appendix 1 – Terms of Reference
55	Appendix 2 – Members of the Commission on Personalisation
56	Appendix 3 – Organisations We Have Spoken To
57	Appendix 4 – Bibliography





Matthew Pike

Chair, Commission on Personalisation

Social change is like a dance: slow, slow, quick, quick, slow. It doesn't come in regular steps, however much we would like it to.

The Commission on Personalisation has the privilege to be conducting its review across the entirety of public services at a moment when economics, public finances, politics and public service innovation are all in flux. As we issue this interim report it is hard to know if the years ahead will replay the 1970s - an awkward age of transition, shaped by massive structural forces - or whether this will be one of those turning points, like the late 1940s or the 1980s, whose effects are still with us.

What is clear is that our public services need reform and this needs to be shaped by a guiding vision, with citizens and communities at its heart, as the primary agents of change. This is a profound shift; it represents a new approach to tackling inequality that encompasses but also moves beyond a concern for rights or for income transfers, to make the development of 'can do' – self-direction and self-control – both a primary end and means of public policy.

The crucial steps, outlined in this interim report, are to forge a new social contract between citizen and state – devolving power and responsibility to people, and greater trust and latitude to front-line professionals – and to create new social markets that allow better outcomes and services to drive out bad over time. It is imperative that this is not delivered in such a way as to tip society further into individualism or passive consumerism. Our vision is that the next 10 years will be marked by a new mutuality at the level of the individual, family, community, as well as much wider collaboration across sectors that have been poorly connected in the past.

We have called the first section of this report a 'Journey of Rediscovery' and with good reason. It shows perhaps how managerial and technocratic the debate about public services has become that we have felt the need to reassert the central role of self-help and mutual aid. In a similar spirit, we have combed the learning to be gained from decades of experience and experiment at the edges of the current mainstream. Almost all the innovative ideas and practices we need are there to be taken: the heart of the challenge is to transform the system so these approaches can finally come in from the cold.

We as a Commission have a membership drawn from regulators, investors, public sector, central government, service users but, above all, we are chief executives who run major services with and for people on the front-line. Between us we have been able to mine our own wide experience, review the learning from hundreds of experimental programmes and consider international precedents. It is this strong foundation of experience and information that gives us our confidence not just that the current system can be radically improved, but that we can rise to the formidable challenges of implementation.

Changing any system is no small business and not without risk. The challenges of implementation ahead are major. We are confident, however, that through strong leadership across the sectors and above all through a sensible, properly resourced timetable for reform over the next five years, these challenges can be met.

There is a lot of detail that we must get right. This vision is too important to fail for lack of forethought. Furthermore, many of our suggestions here are provisional, requiring more work over the coming year. We are therefore eager for your comments and involvement.

However, it is essential that we don't get bogged down in the complexities of the system change required and lose focus on the ends that can be achieved from personalisation - happy, active individuals, families and communities able to re-design and co-create their lives as they would like to lead them.

On behalf of all the Commissioners, I would like to thank you in advance for your ideas and views. I would also like to acknowledge the leadership of ACEVO in convening this Commission, the support of Cabinet Office in facilitating engagement across government and the invaluable funding provided by the Joseph Rowntree Foundation and Capacitybuilders.

Matthew Pike

Chair, Commission on Personalisation

16 November 2009

Summary of Recommendations

This interim report proposes nothing less than a revolution in public service delivery.

We envisage the creation of a series of new social markets across all main public service areas, achieved by devolving power and responsibility from state to citizen.

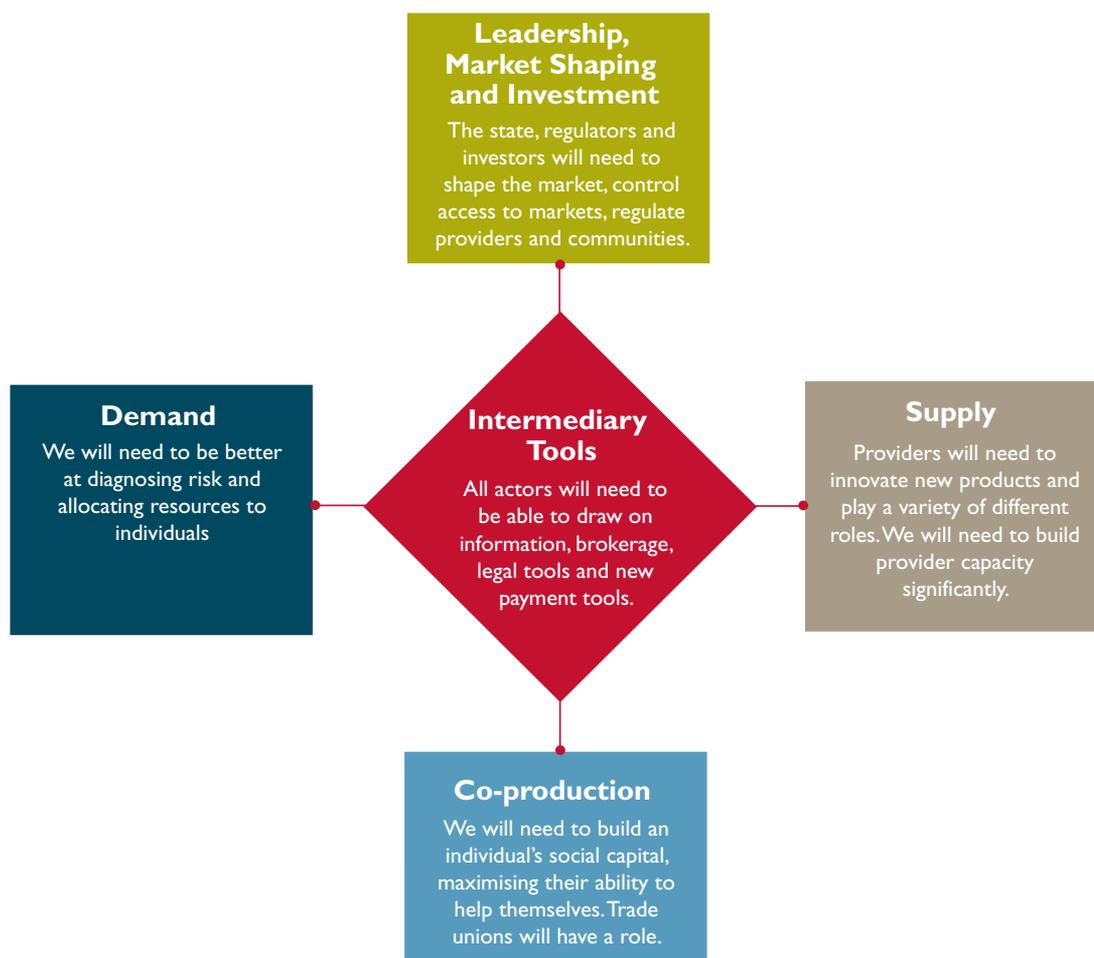
We consider that disillusionment with top-down reform processes as well as the scale of the current crisis in public finances should propel us to think in much bolder terms about public service reform. In particular we should draw confidence that moving in a bold way to a system of social markets can help us achieve real cost-efficiency, giving us the opportunity to stop funding services that aren't needed, wanted or delivering quality; join-up spending; enable more self-help and mutual aid; encourage more private investment into the system; place more emphasis on prevention; and use carefully managed market forces to allow good services to drive out bad over time.

Our vision for the future entails five key building blocks:

- 1. Devolving financial control:** control over how money is spent on services should be devolved down to a level as close as possible to the service user. There are a wide variety of tools that can be used to achieve this.
- 2. Self-help and mutual aid:** the service-centric model of 'public services' should be turned inside-out, with self-help and mutual aid (in other words, community) placed firmly at its heart. We should see people not as 'service users' but as 'service helpers' and change agents.
- 3. Building 'can do' assets:** personalisation should be accompanied by a renewed focus on building up the emotional, financial and intellectual assets of service users in a risk-smart and preventative way.
- 4. Culture change:** personalisation should inspire a revolution on the supply side of public services, a revolution that sees far-reaching culture change throughout the system, that frees up public service professionals and that creates an environment in which innovation flourishes.
- 5. Social markets:** a new generation of genuine social markets should be created, in which power shifts from commissioner and provider to service users, and in which good performance is rewarded and invested in and poor performance is driven out.

In promoting a vision of social markets we do not propose the kinds of under-regulated open markets that have failed so notably in our financial service markets. We propose social markets that exist within a new legal framework of roles, rights and responsibilities – a new social contract. We also make recommendations for how new social markets can be shaped, structured and 'tilted', covering supply, demand, co-production, intermediation as well as overall leadership, investment and support.

Figure 1: New social markets



Our recommendations are as follows:

1. A legal framework for reform – A new social contract

We recommend:

- the Government should legislate for a new 'right to control', setting out a framework for devolving budgetary control towards individuals and communities across the public service spectrum and across the range of people using services;
- this new 'right to control' should also enshrine individuals' rights to opt for the state to continue directing how money is spent on their services;
- the new 'right of control' should enshrine rights to information, advice, brokerage and representation;
- a new right of control should set out a new conditionality, matching devolution of power with greater clarity over individuals' responsibilities.
- a new ombudsman should be created to champion these rights.

2. A new generation of social markets

Leadership, investment, market shaping

We recommend:

- all local authorities should lead local public sector agencies in convening local taskforces of expert customers, providers and commissioners to consider the implications of personalisation and to plan ahead for system-wide implementation;
- central government should issue guidance to local public sector agencies on commissioning in the context of greater personalisation and a new 'right to control'

- current public sector transformation programmes, such as the Total Place pilots and training for commissioners, should give central emphasis to the implications of personalisation;
- a taskforce of all key regulators of different emergent social markets should be established to set out a blueprint for a new regulatory regime which facilitates lighter touch and more consistent regulation of personalised services whilst still offering the necessary protection to citizens.

Supply

We recommend:

- trusts, foundations and government funding streams should give priority to pump-priming support for innovation amongst organisations on the supply side, above all providers of independent information, advice and representation;
- Government funding for capacity-building, such as that provided through Change Up, should address key capacity blockages relating to delivery under a system of personalised funding mechanisms
- third sector support organisations such as ACEVO and NCVO should build third sector awareness of the challenges and opportunities presented by personalisation, and provide services to third sector organisations to help them meet the challenges associated with a move to personalisation
- social investors such as the Social Investment Business should develop a range of services and products including those relating to working capital, investment in consortia and mergers, investment in / leasing of ICT systems, growth capital, and investment in shared services
- the Government should take the Social Fund loan book off balance sheet to catalyse new forms of personal finance linked with personal budgets;
- local public sector agencies and social investors should explore ways to open up the supply of capital investment into new social markets.

Intermediary tools

We recommend:

- Local Authorities should give early priority to pump-priming independent advice
- the Government should fund an independent social technology lab to commission and co-develop a range of tools to be adopted on an open-source or licensed basis by a range of local and national organisations;
- Government should develop a range of ‘best of class’ requirement specifications for new payment systems, against which service providers could tender;
- local public sector agencies should set an early timetable for moving on to smart payment systems and agree terms that ensure the leasing of point-of-sale equipment to third sector providers at low cost;
- a set of common legal templates and toolkits should be created to clarify the legal basis of personalisation and make it easier for agencies, providers and service users to implement personalisation.

3. National policy direction

We recommend that:

- a new, powerful inter-departmental personalisation delivery unit is created, based in the Cabinet Office and reporting via the Minister for the Cabinet Office to the Prime Minister, to guide overall system reconfiguration, the re-engineering of services and resource flows across government in a coherent way;
- a detailed communication strategy is produced and implemented to engage public debate in this area;
- the government sets out a five-year vision and timetable for the personalisation of services.



1. Introduction

1.1 The Commission on Personalisation

The Commission on Personalisation was set up to explore ways to make the personalisation of public services work for third sector organisations (providers, networks, brokers and advocates), policy-makers, practitioners and, above all, citizens, across a wide range of delivery areas. Its full terms of reference can be found in Appendix 1.

By 'personalisation' we mean efforts to make public services more people-centred, i.e. more tailored to their needs, more controlled by them, and more 'co-produced' by them. We do not conflate personalisation with particular funding models such as individual budgets. We are, however, particularly concerned with the value and consequence of devolving power – in the form of financial control and access to support and information – to citizens.

The Commission was convened by the Association of Chief Executives of Voluntary Organisations (ACEVO) because many third sector leaders have been at the forefront of calling for personalisation, and because third sector organisations will equally be at the forefront of making personalisation work in practice – as service providers, as advocates, as providers of information, as brokers. However, the Commission's membership is drawn not just from the third sector, but also from local and central government, regulators, the think tank community, and service users. Its full membership can be found in Appendix 2.

After six months of engaging with a wide range of stakeholders (including third sector organisations, Government departments, researchers and private sector organisations – a full list of whom can be found in Appendix 3), we are now producing this interim report to set out our initial ideas and some key questions we believe need to be answered. We hope that over the next year this interim report will stimulate debate and allow us to test our ideas and address some key questions before we produce a final report in autumn 2010.

1.2 Where we are: the need for a new vision for public services

Our starting point is that we need a new vision for public services. If you have watched a parent die on a morphine drip in a hospital ward rather than in their own home¹; if your child is struggling to read at 8 or 9 and is falling ever further behind²; if your partner is battling mental health problems and can't seem to hold down a paid job³, you will understand that our public services often fall short.

The day a prisoner leaves jail there is a two-thirds chance that they will be back inside before a year or two is passed⁴ at a cost of £39,000 per year⁵. 5.9 million people are unemployed – an estimated two million of whom have never worked⁶. The cost of non-pension benefits amounts to £74 billion a year. Nearly a quarter of adults eat too much⁷, alcohol consumption

¹ See example *End of Life Care Adults Report*, National Audit Office, November 2008.

² See example *2009 Key Stage 1 Statistics*, National Literacy Trust, 2008

³ See example *Approaching Employment, Mental Health, Work Projects and the Care Programme Approach*, David O'Flynn, The Royal College of Psychiatrists, 2001

⁴ Hansard, House of Commons written answers, 3 March 2009

⁵ Hansard, House of Commons written answers, 17 December 2008

⁶ 2001 Census, National Office of Statistics, 2004

⁷ NHS Information Centre Statistics on Obesity, Physical Activity and Diet: England, February 2009

is a contributing factor in 1 in 16 hospital admissions⁸ and each year 1.4 million people aged 35 or over are admitted to hospital with smoking-related illnesses⁹. 23% of school children play truant¹⁰ and more than a quarter of people in the UK have over £30,000 worth of debt¹¹.

These are individual stories of human misery and specific cases of policy failure, but it is easy to be blinded by their seeming diversity. They add up to something more: they demonstrate the limitations of the top-down approach to public service reform.

It is an approach that may have helped to drive up standards in early years of use – in the NHS, in schools, in policing¹² – but rates of progress have since tailed off. Despite increased public funding, we have seen rapidly diminishing returns for each pound spent. Government pressure to achieve early improvement has too often led to the easier-to-help getting additional help, resulting not just in unnecessary spending, but also an increase in the level of inequality across the system as a whole. It is an approach that sits uneasily with the need for services to respond to a society with changing and increasingly diverse needs, and it is one that many believe has stifled creativity and innovation and weakened professional morale. We believe it is an approach that has run its course.

1.3 Where we are going: towards ‘personalisation’

For some years now Government and others have been looking for a fresh approach. Reflecting a more diverse and more assertive society, a variety of models have attempted to devolve power closer to the citizen, allowing people to tailor services to their own individual needs (see Box 1).

The application of these models has spread across a variety of service areas, and the context in which we are writing points to a clear direction of travel. In Britain and abroad, governments are moving to personalise services with devolution of budgetary control to the individual playing an increasingly important role in those efforts.

It is clear to us that this direction of travel is unlikely to be reversed. But the messages are still confused, many of the key players are under-prepared, the pace of change remains uncertain, and the route map ahead is far from clear.

⁸ IAS Factsheet, Institute of Alcohol Studies, February 2009

⁹ *Statistics on Smoking in England*, NHS Information Centre September 2009

¹⁰ *Truancy in the UK*, Smart Technologies, 2006

¹¹ UK Insolvency Helpline, 2009

¹² *Leading from the front*, Max Wind-Cowie, Jonty Olliff- Cooper, Jamie Bartlett, Demos, September 2009

Box 1 – Personalisation in development

Personalisation was not born as a Government initiative. It has its roots in the third sector, with a central role played by user-led movements such as Independent Living Centres. Countless third sector organisations were established out of a desire to secure services that better respond to individuals' needs and that empower individuals to live their lives as they want to. Many have used their own resources or carved out individual service funds out of block contracts to pilot more radical forms of user control.

As an indication of the scale and variety of this activity, the Joseph Rowntree Foundation has funded and evaluated more than 150 projects in the field of user-centred control over the past two decades. The third sector can be justly proud of the richness and vitality of its innovation in so many overlapping areas, even if much of this practice is only now finding its way into the mainstream.

Various reforms have been tested in the UK and abroad with the aim of tailoring services and empowering people by giving service users greater control over the money spent on their services.

In the UK, the most advanced of those reforms are in social care, where direct payments (cash payments made directly to a social care service user or carer in lieu of services) have been in use since 1997 following the introduction of the Community Care (Direct Payments) Act of 1996. More recently, personal budgets and individual budgets (individual allocations of funding that can be used to meet an individual's assessed eligible needs) were introduced, from 2003, by the social enterprise In Control, working alongside a number of local authorities, and then by the Department of Health in 2005-7. The Government has set a minimum target for 30% of local authority-funded adult social care service users to be on a personal budget by April 2011, but many authorities have gone further, setting targets of 60-100%.

The vision of giving people greater control over the money spent on their services has spread from social care to other public service areas. For instance, the NHS is currently piloting 'personal health budgets'; the Government will pilot a 'Right to Control' from 2010; individual 'Skills Accounts', giving adult learners an indication of public funding available to them to spend on a variety of courses, are currently being rolled out across the country; and the Department for Children, Schools and Families is currently piloting individual budgets for disabled children and their families.

Outside the UK, similar approaches again tend to be most advanced in social care, but have also been applied to other service areas in ways that are increasingly attracting the attention of policy-makers in Britain. For instance, the Swedish government has introduced a voucher system in education (see Box 8), which the Conservatives here have drawn on for their plans for schools. In the Netherlands, individual budget- and voucher-like approaches have been applied extensively to the welfare-to-work system (see Box 7).

I.4 Where we want to be: a clear vision, with people in control

A clearer vision for change, therefore, is what the personalisation of public services badly needs. It requires a timetable, a resource plan, an action plan to establish key systems, a clear designation of roles but above all it needs a credo – a core rationale for service transformation – coupled with a precise definition of essential practices and values that need to be promoted. It also needs to be very clear about the kinds of practice and behaviour that should become a thing of the past.

Our vision is simple. We believe that it is both possible and necessary for us to aim for every pound of public spending in the future to stretch twice as far as it did in the past, so that millions of people can experience better lives.

To do that we need to devolve power and responsibility from state to citizen. That is what we mean when we talk about 'personalisation': money, information and advice needs to stand behind the decisions that people make about how their lives might be improved. In return, people will need to accept an increased role and heightened responsibility, founded on some clear expectations. This represents nothing less than a new social contract between citizens and the state.

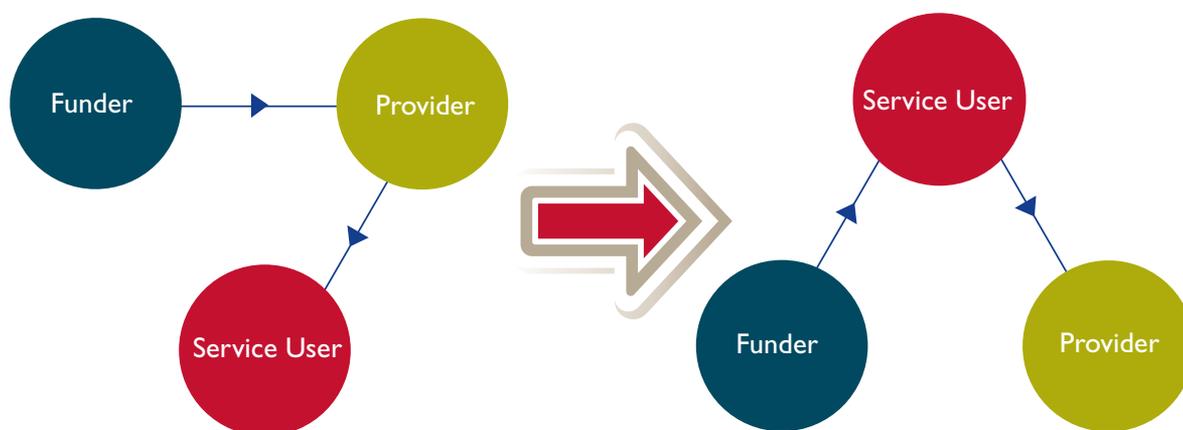
The move to devolve power to citizens should reinvigorate the central role to be played by self-help and mutual aid. It should also lead to the creation of a whole series of new social markets where a wide range of new services can be offered on a much more tailored basis to citizens.

We are certain that these personalised approaches can deliver far superior results to what we have seen in the past.

In speaking to a wide range of stakeholders, we have heard a lot of fear and concern about this agenda, and we are very well aware that there are major challenges ahead in implementing personalisation. That is why it is so important that we work out how to mitigate the risks, and what practically needs to be done for a personalised system of public services to work. This is the bulk of what we have been concerned with in our first phase of work, and we set out our initial ideas in sections 2 and 3.

The greatest risk of all, however, is not weak systems or lack of funds but poverty of ambition. We welcome the early moves that have been made towards personalisation, but believe the time for pilots at the margin is over. Piecemeal change or patchwork pilots could easily result in confusion, parallel systems and double standards. It is essential that we move to a more coherent, system-wide reaching approach, where some of the most exciting opportunities for improved service user experience and cost efficiency lie. Bold reform is required across the entirety of public services. No area of public policy or service delivery should be off-limits. From our benefits and tax credit system with its 74 separate financial instruments, to welfare to work, criminal justice, education, health, transport, the scope for reform is enormous. We set out some of the most promising ideas that we have begun to explore here in section 4.

Figure 2: Power shift



1.5 The context: reform in an era of budget cuts

We are writing this interim report against the backdrop of a major financial crisis. Whilst the evidence is patchy and we need more time to explore these issues properly, it is clear to us that in principle the reforms we propose could make a major contribution to helping society re-adjust to the looming fiscal shockwave by helping to stretch every pound spent much further.

Advocates of personalisation such as In Control and Demos suggest that it could lead to significant cost savings. We see examples for this from initiatives across the world, such as the introduction of a voucher market for therapists in Colorado where hourly costs dropped from \$41 to \$27¹³. Beyond this, measures to invest in prevention, eliminate un-needed or ineffective services and above all measures to increase levels of self help and mutual aid should all contribute to greater cost-efficiency. Nevertheless, on the other side of the scales should be considered both a large amount of current un-met need and demographic trends – above all an aging population that will serve to increase the burden on public services over coming decades.

All of this suggests that we would be unwise, and the unintended consequences potentially deeply damaging, if we were to implement personalisation with the driving aim being to cut costs. Our primary goal should be not to cut spending under cover of personalisation, but to stretch that spending further, so that it achieves significantly more for individual citizens than is currently the case.

¹³ *Getting more for Less: Efficiency in the Public Sector*, Jamie Bartlett, Demos, July 2009

Figure 3: Stretching every £ to achieve more



2. A Journey of Rediscovery: the building blocks for a system of personalised services

In this section we summarise five critical success factors, or 'building blocks', that we believe should underpin a new system of personalised public services. We have called this section a 'journey of rediscovery' because most of what we say here is not new. Nevertheless, we believe clarity on these principles will be crucial.

Our five building blocks are:

- 1. Devolving financial control:** control over how money is spent on services should be devolved down to a level as close as possible to the service user. There are a wide variety of tools that can be used to achieve this.
- 2. Self-help and mutual aid:** the service-centric model of 'public services' should be turned inside-out, with self-help and mutual aid (in other words, community) placed firmly at its heart. We should see people not as 'service users' but service helpers and change agents.
- 3. Building 'can do' assets:** personalisation should be accompanied by a renewed focus on building up the emotional, financial and intellectual assets of service users in a risk-smart and preventative way.
- 4. Culture change:** personalisation should be accompanied by a revolution on the supply side of public services, a revolution that sees far-reaching culture change throughout the system, that frees up public service professionals and that creates an environment in which innovation flourishes.
- 5. Social markets:** a new generation of genuine social markets should be created, in which power shifts from commissioner and provider to service users, and in which good performance is rewarded and invested in and poor performance is driven out.

2.1 Building block one: devolving budgetary control

We do not believe personalisation is simply about giving service users budgetary control, but we do believe that that control must be a central underpinning feature of any future system of personalised services.

Partly that is because of the way the market responds to money being controlled by individual service users. The people purchasing services are the people who best know what their needs are and what will meet them; providers are forced to respond to what service users want rather than what commissioners want. One of the few constants that emerges from the experiments conducted to date with individualised funding mechanisms in public service reform is that it tends to result in greater diversity and innovation in the supply of services, giving people more choice and greater ability to tailor services to their needs.¹⁴

¹⁴ See example *The IBSEN Project - National Evaluation of the Individual Budgets Pilot Projects*, Professor Caroline Glendinning, Nicola Moran, Parvaneh Rabiee, March 2008

But devolving budgetary control to individual service users is not just beneficial because of the way the market responds. It can also be beneficial because of the way people respond. In most cases, giving people control over the money spent on their services appears to result in higher client satisfaction and a greater sense of ‘can do’ and responsibility¹⁵. Opportunities merely to “have one’s say”, although sometimes therapeutic in the moment, rarely if ever produce a durable sense of self-direction or control. Financial control however, allows poorer and more vulnerable people to exercise choice and help themselves in a way that the rest of more advantaged society takes for granted.

Using an Individual Budget

Jonathan’s Story

Jonathan is a disabled teenager whose quality of life has been transformed since he left school in July 2008 with an Individual Budget. Now he and his family can decide what he should do, when he should do it and who should support him. Jonathan’s complex health condition means he receives multiple budgets- one through Continuing Health Care and another as part of a pilot run by the Learning and Skills Council giving individual learning support funds. Putting the different funds together has enabled Jonathan to employ one full time personal assistant (PA) and two part time PAs for activities in the evenings and weekends.



Jonathan’s Mother reports an ‘amazing improvement in his quality of life. ...It has given him so much more freedom to explore life. Without this Individual Budget he would not have been able to do anything like the things he can do now. It is encouraging Jonathan to have a bit of an independent life style. And with Jonathan having his PAs, I have more time to spend with my other two sons who both have learning difficulties. And Jonathan can’t stop smiling!’

In addition, Jonathan’s learning needs are fully taken care of. His week – tailor-made for him – allows many opportunities for developing his independent life skills, his special interest in computers and multi-media, and individual tuition.

Taking Control Stories, In Control
www.in-control.org.uk

Giving people greater control over the way money is spent on their services also fundamentally changes the relationships that exist between service users, service providers and commissioners. It can empower service users, and act as a powerful impetus to one of our later building blocks – culture change throughout the rest of the system.

Box 2 – Devolving budgetary control in practice

“With social services home care I felt like they came in, ‘did me’ and then went off and ‘did’ someone else and I was beholden to them. With direct payments I’m the boss and the employee has a different approach to me as I’m paying them rather than someone else sending them to help a hopeless person.”¹⁶

¹⁵ See footnote 14

¹⁶ *Implementing Direct Payments*, Joseph Rowntree Foundation, November 2000

Our first 'building block' for a system of personalised public services, then, is that control over how money is spent on services should be devolved down to a level as close as possible to the service user. Depending on context, that might mean putting budgetary control in the hands of the service user, their family or support networks, a lead professional, the state as is usually the case now, or a partnership of some or all of the above.

2.2 Building block two: placing the community centre stage

The second of our building blocks is also one of the oldest, the most important and the most taken for granted. Our public services, are and always have been, a small part of a much larger world of support available to us. When we need support, the vast majority of us turn to our family, friends or local contacts, not to formalised sources of support.¹⁷

There is a huge variety of rich and exciting community activity taking place across the UK to support this kind of self-help and mutual aid. For example, in 2008-09 41% of adults took part in some form of voluntary work.¹⁸ Self-help groups are also enormously popular, with over 3,400 Alcoholics Anonymous meetings taking place each week in the UK¹⁹ and hundreds of peer support groups established to provide help for those affected by mental health problems and their carers. A vital role is played by support circles in areas as various as learning disability to sex-offender therapy and over 1.25 million family carers give their time for more than 50 hours a week.²⁰ Community projects such as IntoUniversity provide free after-school academic support, mentoring and personal support for children.²¹

Personalisation has enormous potential to extend the scope and reach of this kind of community action and third sector organisations have a key role in facilitating such developments. We are not suggesting that people can address the entirety of their problems through private or informal support, and still less on their own. The state must continue to fund a wide and increasing range of supportive services, but must do so in a way that understands, respects and supports self-help and mutual aid.

A Carer's Perspective

June's Story

The key is flexibility - my mother's needs change and the services we buy with direct payments can change with them and fit around us. Direct payments allow me to get some 'me' time and I am sure that my mother also feels the benefits - she relaxes more and she is not on the receiving end of my tired temper. The flexibility means that we can pay someone to support us going out shopping if she wants to. 'I no longer feel a failure.' Being a carer can change your relationship with the person you care for. Direct payments have allowed us to get back some of that mother/daughter relationship. I would not change providing care for my mum, but when you love someone you want to be all things to them. When you can't do this you feel a failure. I don't feel this way anymore. We spend quality time and her care is successful.



Choice or Chore, Carers' Experiences of Direct Payments, November 2008

¹⁷ *Building Social Capital*, Mai Wann, ippr, January 1995

¹⁸ *Citizenship Survey: April 2008 - March 2009*, Department for Communities and Local Government, July 2009

¹⁹ *AA: Addicted to addiction*, Ed Halliwall, The Guardian, 28 April 2009

²⁰ *Getting Help and Support in Your Caring Role*, Hazel Morgan, National Family Carer Network, June 2007

²¹ *Building Resilient Communities: From Idea to Sustainable Action*, Risk & Regulatory Council, DBIS 2009

Our second building block, then, is to turn the service-centric model of ‘public services’ inside out, and place self-help and mutual aid (in other words, community) at its heart. We can then see people not as “service users”, but as service helpers and change agents.

2.3 Building block three: ‘can do’ - building and mobilising people’s assets

At its heart, personalisation is about people, both individually and collectively, taking control and this means that we must help people to realise, mobilise and build their own emotional, financial and intellectual assets over time.

All of us experience a sense of control and self-direction as a good in and of itself. In the words of Nobel-Prize-winning economist Amartya Sen “we not only value living well and satisfactorily, but also appreciate having control over our lives”²². But, ‘can do’, is also an immensely important and powerful means. For instance, Michael Marmot has shown the remarkably consistent correlation between levels of status and self-control and levels of health and morbidity.²³ Such findings suggest that the development of ‘can do’ should become a primary goal of government as well as for campaigning third sector organisations and social movements.

Emotional assets: promoting a ‘can do spirit’

Some of us – through both our genes and our upbringing – have a strong sense of ‘can do’ spirit, and are naturally ready for the opportunity that greater control over the money spent on our services presents, but many others are not. “I am worthless”. “I will screw that opportunity up”. “They are bound to see me as useless”. If we could hear inside the heads of the millions of people who are touched by the public service system, these are the sorts of messages that we would hear. The tragedy is that much of the dominant mode of public service delivery systems is locked into a culture that makes this experience of learned helplessness worse rather than better. An approach that starts by treating people as empty vessels to be filled up, that sees people, families or communities as a set of deficits to be corrected, that ‘does to’ and ‘processes’, makes the long-term psychological mountain to be climbed still higher.²⁴

There is good evidence that with appropriate support, it is possible to foster a more positive psychology.²⁵ Here our belief in the importance of community life and in the importance of individual ‘can do spirit’ are mutually reinforcing. Self-help and mutual aid provide many of us with the supportive context to find our feet. There is a role to be played by: self-help groups, support circles, study circles, formal education, coaching, cognitive behavioural therapy, action learning, business planning, faith, prayer or meditation and many other approaches. If we are going to devolve budgetary control to people on any scale, it will be crucial for this kind of support to be made available for the fruits of personalisation to be fully realised.

²² *Development as Freedom*, Amartya Sen, 1999

²³ *Status Syndrome: How Your Social Standing Directly Affects Your Health and Life Expectancy*, Michael Marmot, Bloomsbury, June 2004

²⁴ *Building Communities from the Inside Out: A Path Toward Finding and Mobilizing a Community’s Assets*, John P. Kretzmann, & John L McKnight. Evanston, IL: Institute for Policy Research, 1993

²⁵ *Authentic Happiness: Using the New Positive Psychology to Realize Your Potential for Lasting Fulfillment*, Martin Seligman, September 2002

A Person Centred Approach

Doris's Story

Doris Carpenter was 84 years old and living alone in a one bedroom maisonette in Enfield when she began was referred to the Older People's Team at Enfield Council. She suffered with arthritis and, since her husband had died, often felt very low and anxious. The Council used 'person centred thinking' using what was really important to Doris to assess the support she required. In particular, they ensured that Doris was included in all these discussions and that she set the pace of decision making.

'I am always rushed to make a decision and people don't listen to me... Sometimes I am not treated like a person because of my age.'

One of the first changes that helped Doris get back her sense of control was to change the times when people visited her to talk through her arrangements and assessments from the morning (when her medication often made her drowsy), to the afternoon when she was able to contribute more. Taking a more proactive approach Doris was able to choose a new flat to move into, get her correspondence re-directed, open a new bank account with direct debit facilities and draw up a plan to improve her flat and make it feel like her own home. Funding was agreed for a floating support worker to help Doris understand how to manage her finances- a role her husband previously took on- and began attending dancing classes with her social worker. Summarizing the improvement in the support and care she currently receives, Doris said, "I needed alot of help to get back to my normal self...They (previous care staff) rushed things far too much... I don't feel rushed with you. You understand me better and I feel you are listening to me. The way you worked with me has given me power and I feel in control".

Practicalities and Possibilities: Person-centred thinking and planning with Older People, In Control



Financial assets: capitalising the poor

Putting power over budgets in people's hands needs to be more than just an income transfer from 'better off' to 'less advantaged'. We need instead to help people build up financial assets. Whereas income transfers increase in a simple way, capital grows in a compound way. If we limit ourselves to income transfers, then, over the course of a generational cycle the gap between the asset rich and asset poor gets wider.²⁶ Furthermore, increased capital and thus increased income surpluses amongst the rich result in still greater investment in other intangible assets that are increasingly important in contemporary economics (knowledge and skills, culture, social connections) and these assets work not just in a compound but in a network way to increase income, wealth and 'can do' not just by a small percentage but by many times.

²⁶ *Wealth Distribution - the Evidence*, Will Paxton, Centre for Asset-based welfare, IPPR, September 2002

Pioneering work in this area (for instance, by Michael Sherraden and Mark Schreiner²⁷ or with the Savings Gateway pilots²⁸) suggests that people need to plan ways of building capital, but that if they are helped to do so, then even the very poorest can begin to put money to one side. It is essential that in our efforts to personalise services we learn these lessons and develop measures that are asset building, or the social gap and thus the social problems we face will be even greater.

Intellectual assets: a lifelong learning revolution

Of all the asset-building that we need to include in our armoury, by far the most critical role is performed by education. There is abundant evidence of the protective value of education in the social arena in terms of promoting health (physical and mental), safety and social engagement²⁹. Keeping our brains active in our 60s and 70s, for example, helps reduce the risks of forms of dementia or accidents. There is also stark evidence of the costs that follow poor education: 60% of the prison population is said to have difficulties with basic literacy skills³⁰ and poor numeracy skills in adults have been shown to result in increased likelihood of long-term unemployment, depression and low levels of self-esteem.³¹

Our sense is that a revived movement to promote lifelong learning should be at the heart of a new asset-building strategy accompanying personalisation. Lifelong learning builds the foundations of 'can do' spirit; it gives people a sense of meaning, purpose and enrichment. Fortunately these benefits are not lost on people. The government's ill-fated Individual Learning Account programme (for all its failures of system and design) demonstrated the appetite for learning amongst a wide range of disadvantaged groups³². As personal budgets become more widely used we therefore expect that lifelong learning will be one of the notable winners.³³

Risk-smart, prevention-focused asset-building

Assets are critical in allowing and supporting us to achieve a forward perspective on life. It is however the capacity of assets to help us withstand shocks and set-backs that is of the greatest importance. Savings help people cope with the proverbial rainy day. Insurance prevents a short-term crisis from turning into a lasting disaster.³⁴ Asset-focused interventions that accompany personalisation need therefore to be risk-smart, looking not just – as so much current practice still does – at simplistic, static, short-term categories of need, but in a forward-looking, more actuarial way at the range of risks or future needs that may lie ahead and seek to prevent them.

Our third building block, then, is that personalisation must be accompanied by a renewed focus on building up the emotional, financial and intellectual assets of service users, in a risk-smart and preventative way.

²⁷ *Can the Poor Save?: Saving and Asset Building in Individual Development Accounts*, Mark Schreiner & Michael Sherraden, Transaction Publishers, December 2006

²⁸ *Final Evaluation of the Saving Gateway 2 Pilot: Main Report Research Study*, HM Treasury & Department for Education and Skills, May 2007
Incentives to save: Encouraging saving among low-income households, Final Report on the Saving Gateway Pilot Project, Personal Finance Research Centre, University of Bristol, March 2005

²⁹ See example *Understanding the Social Outcomes of Education*, Tom Schuller, OECD, Jul 2007

³⁰ *Literacy Changes Lives: The Role of Literacy in Offending Behaviour*, Christina Clark & George Dugdale, National Literacy Trust, November 2008

³¹ See example *Changing Faces of Adult Literacy, Language and Numeracy: a critical history*, Mary Hamilton & Yvonne Hillier, Trentham Books, Aug 2007

³² *3000 Individual Learning Accounts: A Consultation Exercise on a New ILA Style Scheme*, Department for Children, Schools & Families, April 2002

³³ *Learning Through Life: Inquiry into the Future for Life Long Learning*, Tom Schuller & David Watson, NIAACE, April 2009

³⁴ *Equal Shares?: Building a progressive and coherent asset-based welfare policy*, edited by Will Paxton, iipr, July 2003

2.4 Building block four: a cultural revolution on the supply side

As we have said, in giving primary emphasis to self-help and mutual aid we do not of course intend to suggest that people can address the entirety of their problems through private or informal support and still less on their own. The state will still need to fund a wide and increasing range of support services. These services will however need to be configured and delivered in a different way: more respectful and supportive of self-help and mutual aid than they have in the past, concerned with co-design and co-production, more innovative and flexible, more tailored to individual needs, interests and capacities, and based on a different set of relationships between commissioner, provider and service user. All this in turn has major implications for culture change within mainstream services.

We are very clear that this is not a simple matter but one of deep level change that addresses engrained habits of thought and behaviour as much as resource flows, systems or structures, and one that will require exceptional leadership at all levels.

Nevertheless, culture change is possible. We are capable of learning to see people differently. We used to think that the elderly were set on an inevitable track to residential care; now we know that the majority can live happily in their own homes, with support on tap. We used to think of dementia as “a living death”; now with early support, many people are recovering a ‘lost decade’. Perhaps most remarkably of all, people with learning disabilities have placed themselves at the very forefront of the moves to personalisation that concern us here.

Culture change begins and ends with relationships that allow us to see and treat each other differently. The most crucial of these relationships is that between professional and service user. Those relationships need to exhibit some central values: listening, respecting, treating everyone as their own person, expecting more. Public service professionals need to be equipped with the breadth of skill and experience and granted the latitude required to work with the grain of each person’s gifts and needs – as the adage goes, an expert on tap, not on top.

We do not then propose the dethroning of the professional. Quite the opposite; we need the best possible front-line, people-facing people we can get. This may mean employing fewer people who are better skilled, and it may involve cutting back-office bureaucracy, but a base of outstanding, highly-skilled professionals is critical. Just as critical is giving these professionals the space to work with citizens who are suddenly in control of their own resources. Power in the form of enhanced autonomy needs to shift not just to citizens but to front-line professionals also. This is not just about operational flexibility, it is also about putting in place the conditions for respect. We all understand that respect is reciprocal and that it is earned and proved by actions as well as words. But it also finds its foundations in trust, in a willingness to countenance the risk of failure. If we expect front-line professionals to promote a more respectful culture with citizens, so we must also offer them our trust.

Empowering Frontline Workers

Jeanne's Story

Supporting people with a personal budget has felt more like social work as it should be. The allocation of funding up front is vital so that people can plan in an informed way. Personal budgets have opened up opportunities that are not available through traditional ways of care planning. There is more creativity and, I believe, better use of money. As a social worker, it has changed my working relationship with families. My role has been more about supporting families to find information, reassuring, guiding, passing on knowledge and enabling them to take as much control as they feel happy with whilst also managing risks. The result is: families have far more ownership of the chosen support arrangement and more confidence to adapt it over time.



Jeanne Hooper, Worcestershire Learning Disability Community Team
Doing it Your Way, The Story of Self-Directed Support in Worcestershire,
Worcestershire County Council & In Control, 2008.

Our fourth building block, then, is that personalisation must be accompanied by a revolution on the supply side of public services, a revolution that sees far-reaching culture change throughout the system and that frees up and empowers public service professionals.

2.5 Building block five: genuine social markets

The last few decades have seen the introduction of quasi-markets into public services. We believe that direction of travel is the right one. However, the quasi-markets currently in operation clearly have their defects. Too often they are perverse; rewarding poor performance and failing to promote good performance.

Needs have been determined by people who are very remote from people's lives and, despite the opening up of commissioning to wider intelligence, for example through processes of Joint Strategic Needs Assessment and Comprehensive Area Assessment, even service delivery organisations struggle to find a voice in this process and the complex, diverse voices of service users are almost entirely absent.

Block-contracting has served to marginalise alternative, especially innovative provision and whilst it has resulted in notable year on year increases in funding for the third sector, the quality of funding involved – despite progress – has often been poor with thin or non-existent margins, major transfers of risk, onerous reporting and short timescales.

Block contracts keep power with the service provider organisation – not the front-line professional, still less the service user. And all provider organisations inevitably have one eye to their own administrative and operational convenience. They have salaries to pay, budgets to balance and – all too often – empires to grow. Top down directives can to some extent bend the pull of organisational self-interest, but such forces are remote, weak, quixotic and easily out-run: front-line staff and service-users alike are therefore bound to organisational interests. This is not to say that organisational interest is inherently bad, quite the opposite: systems must be maintained, people must be paid, budgets must be balanced. The major problem with it is the consequence for people who have no voice, choice or right of exit.³⁵

³⁵ *Exit, Voice, and Loyalty: Responses to Decline in Firms, Organizations, and States*, Albert O. Hirschman, January 1970

Where services are delivered in partnership, as is increasingly the norm, there will be a pecking order of influence and resource even within these structures. In total there may be anything between three and five or even eight layers of bureaucracy through which money travels until it is converted into something of value for a citizen, with all the administrative inefficiency that this entails.

The move to quasi-markets, then, has provided an important and necessary first step. But given their defects, what we need is to transform our quasi-markets (where services are bought for users by the state) into genuine social markets, where service users purchase services from a market regulated, stimulated and stewarded by the state, where power passes to the service user, and where good outcomes can drive out bad.

There is a need here for real precision. When we refer to 'social markets' we do not mean a simplistic move to individualism and still less a lurch to crass consumerism: social markets help create social (i.e. complex and often reciprocal) services. We do however mean a radical shift away from traditional models of resource allocation.

The stronger role for market forces that this change will entail will re-draw the map of public services. More organisations will fail more quickly than we have been accustomed to; mergers will become more common; some organisations will adapt in a smart way and maintain their position, still others, as yet unknown, will come from the margins and become household names.

What we have to ensure, however, is that when some organisations fail and others succeed it is for the right reasons: namely, that they succeeded or failed in making a real difference for people. We need to achieve a system where better results and superior services drive out bad. Smart, effective regulation will be crucial. There is a critical role to be played by information technology in ensuring that we can collect and analyse information about what people need and want, about the effectiveness of different providers as well as the relative impact of different solutions to problems. Above all, we need to put in place a system that can evidence the superiority of one approach over another in such a clear and compelling way that money and effort will then follow that better alternative.

Our fifth and final building block, then, is the creation of a new generation of genuine social markets, in which power shifts from commissioner and provider to service user, and in which good performance is rewarded and invested in and poor performance driven out.



3. Making It Work

Thus far this report has considered key themes and principles; we turn now to practicalities. How can a system of personalisation based on the five building blocks outlined above be made to work?

3.1 The challenge: system change

What we have in view here is system change, not incremental change. Founded upon a transfer of power from state to citizen, that system change will produce a series of disruptive consequences. It also carries risks. Furthermore these are risks with interdependencies: issues unaddressed in one area have knock-on consequences in others. One example of just how fast risks can multiply lies in the government's ill-fated Individual Learning Account programme³⁶, which failed to provide proper advice, brokerage or quality assurance, leading to significant instances of poor or fraudulent services.³⁷

The top risks that we foresee are shown in Box 3:

Box 3 – The risks associated with personalisation

Service Users	Risks
	<ul style="list-style-type: none"> • Lack of reliable information, brokerage and quality assurance means service users are not offered genuine choice • Insufficient levels of appropriate supply leads to service users being unable to get the services they want • Unsatisfactory means of redress for service users means some receive a lower standard of service than previously • Lack of regulation means service users are vulnerable to becoming victims of fraud • Conflicting messages from service providers and public bodies leads to confusion about what's on offer • Those who opt out of managing a budget receive worse public services than those who take control of commissioning their own services through personal budgets • Insufficient safeguarding mechanisms leads to misuse of budgets • Service users are given responsibilities that they cannot or do not want to manage • Lack of support or a highly complex system leads to further exclusion for those already marginalised • A slow, clunky transition leaves a gap in service provision
Providers	Risks
	<ul style="list-style-type: none"> • Lack of capacity leads to providers being unable to offer appropriate services • Fluctuating demand makes it difficult to keep unit costs reasonable and manage cash flow • Lack of clarity from the Government about the timescale of the reforms prevents organisations from preparing and investing for change • Lack of commitment to personalisation among providers means that frontline workers are not given the necessary training to offer personalised services • Piecemeal reform means providers are unsure whether to market services to individuals or continue to bid for block contracts • Insufficient access to market intelligence creates uncertainty among providers about where to concentrate resources • Increasing regulation stifles innovation and prevents new providers entering the market • Lack of guidance and support for service providers leads to increased litigation

³⁶ *Individual Learning Accounts, 3rd REPORT – SESSION 2002-2003*, Parliamentary Ombudsman, April 2003

³⁷ *Evaluation of Individual Learning Accounts – Early views of customer & providers: National report*, Department for Children, Schools & Families, September 2009

State	<ul style="list-style-type: none"> • Personalisation is seen as a cost-cutting measure, leading to worse outcomes for service users • Poor integration of different personal budget allocations and high over-heads make the reforms too costly • Local Authorities fail to make the transition into their new role as market shapers • A two-tier market is created where the quality of services differ depending on if they are commissioned by individuals or through block contracts • No clear accountability framework may lead to the State stepping in with additional funding in cases where providers have failed to deliver an adequate level of service
System	<ul style="list-style-type: none"> • Piecemeal reform leads to multiple systems as well as reporting requirements • Key players are unclear about the roles they play within the new system • Regulation fails to keep pace with the changes social markets will introduce, restricting the services offered by some organisations • Multiple commissioning structures lead results in quality in services • The introduction of markets for public services results in greater complexity and reduced accessibility to services. • Lack of clarity on legal roles and responsibilities leads to a costly minefield of litigation • Protracted implementation creates an unwieldy and ineffectual system which impacts on public support for the overall reforms

3.2 Mitigating those risks

To effect the system change outlined above successfully, and to mitigate the risks involved, we believe we need:

- a new legal framework clarifying roles, rights and responsibilities of key actors. This framework would amount to a new social contract between citizen and state;
- a variety of interventions, covering capacity of providers, engagement of people and communities, duties of care and resource allocation by government, investment, support and leadership for change, as well as forms of market intermediation such as the provision of information, advocacy or brokerage. These interventions should form the cornerstones of new social markets.
- implementation and the pace of change overseen by visionary central government.

Figure 4: A new social contract



3.3 A new social contract

The system change we envisage would change the relationship between citizen, community and state, giving people different – and sometimes entirely new – roles, rights and responsibilities. If we are to avoid some of the risks outlined above, it is essential that people are clear about those roles. It is essential too that we ensure a real transfer of power from state to citizen.

3.3.1 A 'right to control'

The first step of reform should therefore be to expand significantly the scope of the Government's proposed 'right to control' (see Box 4) so that the pilots planned for 2010 give a broader range of people greater control over a wider range of budgets

Box 4 – The Government’s ‘Right to Control’ pilots

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

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

The starting principle for the new, broader right to control that we are proposing should be that wherever possible control over budgets should pass to, or as close as possible to, the service user. In deciding what level of control to devolve to whom, the state should ask two fundamental questions:

1. Does the service user want to achieve the same outcome as the public funding in question is being spent to achieve (e.g. employment, good health)?
2. Does the service user have the knowledge, skills and capacity to achieve that outcome if given control over his or her own budget for it?

The answers should shape:

1. The degree of control the individual is given over which budgets (see Figure 5)
2. The package of support created to enable them to exercise that control (see Figure 6).

An unemployed person who does not really want to get a job should not be given control over their welfare-to-work budget, but might be able to control their social care budget, and should not stop those who do want to work from having a greater say over the support they receive to get back into work. A child with learning disabilities might be given a social care personal budget, but with the budget directed primarily by his or her parents. Depending on the degree of expertise required in a particular service area, the choice available to budget-holders might be restricted to a menu of services known to be effective, or more control over the budget might be put in the hands of lead professionals (as, for instance, could happen with practice-based commissioning or in criminal justice).

Figure 5: Options available for individual budget holders

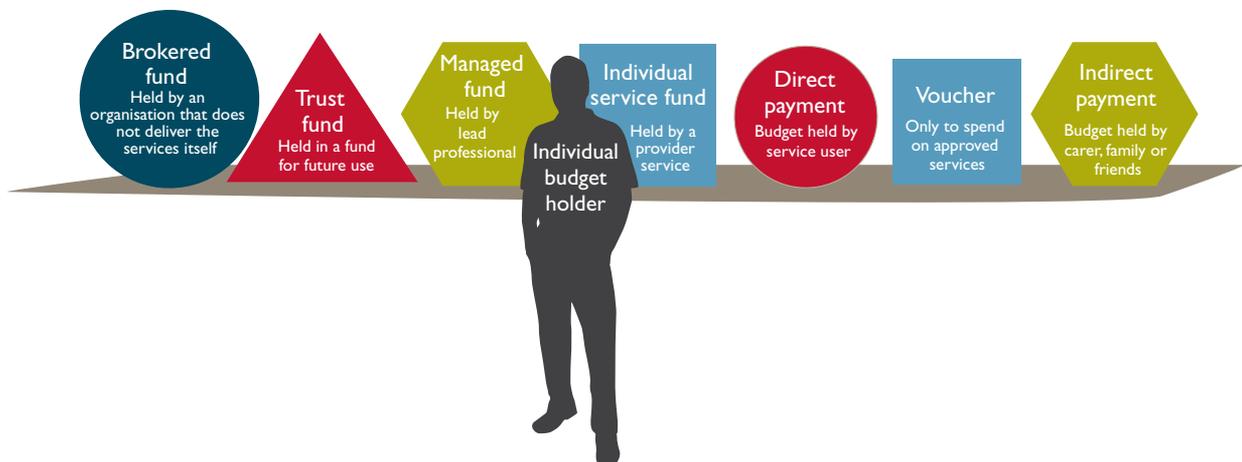
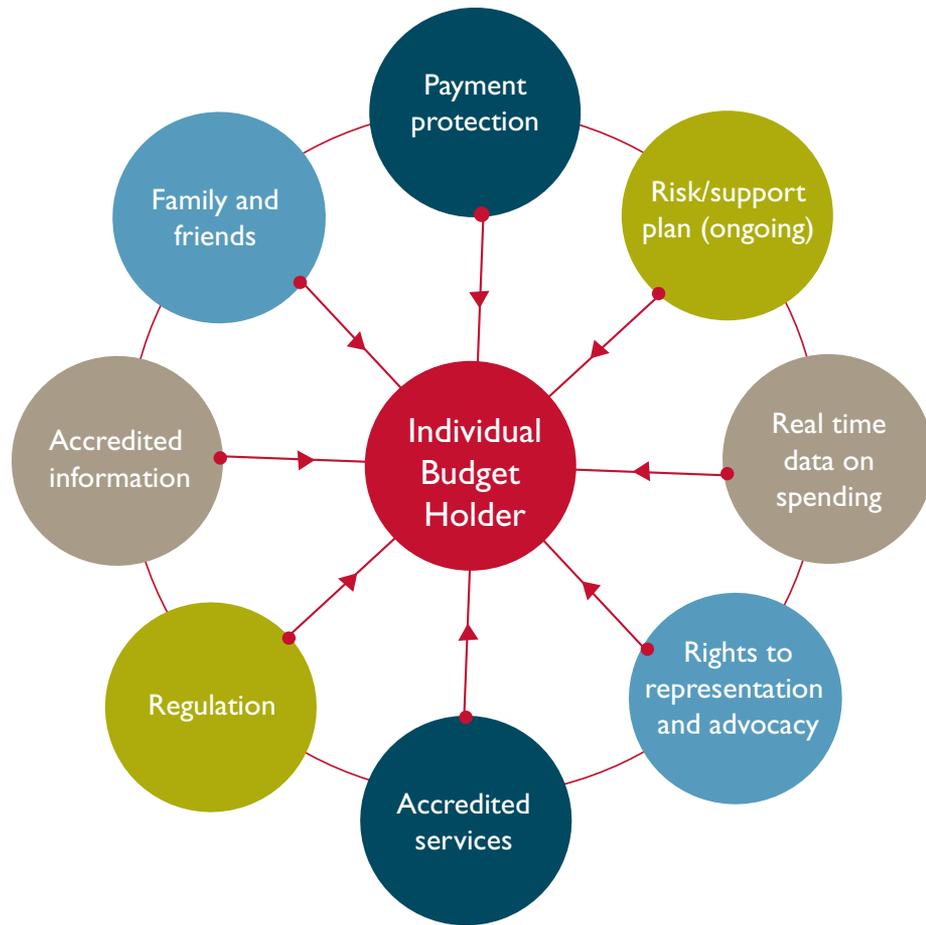


Figure 6: Package of support created to enable individual budget holder to exercise control



We recommend that the Government should introduce broad primary legislation for a 'right to control' that applies across a wide range of specified public services, setting out a framework for devolving budgetary control towards individuals across the public service spectrum and across the range of people using services.

3.3.2 A right to opt for state-directed support

A 'right to control' is, of course, not the same as a duty to control: any imposition of personalisation upon people would be a contradiction in terms. People should be free to opt for the state to continue to direct their support – as many older people, for instance, seem likely to do at present.

We recommend that a new right to control should allow service users to opt for the state to continue directing how money is spent on their services.

This should not preclude them from receiving personalised services, or mean that they receive 'residual' services. The Commission intends to look at this further over the coming year. For instance, we will need to ensure that there is sufficient diversity of supply to allow services to be tailored to individual needs, and that individuals have access to advocacy services.

3.3.3 A right to information, advice, brokerage and representation

There is a clear risk that devolving budgetary power to or towards individuals could fail to have the intended effect because those individuals lack the knowledge or the capacity to use their budgets effectively, leaving quality of provision stagnant or in decline, and increasing the potential for fraud on the part of providers. We therefore believe that besides conferring basic budgetary control, the right of control should enshrine:

- a right to information, advice and brokerage, making it a statutory duty for public sector agencies to ensure that information, advice and brokerage were in place
- a right of representation, enabling citizens to employ advocacy services to improve the treatment they receive, to seek independent review of their budget level and to seek approval of any plans or proposals for budgetary control that have been rejected by the public sector agency in question.

We recommend that a new right of control should enshrine a right to information, advice and brokerage, and a right of representation.

To protect and promote these rights, independent advocacy must be made widely available and should be regulated to ensure high standards are maintained. Many third sector organisations act as advocates, and there are numerous examples of best practice in this area that can be built on, such as the Older People's Advocacy Alliance (OPAAL) (see Box 5).

Box 5 – Advocacy in action

The Older People's Advocacy Alliance (OPAAL) has over 200 members working to ensure independent advocacy is available to older people. They operate on a strategic level to challenge commissioners to establish sustainable funding regimes to provide independent advocacy, develop the evidence base for independent advocacy and offer advocacy services to isolated older people. They also run regional projects, reaching into care homes to understand the challenges facing local older people and their advocates.

"The advocate was a friend at my elbow. The advocate steadied my ship against their armada. At one stage he [the advocate] stopped the meeting in concern for my wellbeing. He was a prop – a stabilising influence ... It helped with a feeling of not being isolated."³⁸

³⁸ *Commissioning Independent Advocacy for Older People: An information and discussion paper from the Older People's Advocacy Alliance (OPAAL) UK, July 2007*

3.4 New Social Markets

Personalisation will only work for people, and the risks outlined at the start of this section can only be mitigated, if we build genuinely social markets able to meet the needs of service users. Success will entail interventions across the system, with new roles for the state, providers, the community and individuals, and with new roles being played by a variety of actors intermediating between all of the above. We outline the cornerstones for the new social markets needed below:

Figure 7: New Social Markets



3.4.1 Leadership, market-shaping and investment

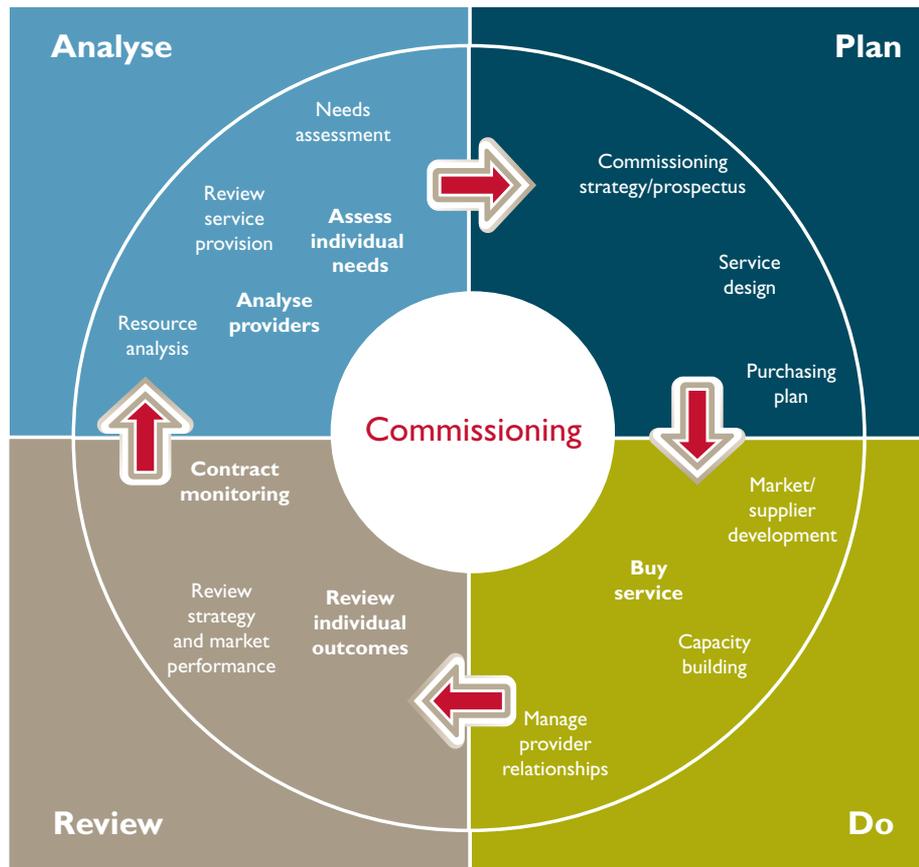
A new role for the local state

We believe the local public sector – the Local Authority as first among equals within the Local Strategic Partnership – will have an important new role to play as system leader and market shaper. That role would include: setting the level of all personal budgets; ensuring (under our proposed new social contract) that people have access to the information, advice and brokerage they need in order to make sound decisions; spotting and pump-priming gaps in local service provision; controlling providers’ access to markets; and ensuring that people have personal plans in place and reviewing their progress against them. But it would also involve jettisoning other roles, in particular direct service provision and to some extent procurement, with much purchasing power devolved to citizens, their support networks or lead professionals.

In effect this shift will represent an acceleration of a trend already underway, particularly amongst local authorities, whereby the public sector moves away from direct provision or narrowly-defined procurement, and towards intelligent commissioning and 'place-shaping'. The result will be local public bodies that are leaner, but also more powerful and legitimate in their role as citizen champions.

A key part of this shift will come from a redesign of the current commissioning cycle and the planning processes that support it. The conventional cycle of commissioning works as follows:

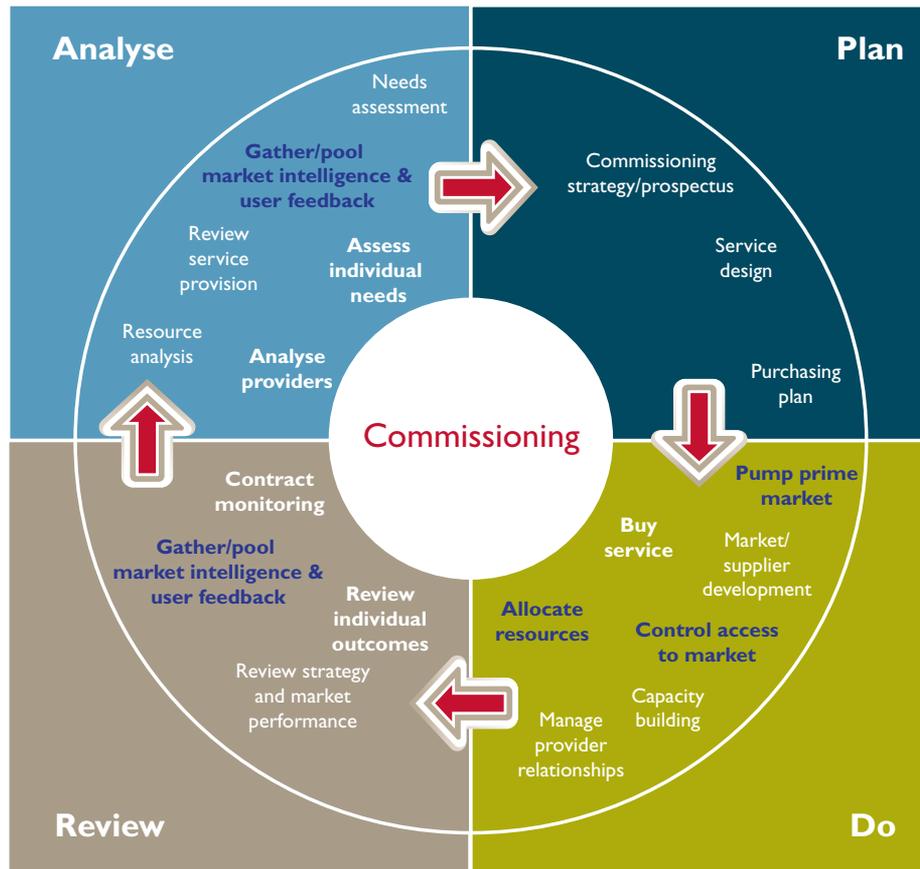
Figure 8: Current commissioning cycle



The essence of this cycle needs to be maintained, but with a major opening up to sharing of experience, learning and data between service users, providers and government officials.

Image: new cycle of ‘social market shaping’: traditional commissioning cycle but with important differences in terms of how need and provision are mapped, greater emphasis on resource allocation and pump-priming alongside continued purchasing, greater use of and spreading of service user feedback in review of performance.

Figure 9: Commissioning for ‘Social Market Shaping’



A number of changes are particularly worth noting here:

The role of gathering market intelligence is critical, allowing public agencies and social investors to pump-prime the development of key services that are missing. It should also educate providers about the range of needs to be met, which is essential for organisations to be able to plan their capacity and manage cash flow, as well as prioritise the resources they invest in product/service innovation. It is a role that should be undertaken in a far more open way, pooling data from many different sources (including information from providers, customer feedback and self-generated content), and making more data freely available.

We recommend a guarantee of free access to public data, including access to gross and per-capital local spending in every area and, in keeping with data protection legislation, access to all data that can give insights into people’s needs and wants.

The role of pump-priming the supply-side is critical: it is one thing for people to have the power to choose, it is quite another for there to be appropriate variety from which to select. Ensuring appropriate provision of information and advice will also be crucial: without it, service users will not have the power to drive change in supply. The experience of self-funders of social care is instructive here, with many carrying on paying for and receiving quite traditional and often inadequate services, either because better alternatives do not exist, or because people lack the information and advice to find them.

Having devolved much of the purchasing or procurement power to or towards individuals, public agencies should take the lead in controlling suppliers' access to markets. We favour a carefully-paced transition over the course of a few years from a relatively open but mediated model (with access to the market open to approved providers who meet certain threshold test) to a truly open market (where controls on access to the market are replaced by clear information systems and effective regulatory control). Local public sector agencies should be looking to move in the direction of genuinely open markets from the outset, but we cannot reach this destination quickly and efforts to do so would create unacceptable risk and potentially throw the whole reform effort into question.

Taken together these changes represent a significant role shift for the local state, one which will require new skills and competencies.

We therefore recommend central government issue guidance to local public sector agencies on commissioning in the context of greater personalisation and a new right to control.

We recommend that current public sector transformation programmes, such as the Total Place pilots and training for commissioners, should give central emphasis to the implications of personalisation.

Strategic local oversight

If citizens are to get the services they need, and if we are to realise the potential efficiencies associated with personalisation, it will also be essential that local public sector organisations implement the shift outlined above in a co-ordinated way. We therefore believe that local authorities (working with and through the Local Strategic Partnership), should have strategic oversight over the devolution of budgets to or towards service users across the service spectrum. It should be said that in our consultations to date many have counselled against these proposals for a pivotal role for Local Authorities on the grounds that they could be too slow to adapt, too likely to hold on to former powers and roles and too culturally opposed to the nature of reforms proposed. We disagree. Markets of the sophisticated kind that we need to build cannot be left to chance. They need to be grown and shaped and we believe a democratically elected local body should take on this role. We believe Local Authorities will be willing to lead by stepping back – releasing themselves from one set of roles in order to take on another.

We recommend all local authorities should lead local public sector agencies in convening local taskforces of customers, providers and commissioners to consider the implications of personalisation and to plan ahead for system-wide implementation

Regulation

Good regulation will also play a critical role in addressing some of the risks associated with personalisation. Putting in place an effective level of protection and assurance for those using services will be vital to the success of the new system.

That said, it is important to approach the issue of regulation with the understanding that, by its definition, personalisation entails some transfer of risk from the state to the individual. One advantage of market systems is also that to a certain degree they substitute bottom-up pressure for top down directive. These should be reinforced by harnessing the power of new technology to give a greater prominence to user generated feedback on services and by pressing regulators to make their reporting systems accessible in both format and language.

Government and regulators will also need to take account of the burden of regulation on new markets. It would be disastrous to move providers into a new system and expose them to new pressures whilst maintaining current reporting burdens. The overall burden of reporting must be cut. For organisations operating on margins of 0-3%, judicious reductions in regulatory and reporting burdens could well make the difference between a service continuing to be viable or not.

Beyond not being too heavy-handed, the regulatory framework should also be much more consistently applied than it is at present across different service delivery areas, with a key role for consumer feedback in ensuring quality control.

Starting from that basis, all of the current regulatory burdens imposed on local providers and public agencies should be reviewed from first principles. It will be crucial that Government, at both national and local level, works with the key regulatory bodies to shape the regulatory and compliance frameworks required for the successful implementation of personalisation.

We recommend that a Taskforce of all key regulators of different emergent social markets is established to set out a blueprint for a new regulatory regime which facilitates the new model of personalised services while still offering the necessary protection to citizens.

3.4.2 Demand

Personalisation of services will require a much more rigorous understanding and rating of need or risk. Currently we allocate resources poorly: for instance, in the area of Welfare to Work, resources are currently over-skewed to those with lower level needs (many of whom would find work anyway), whilst in Social Care there is the opposite phenomenon of “eligibility inflation”, with an increasing concentration of resources on those with the most chronic needs.

We need therefore to develop specific risk diagnostic systems to support a more robust and graduated segmentation of different populations so that the needs of different groups can be appropriately resourced. To do so, Government will therefore have to both invest in developing its own actuarial skill base and draw on the capacities of partners such as insurance companies. Smarter risk diagnostic systems should also be combined with greater latitude granted to front-line staff to make considered judgements on how to allocate resources to particular individuals.

Pooling resources at an individual level will also be crucial on the demand side of our new social markets. Individuals with complex needs may be entitled to a series of personal budgets - social care, welfare to work, education, for instance. We do not believe it would be desirable to have individuals balancing multiple budgets, but it may be possible for budgets to be pooled and managed by brokers or lead professionals. Over the coming year we will be working with external partners and Government officials to put forward a model that enables Government departments to remain accountable for their spending to the Treasury, but also offers an accessible, simple means for individuals to manage personal budgets for a variety of uses.

Innovative Use of Individual Budgets

The Care Services Improvement Partnership undertook a survey to find out how individual budgets were being used. In one example, a group of five people used their direct payments collectively to establish a creative arts group. The group currently employs two trained artists who work with a local mental health arts based charitable organisation. The artists work alongside the individuals providing ideas and motivating them to explore their own creativity, helping them turn ideas into reality. All five budget holders report improved morale, emotional stability and engagement with their local community.

Direct Payments in Mental Health: What are they being used for? Case Services Improvement Partnership, August 2007

3.4.3 Supply

Innovation and diversification: new products and business models

If personalisation is to result in real positive change for service users, significant innovation and diversification on the supply side will be essential, both in terms of new products and new business models.

There is significant potential for such innovation and diversification. For instance, figure 10 illustrates some of the organisational models that third sector organisations in particular could pursue.

Figure 10: Five potential roles for the third sector

Role	Service	Revenue model
Community development	<ul style="list-style-type: none"> • Delivery of a wide range of local activities and services 	<ul style="list-style-type: none"> • Micro-commissioning by local panels • Management fees from co-location of services • Charges to personal budget holders • Local Area Co-ordinators
Citizen champion	<ul style="list-style-type: none"> • Independent information, advice, advocacy • Brokerage Services • Bulk-buy • Fund management 	<ul style="list-style-type: none"> • Membership fees – contributed by personal budgets • Charges for added value services • Pump-priming investment • Note: significant use of ICT and peer review by service users to cut costs
Lead body	<ul style="list-style-type: none"> • Co-ordinating the delivery of services across smaller providers • Ensure individuals receive joined up services • Provision of market intelligence • Capacity building • Receipt and accounting • Potential role in supporting cash flow of providers 	<ul style="list-style-type: none"> • Management fees – received as a percentage fee of funds managed on behalf of a network of providers • Results fees – where providers are being funded on a part-results basis an additional results fee could be taken • Note: ideally any service delivery role a 'Lead Body' organisation plays should be operated by a separate arm or subsidiary
'Tied' adviser and provider	<ul style="list-style-type: none"> • Non-independent information and advice • Campaigning and representation • Brokerage services to non-directly provided services • Provision of services 	<ul style="list-style-type: none"> • Charges to personal budget holders • Some access to early pump-priming investment – but note priority given to truly independent information and advice
National/local provider	<ul style="list-style-type: none"> • Provision of general or niche services on an independent, competitive basis 	<ul style="list-style-type: none"> • Charges to personal budget holders • Some tapering of existing contracts over 1-3 years to support transition into a retail market

There is also scope for the development of exciting new products on the supply side. For instance, personal budgets represent the starting point for the emergence of a wide variety of new specialist financial products, such as:

- a savings product, into which a percentage of any under-spend on a personal budget at the end of the year could be swept, allowing people to build up assets to protect against the proverbial ‘rainy day’ as we outlined in section 2.
- credit products, allowing individuals to secure loans against a certain percentage of ongoing personal budget values in order to make lumpy capital purchases (which might be related to career development, enterprise start-up, property modifications or equipment, for instance)
- insurance products, allowing individuals with fluctuating conditions such as mental illness or diabetes to insure themselves against an occasional relapse or crisis in their condition. At present support for these kinds of relapse is commonly provided too late and offers little meaningful control to service users, inhibiting people from leaving the security of current services and reintegrating with wider society. An insurance product could allow people to draw down a package of support, when and how they wanted it, but would also incentivise them not to use the services when there wasn’t an immediate need.

This kind of innovation and diversification on the supply side will be necessary if personalisation is not to end up leading to ‘more of the same’. We are therefore encouraged by the scope we have seen for such innovation, some of which we have attempted to illustrate above. However, we believe many of the new products and organisational models we have outlined above will require pump-priming.

For instance, if the government were to transfer the current capital base of the Social Fund of some £1 billion off balance sheet and permit its use as collateral for bond issues, it would be possible to leverage this sum by more than three times, making possible the supply up to £3 billion of credit at any one time to personal budget holders.

We recommend the Government take the Social Fund loan book off balance sheet to catalyse new forms of personal finance linked with personal budgets

Similarly, we believe some of the organisation types outlined above are likely to require pump-priming, such as those related to the provision of information, advice, brokerage and representation.

We recommend that trusts, foundations and government funding streams give priority to developing such organisations – especially those delivering independent information and representation.

Third sector capacity

One of the key risks in the successful implementation of personalisation is that providers might not have the capacity to respond to change. From our consultation to date (see Box 6) it is clear that most third sector providers do currently lack vital elements of capacity required to take full advantage of new social markets. The outstanding gaps are as follows:

- Lack of clear strategic direction
- Lack of capacity relating to marketing (gathering market intelligence, marketing services to potential customers)
- Poor pricing practices
- Pressures on working capital
- Challenges of work-force reform
- Poor understanding of legal issues relating to personalisation
- Weak ICT infrastructure

Box 6 – Third sector capacity

In order to gain a snapshot of the current readiness of the third sector for the challenges of personalisation we carried out surveys of both delivery organisations and second-tier support organisations. Only 29.3% of delivery organisations felt that they were ready for personalisation, whilst 35.4% said they were unprepared. Just as notably, 35.4% were unsure whether they were ready, reflecting a clear need for greater knowledge and clarity about policy in this area.

Whilst respondents clearly saw personalisation as a key strategic issue – 38% classed it as very important – the results suggest that the response to change is strongly pragmatic and driven largely by external factors: only 11% declared a strong desire for personalisation. Proactive leadership for change (Board, CEO and Senior Management) is the exception rather than the rule in most organisations.

Nevertheless, a clear majority of respondents saw major opportunities ahead, whilst only 5.9% classed it as a major threat. Providers see themselves as culturally suited to personalisation, with good relationships with users and a good understanding of their likely needs. They also believe that they empower front-line staff to work with customers in a flexible way; however the results suggest that in many cases this is not currently backed up by effective training or other tools such as use of information technology.

There is clear consensus amongst both providers and support organisations around some central support needs, including policy clarity (24.4%); marketing (17.9%); financial issues such as pricing (25.6%); workforce issues (15.4%) and legal issues (16.7%). Organisations also anticipate increased pressures upon cash flow, suggesting a requirement to increase financing for seed and working capital.

All of these areas are hugely influenced by lack of clarity and consistency in the external marketplace. Provider capacity-building cannot therefore be stand-alone, attempting to compensate for dysfunctionality in the system, but must be accompanied by intelligent re-design of the system as a whole. Next to that system re-design, to bridge the provider capacity gap, we see a need for:

- third sector capacity-building programmes to include greater focus on personalisation;
- providers to collaborate to build capacity;
- social investors to focus more on the implications of personalisation;
- new approaches to free up providers' access to assets.

We recommend Government funding for capacity-building, such as that provided through Change Up, should address key capacity blockages relating to delivery under a system of personalised funding mechanisms, such those listed above.

We recommend third sector support organisations such as ACEVO and NCVO build third sector awareness of the challenges and opportunities presented by personalisation, and provide services to third sector organisations to help them meet the challenges associated with a move to personalisation.

However, in our view, the third sector's capacity gaps relating to personalisation are unlikely to be met solely through a mass programme of individual capacity-building, which would be highly costly. Delivery organisations should work together to build their capacity through consortia, shared service models, joint ventures or merger. Variants on a shared service

model could be used to support pricing, invoicing and receiving payments, as well as support the pooling of marketing costs and activities.

Social investors such as The Social Investment Business and Social Investment Scotland also have a key role to play.

We recommend social investors such as The Social Investment Business develop a range of services and products including those relating to working capital, investment in consortia and mergers, investment in / leasing of ICT systems, growth capital, and investment in shared services.

Another important risk associated with the devolution of budgetary control to or towards service users is that if there is inflexibility in providers' access to capital, then more open and dynamic social markets will take far longer to materialise. In particular, there is a vexed issue of access to land and property. If, for example, we want to create new school provision to cater for greater individual choice, then we will have to build new schools at great cost. Meanwhile other schools, including some that are failing or struggling, benefit from historic investment of many millions. It is a problem that is only likely to be exacerbated in the near future as a result of the credit crunch and its consequences.

Rather than off-loading assets to different providers, we propose exploring a new approach: to create new arms-length companies that develop and manage assets for public benefit over the long term. On top of this, social investors such as The Social Investment Business could issue bonds to capitalise the works necessary to lease modernised, fit-for-purpose assets to a wide variety of players in the social marketplace. This would be a new Social Finance Initiative, offering low cost finance for social benefit.

We recommend local public sector agencies and social investors explore ways to open up the supply of capital investment into new vehicles that can ensure access to land and property to new services – such as new schools – in the future.

3.4.4 Intermediary tools

If personalisation is to be a success and many of the risks we identified at the start of this section are to be avoided, we will need a number of intermediary 'tools' (information, advice, brokerage, payment systems, legal frameworks) to ensure newly-created social markets function well.

Information, advice and brokerage

All markets require excellent flows of information in order to function well. There are three key questions here which we will be exploring further over the coming year, namely: how should the provision of information, advice and brokerage be funded? How should it be regulated? What is the role of technology?

- **Funding:** The issue of how information, advice, brokerage and advocacy should be funded is contentious. Options include the public sector commissioning independent organisations to provide services, or allowing individuals to use part of their personal budget to pay for their choice of provider of information or advocacy services. We will be exploring this issue in more detail in the coming year. We do however see a clear need for public agencies to pump-prime the provision of information and advice as part of their market making and

shaping role. In particular, Local Authorities should give early priority to funding independent advice, on the basis that independent advisers, uncompromised by any conflicts of interest, will help to drive up standards and expectations in respect of information, advice and brokerage across the market as a whole.

- **Regulation:** The provision of information, advice and brokerage must also be well regulated, particularly in order to avoid conflicts of interest. The model that we propose is little different from that which the Financial Services Authority would apply to financial products. Most crucially, providers of information, advice and brokerage would need to determine whether they were to perform a tied or an independent role, and make that role clear to the users of their service.
- **Information technology:** Brokerage increases costs, but some of these can be reduced through information technology. Across the system, a range of models are developing which point to the enormous potential for information technology in this area. The Department of Health has committed significant funding to StartHere, a signposting platform somewhat akin to Yellow Pages entries within which organisations can promote their services; In Control has developed an eBay-like portal called Shop for Support³⁹; we see scope for other specialist and generalist business-to-customer portals, price- and service-comparison sites and for user-generated tools such as a social wikipedia acting as an inventory of social solutions. It is clear that there will be a cost attached to the development of such models. We believe the government should fund an independent social technology lab tasked with commissioning, co-developing, scaling and promoting a wide range of tools that could then be adopted on an open-source or licenced basis by a range of local and national organisations.

Activities Unlimited

In July 2009, Scope and Suffolk County Council launched 'Activities Unlimited' – a new web based brokerage service aimed at ensuring disabled children and young people in Suffolk have access to short breaks and social or leisure activities. This service maps the provision of short breaks across Suffolk, identifies any gaps in the market and proactively seeks out activities and short break providers to add to the Activities Unlimited database. Staff have established regular consultation sessions with local disabled children and young people to ensure they have up-to-date information about existing activities and can also respond to changing needs and interests.

'Activities Unlimited' is effectively shaping the market by matching the requirements and aspirations of disabled children and young people to as many short break leisure and recreation opportunities as possible. The brokerage arrangement ensures that there is appropriate demand to meet the supply.

Scope conducts quality assessments of different short break providers and has a robust quality control mechanism that can be applied across providers and activities to ensure they are safe, accessible and appropriate for different levels and types of impairment. As a result, visitors to the website have been able to choose to participate in activities as diverse as sailing, walking, swimming, dancing and drama at fully accessible venues or locations approved and accredited by Scope. Suffolk now has ten times more integrated play activities than last year.

³⁹ <https://www.shop4support.com> - Developed by inControl to help individuals manage their individual budget and book services.

We recommend that local authorities should give early priority to pump-priming independent advice.

We recommend that the Government should fund an independent social technology lab to commission and co-develop a range of tools to be adopted on an open-source or licensed basis by a range of local and national organisations.

Smart payments: utilising debit card functionality

Another way in which information technology could produce cost efficiencies is through smart payment systems. These could deliver benefits such as reductions in back-office and transaction costs, increased user friendliness, ability to pool budgets, providing audit trails for individual transactions, supporting budget planning (with alerts to carers or support managers, for example when individual budget headings have been under- or over-shot) with increased access to data.

All of these benefits could be achieved for modest upfront investment in new systems, and would more than pay for themselves through the major cost-efficiencies gained. From our early conversations with leading providers we believe there would be a willingness to lease point-of-sale equipment to smaller providers at low cost. But we believe Government has a role in supporting the development and introduction of such payment systems into the market in a way that ensures they genuinely serve individual users' interests, and promote competition between providers rather than excluding smaller providers.

Kent Card

Kent County Council have introduced a 'Kent Card', developed in partnership with Royal Bank of Scotland, as an extension of the Direct Payments scheme. It replaces a paper, cheque or cash based system, giving greater control to individuals and removing the need to negotiate the opening of a bank account. The card is regularly loaded with the amount agreed to meet the cardholder's identified eligible need, but this can be topped up with additional money or assessed contributions as required.

Kent County Council have identified some of the benefits as:

- Cash withdrawal facility (on request)
- Additional cardholder facility for nominated persons
- Widely accepted in the UK and worldwide, including online and over the telephone
- Easily auditable (non cash only)
- Improved cash flow for providers as payments are received within 3 - 5 working days
- FastCash - to pay directly into an individual's bank account (i.e. for Personal Assistants)
- CHIP and PIN protection

We therefore recommend that Government should develop a range of 'best of class' requirement specifications for payment systems, against which service providers could tender.

We recommend local public sector agencies should set an early timetable for moving on to smart payment systems and agree terms that ensure the leasing of point-of-sale equipment to third sector providers at low cost.

Common legal frameworks

One of the risks associated with a move to devolving budgetary control to or towards service users is that a lack of clarity over legal roles and responsibilities leads to a minefield of litigation. We are already starting to see local authorities creating rival versions of key legal documents, which could lead to unnecessary cost and confusion. To mitigate this risk we see much potential in the creation of a set of common legal templates and toolkits, which could include:

- a standard contract/licence between local public agencies and accredited providers;
- standard contracts to support the devolution of power from state to budget holders (including individual service users, guardians, broker organisations, lead professionals);
- standard contracts to support direct agreements between an individual and a provider and a broker and a provider on an individual's behalf.
- advice and documentation compliant with current employment directives to support individual service users acting as employers.

We recommend a set of common legal templates and toolkits be created to clarify the legal basis of personalisation and make it easier for agencies, providers and service users to implement personalisation.

3.4.5 Co-production

We are excited by the potential for personalisation to lead to a new spirit of mutuality. This should guard against the risk that devolving budgetary power to individuals could lead to an excessive consumerism and individualism that we believe would be unsustainable in the long term. It would also enable service users to act together to get more out of their money and to be active members of their communities. But for that potential to be realised, we will need to invest in building social capital and giving people the platforms to act together. Models for doing so include:

- 'Community Micro Commissioning', whereby a panel of local people, councillors or service users awards small grants to support a variety of self-help and mutual aid-focused activity. Such panels could be capitalised by local public agencies and by sweeping a percentage of unspent personal budgets into them.
- 'Local Area Co-ordination', first pioneered in Australia but now being translated into the UK, where local development workers allocate modest levels of funding and support for a variety of people who have lower-level needs that would not normally entitle them to a personal budget. This model has great potential to work in tandem with the approach to micro-commissioning outlined above, and could be combined with a focus on early, preventive support to reduce the risks of more costly support in the future.
- 'Community Hubs'. Over the past 15 years there has been growing interest in 'Community Anchor' Organisations such as development trusts, social action centres or community

centres, that act as anchors within the local community – offering a physical base to meet and a range of locally accessible activities and services. The next logical step is for Community Anchors to co-develop and manage full-blown Community Hubs, with the co-location of a variety of public services.

In all these models traditional third sector organisations have an enormous role to play in facilitating community action and bringing developments to fruition.

But it is not just individual service users who should benefit from strong communities rich in mutual aid and self-help. Staff working to provide services should too.

There can be little doubt that the implementation of new social markets will create turbulence in the labour market. Some lower level support activity (e.g. home support) may be undertaken in the future on a more casual base and we want to see an increase in the overall amount of self-help and mutual aid activity. Employees involved in customer-facing services may also need to adjust the hours and times they work. Personalisation could therefore be viewed by trade unions as a negative development.

There is another side to the debate and it amounts to more than asserting the principle that customers' interests should trump those of workers. One of the critical building blocks of the new system should be greater trust and latitude to front-line staff. These staff will need to be more professional, experienced and skilled than before, not less, and this will need to be reflected in pay and conditions. This is surely an agenda that trade unions could support and champion.

Meanwhile, staff required to work on a more sessional basis will need to organise themselves in different ways. This is already happening on some scale, with several local authorities moving to set up arms-length cooperatives for social workers. Such mutual structures should offer a number of important benefits, including:

- increased security of income through combined ability to market services;
- greater collaborative investment in personal and professional development;
- reinforcement of decent pay benchmarks through a collective approach to pricing;
- a range of other services and benefits including income protection and sources of legal advice and representation.

Trade unions should consider how they might champion such secondary structures and perhaps even develop and manage mutual support services for labour themselves. The Commission sees engagement with trade unions and others on these employment issues as being of critical importance in its next phase of work.

3.4.6 Implementation

Whilst we have been insistent throughout this report that the key to public service improvement lies in devolving power to citizens, front-line staff and local authorities, this does not mean that we can do without a strong centre. To the contrary; we require a strong, visionary centre to control and support this devolution of power, to ensure a consistent approach to implementation across government, and to manage the development of the kinds of double-loop feedback systems between customers, providers, local authorities and central government that are essential to manage transition and then fine tune the system.

To undertake this role, we recommend that a new, powerful inter-departmental delivery unit is created, based in the Cabinet Office and reporting via the Minister for the Cabinet Office to the Prime Minister.

A key role of a visionary centre would also be to get the phasing and pacing of these reforms right, so that as many as possible of the pitfalls can be ironed out in advance. We see no contradiction in saying that reform must be bold and system-wide but also paced over a five-year period or more. The next term of office, for whatever party is successful in the General Election of 2010, should provide a five-year timeline that progressively puts down strong foundations, commences mainstreaming of new and tapering down of old arrangements, and then moves to a new social market system, underpinned by a new social contract between citizen and state.

We recommend that the government sets out a five-year vision and timetable for the personalisation of services.

Much of this reform poses significant political questions. If it is to be successful, it will also be essential that it has strong public support. We therefore see it as crucial that the Government engage public debate in this area more than is currently the case.

We recommend that a detailed communication strategy is produced and implemented to engage public debate in this area.

4. Vision Into Action

Thus far the vision we have set out and the system change recommendations we have made have been generic. In this final section we turn to some of the more specific lines of enquiry that will preoccupy us over the coming year. Inevitably at this stage we have as many questions as answers – hence the importance of securing your and others’ involvement.

However, over the coming year we expect to start drawing up more detailed proposals on how specific public services might be redesigned using the approach outlined above. As acknowledged above, the personalisation agenda has progressed most steadily in the field of social care, but we are looking to engage with as many external partners as possible to create a coherent framework for personalisation that can be applied to all areas of public service delivery. Again, we would very much welcome your views, expertise and experiences.

4.1 How can we translate vision into action across the system?

We have set out a broad vision for a radical devolution of power from state to citizens, representing nothing less than a new social contract. Now we want to put more detail to that vision. As we seek to answer do so, it is essential that people have an opportunity to discuss the issues at stake and give their views. We will therefore undertake a mass consultation exercise, speaking to members of the public and service users in partnership with many other organisations.

We have identified a series of interventions designed to make a system of social markets work more effectively, and we will now work with a range of expert partners to flesh out the detail of how those interventions might work. We will work intensively with a number of local taskforces drawn from the key constituents of local public service systems involving local authorities and other public sector agencies, current and potential providers and service user representatives plus national investors, support agencies, regulators and central government to get the detail of these proposals right. As we publish this interim report, we are starting this process by launching a programme of work with Lambeth council and Lambeth PCT.

Critical questions we will be seeking to address over the coming year and that we would like your views on include:

- What would the precise parameters be to any devolution of power in our proposed right to control?
- What conditionality arrangements could reasonably be incorporated into a right to control?
- How exactly could the right to control work in practice?
- How can we fill gaps in provider capacity in a way that is cost-effective and commensurate with the speed at which personalisation is being implemented?
- How can we make capacity-building of third sector organisations more demand-led? What role could there be for individual budgets for organisations that use capacity-building services?
- How can we make greater use of smart payments functionality in the context of personalised services?
- In what areas and between which parties would standard legal contracts or templates be useful?
- What role would a delivery unit for personalisation at the Cabinet Office need to play to ensure personalisation is implemented coherently and effectively?

4.2 How could we translate vision into action in welfare to work?

The Government is committed to creating a more personalised system of welfare-to-work support⁴¹, and we are convinced this is the right direction for reforms to take. Nevertheless, there are several major issues that we need to address and details that we must get right before we can take this agenda further:

- The current design of the system, which means that many jobseekers do not get the kind of tailored support they need and do not feel fully engaged in finding their own way back to work.
- The high level of people who move continuously in and out of the benefits system (so-called “churn”).
- The current commissioning model which is characterised by large, centrally-commissioned block contracts that serve to exclude many potential niche service providers from the market.
- Undifferentiated payments, which take very little account of the range in resource requirements from one client to another, serving to dis-incentivise providers from catering to the needs of harder-to-help clients and encourage them to support the easiest to help (so-called “creaming”).
- The lack of an effective system for rating needs/risks that would support a more differentiated payment system.

Looking abroad for efforts to achieve greater personalisation through reforms to commissioning led the Commission to evaluate the success of the Dutch welfare-to-work system, where block contracts have been replaced on a large scale by individual welfare-to-work contracts (see Box 7).

Box 7 - Personalising welfare to work: the Dutch experience

Until recently, the Dutch welfare-to-work system was dominated by a small number of very large private providers. In 2004, 47 providers had contracts with the national benefits agency, 10 of them responsible for 75% of the market. This system was criticised for encouraging a ‘race to the bottom’, with a small number of market-dominating providers converging towards standardised services, and the low cost of provision preventing individualisation and leading providers to deliver services for category groups rather than individuals.

In response, in 2004 the national benefits agency adopted a new system for commissioning welfare-to-work providers: the individual welfare-to-work contract (*individuele reïntegratie overeenkomst*, or IRO). Under this system, an individual jobseeker chooses a welfare-to-work provider, and with them draws up a plan for returning to work. That plan then forms the basis for an individual contract between the provider and the state, with the provider paid partly by results when the contract comes to an end.

The introduction of individual welfare-to-work contracts has had a number of important consequences. They quickly became popular amongst jobseekers, and were soon used by the majority of the national benefit agency’s clients. They led to a proliferation of providers: the 47 providers contracted by the benefits agency in 2004 had become 2,400 by 2007, many of them small and specialist – though provider numbers are now contracting.

⁴¹ *No one written off: reforming welfare to reward responsibility*, Department for Works & Pensions, July 2008 and *Making work work for everyone*, Department for Works and Pensions, July 2008

Most importantly, jobseekers whose support was purchased through individual welfare-to-work contracts appear to achieve significantly higher success rates in returning to employment than their peers supported through block contracts. Furthermore, job entries appear to be more sustainable for clients using individual welfare-to-work contracts. The reasons most often cited for this success are the greater specialisation and tailoring that the individual welfare-to-work contracts involve, and the changed relationships between service user, provider and state, with jobseekers feeling greater responsibility and greater motivation to find work.

Individual welfare-to-work contracts do, however, tend to cost more than traditional block-contracted services. At present, the net result is that whilst individual welfare-to-work contracts are more cost-effective for disabled jobseekers, for non-disabled clients they are less cost-effective. The Dutch authorities are now taking steps to reduce the costs of individual welfare-to-work contracts for this client group.

The case for a more intelligent segmentation of jobseekers, with small fees for placing the candidates who will be easiest to place and generous support for those with more complex needs, is strong and we were struck by the positive impacts of giving jobseekers a greater say both over which providers support them back to work and over what kind of support those providers give them. Individual welfare-to-work contracts impressed us. We have not yet however been persuaded of the need to grant all individuals cash control over budgets, though we do see a case for personal budgets as a 'top-up' to more basic welfare to work support, for instance for more specialist skills development or post-employment support.

We are also clear that any reform of welfare-to-work support should be accompanied by reform of the benefits system. It is all too clear that the system has become much too complicated, with 74 separate benefits and tax credits, and yet it still fails to incentivise work, with an effective marginal rate of tax of close to 100% once so-called 'pass-ported benefits' are included in the calculation.

We are attracted by the recent case made in the Centre for Social Justice's report, *Dynamic Benefits*, for state subsidy (as well as cost savings from simplification of the system and an increased tax take) to be used to reduce the marginal rate of taxation on people leaving benefits and entering work to 50%.⁴² Clearly the major difficulty with such proposals is the increased cost – of some £2.7 billion. One option to be explored is thus how the marginal rate of tax could be reduced over the course of five years. Another option we will also be reviewing is the idea of providing either a transitional top-up personal budget or a system of income guarantees – where an individual can claim a payment if their income falls below a certain threshold above their former benefits income. Again, we intend to explore this area further before the publication of our final report next year.

Meanwhile a growing number of people are facing a prolonged period on the dole and it is essential to minimise the long-term damage this can cause. The Government has already moved to create six month work experience placements through the Future Jobs Fund. Building on that programme, we plan to look at the idea that everyone on the unemployment register should be expected to choose from a wide selection of meaningful work experience after one week on the dole. Such a system could be accompanied by encouraging and supporting organisations to make contributions to a personal savings pot for the individual, where they make a valuable contribution. Savings could be accessed on an individual's exit from the system and potentially in the event of a domestic crisis.

⁴² *Dynamic Benefits: Towards welfare that works, A Policy Report from the Economic Dependency Working Group*, Chaired by Dr Stephen Brien, Centre for Social Justice, September 2009

Critical questions we will be seeking to address over the coming year and that we would like your views on include:

- How can we ‘diagnose’ how much support an individual needs to get back into work?
- How should resources then be allocated against that diagnosis, so that we properly resource the ‘harder to help’ and avoid unnecessarily spending on people likely to find a job even without state support?
- Could the degree of control given to a jobseeker over the resources being spent on them be based on a similar diagnosis?
- What scope is there for individual welfare-to-work contracts along the lines of the Dutch model?
- What would the implications of giving jobseekers greater control over their path back to work be for the various actors who have benefited from substantial investment in the creation of the current system – in particular Jobcentre Plus and prime providers?

4.3 How could we translate vision into action in education?

Government education policy for the past 40 years has tended to take a corporatist approach, focusing on national systems and whole school improvement. However, it remains the case that variation of student achievement is as great within schools as it is between schools⁴³. This tells us that while corporate/whole school approaches have their place, they are currently failing to address adequately the needs of a wide range of individual students. Most obvious amongst these groups are the 20% of students who fail to reach level four in reading at the end of primary school and the 27% who fail to reach the target level for literacy or numeracy at the end of secondary education. But there are also the 5-10% of students defined as gifted and talented – in respect of overall achievement – and the near 40% classed as gifted and talented in one or more curriculum area. Taken together these figures suggest ways in which the current system fails to address the majority of the wide spectrum of individual needs and talents.

As a consequence of these stark findings, much educational theory and practice over recent decades has attempted to promote forms of more personalised learning. The Gilbert Report, recent papers from the QCA and the 2009 Nuffield Review of 14-19 Education and Training have all advocated a greater focus on providing a more tailored learning experience. Many leading public schools, with their greater resources and freedom, have already moved to place less emphasis on exam achievement and more on giving students opportunities to explore certain subjects in greater depth and in more tailored ways. Outside the formal education system, a revolution has already taken place, with a growing role for home tutoring and internet-learning. There is a real opportunity to harness the efficacy of these personalised approaches and bring them into the heart of mainstream schooling.

The key question the Commission will be exploring in this area over the coming year is: how we can speed up the pace of increasing personalised approaches to learning across the school system? Clearly there are some institutional barriers (for instance, those relating to the national curriculum or top-down directives from Whitehall) that must be removed. But this alone will not be enough. As with the other areas of public service that we have considered, we believe that a key way of increasing the pace of change will be to find new ways of devolving power to parents and students.

The first approach that we are exploring is how we can extend school choice by increasing the supply of new schools; creating new provision that can then drive innovation in more

⁴³ *Measuring performance and in school variation: Using measurement to raise achievement*, Peter Kent, National College for School Leadership, 2007

personalised learning across the educational system as a whole. We have examined the Swedish experiments with use of vouchers (see Box 8) as well as the burgeoning Charter School movement in the USA and can see a clear case for pursuing such reforms in the UK. Whilst much media attention has focussed on the way that Swedish educational reforms helped to grow the private sector provision of education (from a very low base) what is equally notable is the radical innovation in pedagogy to make learning much more student-centred.

Box 8 - Swedish school reforms⁴⁴

Until the early 1990s, education in Sweden was dominated by state provision – less than 1% of pupils attended schools that were not managed by the public sector. In 1991, the Government legislated to allow independent schools to receive state funding. These so-called ‘free schools’ can now receive that funding (often referred to as a ‘voucher’) if they do not select academically, if they do not charge any fees (initially ‘free schools’ were allowed to request top-up fees but these were banned in 1996), and if they are approved by the National Education Agency.

The result was a significant rise in the number of free schools. 21.5% of Swedish schools and pre-schools are now free schools, and 12% of all Swedish children attended free schools in 2007. There is considerable variety in the offer made available to parents and children: *Kunskapskolan* schools allow children to work at their own pace with one daily fixed lesson, occasional lectures and 15 minutes each week with a personal tutor; *Vittra* schools timetable subjects into three-hour blocks to allow for multi-stage lessons and absorption in topics through case- and problem-based learning; *Baggium* schools, in industrial areas, are workshop-based and develop apprenticeship programmes with local businesses.

It is difficult to evaluate the performance of free schools relative to municipal schools. Swedish school pupils are subject to relatively little testing, and many of the tests that are taken are not standardised (i.e. marked externally). Furthermore, some analysts point out that for many of the years free schools have been in operation, their potential benefits were yet to be realised: they have been effectively absorbing rising populations rather than increasing competition, and the benefits of scalability for providers have only just started to take effect. However, what analyses there have been of relative performance between free and municipal schools point to free schools achieving a positive, but small, impact on pupil performance.

The free school reforms and later amendments to them (above all not allowing schools to select academically or to charge top-up fees) were designed to prevent school choice having a negative effect on equality. Schools take pupils from across the country on a ‘first come first served’ basis. The result is that whilst there is no evidence that parents who earn more are more likely to choose free schools, more ‘aspirational’ parents (e.g. the better educated, second-generation immigrants) are more likely to send their children to free schools.

The impact of the reforms on costs is unclear: the Swedish School Board found no clear causal effect between the introduction of free schools and costs to the state; one study found costs rose with numbers of free schools (but did not show a causal link); another found no effect; two further studies found that costs rose slightly with the introduction of free schools. None of these studies take into account the return on investment for any rising costs (i.e. the positive effects the introduction of free schools might represent).

⁴⁴ This summary is based on F. Bergström & M. Sandström, *School choice works! The case of Sweden* (2002) and D. Meyland-Smith & N. Evans, *A guide to school choice reforms* (2009)

A second approach is to explore personalised approaches that help to stop children falling behind. Dedicated resources could be allocated to children with specific needs and heightened risks as early as possible in school life. Those resources could take the form of personal learning budgets, allocated through agreement between the family and Head Teacher, and spent on specialist support provided by local schools and colleges and accredited third sector and private providers. Those who could benefit from this approach include children who fall behind in learning to read by the target age, children who fall behind with mathematics, children with special educational needs, children who exhibit early signs of behavioural problem, or children moving between primary and secondary schools whose progress stalls at transition. In all these cases, schools commonly lack both the time and the specialist expertise in house to provide an appropriate response.

A third approach is to explore how the system might live up to a second principle – of providing an education for all the talents, working to help people build assets and develop their specific skills. We will therefore be exploring the potential for personal budgets to be used to support tailored opportunities to accelerate talent, across the broadest possible range of subjects across the academic/vocational divide.

A fourth approach is to explore how personalised approaches could help build a mass culture of life long learning. The case for doing so is well made by the recent NIACE inquiry into lifelong learning, led by Tom Schuller.⁴⁵ As noted, more flexible use of personal budgets should lead to much greater take-up and much greater range of provision for life long learning. The current £5bn budget is skewed largely to lower level qualifications and rigidly defined subjects⁴⁶: over time the criteria should be made much broader, made available in the form of personal learning accounts and personal learning loans, and where possible attract matched funding from employers.

Critical questions we will be seeking to address over the coming year and that we would like your views on include:

- How should we address the technical challenges that accompany the introduction of extended school choice, ranging from how we pay for additional school places, to issues of TUPE and access to capital?
- What is the scope for harnessing personalised approaches made possible by technological change in mainstream education?
- How can we speed up the pace of applying personalised approaches to learning across the school system?
- What are the implications of greater personalisation for the national curriculum?
- How can we devolve more power to parents and students?
- What scope is there for learning from the Swedish and American experience of school 'vouchers' and expanding school choice?
- How could a personalised programme aimed at developing individual talents be funded?
- What scope is there for getting better outcomes for particular groups of children (e.g. those with behavioural problems, gifted and talented) through more personalised approaches including personal budgets?
- How can we ensure more resources are targeted at children with specific needs or those at greater risk?

⁴⁵ *Learning Through Life: Inquiry into the future for Life Long Learning*, Tom Schuller & David Watson, NIACE, April 2009

⁴⁶ *Hansard*, House of Commons Written Questions, 17 June 2009

4.4 How can we translate vision into action in criminal justice?

Reoffending costs the government approximately £11bn a year⁴⁷, but we know that a number of interventions (such as employment support, social support, education and training, support with mental health issues) significantly increase the changes of an offender 'going straight'.

One solution we are therefore exploring is how we might pool the resources associated with these interventions together - something the current system makes all but impossible. A more personalised system could combine welfare to work support, housing benefit, rough sleepers and similar support services and personal learning accounts in one package. The combined resources would be considerable. A support worker could then sit down with the individual and negotiate a contract where in return for into the range of support being accessed and the providers supplying it, the individual would set targets for staying out of jail, getting a job, learning new skills and building a new life for themselves in general.

The challenge is not primarily one of gaining agreement in principle, but of transition from the current system, where most of the resources are quite literally locked up in the criminal justice infrastructure, and others are stuck in rigidly separated funding pots.

Beyond the measures already proposed to simplify and integrate funding mechanisms, one approach has great potential to break the log-jam: Social Impact Bonds. The idea is to use private capital to invest in prevention which then results in cost savings out of all proportion to the initial investment, allowing the investor to make an acceptable return and the government to shift resource from symptom to cause. The attraction for the government in this model is that it brings in major new sources of capital, but with the risk falling on the outside investor who thus has a very strong incentive (potential loss of capital as well as prospective gain) to make as big a difference to as many lives as possible. Social Finance has developed a model whereby the government would, for example, pay a fee – on a pure results basis - for every young male offender who did not re-offend in the future. So far the Social Finance model is geared to commissioning services from a range of preferred providers, but there is no reason in principle why the model could not be further developed into the combined personal budget model outlined, with private capital adding to housing benefit and eligible funds from welfare to work and skills development.

Critical questions we will be seeking to address over the coming year and that we would like your views on include:

- How can we better pool the resources spent on offenders?
- What scope is there for combining that funding into a person-bound budget, the use of which is negotiated between a support worker and the individual offender?
- What safeguards would need to be in place for such a system to work?
- What scope is there for using social impact bonds in the field of criminal justice to prevent reoffending?
- How could the social impact bond model be developed into a person-bound budget model of the sort described above?

⁴⁷ *Strategic Plan for Reducing Reoffending 2008-11: Working in Partnership to reduce reoffending and make communities safer: A Consultation*, Ministry of Justice, 2008

⁴⁸ *Social Impact Bonds: Rethinking finance for social outcomes*, Social Finance, August 2009

4.5 How could we translate vision into action in health?

Of all the public service areas, health is the one where Governments have achieved the greatest long-term successes, although there is still much to do. The NHS rightly commands a global reputation and the success for example in reducing rates of child morbidity is exemplary. Nevertheless, policy failures beyond the NHS impact back upon it.

Many of the policy ideas tabled in this report are relevant to addressing the root social inequalities that impact upon people's health. Strategies to build assets and mitigate risk will impact positively upon psycho-social stress factors that are known to have negative effects on levels of health.

Beyond this, we have begun to explore two main sets of ideas- the first related to specialist support services for specific medical conditions and the second concerned with investment in health prevention.

The recent Department of Health Personal Health Budget pilots offered the prospect of a licence to innovate, without the lure of substantial additional funding. The result was that PCTs drew up plans for an enormous range of pilots, covering: end of life care, learning disabilities, mental health, physical disabilities, cardiac, carers, stroke, chronic obstructive pulmonary disease, coronary heart disease, diabetes, dementia, young people in transition, patient transport services for renal dialysis, acquired brain injury, cerebral palsy, motor neurone disease, multiple sclerosis, muscular dystrophy, Parkinson's disease, early intervention in mental health, cystic fibrosis, tele-care, end of life care within Asian communities, substance misuse, mental health rehabilitation, obesity, spinal injury, traumatic brain injury, preventative interventions, maternity, older people, children with complex health needs, Huntington's disease, cancer, circulatory disease, practice-based commissioning, musculo-skeletal conditions, and alcohol misuse. We believe personal health budgets offer significant potential, and will be working with Lambeth PCT and others as the pilots develop.

The second great area of potential lies in exploring opportunities to address life-style behaviours such as eating unhealthily, eating too much, lack of exercise, drinking too much, smoking or taking other drugs. The NHS suffers a huge burden of cost and unmanageable demand as a result of failure to change these kinds of behaviour. There is little evidence that admonitions from a GP or public health warnings make much difference. People need to move from understanding the need for change to having a commitment to change and a viable route to achieve this.

As with all the other areas that we have considered, more personalised responses to these challenges have much to offer in engaging that commitment and making lifestyle change possible. Personal budgets could be allocated in collaboration with a General Practice to fund activities and services known to promote healthy behaviour both by individuals and in wider communities. Micro-commissioning panels – as outlined in section three – could play a major role in funding or kick-starting local cultural and sporting activities.

Critical questions we will be seeking to address over the coming year and that we would like your views on include:

- How can we use personalised approaches to promote people's sense of 'can do' and thereby promote their health and well-being?
- What scope is there for personal budgets in health beyond the activity underway as part of the Department of Health's personal health budget pilots?
- How can we better pool health and social care personal budgets?

- What scope is there for personal health budgets to be spent on new insurance-type products?
- How can we use personalised approaches to promote investment in preventative services?
- What scope is there for micro-commissioning panels in healthcare?
- How exactly would they work?
- How could they work in the context of practice-based commissioning?

4.6 How could we translate vision into action in other areas?

We have set out some ideas, issues and questions above relating to how our vision for personalised services could be put into practice in welfare to work, education, crime and health. That should not be taken to mean that we believe personalisation should be restricted to these areas. On the contrary, we believe there are few public services off-limits to the kinds of approaches outlined in this report.

Critical questions we will be seeking to address over the coming year and that we would like your views on include:

- Whilst social care is in many ways the service area in which most has been done in an effort to effect personalisation, there remains much to be done. How can we drive forward personalisation in this field?
- How do we ensure personalised services are delivered in cases where devolving budgetary power down to individuals is not viable?
- What is the potential for personalised approaches to be applied in the provision of transport services?
- What is the potential for personalised approaches in international aid and development?
- Could we use personalised approaches to bridge the digital divide?
- How might personalised approaches be applied to housing provision?
- What other areas could benefit from these approaches?

This interim report sets out our ideas, along with a number of questions. As we work towards our final report over the coming year, we will seek to develop those ideas and address some of the critical questions we have identified. As we do that, we want to work with as wide a range of stakeholders as possible. Please take the time to respond to the questions we have raised, or any others that have struck you, and to give us your views, ideas and comments on any of the areas we have touched on in this report.

The Commission will be holding a number of workshops to discuss this interim report. To register interest, please email personalisation.commission@acevo.org.uk. Alternatively you can send any written comments to the same address.

Appendix I - Terms of Reference

The Commission on Personalisation aims to explore ways to make the personalisation of public services⁴⁹ work for third sector organisations (providers, networks, brokers and advocates), policy-makers, practitioners and above all citizens, across a wide range of delivery areas.

In more detail, the ACEVO Commission on Personalisation aims to:

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

⁴⁹ By 'personalisation' we mean efforts to make public services more people-centred, i.e. more tailored to their needs, more controlled by them, and more 'co-produced' by them. We do not conflate personalisation with particular funding models such as individual budgets. We are however particularly concerned with the value and consequence of devolving power – in the form of financial control and access to support and information – to citizens.

Appendix 2 – Members of the Commission on Personalisation

Chair

Matthew Pike

Members

Virginia Beardshaw (I CAN)
Neil McIntosh (CfBT)
Stephen Burke (Counsel and Care)
Mohammed Ali (QED-UK)
Jo Cleary (Lambeth Council)
James Groves (Policy Exchange)
Jamie Bartlett (Demos)
Paul Jenkins (Rethink)
Stuart Rigg (Advance)
Lynne Berry (WRVS)
Joyce Moseley (Catch 22)
Dame Denise Platt
Caroline Tomlinson (in Control)

Observers

Bob Ricketts (Department of Health)
Pat Samuel (Office of the Third Sector)
Emma Jones (Office of the Third Sector)

Appendix 3 – Organisations We Have Spoken To

In compiling this interim report, we have spoken to a wide variety of stakeholders, including:

2020 Commission at the RSA
Action with Communities in Rural England (ACRE)
Advocate for Mental Health
Age Concern
Autism West Midlands
Barking and Dagenham Council for Voluntary Services
Beat Bullying
Break
Brent Mencap
Bates Wells & Braithwaite (BWB)
Citizens Advice Bureau (CAB)
Capgemini
Catch 22
Charity Evaluation Services
Citibank
Develop consortium
Children England
Compact Voice
Contact a Family
Crossroads
Department for Children, Schools & Families
Disability Wales
Doncaster Council for Voluntary Service (CVS)
English Community Care Association (ECCA)
Elders Voice
Elizabeth Finn Care
Ernst and Young
Fairbridge
The Greek and Greek Cypriot Community of Enfield (GGCCE)
Grove House
Halow Project
Hampshire Autistic Society
SITRA
Help the Hospices
Henshaws
Hospice SIG
I CAN
Innovation Exchange
Institute for Public Policy Research (Ippr)
Lambeth Voluntary Action Council
Learning Trust
Leeds Deaf and Blind
Leeds Housing Concern
Life Path Trust
Local Solutions
London Voluntary Service Council
Manchester Jewish Federation
Mapsquad
National Audit Office (NAO)
National Brokerage Network
National Council for Voluntary Youth Services (NCVYS)
National Council of the Institute of Commissioning Professionals
National Association for Voluntary and Community Action (NAVCA)
National Council for Voluntary Organisations (NCVO)
National Endowment for Science, Technology and the Arts.(NESTA)
North Yorkshire Forum for Voluntary Organisations
Nuffield Foundation
Office of Public Management (OPM)
Papworth Trust
Penrose Housing
Percy Hedley Foundation
Public Management and Policy Association (PMPA) (Chartered Institute of Public Finance and Accountancy)
RCHL
Rethink Yorkshire & North East
Richmond Fellowship
Royal National Institute for the Deaf (RNID)
ROC UK
Scottish Association for Mental Health
Social Care Institute for Excellence (SCIE)
Scope
Share Community
Skills for Care
Social Enterprise Coalition
St Anne's Community Services
Stockport Cerebral Palsy
Stroke Association
Studio Schools
Sutton Centre for the Voluntary Sector
The Communication Trust
The Stroke Association
Three Cs Support
East Sussex County Council
Volition
Volunteering England
Voluntary Action Kirklees
Voluntary Action Sheffield
Voluntary Organisations Network North East (VONNE)
West Berkshire Mencap
Women's Royal Voluntary Service (WRVS)

Appendix 4 – Bibliography

- *Personalised Learning – a practical guide*, Department for Children, Schools and Families, 2008
- *The State of Social Care in England, Part II: Eligibility and Self-funding: The Impact on People*, Commission for Social Care Inspection, 2006
- *Raising Expectations and Increasing Support: reforming welfare for the future*, Department for Work and Pensions, 2008
- *Final Evaluation of the Saving Gateway 2 Pilot: Main Report Research study*, HM Treasury & Department for Education and Skills, 2007
- *Learning Through Life: Inquiry into the Future for Life Long Learning*, Tom Schuller & David Watson, NIACE, 2009
- *Direct Payments Guidance: Community care, services for carers and children's services (direct payments) guidance*, Department of Health, 2003
- *Health Reform in England: Update and next steps*, Department of Health, 2005
- *Commissioning for Personalisation: A Framework for Local Authority Commissioners*, Department of Health, 2008
- *Building Resilient Communities: From Idea to Sustainable Action*, Risk & Regulatory Council, Department for Business, Enterprise and Regulatory Reform, 2009
- *Status Syndrome: How Your Social Standing Directly Affects Your Health and Life Expectancy*, Michael Marmot, Bloomsbury, 2004
- *Personal Health Budgets: First Steps*, Department of Health, 2009
- *Smart Commissioning: Exploring the Impact of Personalisation on Commissioning*, Simon Duffy, In Control, 2008
- *Impact of personal budgets on third sector providers of social care*, ESRC/ ACEVO, 2009
- *Social Impact Bonds: Rethinking finance for social outcomes*, Social Finance, August 2009
- *Building Communities from the Inside Out: A Path Toward Finding and Mobilizing a Community's Assets*, John P. Kretzmann, & John L McKnight, Institute for Policy Research, 1993
- *Direct Payments and Personal Budgets: Putting Personalisation into Practice*, J. Glasby and R. Littlechild, Policy Press, 2009
- *Evaluation of the Individual Budgets Pilot Programme: Final Report*, C. Glendinning et al, IBSEN, 2008
- *Choosing Well: Analysing the costs and benefits of choice in local public services*, Audit Commission, 2006
- *Personalisation – a rough guide*, S. Carr with R. Dittrich, London: SCIE, 2008
- *The implementation of individual budget schemes in adult social care*, S. Carr and D. Robbins, London: SCIE, 2009
- *Citizenship Survey: April 2008 - March 2009*, Department for Communities and Local Government, 2009

- *3000 Individual Learning Accounts: A Consultation Exercise on a New ILA Style Scheme*, Department for Children, Schools & Families, 2002
- *Personalising the Curriculum at 14-19*, National College for School Leadership (NCSL), 2006
- *Budget-holding lead professionals: Literature review – report for the Department for Education and Skills*, Office for Public Management, 2006
- *Literacy changes lives: The role of literacy in offending behaviour*, Christina Clark & George Dugdale, National Literacy Trust, 2008
- *Budget-holding lead professional pilots: Final report*, Office for Public Management, 2008
- *Personalisation Briefing for Commissioners, Transforming Adult Social Care*, Social Care Institute for Excellence, in association with Directors of Adult Social Services and Putting People First, 2009
- *Wealth Distribution - the Evidence*, Will Paxton, Centre for Asset-based Welfare, IPPR, 2002
- *Personalisation through Participation: A New Script for Public Services*, C. Leadbeater, Demos, 2004
- *Direct Payments and the Employment Relationship: Some insight from cross-national research*, Developments in Direct Payments, C. Ungerson, 2006
- *Individual Learning Accounts, 3rd REPORT – SESSION 2002-2003*, Parliamentary Ombudsman, 2003
- *Living well with dementia: A National Dementia Strategy*, Department of Health, 2009
- *Individual Budgets for Families with Disabled Children - Scoping Study: Literature Review Report*, Meera Prabhakar, Graham Thom, Jennifer Hurstfiel, Urvashi Parashar, Department for Children, Schools and Families, 2008
- *Commissioning framework for health and wellbeing*, Department of Health, 2007
- *Our Vision for Primary and Community Care*, Department of Health, 2008
- *High Quality Health Care for All*, Department of Health, 2008
- *Independence, well-being and choice: our vision for the future of social care for adults in England*, Department of Health, 2005
- *Putting People First: a shared commitment to the transformation of adult social care*, Department of Health, 2007
- *Our Health, Our Care, Our Say*, Department of Health, 2007
- *Delivering Health and Well-being in Partnership: The crucial role of the new local performance framework*, Department of Health, 2007
- *Independent Living: A cross Government strategy about independent living for disabled people*, Office for Disability Issues, 2008
- *Co-production in supported housing: KeyRing living support networks and neighbourhood networks*, Research Highlights in Social Work: Co-Production and Personalisation in Social Care Changing Relationships in the Provision of Social Care, vol 49, C. Poll, 2007
- *Personal Development Planning*, Quality Assurance Agency for Higher Education (QAA) et al, 2009
- *Incentives to save: Encouraging saving among low-income households*, Final report on the Saving Gateway pilot project, Personal Finance Research Centre, University of Bristol, 2005
- *Relentless Optimism: Creative commissioning for personalised care*, Report of a seminar held by the Commission for Social Care Inspection (CSCI), 2006
- *Consultation on Performance Assessment of Adult Social Care 2008-09*, Commission for Social Care Inspection (CSCI), 2008

- *High Impact Changes for Health and Social Care*, Commission for Social Care Inspection (CSCI), 2008
- *Individual Budgets and the Interface with Health: A Discussion Paper*, Care Services Improvement Partnership (CSIP), 2008
- *Commissioning to make a bigger difference: A Guide for NHS and Social Care Commissioners on Promoting Service Innovation*, NHS Institute for Improvement and Development, 2008
- *Developing Effective Joint Commissioning for Adult Service: Lessons from History and Future Prospects*, Nick Goodwin, Care Services Improvement Partnership (CSIP), 2008
- *End of Life Care Adults Report*, National Audit Office, 2008.
- *Approaching employment, mental health, work projects and the Care Programme Approach*, David O'Flynn, The Royal College of Psychiatrists, 2001
- *Putting People First: Measuring Progress*, Local Government Association & Directors of Adult Social Services, 2009
- *Securing Good Care for Older People: Taking a Long-Term View*, Derek Wanless, The King's Fund, 2006
- *Building Social Capital*, Mai Wann, ippr, 1995
- *Whose personalisation?*, P. Beresford, Soundings, 40, Winter 2008
- *Authentic Happiness: Using the New Positive Psychology to Realize Your Potential for Lasting Fulfillment*, Martin Seligman, 2002
- *Can the Poor Save?: Saving and Asset Building in Individual Development Accounts*, Mark Schreiner & Michael Sherraden, Transaction Publishers, 2006
- *Understanding the social outcomes of education*, Tom Schuller, OECD, 2007
- *Changing Faces of Adult Literacy, Language and Numeracy: a critical history*, Mary Hamilton & Yvonne Hillier, Trentham Books, 2007
- *Equal Shares?: Building a progressive and coherent asset-based welfare policy*, edited by Will Paxton, ippr, 2003
- *Coproduction in public services: opportunity or threat?*, C. Needham, *Renewal*, Vol. 14, No.2, 2006
- *Respect in a World of Inequality*, Richard Sennett, W.W. Norton & Co., 2004
- *Exit, Voice, and Loyalty: Responses to Decline in Firms, Organizations, and States*, Albert O. Hirschman, 1970
- *Evaluation of Individual Learning Accounts Early views of customer & providers: National report*, Department for Children, Schools & Families, 2009
- *Testing Consumer views on paying for long-term care*, Karen Croucher & Paul Rhodes, The Joseph Rowntree Foundation, 2006
- *The Social Fund: A New Approach, A Consultation Document*, the Department for Work and Pensions, 2008
- *Guide to Building a CDFI, A Resource for CDFIs*, Community Development Finance Association, 2005
- *Affordable credit for low-income households*, Sharon Collard and Elaine Kempson, Joseph Rowntree Foundation, 2005
- *Transformation through community anchors*, Community Alliance, 2009
- *No one written off: reforming welfare to reward responsibility*, Department for Works & Pensions, 2008
- *Making work work for everyone*, Department for Works and Pensions, 2008

- *Dynamic Benefits: Towards welfare that works*, A Policy Report from the Economic Dependency Working Group, Chaired by Dr Stephen Brien, Centre for Social Justice, 2009
- *Measuring performance and in school variation: Using measurement to raise achievement*, Peter Kent, National College for School Leadership, 2007
- *Comparison of Literacy Progress of Young Children in London Schools: A Reading Recovery Follow up Study*, Sue Burroughs-Lange, University of London Institute of Education, 2008
- *Higher management education – should Six Sigma be added to the curriculum?*, K.P. Rao, K. Girija Rao, International Journal of Six Sigma and Competitive Advantage (IJSSCA), 2007
- *Strategic Plan for Reducing Re-offending 2008-11: Working in partnership to reduce re-offending and make communities safer: A Consultation*, Ministry of Justice, 2008

ACEVO is the professional body for third sector chief executives. We connect, develop, support and represent our members, to increase the sector's impact and efficiency.

We promote a modern, enterprising third sector, and call upon organisations to be:

- **Professional and passionate** in achieving change and delivering results
- **Well-led**, with a commitment to professional development, training and diversity
- **Well-governed and accountable**, with robust and fit-for purpose systems to protect independence and enable effective decision-making
- **Enterprising and innovative**, taking a businesslike approach to funding issues and striving for continuous improvement and sustainable development.

For more information, visit www.acevo.org.uk