



# Personal Budgets: Challenges and Issues for the Voluntary and Community Sector

January 2015

## Introduction

[Community Action Southwark](#) (CAS) has been carrying out a number of work streams focused on **personalisation**, and how the introduction of personalisation policies has affected the voluntary and community sector (VCS). In particular, we have been examining the impact of the **personal budgets**– both the impact they have had so far, and expectations for the future.

Our work on personalisation spans **adult social care, SEND, and mental health**. We have looked at both personal budgets for social care and personal health budgets. During the course of this research, we have uncovered various issues and challenges that the sector is facing as a result of the introduction of personalisation and personal budgets. We have also received rich feedback on the sector's thoughts on how personal budgets are affecting **service users**.

The VCS is a key provider of health and social care services across the borough, and helps to make up a **diverse marketplace** for health and social care services. Of the [1,125 charities based in Southwark](#), around 250 – or **22%** – work on health & wellbeing. Therefore, ensuring that the sector adjusts to personal budgets and continues to provide high quality services is **vital** for ensuring that service users are achieving the **best possible outcomes**, and have greatest choice about the services they use.

This document outlines CAS's work to date on personal budgets, the **challenges** and **issues** that we have uncovered, and **three key recommendations** which may help to ease the transition to personal budgets, and make it easier for the VCS to adjust appropriately.

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## 1. Background: CAS's Work on Personalisation

Understanding and responding to the personalisation agenda has been a strategic aim for CAS over the last two years. Our work in this area started with a **Personalisation Summit** which took place in February 2013; the summit explored issues related to personalisation and looked at ways that cross-sector bodies could work together more effectively to implement it.

The Personalisation Summit aimed to:

- Identify drivers for and expectations of partnership working
- Establish objectives for partnership working
- Outline obstacles for partnership working
- Create an action plan to meet objectives and overcome obstacles

An **action plan** emerged from this event. Actions to be taken forward included the development of **specific market forums**, the creation of a **peer support network**, and developing **an online directory of services** (an e-marketplace). Whilst some progress has been made with some of the agreed actions, there has been delay with others – for example, we are yet to see an e-marketplace for providers of care services; a tool that would be beneficial for the VCS and service users alike. We explore this in more detail in the recommendations section of this document.

We have also carried out more recent work to examine organisational attitude towards personal budgets. Between 15<sup>th</sup> July and 29<sup>th</sup> August 2014, CAS ran a survey focusing on the experiences organisations had had with the personal budgets, and exploring their expectations of personal budgets in the future.

Additionally, CAS has been running a free module (supported by [Southwark Clinical Commissioning Group \(CCG\)](#)) for voluntary and community sector organisations (VCOs) entitled '**Personalisation: Making it Work for You and Your Users**'. Through this module we aim to support the sector to adjust to personalisation through developing skills such as effective unit pricing, full cost recovery, evidencing outcomes, and developing marketing strategies. This module has had the support of both the council and the CCG, and external organisations have attended to provide useful case study examples. As part of our work, we have gathered comments and feedback from attendees.

We have put together the following documents for use by the sector, which may be useful for further reading:

- [Personalisation Briefing](#): A briefing which provides information about the history and concept of personalisation
- [Personalisation and SEND Briefing](#): Specific information about the introduction of personal budgets for SEND and how this might impact the VCS
- [Results of the 'Just CASKing' Personal Budgets Survey](#): Details the concerns that organisations have around personal budgets, and the help that they would like CAS to provide
- [Personalisation Resource Page](#): A general resource page containing valuable information about personalisation and its impact on the voluntary sector

CAS has also met with individual VCOs, support planners and council staff to discuss personalisation and the associated issues.

## 2. Challenges and Issues for the Sector

Our personalisation survey indicated that many VCS organisations have experienced, or expect to experience, **problems** with personalisation and the personal budgets system. **84%** of organisations that responded either had, or anticipated, problems with personal budgets.

Most of the feedback we have received has indicated that problems for the VCS tend to arise when a service user elects to manage their own budget via a **direct payment**. This represents a big change from the previous arrangements, and makes the service user both a **customer** and a **commissioner**. While this is positive in that it results in more choice and control for the service user, it can be difficult for VCS organisations to manage this fundamental change in how their services are bought.

VCOs now need to deliver their services in a way that cater **directly for service users**, instead of appealing to the local authority. This comes with associated challenges such as changing organisational arrangements, focusing on marketing services to a new audience, and adjusting processes to adapt to new payment arrangements.

We have received the following specific feedback about issues related to personalisation:

- **Organisations have expressed concerns that only a small number of service users seem to have personal budgets, and awareness of personal budgets is low**

Our personalisation survey found that only 20% of respondents had half or more of their service users paying via personal budgets. Additionally, only 13% of organisations had a majority of service users paying with personal budgets, and all of these had an income of £100k or more.

Organisations have expressed concerns that the awareness of the existence of personal budgets, and who is entitled to personal budgets, is too low. Some organisations feel that the suitability of personal budgets for those with severe mental health problems is a growing concern. There was also concern about managing personal budgets for those with acquired brain injury, mental health problems, and dementia.

- **There is concern around eligibility for personal budgets and awareness of eligibility criteria**

Organisations feel that there should be more clarity around eligibility for personal budgets – they are unsure who is eligible, and who is not. They feel that there is a lack of clarity about the implementation of different systems of personal budgets (and the difference between personal budgets for social care, and personal health budgets).

Attendees at our personalisation module have expressed concerns over the outcomes of eligibility panels around personal budgets, which mean service users not having sufficient allocation to meet their support needs; and concern that there are not consistent write ups of decisions made at eligibility panels or written explanation to service users.

There is general concern that care co-ordinators do not have the resources or capacity to work closely with service users, particularly those with mental health support needs, which is more resource intensive

- **Many organisations expect to lose contract or grant money because of personalisation**

Almost half of respondents to our personalisation survey expected to lose some of, or all of, their council or NHS contract or grant as a result of personalisation and personal budgets. Organisations are concerned that the transition to personal budgets means that they will have no guaranteed income. This will create associated issues such as problems managing cash flow, planning future strategy and service development, and retaining high quality staff members. They are also concerned about how preventative work will be funded, as this cannot be paid for through personal budgets.

VCS organisations would like to see clarification over whether 'core' funding will be provided to organisations that are receiving a large proportion of their income through personal budgets.

- **There is concern that personal budgets do not provide enough cash to cover prior levels of support**

68% of respondents to our personalisation survey said that they thought personal budgets were not enough to cover the previous level of support given to individuals. There is concern that service users have unrealistic expectations about what can and cannot be purchased with a personal budget.

- **Organisations have issues with marketing and cash-flow, and there is high demand for support with implementing personalisation, particularly from small organisations**

There is high demand among smaller organisations for information, training in cash-flow and costing, and marketing. VCOs have also expressed a desire for training in advocacy work, and full training in how the personalisation system works and what to expect for providers and service users. We hope that our personalisation training module is making some headway in addressing some of these issues.

### **3. Recommendations**

CAS appreciates that taking a personalised approach and implementing personal budgets across different service areas is a difficult job. CAS also appreciates that it has been fully supported by the council and the CCG in putting in place measures to help the VCS adjust to personal budgets.

However there are a number of key recommendations CAS would like to make, in order to ensure that the shift towards personal budgets is smooth:

#### **1. All VCS organisations should be kept fully aware of where they stand with regards to their contract and transition to personal budgets**

We are aware that the council has a policy of providing three months' notice to VCOs if their contract or grant funding is to end. As more service users are awarded personal budgets, it is more important than ever that the move towards personal budgets is gradual and that organisations are kept aware of the shift towards personal budgets, and how this might impact on their grant/contractual arrangements.

#### **2. Provide more information about personal budgets, particularly around eligibility criteria and the difference between personal budgets for social care, and personal budgets for health**

VCOs would like to see targeted action by the council to raise awareness of personal budgets for service users, and more information about who is eligible. We would suggest more clarity around eligibility criteria and the process for an individual receiving a personal budget, including how long this will take to process. Clarity around eligibility criteria for a social care personal budget is particularly important given introduction of a national eligibility criteria and a move away from FACS as a result of the Care Act.

#### **3. Establish a clear system for listing providers for adult social care that resembles the Local Offer – the published list for SEND services.**

One of the key recommendations to emerge from our Personalisation Summit was the establishment of an e-marketplace detailing all organisations that could provide services to individuals with personal budgets. This would be an invaluable resource, would make sure that individuals are made aware of the range of services available to them, and would mean that knowledge about the range of VCS services was 'out there' and easy to access. CAS is willing to play a key role in co-ordinating this, and is keen to see it get off the ground.

If you have any **questions** about anything in this document, or want to discuss personal budgets and the VCS in more detail, please contact Rachel Clarkson, Policy Officer at [rachel@casouthwark.org.uk](mailto:rachel@casouthwark.org.uk)