



Queen Mary  
University of London



UNIVERSITY OF  
BIRMINGHAM

PUBLIC MANAGEMENT  
AND POLICY ASSOCIATION

## Centre for Public Service Partnerships

### COMMISSIONING FOR PERSONALISATION

#### Summary of Discussion Seminar held on 20 October 2009

Two dozen delegates from local government, central government and the private and voluntary sector joined a discussion seminar hosted by the Public Management and Policy Association (PMPA) with the Centre for Public Service Partnerships (CPSP) and Queen Mary, University of London (QMUL) at CIPFA's London headquarters in October.

Introducing the event, John Tizard, CPSP Director, said the event's purpose was to hear the current challenges on the issue of commissioning for personalisation and to consider what needed to happen in order for those challenges to be successfully addressed.

#### Personalisation Puzzles

Dr Catherine Needham, QMUL, set the scene, drawing on a review of the current literature on personalisation, personal budgets and commissioning. There was still a level of confusion about what this meant, for example, whether it was about meeting "needs" or "wants", and whether these could be defined by individuals rather than by external assessors.

In reviewing the literature she had identified a number of puzzles facing users, staff, providers, commissioners and those in an oversight role:

- Puzzles for users included how to navigate service pathways, manage budgets, and how to get the right information about available options. Brokers and support teams would be likely to develop to assist users. Personalisation was generally viewed as very positive for users, but there were risks that expectations would not be met, particularly in an era of tight public spending;
- Puzzles for providers and commissioners included how to ensure adequate supply and variety, including of small providers, and moving in mindset from a "wholesale" to a "retail" model. There were concerns about resources for residual commissioning functions, without being accused of "topslicing" too much from services. At the extreme, this agenda made the very concept of "strategic commissioning" problematic.
- There were many puzzles for staff, whose role could change significantly. What was the value of their expertise and training when the service user was making the decisions? Would they be deskilled or have to reskill? Would their jobs be safe; what training would be available; and what protections would they have if they left a professional team to become employed as a personal assistant?

- Finally, there were puzzles for those who had political or regulatory oversight of the system. They related to the ability to secure desired outcomes in terms of quality, equity, consistency or diversity and handling new manifestations of the “postcode lottery”. On finance, some thought personalisation would cost more, but would lead to better outcomes. Others thought it would cost less as users would be more creative about expenditure and would make the budget go further.

Matthew Pike then spoke, reflecting on the issues identified in ACEVO’s Personalisation Commission (interim report to be published 16 November). In introducing the theme he noted that many councils had not woken up to the issue at all yet, and that in the Voluntary and Community Sector (VCS) there were plenty of “early adopters” but a good number of “ostriches” too, hoping if they buried their heads in the sand the issue would go away.

His view was that a “five year route map” was needed if personalisation was really going to take hold, and he identified five challenges to address:

- Roles. Personalisation was nothing less than a new “social contract” – a deliberate negotiated transfer of power and responsibility from the state to individuals. As such it needed a new legal framework of duties. Local authorities would have a continuing role to ensure good resource allocation, risk management and compliance, and there should be a role for an Ombudsman to address complaints and scrutinise the system.
- System Leadership. This was the new role for the local authority – to lead by shaping the market and stepping back from provision. This would involve pump-priming new systems, and “tilting” the playing field to support collaboration and mutuality. It would involve supporting market intelligence and the provision of performance and outcomes data, and investing in building capacity in the voluntary and community sector. Were local authorities up for this role?
- IT. Efficient and effective IT systems were critical to the success of personalisation, for users and brokers alike. Actuarial skills would be needed for service planning, and smart payment systems would be needed to reduce transaction costs.
- Product Innovation. As personalisation and personal budgets spread, there would be a need for new products, for example to manage personal budgets from several different agencies, or to handle active/inactive budgets for those with episodic needs.
- The final challenge was the lack of experience and frameworks for new developments. No case-law, no bank of FAQs, no regulatory structure.

In conclusion, Matthew Pike said that the current system could be described as a chaotic mess. A five year strategy was needed for the policy to be soundly based for development and expansion. New roles were needed, and a new focus on supporting collaboration and mutuality was required if the result was not to be service fragmentation, higher costs and poorer outcomes.

## **Discussion**

In the discussion that followed five main issues were raised:

- a) The scope of the agenda. Would it spread to universal services such as leisure services or be confined to targeted services where funding was significant?
- b) Whether some skills that were routine in the private financial sector, such as risk diagnostics, brokerage and algorithms for predicting risks could be transferable and helpful.
- c) Whether personalisation would result in new inequalities, advantaging those who had social capital to draw on and disadvantaging those without.
- d) The scale of the "social contract" change. Is there political support for this? Where is the public debate and the political demand for action that would drive rapid change?
- e) Will the financial context make this all too difficult and just a "nice to have". Or is the financial crisis the opportunity for real progress on this agenda?" Where are the links to community empowerment (rather than just individual empowerment)?

Small groups picked these themes and others that emerged from the main presentation for discussion, and to suggest actions to take the debate forward. The main points arising from those discussions are below.

### **1. How can fiscal tightening be an opportunity rather than a threat?**

Fiscal tightening was generally seen to be an opportunity for innovation, but only if staff and users alike were allowed more control over their budgets so that they could deliver creative ideas. There was a concern that the long-term benefits of innovation, such as restructuring to share services, would be lost as people made short-term cuts.

### **2. How can personalisation support "co-production", the role of carers and a new mutuality, and vice-versa?**

The discussion here suggested that the current procurement processes did not support collaborative and mutual approaches, taking a narrow view on issues such as value for money. In addition the conventional commissioner standpoint saw their role as assessing needs from a professional background and would see "bottom-up" activism and co-production as a threat, not something to be harnessed, and this antagonism would need to be overcome if personal budgets were going to be most valuable.

***It was suggested that more work should be done to help to describe the value created by co-production in order to be able to commission for it effectively.***

### **3. What could be done to create a helpful public debate about this “new social contract?”**

There was some debate about whether the personalisation agenda was a revolution or an evolution of a trend since World War II. This would affect how any debate was pitched. In the short term, it was noted that the forthcoming General Election might form an opportunity for such a debate – it could be one of the policy agendas to be pursued in the “First 100 days”.

However any successful debate would need to go “beyond the elite”, which meant that the language had to be in real people’s language: aspiration, capacity, support, entitlement. It also needed to be clear about the parameters of the change that was on the table.

***The suggested action here was to create more opportunities for real dialogues at sector and local levels***

### **4. There is a new role for Local Authorities of “leading by stepping back”. What has to change for this to happen well?**

The LA’s role was thought to change in three ways:

- It would need to engage more directly with users;
- Its role in market-shaping would change as it had responsibility but not power; and
- It had to encourage central government to step back also.

***It was suggested that the most successful way to lead this change would be to engage staff and users in decision making, and tackle the issue of language as a challenge/barrier to debate.***

### **5. There are “early adopters” and “ostriches” in the VCS. What needs to happen for the VCS to thrive in this environment?**

There had to be investment in capacity building if co-production was to be taken seriously. There was also a need to develop a wider range of models for VCS organisations. This could include extending their reach to those less dependent on state services in order to develop effective risk portfolios, and being active in developing the conversation around co-production.

### **Conclusion**

Janet Grauberg, Development Director of the PMPA summed up the debate by referring to the five themes as key issues for resolution over the coming months if personalisation was going to deliver for citizens.

John Tizard closed the event by asking for volunteer organisations to take part in the research phase of the project. Local Authority/NHS, Voluntary Organisation, staff and service user perspectives were all sought for stakeholder interviews or detailed case studies. The outcomes would be reported next spring and inform a one-day conference in the summer.

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