

# Commissioning for Provider Diversity

## A Guide

## Introduction

All those eligible for publicly-funded support from adult social care can now take a personal budget to buy care and support services. Many personal budget holders tell us that they love this freedom but find that they are unable to find anything they really want to purchase and therefore fall back on 'traditional services.' As a result nothing changes. Practice must change to truly open the market to delivery through non-traditional and non-social care ways of people living good, rewarding lives. Meanwhile, the reliance on traditional methods, such as select or approved provider lists, continues to be a barrier to diversity in the market and particularly to micro-providers.

This guide is to help commissioners who, in the Care and Support White Paper, will have a legal responsibility to promote a range of quality services that meet their community's needs, to address the supply issue; helping them work with people and communities to create a local market place, inclusive of diverse and vibrant providers, with micro-enterprises at its heart. It begins with a new Personalised Commissioning Model. The guide builds upon previous work from Shared Lives Plus.

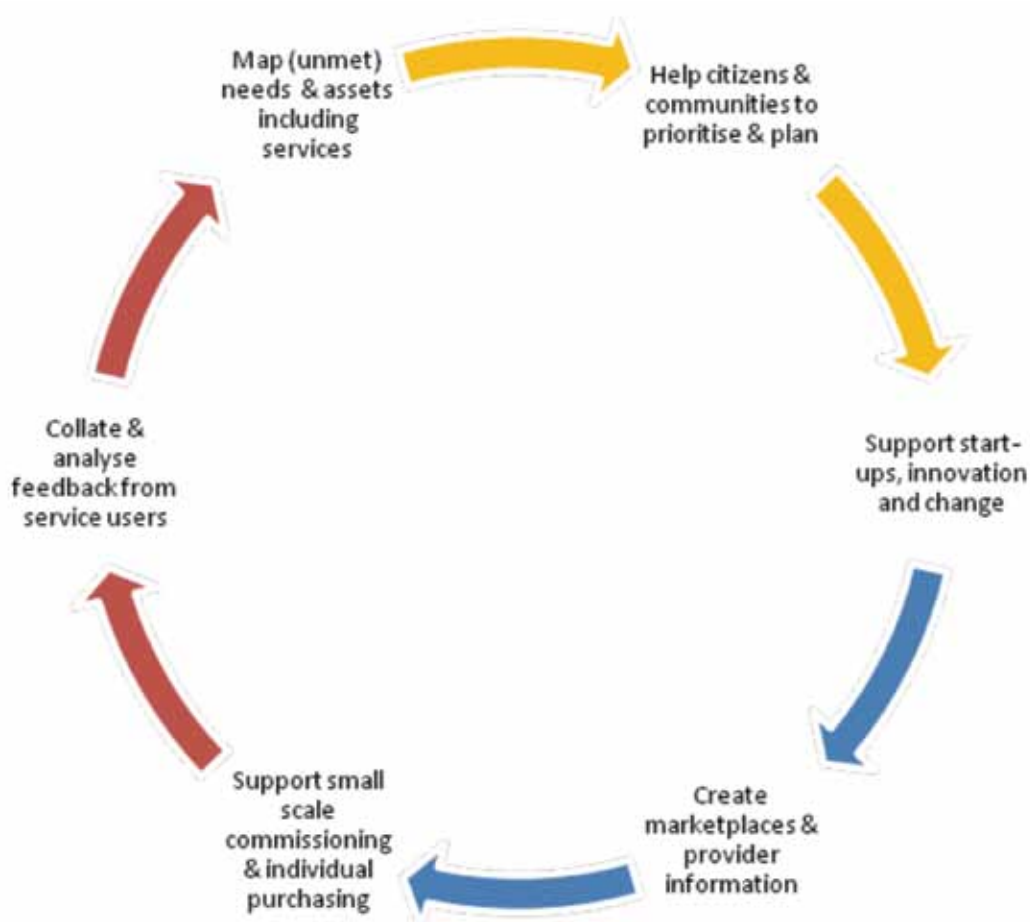
## A Personalised Commissioning Model

Health and social care commissioners face a number of challenges in taking personalisation to the next level:

- How can we re-invent the system so it is simpler for people to use?
- How can we build community capacity so that local people provide more mutual support?
- How can we help people with good ideas turn these ideas into viable enterprises?
- How can we ensure that these new arrangements are at least as cost-effective as the pre-existing ones?

To address this the commissioning cycle needs to change:

## The new commissioning model



## The case for micro-enterprise

Micro-enterprises include a wide range of very small services and initiatives, set up to meet the needs of individuals or small groups of older or disabled people. Some are started by ex-front line workers, others by disabled or older people themselves, often with help from families or the local community. They may generate income from people's own money or grants, personal budgets, local authorities, health and education services. Some are entirely or mainly staffed by volunteers. Many are owned jointly by people who deliver and/ or use the service.

Many people today are demanding 'support that is more than support,' an approach which enables them to give something back to those around them. This is where micro-enterprises can come into their own: by drawing on a person's experience and interests or by sparking a new interest, the supported individual comes to see beyond their own difficulties and limitations, make positive connections with others and begins to give something back.

Micro-enterprises are not the 'only answer' to supply problems, but research shows them to perform well in terms of efficiency, effectiveness and ability to respond to people's stated needs and wishes. They are one important part of a vibrant, local market place .

## Components of the new model

The new cycle has six components.

### 1. Map (unmet) needs and assets, including services.

We cannot influence the market for the better unless we know what already exists and what is needed. Localities now collect considerable quantities of information. The Care Quality Commission publishes information about the services it registers and inspects. In 2012 SCIE launched "Find Me Good Care", a national database, searchable by location. Many types of councils now have their own on-line directories and resources guide.

These resources tend to provide a picture of 'what is available' in a locality rather than 'what is needed.' They tend to record traditional 'services' rather than the 'assets' of the wider community which are by their nature more difficult to pin down or capture; and they quite often miss micro-enterprises which operate to some degree beneath the radar. The Joint Strategic Needs Assessment (JSNA) is intended to capture demographic/ prevalence information and so act as a proxy for 'demand' and influence commissioner decision making. Whilst not irrelevant traditional JSNAs are not the best vehicle to capture the nuanced, local intelligence that is the bedrock of a genuinely personalised approach. Commissioners should also:

- Capture 'unmet need' from personal budget holders and others. There are a number of tools available: we recommend Working Together for Change, described below.
- Map all the relevant assets which communities offer their citizens. Many methodologies are now available. The best capture the 'real wealth' of community members ,
- Work with colleagues from health, housing and community development to incorporate their intelligence and share yours: remember the people commissioners support often have no reason to think in silos so commissioners shouldn't either.
- Talk openly with providers of all sizes and ensure micro-enterprises can contribute to provider forums . Value their comments and show them that you do so.

Micro-enterprises must be part of these discussions. In the past commissioners have paid little attention to them, often taking them for granted and rarely factoring in their contribution. This is beginning to change in some places. Nottingham City Council recognizes that micro-enterprises offer something to people directing

their own support that larger providers can't always deliver; they worked with Community Catalysts to analyse the market and the council now runs an Association of Nottingham Micro-providers .

To achieve these things there needs to be:

- A clear and robust definition of the type of enterprise to be mapped.
- A real understanding of how such enterprises contribute to health and social care outcomes.
- Someone with the task of finding and collating the information: this involves spending time in communities, talking to local people, following up contacts – with a clear purpose in mind.

## 2. Help citizens and communities to prioritise and plan.

It is critical that we identify the means by which citizens get real influence on decision-making and so shape commissioning strategies and plans. The lion's share of the available budget should now be opened up to people as personal budgets and direct payments but there is also a need to fund the infrastructure to support people to access and use budgets including support for user-led organisations and centres for independent living.

Working Together For Change is a new approach to service public development that rightly enables local people to lead the debate. It is co-produced with citizens and families who use support services and focuses very explicitly on capturing intelligence both about what people need and about what it is that communities and individuals may be able to offer (as well as what is already in existence). Working Together for Change provides "a structured approach to engagement with people using services to review their experiences and determine their priorities for change". It does this by engaging with individuals so that all concerned achieve an understanding of what communities offer, and on this basis take the first steps in deciding what is to be funded to support people using personal budgets.

Working Together For Change generates person-centred information about what is working and what is not working locally, information that is taken directly from individual reviews, support plans and person-centred plans. A workshop or workshop series scrutinizes this information and takes a view on how best to use it for planning and commissioning purposes; workshops include those who are strategic decision-makers from commissioning, people using services and/or their representatives and managers from provider services. The approach has now been used in a number of localities (including Lancashire, Wigan, Gloucestershire and the London Borough of Richmond) where it has proved successful in assisting local people begin to build up a comprehensive picture of what goes on today and what people are saying they want and need in the future. Its success is very dependent on the openness of commissioners to real change and to influence by communities and citizens. It is potentially a means for citizens to have a big say in these important commissioning decisions.

The approach is most successful where there is also a track record of asset-based community development: the lesson is that citizens and communities can make a valuable contribution if capacity and confidence are given explicit focus. Successful approaches to capacity building include:

- Local Area Co-ordination
- Village agents
- Investment in support planning capability
- Programmes to build citizen and family leadership

## 3. Support start-ups, innovation and change

If a personalised market is to evolve, commissioners must find ways to ease the path of new entrants into the social care market place. Often people come with ideas and enthusiasm that are quickly quashed by what are seen as impenetrable working practices and red tape. Commissioners should incorporate and evaluate ideas and information from potential micro-providers into their plans. These ideas often originate in the world

outside social care and are not easy for social care commissioners to assess: if this is your situation then get help. These new entrants to the social care arena often need specific information, contacts and (sometimes) confidence to turn their ideas into a business that supports people. Such engagement with micro-providers from all levels of the authority will drive a culture change, dismiss myths on both sides and impart shared knowledge of community delivery to improve service development.

In Hertfordshire, Nottinghamshire, Dudley, the London Borough of Newham and many other areas Micro-market Co-ordinators have been employed or funded (sometimes as Community Catalysts staff) to do this work.

These projects have been remarkably successful.

Nottinghamshire County Council's micro-enterprise support agency

- Mapped existing micro-providers and made contact with them.
- Promoted the micro-provider project across the county at a wide range of events.
- Developed an outline strategic plan identifying target areas/priorities for micro-provider development (including rural areas, day opportunities, mental health and services aimed at people from BME groups).
- Developed an initial enquiry form.
- Undertook a programme of visits to emerging micro-providers.
- Offered micro-providers advice, information and signposting to other agencies.
- Developed and implemented a simple accreditation process.
- Offered start-up funding to all new and developing micro-providers; up to £1,000 can be awarded, which includes a year's membership to Shared Lives Plus. There have been 22 grants awarded so far to help with: insurance costs, marketing, equipment, recruitment etc.

(information from Rebecca Stanley, Micro-provider Co-ordinator)

The project in the Metropolitan Borough of Dudley in the West Midlands 'cut across many silos as it aimed to work with all types of enterprise including small businesses, social enterprises, Community Interest Companies, charities, co-operatives, partnerships and voluntary services.' 27 new enterprises were established and 120 new jobs or volunteering opportunities in micro-enterprises were created. An example of the enterprises established and supported through the work in Dudley include the Green Team.

## The Metropolitan Borough of Dudley

- Included micro-enterprise in the Making it Real action plan . The plan reflects the TLAP 'markers of progress' towards personalized, community-based support and is arranged across six key area: information and advice, active and supportive communities, flexible and integrated care and support, workforce, risk-enablement, personal budgets and self-funding. Dudley has included measures to promote micro-enterprise.
- Promoted Community Catalysts' Quality Mark for micro-enterprises (see below).
- Offered an assessment of organisational readiness to identify issues needing attention.
- Offered micro-providers free training on key issues (medication, moving and handling etc.)
- Gathered intelligence about how individuals and organisations wish to engage with (and contribute to) plans for the future of social care in the Borough.
- Launched an Innovation Fund for those looking at new innovative services, £2k kick-start and £10k progression fund

(information from Lorna Reid, Micro Services Co-ordinator)

## 4. Create market places and provide information

Both citizens and providers, each from their own perspective, need information in order to create a flourishing market place. Micro-enterprises' markets may include delivery of support that is not bought and sold in a traditional sense. However all services require resources and both traditional commercial relationships and other network relationships need information and a means to come together to do business, to buy and sell and exchange resources to maintain their relationship.

Citizens often lack 'hard information' about what services are available in their locality. They also benefit from seeing how others rate these services. And they need the opportunity to draw inspiration from real-life stories and achievements: just because we have needs for extra support does not mean we cannot thrive and give back to our community.

Providers, particularly micro-enterprises or those wishing to set up a micro-enterprise require a range of different types of information to focus their business:

- Some need information about the needs and wishes of local communities (though many well-connected, local social entrepreneurs will of course already have a keen sense of this).
- Some need a little inspiration, the sort provided by stories of others who have successfully taken a similar path and set up as a 'micro.'
- Many new enterprises need information specific to the social care sector: how assessment is carried out, how personal budgets are allocated, how money flows, how services are regulated, where to find appropriate staff training, what are the local arrangements to report safeguarding alerts etc.

The necessity for up-to-date and accurate information to lubricate the social care market was recognised by the government in the 2011 Caring for Our Future White Paper and the subsequent Care and Support Bill and start-up funding was promised. It highlights the importance of local authorities developing, publishing and keeping updated market position statements and their strategy for meeting demand and ensuring these recognise diversity and micro-provision. Many councils now sponsor or provide on-line social care directories for citizens with budgets to access information about local providers; some provide Trip Advisor type rating systems, the opportunity to post stories, and even to purchase directly on-line.

There are a number of virtual market places now in existence. One of the best-developed is Shop4Support which works across the Yorkshire and Humber region (and elsewhere). Like other on-line spaces of this sort it provides information for both citizens and providers so that people can search and find what they need and buy with confidence. It also enables people to find help building a support plan, designing a service and managing a personal budget. However, the fact remains that if all directories are web-based some people who require support are not able to get on-line; this could be both a barrier as well as an opportunity and require other access to information.

Such marketplaces breathe new life into the social care market. Early experience suggests that they attract innovative, risk-taking providers with the vision to meet new demands in new ways. They can (and should) also be designed to lower entry barriers; Hertfordshire's new e-marketplace will 'be open to both contracted and non-contracted providers and considerable thought has gone into making the registration process both proportionate and appropriate for very small providers. In due course people on a managed personal budget will be able to take this as a virtual direct payment and shop for any provider.' (Tracy Ahern, Micro-market Co-ordinator).

There is more that commissioners can do to maximize the opportunities for micro-enterprises. A micro-services project (as above) can help. Such projects support new enterprises in marketing their services; they advise them about insurance issues, Disclosure and Barring Service checks, references and testimonials; and they can assist them to meet the criteria set by councils for inclusion in their directories. Rebecca Stanley, Co-ordinator of the Nottinghamshire County Council project, says:

'The project has enabled local people to get the advice, guidance and support required which has helped to

stimulate the marketplace so that more innovative services are available offering different types of care and support that people need to live their lives.’

## 5. Support small scale commissioning and individual purchasing

The purpose of personalisation is the maximum achievable individual choice and control for all. The preferred means is through people managing the money for their support as a direct payment or, where this is not possible, through their deciding how those holding it use that money on their behalf. Whatever the management mechanism the actual commissioning decisions must be made with the individual’s needs and wishes as the determining factor.

There are a number of implications, including the ending block contract arrangements and shifting resources into direct payments, other forms of personal budgets and into funding for community infrastructure to support these processes (direct payment support services, centres for independent living, support planning expertise etc). Commissioners also need to work with providers to personalise remaining block arrangements through the development of individual service funds. A number of models for this process now exist.

Small scale commissioning and individual purchasing do not mean people cannot do things together. The organisation RUILS has done innovative work to set out what individuals need to do to pool budgets in a sensible and secure way and how commissioners can support this process. Their report includes a number of examples of ‘pooled budget micro-enterprises’. However, too few other examples of this collective approach exist and commissioners have roles here in bringing people together to share ideas, to plan and to problem-solve and in making sure that they are well informed about the potential and also the specific challenges of pooling.

All of this helps to build a culture favouring small-scale, locally based provision where micro-enterprise flourishes. Specific measures to encourage micros, so they are able to make the most of this culture are also needed. Commissioners must ensure that local authority staff (care managers or social workers) who are managing personal budgets for people are not discouraged from using micro-providers. This has sometimes been the case in the past where councils have insisted that care managers buy block commissioned services at discounted rates.

A local micro-enterprise support agency can help by:

- Running events for micro-providers on various aspect of the personal budget process.
- Offering local guidance on pooling personal budgets. Encouraging micro-providers to help other people with this process.
- Working with Business Development colleagues to assist council staff and others who wish to set up as micro-providers, advising them how people might purchase support, using their personal budget. Advising or assisting with business planning, marketing and launch.
- Seeking opportunities to publicise the benefits of micro-provision to the wider public at local events, especially drawing on local examples which celebrate success and which have positive social or environmental impact.

## 6. Collate and analyse feedback from service users

None of the above good practice means that commissioners can avoid the absolute necessity of making judgements about service quality and taking appropriate action if necessary.

There are now many tools available to assist in the collection and collation of views and the best of them focus on outcomes; that is what difference services have made to someone’s life (see for example the Outcome Star family of tools. ). There are also a number of tools designed to help organisations check quality, bring things up to standard and provide assurance to people buying and using services. One specifically for micro-providers is Community Catalyts’ quality mark .

All of these approaches involve talking with people who use services about their experiences and ensuring that these views are taken seriously. In order to have impact such information needs to be intelligently interrogated and used as the basis for further questions.

New and existing micro-providers must develop a culture of openness, where those using their services are encouraged to talk to commissioners and others – in a spirit both of celebrating what is good and of seeking sensible and co-produced solutions for outstanding challenges and issues.

## Making the Shift, top tips

There are many things for commissioners to do to commission for personalisation. Fundamentally they must change how they relate to citizens and families as these groups increasingly come to exercise purchasing power. All commissioners must now influence how the market operates by:

- promoting the value of citizenship and contribution
- modelling an open, inclusive approach in their work
- reducing barriers to entry
- acting as a resource both for providers and for citizens
- ensuring that communication is at the top of their agenda, communication with people using services, providers, other council staff, external stakeholders and the wider community.

Some commissioners will be in a position to take steps which are bold and radical; that is they will put in place the conditions where support is co-commissioned with citizens at every stage of the cycle. Others will judge that they should take smaller steps at this stage. The two approaches are not of course mutually exclusive: some will do both. We highlight some key tools develop to enable all to make the changes required, such as Think Local Act Personal, National Market Development Forum's "Stronger partnerships for better outcomes: A protocol for market relations". **Our clear message is that whatever your circumstances all commissioners should now take measures to commission for personalisation. All are in a position to begin this process today.**

### Top Tips to commission for personalisation: Radical steps or Gradual Steps

For commissioners able to take **radical** steps

For commissioners able to take **gradual** steps

#### 1. Collect robust information about demand and supply and deploy that information

Through: people being encouraged and supported to think beyond the current or assumed service provision and explore new approaches when planning. Their ideas for new approaches are gathered, recorded and shared with local social entrepreneurs. Citizens, families or ULOs are employed/funded to gather information on local assets, (met and unmet) needs and choices, working alongside council officials. These are then translated into concrete proposals and new or existing enterprises are provided with support to begin trading on this basis. Also active use of the Developing Care Markets for Quality and Choice programme which supports authorities to develop capacity to shape local markets and market position statement.

Through: the JSNA process collecting information about personal budget holders' unmet needs and a full picture of community assets that might help meet social care needs. Citizens and families contribute to and comment on the JSNA, which is explicitly co-produced. This activity is reflected in the council's Making it Real action plan: it is thus a public commitment and the council will self-assess success in achieving genuine co-production. Brokerage services, ULOs and voluntary and community groups all understand and embrace their role in capturing information about unmet needs and preferences and communicate this to the council.



## 2. Review and revise your commissioning strategy

Through: use of Participatory Budgeting or Community Fundholding to give communities real budget control. Budget-pooling, using personal budgets, other public funds and private/non-public funds is actively supported. The commissioning strategy specifies how this will happen and where resources for this activity will be identified. Delegating the commission to front line workers and breaking up contracts in identified services areas to allow access for micro-providers, enabling and investing in micro-provider consortiums.

Through: The use of block contracts, framework agreements and select or preferred provider lists are discouraged and tested for their impact upon individual choices and provider diversity and any restriction stripped out. Individual service funds are considered as a means to personalise any remaining block contracts. Transitional arrangements are agreed to help providers move away from reliance on outdated mechanisms. An increasing share of budget allocated to direct payments and personal budgets. The commissioning strategy reflects all the above, with clear budget allocations and timescales for change.

## 3. Co-design your area's response to social care need

Through: A programme of Asset-Based Community Development in place to help communities build non-service responses. Local Area Co-ordination, family and citizen leadership programmes, capacity building for ULOs, citizen-led support planning and a range of similar approaches are developed as a route to co-designing a new social care system. These approaches are evaluated and adapted to reflect local circumstances. Ensure that there is an effective e-market place to link citizens and providers.

Through: Working Together for Change or a similar methodology introduced as part of the standard operating model. This means that information from support plans and reviews is collected and is scrutinized and evaluated by representative groups. ULOs are funded to inform and support every area of commissioning activity. There are many opportunities for citizens, families and communities to contribute and be heard, with information exchanged face to face, online and via surveys. Ensure that there is an effective e-market place to link citizens and providers.

## 4. Take specific measures to encourage community control, provider diversity and service quality

Through: Working with new and existing providers to ensure much greater dialogue with and accountability to citizens, families and the local community. Promote 'citizen delivery' in all aspects of social care. Community engagement to become an explicit aspect of provider role. Active exploration and experimentation with new governance arrangements including co-operatives and mutuals which devolve decision-making to 'lowest' appropriate levels. Funding/providing a micro-enterprise support project with remit to promote this approach amongst micro-enterprises.

Through: Funding/providing a micro-enterprise support project and funding service models which explicitly connect with community (Shared Lives, Key-ring, Neighbourhood Networks etc). Adopt a quality assurance measure such as the Quality Mark to ensure standards are enhanced and maintained. Review services, including those for people with complex and multiple needs and those jointly commissioned with health, to ensure that they maximise inclusion and diversity. Ensure that support arrangements (Centres for Independent Living, brokerage support etc.) are in place, are effective and are genuinely user-controlled.

## 5. Ensure that internal processes support personalisation

Through: Adopting a 'zero based' approach to internal processes. Review and redesign contract, procurement, financial and care management arrangements so they are fit for personalised commissioning and asset based communities. Staff/resource deployment to reflect this.

Through: Ensuring contracts, procurement and financial procedures are both robust and light-touch. Ensuring social work/care management teams are working to promote personalisation and are supported by good information systems and by a clear management remit.

## Acknowledgements

Many of the challenges and solutions identified in this guide are the result of the work of Community Catalysts and its network of micro-enterprises and associates.

Officials and funding from the Department of Health.

Colleagues at Think Local, Act Personal.

---

<sup>1</sup> Map for Micro-enterprise in Community Care (2011); Ten Ways to Stop Bashing and Start Boosting Micro-enterprises (2012) at <http://www.sharedlivesplus.org.uk/>

<sup>2</sup> See A Problem Shared, Making Best Use of Resources in Adult Social Care (2013), joint TLAP/TEASC report at <http://www.thinklocalactpersonal.org.uk/>

<sup>3</sup> There is now an increasing body of evidence to bear out the efficiency and effectiveness of micro-enterprise. See for example: <http://www.cqc.org.uk/public/reports-surveys-and-reviews/themed-inspections/review-home-care-services>.

<sup>4</sup> For example: <http://www.helensandersonassociates.co.uk/reading-room/where/community.aspx>.

<sup>5</sup> 'Real wealth' is a concept developed by In Control. See definition at <http://www.in-control.org.uk/what-we-do/future-thinking/real-wealth.aspx>

<sup>6</sup> <http://www.mynottingham.gov.uk/index.aspx?articleid=19466>

<sup>7</sup> [http://www.puttingpeoplefirst.org.uk/\\_library/Resources/BetterCommissioning/WTFC\\_Final1.pdf](http://www.puttingpeoplefirst.org.uk/_library/Resources/BetterCommissioning/WTFC_Final1.pdf)

<sup>8</sup> Newham's website is an example: <http://www.newham.gov.uk/Events/NewhamMicroEnterpriseProject.htm>

<sup>9</sup> <http://www.thinklocalactpersonal.org.uk/Browse/mir/mirSearch/organisationOverview/?organisationID=194>

<sup>10</sup> <http://www.thinklocalactpersonal.org.uk>

<sup>11</sup> <https://www.shop4support.com>

<sup>12</sup> [http://www.thinklocalactpersonal.org.uk/Browse/commissioning/National\\_Market\\_Development\\_Forum/](http://www.thinklocalactpersonal.org.uk/Browse/commissioning/National_Market_Development_Forum/) and <http://www.groundswellpartnership.co.uk/choice-and-control-for-all>.

<sup>13</sup> <http://www.ruils.co.uk/Pooling-Direct-Payments/28/120>.

<sup>14</sup> <http://www.outcomesstar.org.uk/>

<sup>15</sup> <http://www.communitycatalysts.co.uk/products/quality-mark/>

<sup>16</sup> Stronger partnerships for better outcomes: [www.thinklocalactpersonal.org.uk/\\_library/NMDF/StrongerPartnerships\\_final.pdf](http://www.thinklocalactpersonal.org.uk/_library/NMDF/StrongerPartnerships_final.pdf)

<sup>17</sup> Department of Health DCMQC programme: [www.dh.gov.uk/health/2012/09/dcmqc-launch/](http://www.dh.gov.uk/health/2012/09/dcmqc-launch/)

<sup>18</sup> See In Control's forthcoming paper, to be published autumn, 2013 and provisionally entitled 'The Future System.'