

You may feel that the service your social enterprise provides can offer more to individuals than the one-size-fits-all approach that so many public bodies seem to give. You may feel that you can give something tailored and more personal that will suit the needs of the individual.

Opportunities for social enterprises are opening up as there is now an increasing move towards personalisation, allowing individuals from the general public a budget with which to pick and choose who should provide their services.

The idea of personalisation has been around for several years and is likely to be an established way for local authorities and other providers of public service to deliver those services through suppliers such as social enterprises.

What is personalisation?

Personalisation, also sometimes called Self Directed Support (SDS), is not a new service or a new market. It is a way to allow citizens greater choice and control over who delivers their services. The main way services are personalised for citizens is through the use of individual budgets.

If, for instance, Mr Smith has diabetes his local care provider might consider he is eligible for a personal budget. After assessing his needs it is decided that the local PCT and Adult Services of the local authority pool some of their funding for Mr Smith into a personal budget. He may choose to buy his toe-nail cutting service from a local charity that looks after older people because he can now get his nails cut at a time that suits him, rather than at a set time each week at a doctor's surgery.

How does personalisation work?

Individual budgets bring together funds from one or many places including:

1. Local government sources e.g. adult social services from a local authority
2. Government departments e.g. Department for Work and Pensions (DWP) and their Independent Living Fund
3. Supporting people funding
4. NHS funding e.g. from a local mental health trust

Citizens can then use this budget to buy services from providers.

There are a number of ways that are being used to support this, some of which are:

- Individual budgets
 - Actual (cash) budgets
 - Virtual budgets, where cash does not change hands, but money is protected for an individual to use
 - Voucher schemes, or Individual Service Funds where suppliers have access to a budget and citizens buy services from this budget
- Direct payments (a relatively well established model, in residential care for instance) to a designated account
- Trust Fund to be administered for individuals unable to manage a budget themselves

What does this mean for your social enterprise?

Most people are aware of personalisation for health and social care budgets, but the possibility (and intention) exists to use it in other areas of public service including the criminal justice system, lifelong learning and other area of public expenditure in the future.

There is long-term potential to sell services direct to citizen users instead of via intermediaries such as local authorities. As more people get become familiar with buying services it is thought that citizens without state funding will begin to use services in this way. These “self-funders” could be a huge opportunity as they would be a market of approximately four times the size of all state funded citizens.

Challenges, issues and opportunities with personalisation

Aside from the long-term potential there are more concrete opportunities and challenges to face.

The biggest issue is how personalisation will actually be put into practice is still emerging. If you are providing services that citizens from five local authority areas could use, and those areas use different types of payment mechanism how do you manage that money? Can you cope with direct payments, invoicing, cash or vouchers?

How will you communicate (marketing and reporting) with citizens? Will this be the same, or different from how you communicate with commissioners and grant making trusts? Marketing and communications potentially becomes a key function as you have to manage many individual relationships with relatively small values, as opposed to a few contracts with large values. Quality marks and accreditations with more brand awareness may become more important (as a business to consumer marketing tool)

Having sufficient working capital to bridge times of tight cash flow will become increasingly important as you move from business-to-government to a business-to-consumer model

There are also specific opportunities e.g. brokerage, Information Advice and Guidance (IAG) aside from the direct provision of the service, which might expose conflict of interest issues if you are being paid to broker your own services!

Another possible challenge is that many public bodies could use personalisation to decrease the amount of money they spend on public services. The two main ways they might do this:
Decrease the money available for each citizen (through budgets assigned when new care plans are agreed)
Decrease the number of citizens qualifying for public money by raising the criteria used in needs assessment

Citizens from neighbouring boroughs may choose to spend their budgets with you. Conversely your clients may choose to move elsewhere – this novelty seeking behaviour has been shown for several years in domiciliary care where personalised budgets are well established

It is worth highlighting that personalisation will probably never completely supersede the commissioning or procurement model, rather it will tend to grow and complement your other revenue streams.

How to find out what is happening near you

Personalisation is happening at different speeds and ways in different places. As such there is no “one-way” to find out more information. However, these next steps are a good starting point.

Your local authority will publish information relevant to citizens including commissioning and personalisation. Look at local websites and in the local press

As a supplier you should also look specifically at links or sections on service commissioning body (e.g. your local authority, fire service, NHS etc.) websites on ‘commissioning’ or ‘doing business with us’

If you have relationships or access to named individuals in operational or commissioning departments in your local authority, NHS trust or other service commissioning body give them a phone call and ask them where you can get more information

Further information

Personalisation, productivity and efficiency
Social Care Institute for Excellence,

<http://www.scie.org.uk/publications/reports/report37/files/report37.pdf>

Financial management of personal budgets
Audit Commission, October 2010

www.audit-commission.gov.uk/nationalstudies/localgov/personalbudgets/Pages/default.aspx

Making It Personal: A social market revolution
The Interim Report of the Commission on Personalisation
ACEVO, 2009

<http://www.acevo.org.uk/Document.Doc?id=240>

Department for Communities and Local Government (DCLG)

www.communities.gov.uk