

## **Individual purchasing**

### **1. Brief description**

Government policy on health and social care aims to tailor services to individuals' needs and wishes. A personal budget is a sum of money that a local authority or CCG allocates to a person to meet their assessed health and social care needs. Since the implementation of the Care Act in April 2015, all care is paid for through a personal budget of some form.

Care that gives people control over their lives is also known as self-directed support. Direct Payments and Individual Service Funds (ISF) are a form of self-directed support for people who want to purchase and manage their social care and support themselves.

Care Act responsibilities in relation to individual purchasers also apply to self-funders in many respects.

Individual purchasing forms a key part of the health and social care market viability and sustainability.

### **2. What do we want from this area in the future?**

People choose Direct Payments to secure a more personalised market response, purchasing the type of services they need, including a non-traditional offer.

However, Direct Payments are not always suitable for everyone and we need to find a better offer for those who don't want the responsibility of managing a personal budget themselves, as well as those who may lack the capacity to do so. A family member or a 'Suitable Person' isn't an option for many people.

An Individual service Fund (ISF) could be the solution for those who want choice and control but who need support to manage their personal budget.

The ISF offer, has the potential to stimulate a market that may provide some support, but also creatively sub-contracts and purchases from elsewhere to meet the service user's needs and outcomes more effectively.

The Commissioners are testing various forms of outcomes-based commissioning and are testing some of those approaches within individualised purchasing arrangements to encourage and support a market to work in this way.

Devon County Council's Promoting Independence strategy<sup>1</sup> (2017) aims to develop a range of options which acknowledge people's strengths and assets, and help them build upon those strengths, with support where required. These principles are core to our individualised commissioning arrangements.

We are also reviewing our Direct payments policy and will work with the market to ensure that all individualised commissioning arrangements are 'sufficient' (in terms of the Care Act definition), efficient, effective and safe.

As we develop our policy and strategy for Individualised Purchasing, we will consult with service users and the market. The policy is being developed during 2019 and the strategy will be firmed up in 2020 following the evaluation of the Individualised Service Fund pilot.

### **3. What is the assessment of need?**

Direct Payments represented 15% of the total net DCC Adult Care and Health operational budget for 2018/19, with the largest investment in relation to people with a disability, where they account for 20% net operational budgets. For health Personal Health Budget Direct Payments account for 36% of all packages of care provided for individuals at home.

In October 2016, there were 2400 people with a Direct Payment, but by September 2019, that figure had dropped to 2157. It is difficult to say why this is but feedback from service users and carers suggests that there is an increasing level of dissatisfaction with the administrative burden involved.

The number of people in receipt of a Direct Payment by primary need in October 2018 was as follows:

- Older people 645
- Disabilities 1321
- Autistic spectrum 73
- Mental health 81

The disabilities group has seen the smallest decrease in number of Direct Payments since 2016.

The distribution of people with a Direct Payment by locality is Eastern (43%), Southern/Western (31%), Northern (20%) localities, and other (Devon-wide teams including Autism, Mental Health & Carers) 6%. This reflects the population distribution.

The weekly cost of all Direct Payments as of September 2019 was £462,000 per week and a pilot cohort of 6 clients with an ISF at a cost of £7,500 per week.

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<https://devoncc.sharepoint.com/sites/PublicDocs/AdultSocialCare/SocialCareAndHealth/Policies/Promoting%20Independence/Promoting%20Independence%20policy.pdf?slid=c65e959e-f0ce-6000-295c-f5d39267eeee8>

Approximately 50% of people spend their Direct Payment on a Personal Assistant (PA), 9% spend it on agency support, and the rest spend it via other means e.g. a one- off payment for a specific item. Further information on patterns of spend in Direct payments can be found in appendix 1 below.

Over the last three years, the number of “Managed Accounts”, which provide financial management and support to help people with their responsibilities as an employer, had risen to circa 700. Managed Accounts only supports the administration of the funds, not the co-ordination of care and support offers.

Whilst we need to increase our range of options for *how* people buy individualised support, we don't really have a good picture of what people *want* to buy in terms of the range and flexibility of support options. There is an opportunity to ask people with Direct Payments what kinds of support they might want to buy as part of our place-based / market town-based commissioning work.

Our arrangements for talking with people who take such individualised purchasing options need to be strengthened and include self-funders. Our new PA Register<sup>2</sup> will help us gather 'soft intelligence' about what types of support individual purchasers want and will inform future iterations of the MPS.

#### 4. What is the assessment of supply?

The Personal Assistant market is largely unknown to us, although it will become more visible through the PA register and our work with Proud to Care<sup>3</sup>. However, PAs remain a popular option for people with Direct Payments, so our sense is that we need to help this market to develop.



Market Opportunity

We want to know more about the quality and safety of the PA market, made more difficult as it does not currently fall under CQC regulation. Encouraging more PAs to join the PA register will give us a better sense of the quality of the PA market, albeit on a self-reported basis. PAs who join the register will have greater access to purchasers and should enhance their business.

In our PA register, we have offered a suggested list of minimum safety and quality checks which individual purchasers should undertake, before they employ a PA, as well as a range of resources and support for employers.

Arguably, agency provision delivered through a Direct Payment still tends to be designed around a more traditional offer. We are keen to work with providers to build the flexibility to design and agree a support plan between themselves and the service user. The Individual Service Fund pilot will help us test models of provider-led, person-centred support planning and reviews, based around individual outcomes.

<sup>2</sup> [https://services.pinpointdevon.co.uk/kb5/devon/services/pa\\_home.page](https://services.pinpointdevon.co.uk/kb5/devon/services/pa_home.page)

<sup>3</sup> <https://www.proudtocaredevon.org.uk/>

**5. What changes are we looking for from this service in the future, including any market opportunities, and what can commissioner do to help to move towards these changes?**

We have started to explore the different ways in which we might support the development of a more personalised approach to care delivery within the market. Some potential options are outlined in the report Beyond Direct Payments<sup>4</sup>. We want to test how we can help create the right circumstances to stimulate the growth of locally-driven solutions, tailored to the needs of specific communities and are keen to hear from providers about this.

The main opportunities for providers are:

Shorter-term

- The ISF pilot – developing flexible, outcomes-focussed approaches for people who don't want to manage their own personal budget.
- Consultation on the Direct Payments policy.

Medium term



- Consultation on the Individualised Purchasing strategy .
- Working in a place-based way to improve understanding of the types of support people want – building our understanding of the range of personalised offers, both present and desired, so we can help create the environment for community and market development and growth.
- Identifying opportunities to pilot new approaches to support and care delivery which are place-based, flexible and personalised, including through the Council's Creative Innovation and Growth Programme<sup>1</sup>.

Longer-term



Improving our understanding of the private market – engaging with the PEN reference group to find the best way to do this work.

Anticipated future patterns in Individual Purchasing.

This table shows potential changes in patterns of Individualised Purchasing should the Individual Service Fund become a mainstream offer.

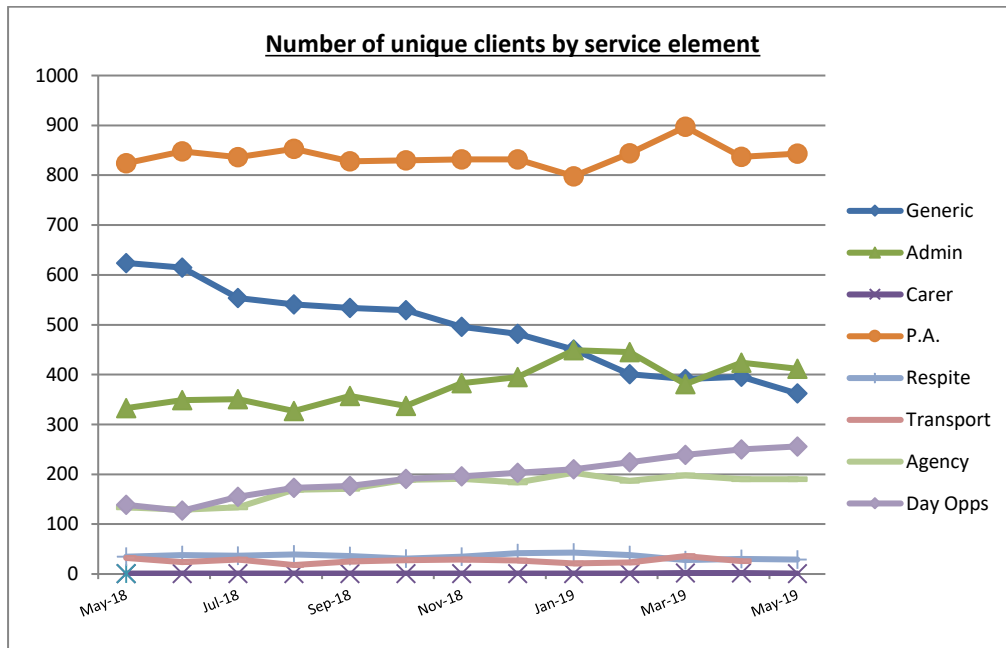
| <b>Offer</b>                                    | <b>Trend</b>  | <b>Rationale</b>  | <b>Impact</b>  |
|---|---|---|--|
| <b>Direct Payment</b>                           |  | A 'pure' direct payment offer with the full set of responsibilities may not be appropriate for many people.                         | Total number of Direct Payments decreases over time – already trending.                            |
| <b>Direct Payment paid to 'suitable person'</b> |  | If there are other personalised and self-directed offers available such as the ISF, many people may prefer a provider rather than a | ISF model carries a small admin cost but the potential for improved outcomes is greater in return. |

<sup>4</sup> [https://www.thinklocalactpersonal.org.uk/\\_assets/News/BeyondDirectPayments.pdf](https://www.thinklocalactpersonal.org.uk/_assets/News/BeyondDirectPayments.pdf)

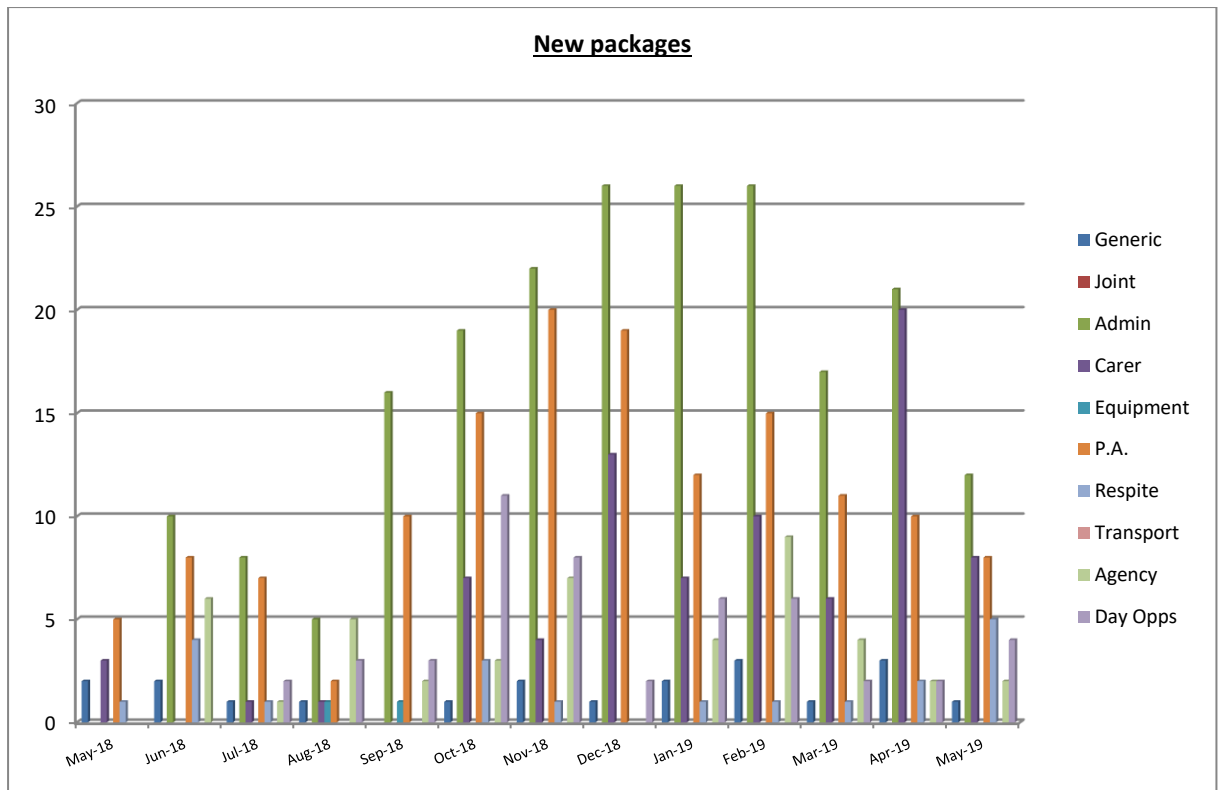
|   |   |  |  |
|---|---|--|--|
|   |   | suitable person managing the fund on their behalf.   |  |
| <b>Direct Payment with Managed Account</b><br>(financial management)  |  | We anticipate the number of Managed Accounts (financial management) to increase, in response to people's need for support in managing the administrative aspects of the Direct Payment.  | Potential cost increase because we will be supporting more people with the financial management of their fund but better outcomes for individuals. |
| <b>Individual Service Fund</b> (agency managing the care and support) |  | We would expect a significant number of requests from both people who have a Direct Payment, maybe also with a suitable person who is not happy in the role, and people in commissioned care who want more choice and control. | ISF model carries a small admin cost but the potential for improved outcomes is greater in return.   |

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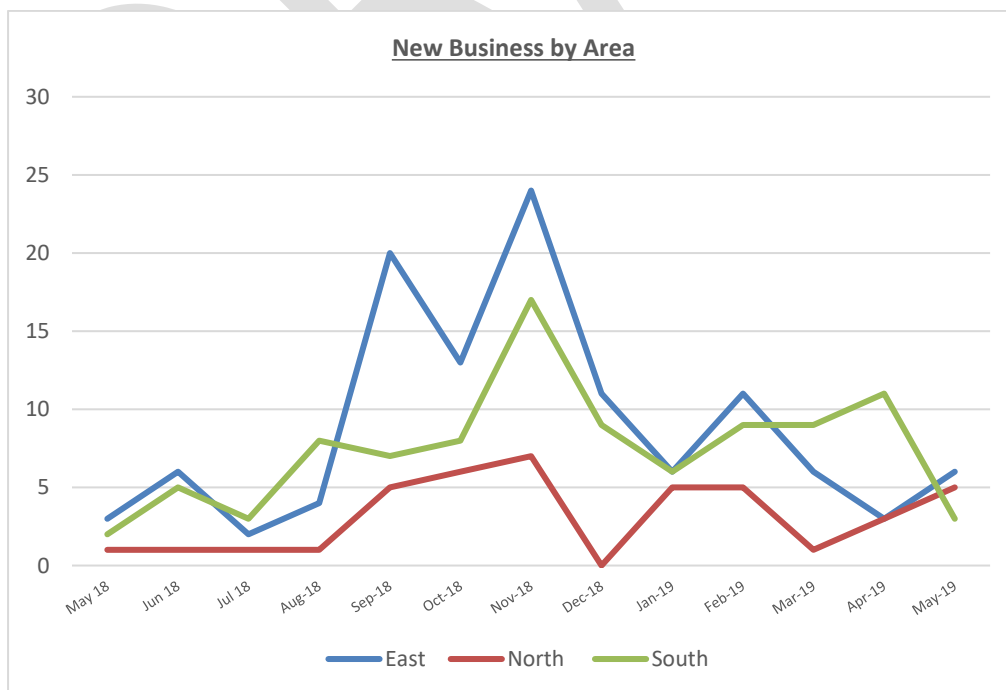
## Appendix 1 – Further trends in Direct Payments



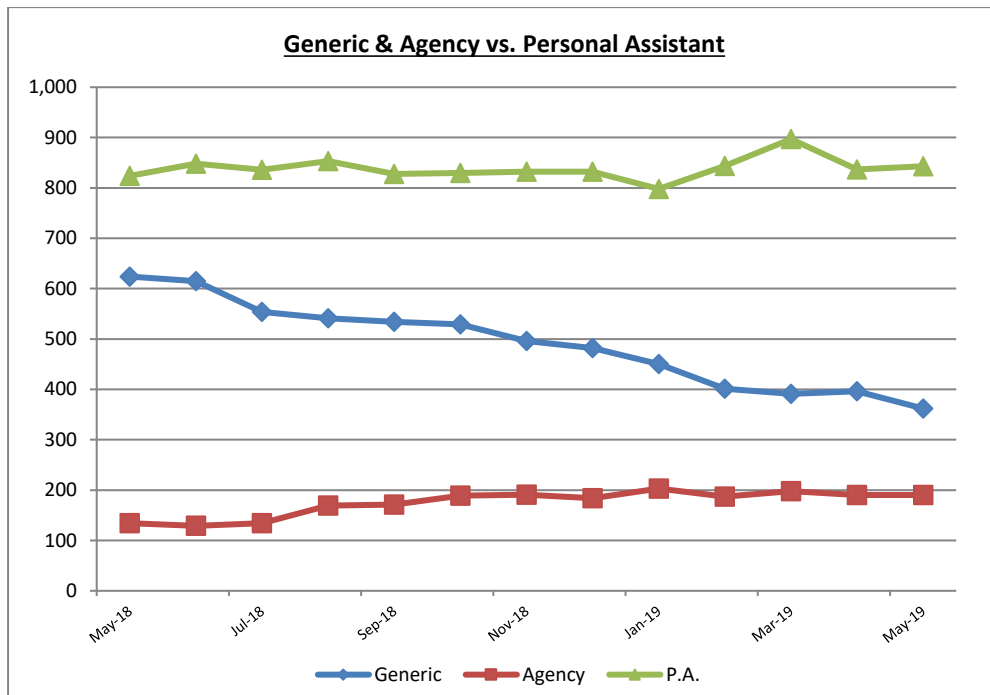
This graph shows a breakdown of the kinds of services people buy with their Direct Payment. The majority choose to purchase support from a personal assistant or PA. The 'generic' category represents a mix of services e.g. personal care plus replacement care. It is an historic category which is being phased out. 'Admin' refers to those people who have opted for a Managed Account (financial management service) to help with the responsibilities involved in employing a PA.



This graph shows that purchasing a PA is still a popular choice for new people taking a Direct Payment. Managed Accounts also feature heavily among new people.



This graph shows that East locality sees most of the new Direct Payments, followed by South and then North. This pattern fits with the population distribution of Devon.



This graph shows that nearly 900 people (who are Devon County Council funded) take their Direct Payment to employ a personal assistant or 'micro-provider'. Whereas nearly 200 people purchase support from an agency with a Direct Payment.