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**CO-OPERATIVES UK**

# Personalisation of social care and health

*A co-operative solution*

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## About the research

The research was undertaken by Manchester Metropolitan University as a placement with Co-operatives UK and Cobbetts, funded by the Economic and Social Research Council under a Business Engagement Opportunities project.

The overall aim of the research was to explore and assess the opportunities for co-operatives and mutuals as service providers under personal budgets in social care and health. The research explored the experiences of co-operatives operating as social care providers and the implications for future policy and extension of the provider market within the context of personalisation.

This research is based on in-depth interviews and field visits with two case studies, documentary research and a number of other relevant stakeholders. The interviews with Sunshine Care, Caring Support, and stakeholders took place between April and July 2010.





## Introduction

There is growing political interest in how co-operatives and mutuals can deliver services currently within the remit of public sector provision.

The parallel and overlapping trend of personalisation is an international phenomenon based on the principles of self-help, empowerment and choice with broad political consensus in England.

Co-operative and mutual business models appear closely aligned with the personalisation agenda. Co-operative approaches to social and health care provision are being proposed by the coalition government and the Green Paper *Modernising Commissioning*<sup>1</sup> aims to support the role of co-operatives and mutuals in

providing public services. As such, new social care and health co-operatives are an emerging area in a changing environment.



Caring Support.  
Credit: Mike Couchman [www.mikecouchman.com](http://www.mikecouchman.com)

## Key findings

Co-operative providers can develop service innovations in personalisation grounded in local knowledge and the needs of individuals.

1. The market for personalised services is underdeveloped and large scale providers that rely on economies of scale may be well placed to seize opportunities.
2. Co-operatives are not well understood by gatekeepers to social care and health services.
3. Longstanding commissioning processes (eg preferred provider lists) are a significant barrier for new co-operatives entering the market under personalisation.
4. Sound networking skills are linked to successful development of co-operatives and community organisers are ideally placed to support networking.
5. Strong anecdotal evidence suggests that co-operatives provide benefits over and above delivering a service, for example, social capital. However more evidence is needed of the economic, social and environmental rewards.

<sup>1</sup> Cabinet Office *Modernising Commissioning – Increasing the role of charities, social enterprises, mutuals and cooperatives in public sector delivery*, 2010

## Background

Personalisation aims to support individuals to have control over their lives and is founded on a citizen-led approach to delivering social outcomes. It can be applied to all services that people use including transport, housing and leisure.

The concepts of choice, control and independence, at the centre of personalisation, are meant to enable a shift of power to the service user.

The majority of focus to date has been on the personalisation of social care with the introduction of care management and direct payments and followed in 2003 by the

development of the notions of ‘individual budgets’ and ‘self-directed support’. Take-up of personal budgets (direct payments, individual budgets and In Control allocations) has been low due to a myriad of issues, for example, users’ perceptions of increased burdens on their time, lack of accessible and affordable providers and the individualised nature of the payments.

### Box 1

#### Forms of personal budgets

- Direct payments (DPs) are cash payments to individuals who qualify for social care. They were introduced for adults between the ages of 18 and 65 under the Community Care (Direct Payments) Act 1996, which removed the legal barrier to payment of cash by local authority Social Services departments in lieu of services. DPs were extended in 2000 to include older people.
- Personal budgets were introduced originally for learning disability service users to control their social care budgets. They were spearheaded by In Control, a national social enterprise established in 2003 by the Department of Health, several local authorities and Mencap (a national charity). In 2005 they were extended to other groups.
- Individual budgets were introduced in 2006 initially in thirteen Department of Health pilots. They can be used to purchase local authority or private services. Individual budgets differ from personal budgets in that they are intended to bring together all the various funding available to the individual, for example, support for employability and housing benefits.

Box 1: The devolvement of budgetary control in social care to individuals in England.

Personalisation of social care and health services in England is intended to ensure that people can be empowered and make decisions for themselves about their care service choices. It aims to lead to changes in demand for existing services and provide a stimulus to revise the organisation of services.

Transformation in the social care market with new opportunities for innovative providers will be encouraged in addition to a focus on engaging communities in the delivery of public services. There are a multitude of implications for service users, commissioners and providers within the current context of social care provision.

Evaluation of the personalisation of social care has highlighted a number of concerns and tensions: choice and control for service users; lack of accessible and affordable providers; employee working conditions; and the direction towards large providers who are not local, potentially depleting collective well-being at a local level. Levels of take-up vary between local authorities though a national target of thirty per cent take up from all personal budget service users is set for April 2011.

Personalisation in health as in social care aims to give people increased control over the health services they use by placing them at the centre of decision making, in line with



Caring Support.

Credit: Mike Couchman [www.mikecouchman.com](http://www.mikecouchman.com)

the choice agenda (a driving force in English health policy). However unlike social care, health provision in the UK is a universal system available without payment to all at the point of delivery. Personal health budgets (PHBs) are based on six key principles: upholding the values of the NHS; centrality of quality of care; voluntary; partnership and co-production; decision making as close to the individual as possible and; protection of equality and prevention of inequality.

PHBs operate in three ways:

- Notional personal budgets. Patients are aware of the treatment options and financial implications of their choice within a limited budget. No direct payments are made and the Primary Care Trust is responsible for the contract and service co-ordination.
- Real budgets. These involve an amount of money being identified that is held by a third party, for example, the General Practitioner, on behalf of the patient. The patient is supported by the third party with their choice of services.
- Direct Payments. The patient receives a cash sum to purchase and manage healthcare services. (Currently only available in twenty of the pilot sites).

A pilot programme for personal health budgets was set up in 2009 with seventy sites in England. In the main they are focussed on health care provision for individuals with fairly stable and predictable conditions who receive care for long-term conditions.

The Department of Health Structural Reform Plan<sup>2</sup>, published in 2010 following the election of the new coalition government, committed to extending the roll-out of health and social care personal budgets. Government has stated that the current personal health pilots will continue and further pilots will take place. The final evaluation of the health care pilots is due in October 2012 and is expected to inform the national roll-out of personal health budgets. Commitments have been made to investigate the joining-up of health and social care budgets.

Working in close collaboration with Co-operatives UK, the research was able to draw on the experiences of two social care co-operatives, as case studies. A case study approach allows for sensitivity to contact and detail. The research is also informed by documentary evidence and interviews with a mutual health care provider and a number of relevant stakeholders.



## Case studies

The two co-operative case studies were Direct Payment pilots and the focus of a Department of Health funded pilot programme, *Self-Managed Care – a co-operative approach*<sup>3</sup>.

Both co-operatives are registered with the Care Quality Commission (CQC), the independent regulator of health and social care in England, which inspects, registers, assesses and reviews care provision. The case studies were selected for their different ownership structures and geographical locations.

**Sunshine Care**, based in Rochdale, is a worker co-operative and was established as a Community Interest Company in 2008. The co-operative was developed by a group of home care workers previously employed by the local authority. The initial founders were concerned about the impact of personalisation on their clients and their own pay and working conditions. In addition, they wanted to be able to influence the social care they provided and provide a flexible service to meet their customers' needs.

The organisation has five customers and two employees. Once employees have worked for the organisation for six months they can become members of the co-operative.

The establishment of the co-operative has taken a long time and experienced a number of setbacks. The co-operative received a small

### Self-Managed Care programme

The Self-Managed Care programme aimed to attract new users to the social care funding systems from underrepresented groups.

This was achieved by enabling service users to gain personal control over their care while the responsibilities of care were managed by a co-operative.

The programme was delivered by the co-operative consultancy Mutual Advantage and ran from 2006 to 2009. It assisted five pilot projects to develop co-operatives involving carers and service users.

grant from the local authority and this has been used to fund office space. The office was decorated and renovated with help from volunteers and family members. Working relationships have been developed with councillors and local authority officers only to find these changing as people's jobs and roles shift.

<sup>3</sup> *Self-managed care - a co-operative approach*. February 2010, Co-operatives UK and the Department of Health. <http://www.uk.coop/care>



**Caring Support**, Croydon, is a multi-stakeholder co-operative, established by service users and carers, both paid and unpaid. It is an industrial and provident society for the benefit of the community with exempt charity status. The organisation provides a high quality service that is underpinned by employees, families and service users having an influence on provision and the ethos and values

One of the founders had Multiple Sclerosis and wanted to establish Caring Support as a result of her experience of care. The board members are service users, carers and care workers.

Care is provided by personal assistants for a number of service users in a geographical location, who are in receipt of direct payments, individual budgets or private customers. The area of the borough where Caring Support is located has above average

levels of affluence making it easier to attract private funders.

Caring Support is based on a cluster model of care provision that was developed to meet specific personal needs for users and the local situation. Using small geographical locations as a focus for service provision can ensure that carers are local, even known, to service users and reduces travel expenses for the carers. This approach is strongly advocated by Mutual Advantage and allows for facilitation of a longer term relationship between the service user and carers and flexibility to cover staff absence and holidays. Caring Support intend to develop the cluster model and to extend their area coverage to a neighbouring local authority.

[www.caringsupport.org](http://www.caringsupport.org)

## Findings

### Constraints

#### Time factors

Establishment of both co-operatives has taken a long time. A director of Sunshine Care stated . . .

‘...it has been a challenging and hard struggle throughout, everything including setting up the company has been difficult.’

A Caring Support member identified that the establishment and development of the organisation was

‘...a long haul and had taken over our lives.’

The main challenges are negotiating business support, developing relationships with local authorities and dealing with the large amount of paperwork and bureaucracy. Bringing a group of people together with competing priorities and busy lives is also an issue in terms of finding time to meet.

#### Local authority preferred care provider lists

Both case studies identified that they were not on the local authority preferred provider lists and this was a continual challenge. The local authority where Sunshine Care operates has recently reviewed its provider list and according to a director, the list does not include any local care providers. Provider lists are the main source of information for service users when selecting a care provider.

#### Recruitment of carers

Differences in the labour market between areas in England were highlighted. Caring Support found it easier to recruit carers than Sunshine Care, suggesting a geographical issue.

#### Organisational culture and systems

The research highlighted a need for an increased focus on the outcomes for service users and not current provision and ways of working. Sunshine Care identified issues with the local authority practices of monitoring care workers’ ‘clocking on and off’ processes for individuals. The current process is considered to be at odds with notions of empowerment and managing a service that meets their customers’ needs.

Direct payments (DPs) are also proving a challenge for Sunshine Care in terms of recruiting more customers.

The payments are behind schedule and there

is a shortage of forms for new customers to sign up to DPs. The DP rates do not reflect full organisational costs for the co-operatives and they need to seek other sources of revenue, such as private clients or customers and families willing to pay for additional care. It is difficult to compete with large providers who benefit from economies of scale.

Caring Support's manager is the named person on the CQC's registration. As she resides in a neighbouring local authority, the organisation is not listed on the care provision directory for Croydon. This is an issue for the co-operative.

The role of social workers was highlighted by both organisations. It was felt that social workers could promote the value of social care co-operatives as providers in their role.

Both organisations identified the lack of other co-operatives operating as social care providers in the localities. It was felt that this contributed to feelings of working in isolation, although the experience of being a funded pilot of the *Self-Managed Care – a co-operative approach* programme has been beneficial for sharing experiences. Interviews with stakeholders and the case studies suggested that a more developed market occupied by other co-operatives would increase the opportunities for success.

### Financial security

Although both organisations have been profiled in the national media, marketing is a challenge. They have both invested in adverts on doctors' appointment cards and the outcome of this in terms of new customers is

awaited. The members spoke of the value of word of mouth on recruiting new customers. However both organisations are facing financial challenges in order to become self-financing and develop the organisation.



Caring Support.  
Credit: Mike Couchman [www.mikecouchman.com](http://www.mikecouchman.com)

With the exception of Caring Support's employed manager, none of the directors receive any reimbursement for the significant hours they work. Fuel costs are paid for by the carers and with likely increases this will have an impact on carers' earnings.

## Opportunities

### Social Capital and Networking

It was evident from the research that both case study organisations made use of their own resources and extensive personal networks, as well as those of family, friends and service providers, in both the establishment and development of the co-operatives. Both case study organisations highlighted the importance of networking skills in the development of the organisation within a confusing landscape of personal budgets and changing policy. A founder of Sunshine Care stated that her experience in community activism was advantageous and had helped the organisation in gaining the support of councillors and other key stakeholders. Co-operatives based in a specific geographical location with a focus on local care provision will contribute to the social capital of the locality and help people develop their own resources and networks. This is in line with the current government's Big Society plan and its focus on shared local visions and citizens as active co-producers.

### Co-operative values

The self help business models of co-operatives and mutuals are closely aligned with some aspects of personalisation, particularly self-help, social capital and person-centred care. Sunshine Care and Caring Support spoke about the influence of the co-operative model on the quality of their service provision, the ethos and values of the organisation and the fact that employees and members could influence the provision. Empowerment and involvement were considered important

foundations for both organisations.

Sunshine Care considered that the co-operative basis of the organisation is of particular importance to the employees and attractive to older people in the area, where there is a strong, historical tradition of the co-operative movement. Caring Support identified a political and socialist ethos behind the foundations of the organisation which had led to the adoption of a co-operative model.

Establishment of the co-operative as a legal framework was considered one of the least complicated issues facing both organisations. Caring Support and Sunshine Care spoke highly of the support they had received from Co-operatives UK policy and legal teams and this had proved beneficial in terms of setting up the co-operative and networking.

The focus on person-centred care adopted by the co-operatives resolves some of the tensions and contradictions inherent in a personalisation approach. For example, the adoption of co-operative values and principles can eradicate exploitative working conditions.

### Recruitment and Training

Providing high quality care that is up to date with all regulations is fundamental for the two co-operatives. Both organisations identified that they have benefited from support with employee and member training; Sunshine Care benefit from free training from a neighbouring local authority for all employees and this has been hugely beneficial and Croydon Adult Learning and Training provide free training to Caring Support in a community building.



### Early indications of opportunities for co-operatives and mutuals within the personal health budget context

Self-directed models following principles of personalisation are novel in health care provision and can be more of a challenge within the NHS than social care services.

As yet the potential and success of PHBs is unknown (and information to date has been difficult to obtain for the purposes of this research) although information is emerging about the pilots' content. The final evaluation in October 2012 will be an important landmark.

The market is undeveloped and this research found that there is a lack of information available to current service providers. The

issue of block contracts and constraints in access to real personal budgets may prove prohibitive to people's access to personal health budgets. Interviews with relevant stakeholders, including a large mutual, underlined a cautious approach to provision of health care under PHBs, and the need to protect members' investments.

If the mutual was to consider operating in the PHBs market, it would need to be around provision of a health care service that is already aligned with what they currently provide. It proved difficult to identify any co-operatives who are currently operating as health care providers under PHBs and the organisations contacted identified a lack of information about the opportunities.



Caring Support.  
Credit: Mike Couchman [www.mikecouchman.com](http://www.mikecouchman.com)

## Policy Commentary and Recommendations

### National policy

- Opportunities for the development of co-operatives are greater in social care than health care. There is a need to wait until person health budget pilots have been evaluated and the shift to GP commissioning is more fully underway before co-operatives will be in a position to develop in this sector.
- Publication of the documents *Think Local, Act Personal – Next Steps for Transforming Adult Social Care* and the Green Paper *Modernising Commissioning* is a welcome step. These two documents highlight the potential role of co-operatives and mutuals in adult social care and propose changes for moving forward with personalisation and community-based support.
- Government targets to increase personal budget take-up by 30% by April 2011 could mean that large scale private providers are in a stronger position than micro providers to meet the increase in demand.
- Evidence of economic, social and environmental contributions provided by existing social care co-operatives is limited. Further research is required if the sector is to develop.
- The *Public Services (social enterprise and social value) Private Members Bill* is underpinned by the concept of 'social value', maximising additional benefits provided by goods and services. The content of the bill is in line with the work of the social care co-operatives and as such support for this Bill is recommended.

### Local authority policy

- The need for local authority organisational culture and practice to adapt to facilitate the role of co-operatives and mutuals as social care providers. Key barriers for existing co-operatives are: the commissioning process and the need to demonstrate a track record; being unable to register on the preferred provider list, and; low level of understanding amongst staff of the value of co-operatives in providing a localised, community based service that can be shaped to meet service users' needs. Personal budget holders may be unable to access social care co-operatives if the organisations are not on the preferred provider lists or the service user cannot spend their budget flexibly.
- Co-operatives provide a model of social care provision that actively involves people, carers, families, and communities in the development and delivery of innovative care that meets needs. They also support growth of the local economy. This needs to be acknowledged by local authority social care staff and supported in terms of training for staff.

### Provision of support

- Support for co-operatives in the design, development and operation of their service is fragmented and difficult to access. A joined-up and easily accessible support service would alleviate this challenge. High quality training for carers can be difficult to access at a local level, and could be addressed by further education providers.
- More connection between different areas of government policy. For example, the 5,000 community organisers (part of the 'Big Society' plans) could be trained to support

the development of social care co-operatives in communities if there is interest from individuals. Sound networking skills are linked to development of co-operatives, and community organisers are ideally placed to support networking.

- Support for consortia of co-operatives across sectors – this will ensure financial benefits from sharing of back-office functions and skills.

## Finance

- Caution against setting up social care co-operatives operating within personal budgets. If these budgets do not increase in value, this will place a financial burden on the co-operatives given start-up, operational and escalating fuel costs.
- Use of the Big Society Bank to support the start-up costs of new co-operatives operating in the social care market.

## Conclusions

The implementation of personalisation is incomplete and its extension to the NHS is in early stages.

Lessons from co-operatives delivering personalised budgets within the social care landscape are now emerging, though it is too early to speculate on the opportunities within the personal health care budget context.

There is potential within social care and health for different types of co-operative and mutual enterprises, including employee and user owned co-operatives. The central tenets of personalisation, choice, empowerment and involvement are firmly rooted in the origins of the case studies and inform their operation and values, especially the focus on person-centred care.

Customers and users who are members can shape the service provided according to their needs and employees benefit from being able to influence the organisation, with opportunities for innovation, such as the cluster model approach.

However, a number of challenges have been identified that could increase in the current financial context and consequent reductions in public expenditure.

With special thanks to Caring Support and Sunshine Care.



# Co-operatives UK

Co-operatives UK works to promote, develop and unite co-operative enterprises. It has a unique role as a trade association for co-operatives and its campaigns for co-operation, such as Co-operatives Fortnight, bring together all those with a passion and interest in co-operative action.

Any organisation supportive of co-operation and mutuality can join and there are many opportunities online for individuals to connect to the latest co-operative news, innovations and campaigns.

[www.uk.coop](http://www.uk.coop)



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