Local Government Association

NHS England

Integrated Personal Commissioning

Personalised commissioning and payment

Summary guide

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1 Introduction

Integrated Personal Commissioning (IPC) and personal health budgets are part of a wider drive to personalise health, social care and education.

They promote a shift in power and decision-making, to enable a changed, more effective relationship between the NHS and the people it serves, aligning to the **Five Year Forward View**.[1]

IPC is a partnership programme between NHS England and the Local Government Association. It supports the improvement, integration and personalisation of services, building on learning from personal budgets in social care and progress with personal health budgets.

This guide provides best practice advice, not statutory guidance. The IPC operating model sets out the essential components of IPC and provides a template for local areas to follow. It provides a best practice approach for implementing personal health budgets.[2]

The model is aimed at IPC areas, but will be of interest more widely. This includes NHS commissioners and others involved in providing health, education and social services, including the independent and voluntary sectors, as well as people interested in personal health budgets or IPC.

1.1 Who is this document for?

This summary guide is aimed at people who are leading local implementation in IPC areas. The content will be relevant also for people implementing personal health budgets across England, leading implementation of the Care Act and of the **Special Educational Needs and Disability (SEND) reforms**. It is also relevant to people with lived experience of care and support and voluntary, community and social enterprise (VCSE) organisations.

The relevant guidance for the NHS and local authorities encourages a joined-up approach. The advice in this guide and the supporting resources sets out the learning so far on how this can be achieved.

1.2 What is personalised commissioning and payment?

A personalised approach to commissioning, contracting and payment enables people to access services that are more appropriate for their specific needs. It does this by:

- designing a health and care system driven by people and communities
- encouraging and motivating commissioners and providers to shift their approaches to focus on people and the outcomes most important to them
- incentivising commissioners and providers, including VCSE organisations, to develop personalised care packages for people with the most complex needs
- the successful implementation of IPC and personal health budgets.

To achieve this, and so the successful implementation of IPC and personal health budgets, areas need a joint strategic commissioning plan which sets clear commissioning intentions, including the expansion of personal health budgets. Commissioners and providers need to work with people to co-design personalised service approaches and put in place contracting and payment methods that enable resources to follow people in the IPC cohort. This also requires taking a strategic approach to facilitating local health and care markets so that people can access a wider range of personalised care, including from the VCSE sector.

1.3 Personalised commissioning and payment: what this looks like

- Health and care commissioners have identified shared priorities for IPC within strategic commissioning intentions.
- Commissioners can clearly identify the current cost of services at contract, service, cohort and individual level.
- Commissioners can clearly demonstrate the contracting shifts to support IPC implementation.
- There are clear systems and processes to release funding from current contracts. This can be by cohort, population or individual costs.
- Sites have clear strategic plans and can clearly articulate how they will increase IPC at pace and scale beyond current cohorts.

1.4 Personalised commissioning and payment: what needs to be in place?

- A clear plan to identify resource in contracts and appropriate approaches to release it (see section 2.1).
- As a minimum, joint commissioning arrangements to enable IPC as a local strategic priority (see section 2.2).

2 Personalised commissioning and payment: what needs to be in place?

2.1 A clear plan to identify resources in contracts and appropriate approaches to release it

2.1.1 What is this?

IPC and personal health budgets must be funded out of existing contracts or funding arrangements in order to be sustainable and to work at scale. As such, contracts and funding arrangements will need to be more transparent and more flexible than they often currently are.

2.1.2 Why do this?

Personalised commissioning and payment supports people to improve their health and wellbeing through more choice and control over the services they choose. Such greater choice and control results in a better experience of care, improved outcomes and reduced costs, thereby representing a more effective use of health and care resources.

It is important to ensure that the funding for personal health budgets and to support people choosing different services through IPC comes from existing funding. There is no more money to pay for additional services, and so this must be a change of services. This may mean reducing or decommissioning some services while expanding or newly commissioning others. This commissioning could be done by the clinical commissioning group (CCG) or local authority or by the person themselves using a direct payment.

2.1.3 What does this mean in practice?

To identify resources in contracts, there should be a range of options to release funding from existing contractual arrangements, including those that are block funded. This will help to manage the implementation of personal health budgets at scale. Methods to do this include:

- working with NHS-funded providers to identify opportunities for contract variations that enable more personalised working and for resources to be released for personal health budgets
- increasing knowledge and depth of understanding of what makes up existing contracts (including block contracts), including through considering service lines, activities and associated unit costs
- unbundling tariffs
- use of a locally-defined CQUIN (Commissioning for Quality and Innovation in the NHS)
- introducing gain or risk-sharing agreements to support implementation while supporting organisations to mitigate and plan for the impact of shifting markets
- introducing individual service funds (ISFs)
- carving out funding from existing contracts, through top-slicing or capitated budgets
- working with NHS-funded providers to identify where they can release funding from particular service areas, for example where there are high vacancy rates or issues with the quality of the service provided
- looking at services that are currently commissioned on an individual basis person-by-person rather than via block contracts, for example NHS Continuing Healthcare funding or funding for people eligible for Section 117 aftercare in mental health
- reducing growth in local contracts or surplus in existing contracts
- setting local unit costs and adapting services in response to changing demand.

2.1.4 What advice and tools are available?

More detailed information on all of the options set out in section 2.1.3 is included in the IPC and personal health budget finance and commissioning handbook.[2]

2.2 As a minimum, joint commissioning arrangements to enable IPC as a local strategic priority

2.2.1 What is this?

Joint commissioning arrangements help to promote close working between local authorities and the NHS (including health, social care and education where applicable) to promote the health and wellbeing of the local population. Such arrangements enable partners to make best use of all the resources available in an area, to improve outcomes for people in the most efficient, effective, equitable and sustainable way.

Joint commissioning for an integrated system will require development of local health and care markets so that IPC cohorts can access a wider range of personalised care, including from non-NHS providers and the VCSE sector. In developing market diversity, commissioners will need to work with providers to ensure a safe and sustainable transition to new funding models, while supporting and nurturing the development of new services.

2.2.2 Why do this?

For people to receive high quality, personalised and effective care and support, local organisations need to work in a more joined-up way. Effective joint commissioning arrangements are characterised by:

- working with people holistically, providing a seamless service and avoiding duplication, thereby improving the person's experience of care
- improved communication across the system and continued care to achieve joint outcomes
- building local community capacity to enable solutions beyond traditional, formal services provided by the NHS and local authorities.

There are also legislative and policy drivers to develop joint commissioning. The Children and Families Act 2014 requires local authorities and CCGs to make joint commissioning arrangements for education, health and care provision for children and young people with special educational needs or disability (SEND). The Care Act 2014 requires the local authority to carry out their care and support responsibilities with the aim of joining-up the services provided, or other actions taken, with those provided by the NHS and other health-related services.

2.2.3 What does this mean in practice?

Organisations should aim to build or continue effective partnerships with all relevant agencies, including with people with lived experience and the VCSE sector, and agree how they will work together. They should develop a shared commitment to what they are seeking to achieve, developing a vision and strategy linked to business planning and other relevant programmes, and agreed by their local health and wellbeing board.

Joint commissioning should be informed by a clear assessment of local needs, for example the local Joint Strategic Needs Assessment (JSNA). Joint planning can then reflect this local understanding, including deciding on shared outcomes, making best use of resources, and reflecting IPC and personal health budgets. This is then translated into commissioning intentions, including use in the NHS of locally-defined CQUINs, updates to existing and new contracts that reflect personalisation and IPC. Joint commissioning should extend the use of the VCSE sector and community capacity approaches as a key delivery approach.

Effective joint commissioning will require regular review through, for example, contract and performance monitoring, in-year amendments and contract variations, and building on learning to further improve and extend the joint commissioning approach. This includes metrics for understanding the impact of joint commissioning and of IPC itself.

Finally, commissioners should engage with a wide range of providers, including existing NHS and social care providers and those in the VCSE sector, to facilitate and develop a forward-looking market position statement.

2.2.4 What advice and tools are available?

- IPC and personal health budget finance and commissioning handbook[2]
- **CCG and local authority joint commissioning audit tool**
- **LGA information on market shaping and commissioning**
- **Think Local Act Personal's national market development forum**

3 Ensuring equal access

Promoting equality and addressing health inequalities are at the heart of our values. Throughout the development of the policies and processes cited in this document, we have:

- given due regard to the need to eliminate discrimination, harassment and victimisation, to advance equality of opportunity, and to foster good relations between people who share a relevant protected characteristic (as cited under the Equality Act 2010) and those who do not share it
- given regard to the need to reduce inequalities between patients in access to and outcomes from healthcare services, and to ensure services are provided in an integrated way where this might reduce health inequalities.

Personalised commissioning and payment is an important tool in helping local authorities and the NHS to meet the needs of all sections of the population, including people who have been poorly served by conventional health and social care services. Examples of how personalised commissioning and payment can work for different groups are available on the NHS England website.

Steps that sites can take to help ensure personal budgets work well for groups with protected characteristics under the Equality Act 2010 include:

- Ensuring that VCSE organisations and people with lived experience are involved in all stages of the joint commissioning cycle. This includes working with the local, existing patient engagement mechanisms or other ways people's lived experience is captured.
- Ensuring that all analysis explicitly considers particular barriers or inequalities that people with protected characteristics may experience.
- Monitoring take-up of IPC and personal health budgets from groups with protected characteristics.

More information on personalised commissioning and payment

The IPC and personal health budget handbook provides guidance for local implementation around how to manage information governance in the context of linked datasets, understanding activity data, linking activity data and understanding current costs.

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References

1. **Special educational needs and disability code of practice: 0 to 25 years** DfE, 2015: Chapter 3, **Care and support statutory guidance: Issued under the Care Act 2014** DH, 2016: Chapter 15.
2. The IPC Operating Model, The IPC and Personal Health Budget Finance and Commissioning Handbook and wider framework documents can be found on the **personalised health and care section of the NHS England** website.

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www.england.nhs.uk/personalisedcare

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The information provided in this framework can be made available in alternative formats, such as easy read or large print, and may be available in alternative languages, upon request.
Please contact **0300 311 22 33** or email england.contactus@nhs.net

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