

The End of the World as We Know It?

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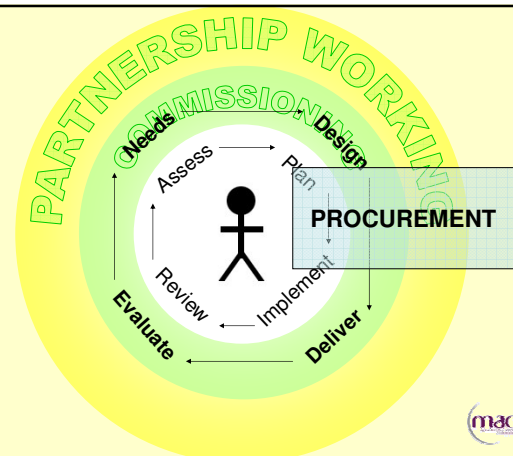
Social Care Reform Grant

- Strategy & Commissioning Unit in Adult Social Care (expected in September 2008)
 - Joint Commissioning with the PCT (e.g. mental health, older people, preventative)
 - Engagement with customers and representative organisations
 - Support for the Third Sector “to exploit opportunities (and manage the risks)”



Manchester’s Voluntary Sector

- VERY rough guesses:
 - 4000 groups
 - 1000 working in health and social care
 - 70% employ 5 staff or less
 - Contracts around £150 million in total
 - Number of beneficiaries...100,000?
 - 28% expect funding to reduce next year
 - 22% expect it to increase



Personalisation vs Commissioning

- Commissioning
 - For a community
 - Anticipates
 - Block contract
 - Contract price
- Personalisation
 - For an individual
 - Reacts
 - Spot purchase
 - Resource Allocation System

**CONSTRUCTION WORK
 IN PROGRESS**

OPENS JULY 2008



The Market Must Be Built

- Local Authority
- Voluntary Sector
- Independent Sector
- Private Sector
- Family, friends, neighbours...
- The system doesn't discriminate between sectors...in theory
- Different rules (& laws) for each sector.



Risk 1: Lack of development

- Can't plan for the long term
- Can't develop or improve quality in
 - Delivery
 - Management
 - Workforce (with diverse skills)
- Demands on management are increasing but contract value is not
- Little infrastructure support available



Risk 2: Loss of capacity

- Services shut down because commissioning isn't happening but current funding ends
- Organisations close down altogether
- "Purchasers" have less to choose from
- Services are less stable & efficient



Risk 3: False competition

- Financial strength ≠ quality
- Large organisation ≠ local knowledge
- Contract value ≠ price
- Charity Law ≠ Company Law

Legal issues: no test cases available...yet



Risk 4: Low Demand

- Minority need ≠ low demand
- Increased flexibility ≠ increased choice
- Example: A Day Centre
 - 20 users attending 3 days per week
 - 5 decide to drop from 3 days to 1
 - 16% drop in income
 - Is the service still viable?



Risk 5: Hidden Demand

Increased uptake
↓
Thresholds (or interpretation) rise
↓
Increased pressure on existing services
↓
Lower budget for services due to increased uptake....



Risk 6: Overcomplexity

- Commissioned services
 - Winning tenders
 - Managing contracts
- Purchased services
 - Selling to customers
 - Designing solutions



Risk 7: Loss of Identity

- Key attributes of the sector
 - Accessibility
 - Relationship of trust
 - Ability to reach into the community
- ...distorted into...
 - Affordability
 - Customer relationship
 - Inability to meet needs of minority groups

What was our Unique Selling Point again?



Risk 8: Brokerage

- Not advocacy!
- Independence?
- Funding?
- Capacity to negotiate?



Please remain calm

Essentials to manage change

- Good local leadership
- Strategic commissioning lead
- Clear procedures
- Programme of market development

