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Council-managed personal budgets for older people: improving choice through market development and brokerage?

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Abstract

This paper presents findings from interviews with social care service development managers and brokers in three local authorities. It follows an earlier study exploring choice and flexibility in home care services for older people using council-managed personal budgets. That study found that local authorities were limiting the number of providers on framework agreements for home care services so that there were sufficient to encourage competition but not so many that providers risked having insufficient business to remain financially viable. It also found that communication issues were affecting the proper functioning of brokerage systems. The current study therefore revisited the same three local authorities to investigate changes in framework agreements and developments in brokerage systems. The findings showed little change in the number of providers on framework agreements and remaining communication challenges for brokers. However, lessons had been learned from

unforeseen consequences of framework agreements and progress was being made towards encouraging market development and diversification of service provision.

Keywords

Managed personal budgets, older people, market development, brokerage, choice, home care, social care

INTRODUCTION

This paper presents findings from interviews with service development managers and brokers in three local authorities. The purpose was to investigate activities to enable choice and flexibility in home care services for older people using council-managed personal budgets. It follows an earlier study[1-3] in the same three councils that explored factors affecting the delivery of personalized home care to older people who opted for managed personal budgets rather than cash direct payments.

CONTEXT

The original study was conducted in 2011/12 in a rapidly developing commissioning and contracting environment. Its main purpose was to identify changes in commissioning and support planning practices, and consider how these changes were enabling increased choice and personalisation in home care services for older people using council-managed personal budgets. The issue of personalisation for older people using managed personal budgets was considered important primarily because few older people were opting to take their budgets as direct payments (DPs);[4,5] in part because of what they perceived to be the burden of managing their own support.[6-10]

Implications of the Care Act 2014

Since the original study was carried out, the Care Bill has been drafted and received royal assent to become the Care Act 2014.[11] The Care Act gives people a legal entitlement to a care and support plan and a personal budget. Previously, these had been set out in guidance only, with no legal requirement that they should be provided.[12] The enshrining of personal

budgets in law means that council-managed personal budget users should, without exception, be informed of the amount of their budget and have choice in how it is used. The Care Act also gives local authorities responsibility for promoting the efficient and effective operation of the care market with a view to ensuring that there are a variety of high quality providers to choose from and that people needing care have sufficient information to make informed decisions. Part of this market shaping activity should be achieved through local authorities producing Market Position Statements – publicly available reports aimed at signalling care and support needs to the market, as well as how local authorities intend to purchase care.[13]

Developments in commissioning and contracting for personalisation

Local authorities had for many years been, in effect, the sole purchaser of home care services. As such, they had vast purchasing power and were thus able to influence the home care market through their contracting systems. Typically, relatively small numbers of providers held large block or cost and volume contracts that required the capacity to deliver significant numbers of hours of care, often within defined geographical areas. Other providers were offered spot contracts to help fill any gaps in provision when they arose. This system was advantageous from the point of view of local authorities as it enabled them to achieve economies of scale through bulk buying.[14] However, it also meant that there was little flexibility or choice of provider for service users.

Prior to the original study, many local authorities had begun a transition from large block or cost and volume contracts to framework agreements whereby providers bid for the right to offer services, but with no guarantee of any business.[15] The local authorities in the original

study were at different stages of introducing framework agreements; one was just setting up its first framework agreement for social care whereas the other two had had agreements in place for three to four years. All three had introduced brokerage systems whereby local authority staff, called brokers, were responsible for the practical arrangements of matching the needs of service users with a suitable home care provider from the framework.

In his article proposing a new approach to commissioning based on a 'service gateway' and enhanced brokerage, Rowlett[14] suggested that if local authorities continued to commission services through traditional, centralised models, older people not using direct payments may miss out on opportunities for choice available to direct payment holders. He defined service gateways as mechanisms by which local authorities could enable individual service users to choose from any provider in the market while ensuring a minimum standard of quality. Thus his proposed service gateways have similarities to framework agreements. Rowlett speculated on the potential benefits of the service gateway model; these included genuine choice and control, risk borne by providers rather than the local authority, a wide range of available services and the stimulation of innovation.

Findings from the original study

The original study,[1-3] among other things, concluded that framework and brokerage arrangements had the potential to promote greater efficiency in local care markets. However, at the time of the study fieldwork, these effects appeared to be limited by two things. First, local policy decisions to restrict the numbers of providers on framework agreements. Specifically, it seemed that commissioners wanted to increase competition between providers by increasing the number of providers they purchased from, but were

wary about oversubscribing the framework and so leaving providers open to the risk of not being able to win sufficient work to remain financially viable. Second, there were communication challenges created by the new broker roles. Although the broker system was developed to enable better matching of personal budget holders with home care support, the system did not always work as planned. In addition, the study found that some potentially influential market development and shaping activities had only just been initiated in the study sites and their impact, particularly on services for people using managed personal budgets, was yet to be realised.

We therefore returned to the three study sites at the beginning of 2014 and conducted further fieldwork to explore what developments had been undertaken in attempts to improve the choice and flexibility available to older people using council-managed budgets. Specifically, we were interested in how framework agreements and the numbers of providers on them had changed, and why; how brokerage systems were functioning and how well brokers were able to match service users' preferences with providers. We also looked at market development activities, including the development of Market Position Statements.

METHODS

The original study took place in three local authorities selected because they were actively making changes to help develop their local markets and facilitate choice for older people using council-managed personal budgets, and had large proportions both of older people and of people using council-managed personal budgets in their populations. These councils included a London Borough, a rural county and a predominantly sub-urban authority.

In this follow-up study, we conducted in-depth telephone interviews with one service development/commissioning manager and one senior broker from each local authority. Interviews with service development managers concentrated on developments in relation to framework agreements since the earlier study, and market development activities such as initiatives to encourage new service developments, engagement with providers and information management. Brokers were interviewed about the brokerage systems, routine practice, knowledge about the market and information exchange. These interviews were audio recorded and transcribed in full. Analysis involved summarising the transcripts and grouping the data around the specific themes discussed in the interviews.

FINDINGS

Challenges of framework agreements

When the original research was undertaken in 2011/12, each of the three study sites had framework agreements in place with their home care providers. The framework agreement was new in one authority but had been in place three to four years in the other two. Framework agreements set out the price, quality and other terms on which the local authority will purchase services. Providers tender to be on the framework. Local authorities purchase services only from providers on the framework. However, unlike block or cost and volume contracts, there is no guarantee of being offered any business. The National Market Development Forum[16] has suggested that framework agreements may reduce contract management time and increase competition. By the time of the follow-up interviews in 2014, there had been no significant changes in the numbers of providers on the frameworks in two sites, although the third no longer used a framework agreement. However, a number

of issues had arisen as a result of the framework agreements in the intervening period (see Box 1).

Box 1: Challenges of framework agreements

- Number of framework providers is not a good indicator of choice
- Closed agreements can limit short term ability to repopulate frameworks
- Reduced financial certainty for providers can affect capacity to respond to demand

Many providers but limited choice

First, local authorities had realised that the total number of providers on the framework was not necessarily a good indicator of the number of providers available to choose from as not all providers offered services in all geographical areas, and some never took any packages at all. Service development managers interviewed felt that one of the reasons for this was that there was no obligation on providers to take on any business. Under the previous block or cost and volume contracting systems, providers had been obliged to take on additional packages of care if they were delivering at below contracted capacity. With framework agreements, this was not the case. In addition, providers were not obliged through the framework agreement to keep packages of care. For example, one manager discussed ‘hand backs’ whereby packages of care were handed back to the authority if the provider was struggling to deliver the package. Again, under previous contracting systems, hand backs were reported to be more difficult to make, for example, they were not allowed routinely as a result of temporary recruitment problems.

Closed contracts

Second, although some of these capacity issues might have been alleviated by increasing the number of providers on the framework, one manager mentioned that this was not possible because the framework agreements were 'closed'. This meant that once the tendering process had been completed, no additional providers could be placed on the framework until the end of the current framework period, usually in three to four years' time. Indeed, having closed agreements was thought to be one of the reasons why some providers gained places on the framework but never opted to take any care packages; it was believed that some providers had little intention of taking on any council-managed packages of care immediately, but applied for places on the framework to keep that potential funding stream open - just in case they wanted to take on any council-managed packages before the next tender. Brokers in one local authority found that they had to set up spot contracts with providers outside the framework agreement in order to fill gaps in capacity.

Unexpected gaps in capacity

A third, unforeseen, consequence of framework agreements was a reduction in providers' capacity to take on packages of care over school holidays. This came about because the end of block or cost and volume contracts meant the end of guaranteed work (and therefore income) for providers. According to local authority managers, this left providers unable to guaranteed income to their care workers; some providers had therefore changed their terms and conditions for care workers to zero hours contracts. The result was that care workers were often opting not to work during school holidays because they were uncertain whether their earnings would cover the costs of childcare. This created an unexpected gap in provision during Christmas and summer holidays.

Potential solutions

To help reduce gaps in geographical provision, two local authorities were considering splitting their frameworks into separate rural and urban areas or neighbourhoods so they could work more closely with providers willing to offer services in each area. In the rural county, each member of the service development team had responsibility for understanding the local economy and home care market in one area; the sub-urban authority worked in locality-based teams and was considering organising the framework into these localities in the hope that this would help them understand how many providers were active in each area.

One local authority had not renewed its framework agreement. This was because the local authority was in a transition stage, driven by a perceived desire by direct payment users to employ personal assistants, and to align council-managed personal budget users' options with those open to direct payment users. Instead of a framework, users of council-managed personal budgets could, in theory, use any suitable provider.

The brokerage system for managed personal budget users

The findings from the original study suggested that brokers played an important role in improving the efficient operation of local care markets and in facilitating the purchase of individual service packages as they had a unique overview of the supply of, and demand for, home care services in their localities. Brokers in this context were local authority-employed staff who acted as intermediaries between managed personal budget holders and home care providers. Brokers received support plans or related information about service users' needs from support planners, and used this information to source suitable providers.

Brokers in all three sites worked with older people using home care services; the sites varied in whether the same brokerage team offered services to younger adults, people with dementia and for end of life care. The brokers in these three study sites did not offer a brokerage service to direct payment users.

The brokers' role, as described by interviewees in the original study, was to identify the most appropriate provider from those on the local authorities' framework agreements. In essence, they were there to find the best match between a service user's needs and the care available, as quickly as possible. In practice, the process as described by brokers in 2014 appeared to have developed differently across the three study sites.

Brokerage systems in practice

In one site, the brokers emailed 'mini-tender' requests for services to all providers on the framework, twice a day at specific times, for example ten o'clock and two o'clock. Home care agencies with the capacity to provide the support requested had one hour from receiving the email to respond. If more than one provider responded, the brokers looked for the best match, based on the relevant training of care workers in those providers and whether or not they already provided care to other service users in the same geographical area. The broker interviewed noted that it was the provider's responsibility to sell themselves by explaining how they could best meet that service user's needs. Brokers in another site (the rural county) used a similar system but were restricted to emailing requests to providers within certain geographical limits. In the site with no framework agreement, the procedure for identifying providers was reported to be based on the relationship the brokers had built up with them over the course of previous contracts,

particularly with providers that had proved to be reliable and able to take packages at short notice. In this site, brokers telephoned each provider in turn to find out about their availability.

Brokers' experiences of matching needs with available care

Travelling was reported to be a big issue in the rural county. Some areas were said to be so remote that brokers sometimes found that they were not able to source a suitable provider from the framework in spite of offering financial incentives in the form of additional payments to cover travel expenses. Where suitable providers could not be found, brokers searched for non-framework providers and set up spot contracts with them. This system was reported to be a lengthy process which caused delays in setting up packages of care. Managed personal budget holders in this situation had to wait until a contract was set up or accept another less acceptable provider if one was available. For people discharged from hospital, brokers sometimes had to arrange short term care until a more appropriate package could be arranged.

Matching personal budget holders' preferences for care workers who spoke minority languages or who needed 'double up' visits (that is, two care workers) caused problems in two sites. Brokers felt that lack of capacity impacted on their ability to source home care that met people's needs and preferences. Sometimes brokers arranged for family members to act as a second care worker. Other times, they attempted to overcome these obstacles by, for example, trying to source two providers to work together, each providing one care worker. However, providers were reluctant to make such arrangements:

> ‘Some providers just won’t do it at all, because obviously, it’s got to match up the times. Providers are like, “Well, who takes the lead? Which prov – you know, which care agency, you know, has the –” it can just be very complex and turn a bit convoluted.’

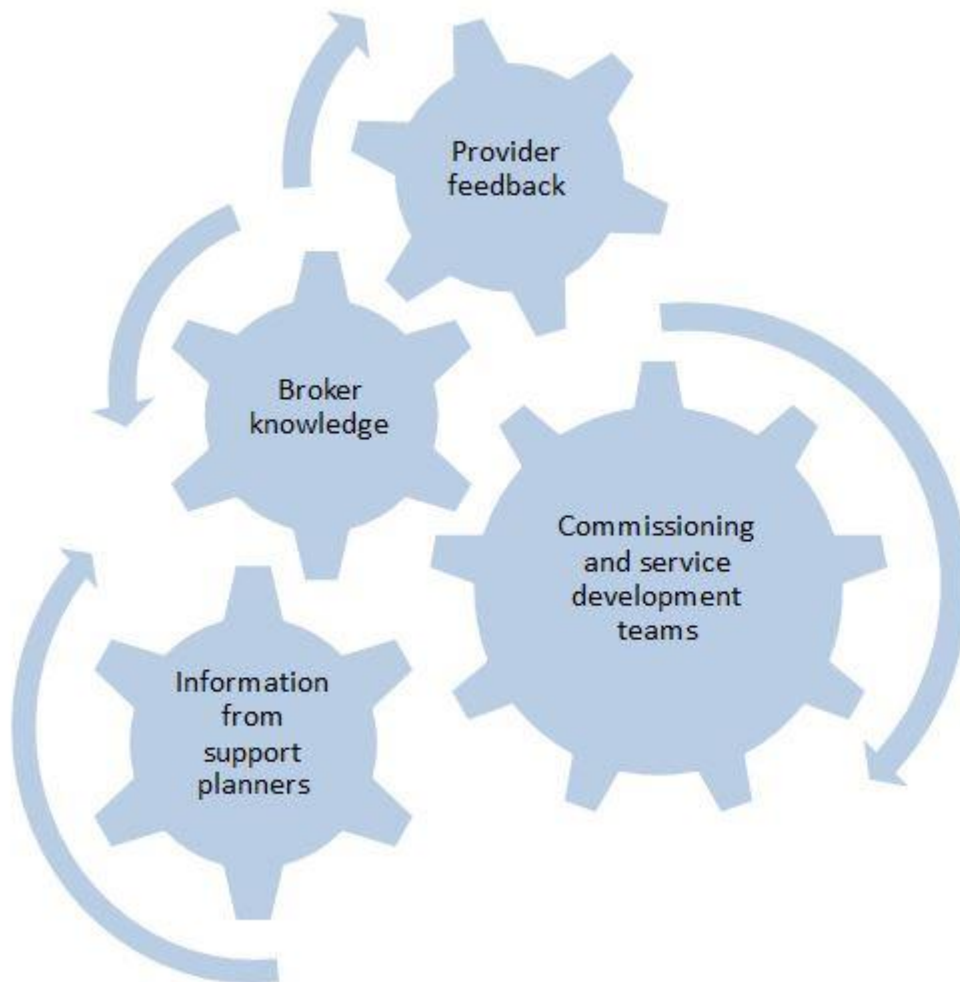
The broker in one site felt that a lack of sufficient information given to brokers, and therefore providers, sometimes resulted in inappropriate packages of care being set up or inappropriate providers delivering the care. This caused additional work for brokers who had to re-arrange the packages and source alternative providers. Providers tried to maintain a package of care until alternative arrangements were in place, but support planners sometimes intervened by by-passing brokers and speaking directly to alternative providers in attempts to speed up the process. The broker interviewed in that site appreciated this help and felt it did make the process quicker, especially when working with complex care packages, but she reported that other brokers did not approve. The broker in another site also reported that support planners sometimes by-passed them because they did not fully understand the role of brokers and because they felt under pressure from managers to find placements as quickly as possible. One broker considered it queue jumping if a support planner by-passed the broker to arrange care directly with a provider.

Brokers’ roles in information exchange

As well as the availability of services, the effective matching of supply of and demand for home care services relied on knowledge and information exchange. These were important in two distinct ways. First, brokers needed to have sufficient knowledge of service users’ needs as well as the services available to be able to communicate and match them

effectively. Second, brokers played a key role in feeding information about gaps in provision back into the commissioning and service development system. Thus, brokers played a pivotal role (see Figure 1).

Figure 1: Interconnecting roles in information exchange



Knowledge of service users' needs

In relation to service users' needs, brokers in two sites felt that they had 'enough' information from support planners to help source a provider. In the third site, however, the

broker interviewed felt that the level of information received from support planners was inadequate as it gave only a snapshot of needs, not the full picture:

> 'You need to know, are they a diabetic? Is there medication needs? What are the needs? Is it medication problems or is it actually administering the medication? You know, we – the providers obviously need to know that. But if we're not being made aware of that in the initial stages … we don't always see that big picture.'

This broker also reported that the feedback she received from providers was that they were not given sufficient information about service users' needs. She was not surprised by this as she and the other brokers could only provide the limited information they were given.

Knowledge of providers and capacity

Brokers in all three sites relied on their previous experience with providers for knowledge about capacity but also on frequent contacts from providers (from daily to fortnightly, depending on the site). In the rural site, despite brokers having daily contact with providers, they felt information about capacity could be improved and that their job of sourcing providers could be made easier if they knew which providers definitely had capacity at specified times:

> '… cause at the moment, we just contact providers, and usually, they'll come back and say, "We have capacity," or, "We don't have capacity." … if you know a particular provider definitely has availability at these times

> and you know other providers definitely don't, you know, instead of contacting 12 providers, you know, you only need to contact four.'

Brokers in two sites reported that the only time they received feedback from support planners was when there was a problem with a package. They felt getting positive feedback was also important as it would help them keep their knowledge of providers up to date.

Upstream information flows

As well as using their knowledge to source providers, brokers played an integral part in feeding information back up the system to the commissioning and service development teams. In each of the sites, the service development teams were reported to work closely with re-ablement and outreach teams, support planners, brokers, service users and providers to gather data for analysis. Specific examples given included data on gaps in services and difficult to place clients such as those with challenging behaviour. One site used a team of volunteers to visit service users and ask about the services they were receiving, including any services they would like to receive but were not getting. In another, the market development team met regularly with support planners to discuss what issues were emerging from support plans, for example, gaps in services. The team supplemented this information by looking at samples of support plans. This information was fed variously in the three sites to market intelligence officers and managers responsible for developing framework agreements and Market Position Statements.

In one site, the broker interviewed had never experienced a problem in finding an appropriate provider (except temporarily during school holidays) and so had no experience

of feeding such information back into the system. In another site, brokers informed their manager about any gaps in services and in the third the commissioning team was informed every two weeks of any packages of care that took more than three days to arrange (as an indication of gaps in capacity). Brokers in both these sites did not know what happened to the information they passed on; one broker assumed it would prompt commissioners to source new providers but the other did not feel that it had any impact:

> 'It's [what happens to information's] beyond my remit, and to be quite honest with you, sometimes I feel that suggestions that I have made are like, "Okay, I've listened to a few of – to your suggestion," but nothing.'

Engaging the market

Figure 2 gives examples of methods used to facilitate market engagement and increase diversity. These examples are described below.

Figure 2: Examples of methods to facilitate market engagement and diversity

e-market websites to assist with choosing providers

A guide on commissioning for provider diversity[17] gives 'top tips' for either gradual or radical steps to commissioning for personalisation. One recommendation is to ensure that there is an effective e-market in place to link citizens and providers. All three local authorities in this study were developing their e-market websites. E-market websites were essentially websites that enabled providers to advertise to potential customers. In the local authority with no framework agreement, the e-market website was, according to the service development manager interviewed, central to current arrangements for enabling council-managed personal budget holders to select providers as, although they could purchase from any provider, it was unlikely they would use any not on the e-market site. Neither of the other two websites was currently being used to enable council-managed personal budget holders to choose providers, but this was the long term intention. They were aimed

primarily at self-funders and direct payment users, at the moment. One had developed from a local authority-led initiative to enable micro-providers to share advertising costs but now included providers of all sizes, both on and off the framework, and so was useful in helping non-framework providers build a client base and learn about opportunities in the council area. The other was essentially an advertising place for providers, but the plan was to develop it into a more interactive site where council-managed personal budget holders could commission their own care from budgets held by the council, and where providers could advertise the times at which they had spare capacity. None of the brokers interviewed mentioned using the e-market websites as a source of information or way of engaging with providers.

Provider forums for fostering engagement

All three councils in the study held provider forums - meetings that aimed to foster engagement and offer opportunities for exchanging information and ideas. In one council the forum was restricted to providers on the framework, but there was another forum based around the e-market website which was open to all providers. Any provider could attend forum meetings at the other two councils. The rural county authority actively sought potential members from a wide geographical area including neighbouring authority areas. Market Position Statements were developed in conjunction with members of these forums; they also gave feedback on the content of them, for example, how helpful the information in the Market Position Statements would be to providers new to the area. Forums tended to meet every two to three months and were seen by service development managers as good opportunities for providers and commissioning staff to share ideas, learn about the market

in different geographical areas, network, talk about new developments, share good practice and discuss training.

Initiatives to increase diversity and capacity

In the earlier study, two of the case study sites had described quite different ways of encouraging new market developments. One had employed market development officers to take a lead in initiating activity and directing the market, and the other had offered innovation funds, leaving it up to providers to identify and develop ideas. The latter also piloted a scheme they called 'one off' personal budgets. This section describes progress with these and other initiatives to increase diversity in provision.

Market development officer activities

The market development officers were still in place which, the manager claimed, was testament to their effectiveness. The team consisted of a manager and two officers, plus close collaboration with a service user engagement officer. The team encompassed developments around prevention as well as procurement and market intelligence. One of the things that the team had provided was learning events that brought together support planners, providers and other key players. The purpose was to help all parties think about the type of services someone with a personal budget might want to buy. For example, providers had been asked to give presentations on what support they offered to personal budget holders and support planners had responded with their views on what would make them more likely to recommend these services to personal budget users. Some events had also been held to bring together service users and providers.

During the council's older people's week, the market development team offered providers the chance to bid for £500 to run events to encourage older people to get out and about. The purpose was to help older people to become aware of the range of opportunities available for getting out of the house, and to encourage local providers to offer more of these and similar opportunities. The manager felt it was difficult to measure the impacts of these and other schemes as they were often about changing perceptions and knowledge of both service users and providers, and affected all older people, not just those using managed personal budgets.

Mini-personal budget pilots

Another local authority had described piloting 'one off' personal budgets of £300 for older people during the original study. The aim was to encourage older people to manage a budget and overcome some of the mystery and fear associated with using a direct payment. The council had already run similar pilots for people with mental health problems and for carers. Both were successful in that people were keen to be part of the pilot. However, very few people took part in the older people's pilot. The manager interviewed thought part of the reason for few people taking part was that the organisations delivering the pilot were either under-resourced to recruit people or were simply not committed to it, rather than the older people not being interested. Whatever the reasons, the pilot was not successful in giving older people confidence to manage their own budget.

Support for provider-led initiatives

The local authority that had previously offered innovation funds as a way of stimulating ideas had been unable to continue the scheme due to lack of funds. However, one of the other councils had introduced innovation grants of £9,000 each. These had been available to providers across adult social care, not just home care or older people. Pilots focussing on prevention or helping people to spend personal budgets in different ways were being encouraged. Eight grants had been awarded at the time of the interviews, but it was too early to assess any impact.

The local authority that had been unable to offer more innovation fund grants had instead tried to help local social enterprises and other small organisations obtain development money from other sources, although to date none of these had been for home care services. Another council was also trying to support the development of small businesses in adult social care by working closely with the social enterprise Community Catalysts. Community Catalysts works with local councils and others to promote the effective provision of accommodation, care and support for vulnerable adults within small-scale community settings.

DISCUSSION

This paper has presented findings about framework agreements, brokerage systems and other activities aimed at enabling choice in home care services for older people using council-managed personal budgets. The findings show a range of activities are taking place and highlight aspects of these developments that are challenging for those implementing them. The follow-up study on which these findings are based, however, was small

(comprising six interviews across three local authorities) and so the findings should not be considered generalizable. Instead, they provide an indication of the types of developments being undertaken and associated challenges. Although the findings give an update on developments since the earlier study, they are themselves located in a fast moving environment.

This follow-up study was undertaken primarily to explore two issues that had arisen from the original study: balancing the number of providers on frameworks to encourage competition but limit the risk to providers of insufficient business to remain financially viable; and communication issues that affected the proper functioning of the brokerage systems. We also considered other developments aimed at engaging the market and increasing diversity.

Shifts in power?

In relation to the number of providers on the frameworks, the findings show that there had been no significant change in the number in two sites. Service development managers in all three sites were not aware of any providers that had had insufficient business to remain viable. Indeed, it appeared difficult to find providers willing to take on some packages of care, either because of rural/travel issues or the complexities of the package. This suggests that there are in fact insufficient providers with appropriate capacity on the frameworks in some areas; this was confirmed by concerns about 'closed' agreements limiting abilities to recruit additional providers between scheduled tenders. It is the providers that appear to be able to choose whether or not to take a package of care, rather than the brokers and service users being able to choose from a range of providers. This also indicates a shift in the

balance of power from local authorities (that used to be sole purchasers able to use contracts to oblige providers to deliver packages of care) to providers (that are now able to pick and choose which packages of care they wish to deliver). Thus, framework contracts may have increased competition between providers but have also increased uncertainty for local authorities and managed personal budget holders.

Moving beyond framework agreements

Rowlett's[14] proposed service gateway and enhanced brokerage can be seen as one step beyond a framework agreement as, although minimum quality and other terms would be agreed in advance, providers would be free to set their own prices and the types of services they intended to offer. Under framework agreements, prices are agreed in advance. Rowlett's service gateway would include all providers whereas framework agreements involve tendering for places. The model developed by the study site which had opted to abandon its framework agreement in favour of an e-market website for all Care Quality Commission registered or local authority-approved providers appears very similar to that proposed by Rowlett. The local authority that intended to develop its e-market website into an interactive facility for service users to commission their own support may also be moving in a similar direction. It is interesting, however, that the brokers interviewed for this study did not use, or help managed personal budget users to use, the e-market websites to select providers. This suggest there is a long way to go in increasing awareness of these facilities and their potential uses to practitioners and managed personal budget users. It remains to be seen what the long term impact of these systems will be for these people.

Ongoing information and communication challenges

In considering the effective functioning of the brokerage systems, communication issues appeared to remain a challenge. For the proper operation of brokerage, appropriate information needs to flow from service users, via support planners to brokers and then providers. This study has found that information flowing from support planners to brokers was often considered insufficient by brokers who then struggled to give providers the detail needed for them to make informed decisions about their ability to provide the care and support required. In addition, support planners (according to brokers) did not always appear to understand the holistic nature of the brokerage system or think it was the best way to arrange care. Challenges also existed in feeding information back into the system to improve both its functioning and the capacity and diversity of care on offer. Specifically, service development managers appeared to have a good understanding of information flows and how they worked, but brokers were less clear, particularly about the impact of any feedback they gave. It appears, therefore, that the understanding of practice at management levels does not necessarily equate to the experience of frontline staff such as brokers who act as intermediaries between service users and providers and between providers and service development staff. Developing and maintaining effective information flows and common understanding through all levels of the system is vital in making the most of market intelligence to facilitate market development.[18] Market Position Statements were not, at the time of the study, universal, but there was evidence that market intelligence was being fed into the system to help with their development and that they were beginning to be used to engage local providers.

Potential efficiencies of brokerage systems

It is not possible from this study to say anything definitive about the effectiveness or efficiency of using brokerage systems to match service users' preferences with providers from a pre-populated framework. However, it is possible to make some general comments. The move from large contracts with a few suppliers to individual 'mini-tenders' with larger numbers of providers through a framework agreement can be seen as a shift from a quite centralised system to one which is more market-based, although still strongly managed. It might be that introducing brokers into the system has increased costs not only through additional staff costs but also through communication and other transaction costs. Any additional costs, however, might be offset by freeing support planners and social workers to undertake other activities. Local authorities might also face increased costs from no longer being able to achieve economies of scale through bulk buying,[14] although it has been argued that framework agreements can reduce contracting costs.[16] The costs and effectiveness of any of these changes, however, should be judged in relation to the outcomes for older people using managed personal budgets.

Summary

In summary, this study returned to three local authorities that took part in an earlier study about factors affecting the delivery of home care through managed personal budgets for older people. It found that progress has been made in developing systems and ironing out unanticipated effects. However, communication issues and information flows still need to be improved if systems are to work to their full potential.

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