

**Cabinet Meeting 28<sup>th</sup> October 2009**

**Report of the Director of Adult, Community and Housing Services**

**Transforming Social Care: The Resource Allocation System**

**Purpose of Report**

1. To seek Cabinet approval for a Resource Allocation System, which enables Adult Social Care resources to be allocated fairly.
2. To seek Cabinet approval to consult on changes to the Fairer Charging policy with a report back to Cabinet in February 2010.

**Background**

3. The Government Concordat 'Putting People First' (2007) proposed a radical change to the way Adult Social care Services are delivered by putting clients in control and by ensuring that the needs of each person can be met in a way which suits their personal circumstances. This new policy is referred to as Self-directed Support (SDS) or 'personalisation'.
4. The Department of Health is monitoring progress made by Councils in transforming their social care services against five key milestones:
  - Effective partnerships with people using services and carers
  - Self-directed support and personal budgets
  - Prevention and cost-effective services
  - Information and advice
  - Local Commissioning
5. Self-directed support means that adults who may be in need of social care services will undertake a supported assessment to establish an indicative personal budget. The client can then use the personal budget to meet their eligible assessed needs in accordance with a validated support plan.

6. In September 2008, Cabinet approved an Action Plan to take forward the implementation of Self-directed Support in Dudley. The Council receives a Social Care Reform grant - £0.540m 08/09, £1.265m 09/10 and £1.559m 10/11 giving a total of £3.364m over 3 years to introduce the programme.
7. Considerable progress has been made during the last year with the implementation of Self-directed Support.
8. A Programme Board has been established to oversee decision-making and governance. The Board is made up of DACHS DMT members and senior health colleagues; the Directorate of Children's Services is also represented. The Board is supported by an Operating Group made up of managers in DACHS who are charged with delivering key elements of the programme.
9. The Supported Assessment Questionnaire or SAQ (Appendix A) has been developed and refined in consultation with clients, carers and staff. There is a single SAQ for all client groups, though the questionnaire has been designed in an accessible format, which is suitable for use with people with a learning disability. Where necessary, a carer's assessment is completed at the same time. Where the person appears to lack capacity to assess their needs with support, an assessment will be carried out under the Mental Capacity Act. SWIFT, the client database, has been enhanced to enable the results of the SAQ to be captured electronically.
10. The support planning process including pro forma and guidance has been introduced. A support plan is completed by or with the client and describes the services or support which the client will access using their personal budget. Training on support planning has commenced.
11. NI130 is part of the new National Indicator set and the LAA. It measures the number of people in receipt of self-directed support, including those on direct payments. In 2008-09 Dudley performed well on NI130, achieving 1106, including the second highest number of direct payments in the West Midlands. In addition as a result of an earlier 'In Control' pilot project, ten clients with a learning disability are on personal budgets and this has been very successful.
12. The Council is entering a partnership project with NAAPS to develop 'micro commissioning' in Dudley. NAAPS is a UK charity established to represent the interests of all those involved in delivering very small, individualised, community based services such as Shared Lives (formerly known as Adult Placement). NAAPS was previously known as the National Association for Adult Placement Schemes, but its current remit is much wider. NAAPS will appoint a co-ordinator to encourage the growth of existing and emerging smaller providers able

to offer local and flexible support for clients and carers, including people with a learning disability leaving day centres.

13. Clients and carers will need more accessible and comprehensive information about these services. Public information will be delivered via the library service, which will set up a database of local resources and services based at township level.
14. There have been over 50 consultation events and briefings with different groups including clients, carers, staff, partners, voluntary agencies and elected Members. These events have included several follow-up meetings, particularly with carers, so that they can see how their contributions have informed work on the SAQ and support planning.
15. The Directorate decided to purchase the Adult Information System (AIS) which has recently been installed and will be used to calculate personal budgets based on the SAQ.
16. There is a requirement for all Councils to have in place a User Led Organisation (ULO) by December 2010. We have identified a number of existing organisations which could contribute to the development of the ULO, and initial meetings have been held to explore options.
17. 'The changes proposed in Putting People First have significant implications for the workforce the council commissions from the private, independent and voluntary sectors, and for our existing staff. The DH has produced a national workforce strategy for England (Working to Put People First - 2009) which we will be using as the basis for our strategy in Dudley. The six key priorities identified in the national strategy are Leadership; Recruitment, Retention and career pathways; Workforce remodelling and commissioning; Workforce development; Joint and integrated working; Regulation and standards. Current local priorities in relation to the RAS and the Supported Assessment process are training for district and specialist teams who will be helping people through the process, and maintaining levels of skill and qualification for staff who will be providing the support and care services from both our own provider services and from private, independent and voluntary sector providers.'
18. The PCT has joined the DH's 'Staying in Control' programme to test out personal budgets in the NHS with a number of patients with long-term health conditions.

### **The Resource Allocation System**

19. The keystone to the successful implementation of Self Directed Support is the Resource Allocation System (RAS). The RAS is used to allocate resources in the form of a personal budget to the client on the

basis of the client's needs, which have been assessed using the Supported Assessment Questionnaire (SAQ).

20. The RAS must:
  - Distinguish clearly between different types of need across all client groups
  - Link financial resources to the seven outcomes in the White Paper 'Our Health, Our Care, Our Say'
  - Allocate resources in a fair and equitable way
  - Be clear and simple to administer and be transparent to clients, so that they know how much money is available to meet their needs
  - Be affordable.
21. The process is as follows: The SAQ is completed by the client, on their own or with the assistance of a relative and/or Social Worker. The SAQ provides an assessment of the client's needs under a number of different headings – personal care, practical needs, feeling safe and secure etc. It uses a points-scoring system to translate those needs into points to reflect the relative scale of the client's social care need.
22. Each point is worth an amount of money – the price point or 'pounds per point'. The personal budget is calculated by multiplying the price point by the number of points.
23. The true cost of services provided directly by the Council such as home care and day care will be known to clients with personal budgets who will be able to decide whether or not to purchase these services with their budget.
24. The client is first given a notional personal budget allocation for planning purposes. A support plan is then drawn up with the client and validated by the Social Worker in order to determine the final allocation of the personal budget. This process ensures that the money is spent wisely to meet the needs and to deliver the required outcomes for the client.
25. The validation process is explained in more detail in the Council's Support Planning and Review policy. Effective internal audit arrangements will also be put in place to ensure the Councils' monies are used for their intended purpose.
26. Safeguarding procedures have been strengthened to improve protection for people who are using personal budgets.

27. Every personal budget will include a contingency amount which will be used to meet fluctuations in needs. If a person's needs change significantly, a new SAQ can be completed and if necessary a revised personal budget allocated. The Council has a statutory duty to review each client's and carer's support needs at least annually.

### **Calculating the RAS**

28. Setting the price point is critical. If the price point is too low, the personal budget may not be enough to meet the client's needs. If the price point is too high, the RAS may be unaffordable for the Council. Also, the price point must be the same for all client groups.
29. It is envisaged that there will be a redistribution of resources over time with some clients with complex needs getting a higher or lower share of resources. A full equality impact assessment of the RAS will be undertaken to ensure that no client group is disadvantaged by the way resources are allocated.
30. Another key issue is the treatment of what is called 'social capital', which is the cost of informal care provided by relatives. A RAS will take this into account in allocating funds for a personal budget.
31. The Transforming Social Care team in DACHS has developed a RAS for Dudley. The price point has been calculated based on a sample of 600 cases. A SAQ was completed for all cases in the sample.
32. The team used the 'Available Budget Downwards' (ABD) method in working up the RAS. This method first calculates the available amount of money for the RAS and then identifies what the Council can afford to allocate to clients from this amount. The ABD approach is affordable and minimises the risk to the Directorate's budget during the initial roll-out of the RAS.
33. Using the ABD method, the gross available budget for the RAS would be £18.5M. This has been calculated as follows:
  - The gross budget for adult social care is £105M.
  - The non-RAS funding is subtracted from the gross budget. Non-RAS funding includes residential and nursing care; assessment and care management; corporate and directorate overheads and a number of smaller budgets which would not be included in the RAS.
  - This leaves a figure of £24.2M to which a deflator of 25% is applied, giving the gross available budget for the RAS of £18.5M.
34. The price point is then calculated as follows:

*£18.5M divided by a multiple of the total number of clients receiving services and the average points score.*

35. The deflator is necessary to cover the costs of the following:
- Double running of 'old' services alongside new services; for example, the cost of keeping a day centre open during the transitional period while clients are transferring to personal budgets.
  - Additional funding to cover the costs of services for clients, who will need a higher level of service than they can afford with their personal budget.

### **Charging**

36. The Council's current charging policy is based on assessing for contributions towards the cost of specific services such as home care. It is not appropriate for assessing contributions towards personal budgets. Changes to the charging policy are therefore necessary and it is proposed to carry out public consultation on these changes over the next three months with a view to bringing proposals to Cabinet for approval in February 2010.

### **The Pilot**

37. The Programme Board recommends a phased implementation of Self-directed Support, in order to mitigate financial risks and to refine the new operating procedures based on experience with a relatively small number of clients initially.
38. The SAQ, support plans and the RAS will be piloted for a three-month period commencing October 2009. The pilot will take place in the Dudley Older People/Physical Disability Team, in the Community Team for Learning Disability and with a limited number of Mental Health cases. The pilot will include new cases only.
39. The library service will support the pilot by co-ordinating the provision of information to clients about the services they can access with their personal budgets.
40. During the pilot two other RAS methodologies will be used as a desk-top exercise for comparison purposes to compare and contrast amounts allocated as personal budgets on 'live cases' using the ABD method.

### **After the Pilot**

41. At the end of the RAS pilot in January 2010, there will be enough data to work out which system works best for all clients and for the

Directorate, and this will inform the final version of the RAS, which will be rolled out to all existing users of services during 2010.

42. Thereafter, the Council will monitor the implementation of the RAS to ensure it is meeting needs within available resources; this would include an annual review of the RAS formula to ascertain whether the points allocation and price point remain adequate to meet people's needs.

### **Next Steps**

43. The Directorate's aim is to reduce the number of clients entering the RAS in the first place through greater use of re-ablement services and investment in prevention. The Directorate already spends £2.5M on re-ablement and intermediate care, and £3.3M on grants for preventive services and carers' support.
44. The Council has already begun reviewing in house services with a view to supporting the Self-directed Support agenda and achieving better value for money. Examples include day service modernisation and further externalisation of home care services.
45. The Directorate will also have to review its existing contracts and Service Level Agreements with external providers, with a view to decommissioning some existing services and transferring the funding into the commissioning of small businesses in the voluntary and independent sector which provide new services which people can purchase with their personal budgets.
46. We will monitor the uptake and outcomes for different groups of clients using personal budgets, and the extent to which the roll-out of SDS is delivering improved efficiencies in Adult Social Care.

### **Finance**

47. The costs of implementing the changes will be met through the Social Care Reform grant.
48. The cost of support and care for clients following implementation of the RAS will be met through existing budgets. The structure of the RAS will ensure that the allocation is enough to meet identified social care needs and can be delivered through the current budget. The process for implementation of the RAS has also been designed to minimise financial risk to the Council.
49. The recent Green Paper 'Shaping the Future of Care together' on future funding of adult social care may impact on the implementation process

## Law

50. The current legislation is based on the requirement on Councils to meet eligible assessed need. The RAS makes explicit the allocation of funding so the process must be robust enough to meet legal challenge.

## Equality Impact

51. The principles of Self-directed Support will contribute to the Equality Agenda, in particular through the development of a transparent resource allocation system and help for citizens in developing their own support plan.

## Recommendation

52. It is recommended that Cabinet:
- notes the progress made with implementing Self-directed Support
  - approves a single Resource Allocation System across all client groups as set out in paragraphs 19 to 35 above
  - notes the proposals to pilot the RAS will a limited sample of new cases
  - gives delegated authority to the Director of Adult Community and Housing Services to agree the final version of the RAS following evaluation of the pilot.
  - approves public consultation on proposed changes to the Council's charging policy with a further report to Cabinet in February 2010.



**Linda Sanders**  
**Director of Adult, Community and Housing Services**

**DACHS Key Contact**  
**Richard Carter**  
**Assistant Director – Learning Disability and Learning Disability**  
**01384 815804 - Email : [Richard.carter@dudley.gov.uk](mailto:Richard.carter@dudley.gov.uk)**