Cabinet
4 August 2010

KEY DECISION
Yes
DATE ADDED TO FORWARD PLAN
16 April 2010

RESOURCE ALLOCATION SYSTEM – ADULT SOCIAL CARE

WARDS AFFECTED
All

EXEMPT/CONFIDENTIAL ITEM
No

1. PROPOSED DECISION

- To agree a single Resource Allocation System for Adult Social Care.
- To set an initial contingency level of 25% for the system.
- To receive a review of the implementation of the system six months after its implementation.

2. PURPOSE OF THE REPORT

This report sets out proposals for the adoption of a Resource Allocation System to be applied to all those service users assessed as being eligible for adult social care services in St. Helens.

The Resource Allocation System (RAS) is the method by which an indicative allocation of likely financial resources, required to meet the assessed needs of eligible service users, is calculated. The RAS supports the overarching policy objectives of the personalisation agenda, which are to promote the independence, health and wellbeing of individuals, whilst improving their choice and control over the support they receive. The indicative allocation will help them to have choice and control over their own support plan and the types of services they choose to meet the needs identified in their assessment, and deliver the required outcomes.

Putting People First published in December 2007, followed by the local authority circular “Transforming Social Care”, makes it clear that all users of Adult Social Care must be offered a personal budget by April 2011, and the adoption of a Resource Allocation System is a necessary step to achieving this in a fair and equitable manner, whilst ensuring that the model adopted is financially viable for the Council.

This report and the Appendices set out the background to the system:

- the position in relation to national guidance
- the service user pathway or experience of the system
3. JUSTIFICATION FOR THE DECISION

3.1 Background Information

A Resource Allocation System (RAS) will enhance the choice and control of service users by giving them an indicative financial allocation to meet their support needs. In addition, it will enable Adult Social Care resources to be allocated fairly, and services delivered in a consistent and transparent way. The RAS must also be financially viable for both the authority and the individual. When approved, the RAS will apply to all new users of Adult Social Care and Health who have been assessed as eligible to receive services. Existing service users would be subject to the RAS as their cases are subject to review.

The Government concordat “Putting People First” (2007) requires the transformation of Adult Social Care into a system that is personalised. One of the key mechanisms through which personalisation is delivered is the introduction of personal budgets. As part of this process individuals must be given a clear, upfront and transparent allocation of resources available to support their needs.

St Helens has a duty to facilitate the provision of social care services to those individuals who qualify under its eligibility criteria. Under self directed support (SDS), following a Community Care assessment service users with eligible assessed needs will be allocated a personal budget, which will enable them to meet those assessed needs in accordance with a validated support plan. All service users who are subject to the Resource Allocation System will have to have met the Fair Access to Care eligibility criteria for Adult Social Care.

The previous Government set a National Indicator target (NI 130) for local authorities to have 30% of their social care service users receiving self-directed support by April 2011. In St Helens this means approximately 2,000 services users and the indicator forms part of the Local Area Agreement targets. It is essential that a system is approved in order to meet this target and implement personalised support in St Helens. The framework established by the government in 2009 (the Putting People First milestones) states that all new service users must be offered a personal budget by October 2010.

3.2 National Guidance

A national methodology exists which is adaptable to local authorities. The Department of Health launched the Common Resource Allocation Framework (CRAF) in October 2009, which supports the St Helens proposed approach.

The key features of developing a RAS are;
• A resource allocation questionnaire (the tool used to apply the resource allocation system)
• A scoring framework linked to the questionnaire
• An understanding of current unit costs of services
• A statistically significant sample of service users

A copy of the resource allocation questionnaire is attached at Appendix A.

The advantages of a single Resource Allocation System for all service user groups across Adult Social Care are:

• Needs are identified for everyone in the same way
• It is fair and allows for equality across groups and does not discriminate
• Reduces the possibility of legal challenge (this is further reduced by the recent Judicial Review of the Royal Borough of Kensington and Chelsea which held that a Resource Allocation System is lawful, provided that it is indicative)

Following on from the previous Government’s Green Paper relating to the future of Adult Social Care, the new Government has announced that a Commission will be established to review the future of Adult Social Care Services. The Queen’s speech stated that the Commission will report within one year, and outlined an ongoing commitment to increase the personalisation of Social Care Services. It is accepted that the model of Adult Social Care in the Borough may need to be flexible and change in accordance with any national developments or changes, however, the Council’s commitment to increasing choice and control, and the personalisation of Adult Social Care Services, means that the Resource Allocation System in its present form needs to be progressed, and any amendments to processes or procedures will be made when the national situation is clarified.

3.3 The Service User Pathway

Following a referral into Adult Social Care and Health’s Access and Information team, individuals have a contact assessment (for screening and information gathering). The cases are then allocated within Care Management and a Community Care Assessment is completed, which establishes an individual's eligibility for services (under the Fair Access to Care Services (FACS) criteria) and the outcomes required.

Eligible individuals then complete the resource allocation questionnaire (resource allocation tool), which is the first part of the RAS process. This pathway for the majority of service users is demonstrated at Appendix B. Separate pathways have been developed for mental health service users, and people being discharged from hospital.

If, when conducting the resource allocation questionnaire, there is any disagreement between the individual’s assessment of their needs and the Care Managers assessment, a discussion and negotiation will take place to try and reach an agreed position. If this is not possible then the Care Managers assessment is put forward, as they hold the legal duty to undertake the assessment. The area(s) of disagreement should be recorded within the case notes.

The RAS translates support needs into an indicative personal budget. It is based on the assessment of an individual’s support needs.

The RAS operates through applying weightings (points) to a number of questions (domains) about a person’s social care needs, established through completion of a questionnaire. An allocation of funds is given per point.
The RAS generates the indicative personal budget, which allows service users to plan the support that will deliver the outcomes to best meet their identified needs. The RAS does not generate an absolute amount; rather it provides an indication of the resources an individual may need to meet the cost of addressing their assessed eligible needs. It is the support planning and validation process that determines the final allocation. The individual is assisted in formulating their support plan by the Care Manager and/or the Support Broker (or the individual may choose to do their own support plan). The Support Plan will be costed by the Care Manager, according to a local framework of costs, which will give the parameters to be used. Support Plans will continue to be reviewed against delivery in the same way as they are currently.

The indicative allocation may be different to the final agreed personal budget as:

- Councils have a statutory responsibility to meet assessed need
- Individuals may be able to meet their needs through carer/informal support, or services available universally as the social care market transforms
- Indicative budgets are an estimate to inform support planning, under charging policies individuals may be required to contribute to some or all of their support costs.

Therefore the Resource Allocation System is an indication of the level of funding required to meet an individual's needs. The personal budget is the actual cost of the support identified within the Support Plan.

Councils could be subject to legal challenge if they are not flexible with individual's indicative allocations. However, although a RAS will not give a precise figure in every case it should, in the majority of cases, be sufficient to provide a reasonable figure. In order to manage any variation, the Council is proposing to adopt a contingency (further details in Section 4.2).

A single Resource Allocation System is consistent with the approach adopted by the national framework and promotes choice and control by the individual. It allows for a transparent and fair allocation across service user groups. The RAS development work undertaken suggests it would be possible to consider implementing a single RAS for all service user groups as the weightings in the questionnaire domains reflect the complexity of different service user groups.

It should be noted that when a Support Plan has been agreed, all service users will be subject to a financial assessment in accordance with the Fair Access to Care Services guidance, which will assess the level of charge to be paid.

In relation to personal budgets, any payment is made net of charge (i.e. the amount of charge is removed prior to the payment being distributed).

4. FACTS SUPPORTING THE PROPOSED DECISION

4.1 Developing the St. Helens System

RAS development has been undertaken based on a sample of 198 service users. 101 were from the older people client group and 97 from people of working age, including physical and sensory disability and learning disability. Outliers, at both extremes, that is the 5% of low and 5% of high current cost of care packages were removed from the sample, leaving a total of 180.
No users of Mental Health Services were included in the sample. This was due to the fact that only a minority of Mental Health service users receive direct commissioned support from Adult Social Care and Health. The majority of support provided is from support services provided within the Five Boroughs Partnership. Work is ongoing with the Mental Health services and Five Boroughs, regarding how we can work together to effectively implement the personalisation agenda within Mental Health Services.

The individuals within the samples were selected at random, but guidance was given in terms of the number of individuals to be selected from each type of current service provision. This was to ensure the sample reflected the current care population in terms of size and complexity.

4.2 The Contingency Amount

In implementing the Resource Allocation System, the Council is not reducing the amount of funding to meet service user need. However, in accordance with national guidance, the Council has set aside a contingency of 25%. This amount will give flexibility in ensuring the model is effective. Local councils can determine their own contingency, usually ranging from 5% to 25%, which is the range advised by the national Common Resource Allocation Framework. The contingency amount will not be included in the indicative amount allocated to the service user (see 4.3).

A high level of contingency is a prudent approach to developing a RAS, and allows for a reduction over time as personal budgets become embedded and as lessons are learnt from rolling out personal budgets. The purpose of establishing a contingency is:

- In those cases where the indicative budget is not adequate to meet a service users assessed needs, which will only be fully known after support planning, the contingency will allow for the indicative allocation to be increased and provide reasonable assurance that costs are affordable and sustainable.

- During the initial phases of personalisation there may be some dual running costs for services.

- As the awareness of personal budgets develops, individuals who are eligible for social care support but who do not currently access services may present themselves, as a personal budget provides them with the flexibility they need.

- To fund potential alternative services which may be needed to ensure personalisation operates effectively and risks are managed (e.g. adult safeguarding resource).

Analysis of the sample data indicates that the indicative personal budget may not be sufficient to meet the needs of the small number of individuals with many complex needs. The Council will continue to meet the eligible needs of these individuals.

Following on from their assessment, individuals and their Care Manager will complete the Resource Allocation Questionnaire (Appendix A). This will generate a number of points for the indicative amount.

4.3 Proposed Price Per Point
Utilising the RAS methodology this will generate a price per point of £137.03 per year which equates to £2.64 per week.

From the sample used, the average weekly indicative budget was calculated at £191.43 based on an average points score of 72.6.

Modelling (shown at Appendix C) demonstrates that this level will both meet eligible need and be financially viable for the Council.

4.4 Personal Budgets Guidance

A Personal Budgets Guidance document has been produced to support staff with the introduction of personal budgets. It is proposed that this guidance will be added to the “Corporate Guidebooks” system and will be used in conjunction with other policies, for example, care recording requirements.

The Guidance document will be kept up to date and revised as lessons are learned. It will be one of the tools available for use in supervision by Service and Team Managers, and cases will continue to be monitored in line with the Departmental Case Recording policy.

In all cases, Care Managers will give due consideration to the possibility of assessment for other funding streams, for example Continuing Healthcare, Independent Living Fund, or housing support, according to their specific criteria.

4.5 Monitoring and Review

The Personalisation Programme Board and Adult Social Care (Managers) will monitor overall implementation of the RAS to ensure it remains affordable, equitable and transparent, and allows service users to meet their needs within available Council resources. This will include an annual review of the RAS process to ascertain whether the system remains adequate to meet service users eligible needs.

The RAS will also be reviewed as required to ensure that it remains sustainable in light of available council resources.

During the first six months of rollout, the RAS will be closely monitored. This will entail a monthly review by Finance and relevant Senior Managers from the Care Management division. This will include careful analysis of the indicative amounts and actual personal budgets offered and of the points generated from the resource allocation questionnaire. Initial analysis indicates that the average points per individual is 72.6 across all groups (see Appendix B). Monitoring of uptake of personal budgets across different service user groups will also be undertaken to ensure that there is evidence to support the assumption that the proposed RAS reduces inequalities.

An update report will be provided to Cabinet after 6 months of operation of the system.

5. RISKS ASSOCIATED WITH THE PROPOSED DECISION

There are financial risks to this decision due to the fact that the RAS generates an indicative amount, rather than the final personal budget. Therefore it will be essential that monitoring of personal budgets is a vigorous and ongoing process, which requires a culture of robust challenge by managers within the Care Management division. It is also key that training specifically covers these risks and is clear about
the meaning of an “indicative amount”.

As personal budgets become normal business processes, individuals who are eligible for social care and do not currently access services may present to Adult Social Care and Health as a personal budget offers an attractive option. However, one safeguard is that these individuals would still have to meet Fair Access to Care Services eligibility criteria. The financial impact would need to be assessed and the RAS process reviewed as actual data becomes available.

6. OTHER IMPLICATIONS

The proposals are in keeping with all relevant legislation and guidance relating to adult social care.

Legal – The Council will continue to undertake its duty to assess need and provide services to meet the needs of those who are eligible. A recent Judicial Review on the legality of a Resource Allocation System has deemed that such a system is legal, provided that it gives an indicative amount, rather than a final allocation.

Financial – The Resource Allocation System has been developed by the Department’s Finance team, in conjunction with Care Management. The report demonstrates in section 4.3 that a price per point of £137.03 per year is financially sustainable for the Council. Maintaining a contingency of 25% as detailed in section 4.2, which can be reviewed over time, supports the sustainability of the Resource Allocation System.

Statistical Analysis as outlined in Appendix D, has been undertaken by the Finance team and indicates the Resource Allocation System is sustainable within the parameters identified.

The financial implications of this process will be closely monitored during the first 6 months of roll out (see section 4.5) by the Finance team and reported on in accordance with existing monitoring arrangements.

Human Resources – There are no direct human resource implications arising from the Resource Allocation System, however, Personalisation will have human resources implications, due to the changes proposed to the social care workforce and changes to the roles and responsibilities of Adult Social Care staff. These changes will be progressed in accordance with appropriate Council procedures.

Land and Property (Asset) – the introduction of a personalised system of Adult Social Care support is likely to gradually reduce reliance on large Council owned centers, and increase the use of a wider range of community based inclusive centers, and mainstream services and activities. The introduction of a Resource Allocation System will mean that all service users will eventually receive a personal budget.

Anti-Poverty – Adult Social Care and Health work with some of the most socially excluded people in the borough. Personalisation is in keeping with the Council’s approach in relation to social inclusion and tackling anti-poverty.

Effects on other Council Activities – The Resource Allocation System will assist the achievement of the Corporate Plan and supports the needs identified within the Joint Strategic Needs Assessment. Engagement has taken place with those Council departments that will be impacted by the introduction of a RAS.

Adult Social Care and Health Department will work closely with Children’s and Young People’s Services to determine where the Resource Allocation System can be utilised.
to promote personalised services for children and young people. This is likely to be particularly relevant to those young people in transition to Adult Services.

Human Rights – the person-centred approach will ensure that the human rights of all service users will be adequately protected.

Agenda 21 – providing Personal Budgets to meet personalised support plans should help to minimise transport and contribute to the Council’s Climate Change Action Plan.

Equalities – the proposed Resource Allocation System will ensure that all Service Users, regardless of their user group, will be treated equitably and fairly, and therefore is supportive of the Council’s Equalities agenda. A single Resource Allocation System is proposed for all service user groups so that needs are identified in the same way for everyone. It should also reduce inequalities as it will provide a clearer basis for making decisions about social care funding. An Equalities Impact Assessment has been conducted and is attached at Appendix E.

Health – the proposals are compatible with the developing policies in Health to implement Personal Health Budgets.

7. PREVIOUS APPROVAL/CONSULTATION

A report on the aims and objectives of the Personalisation Programme in Adult Social Care was approved by the Executive on 5th August 2009.

8. ALTERNATIVE OPTIONS AND IMPLICATIONS THEREOF

There are two methods that can be used for allocating resources;

1. Using a Resource Allocation System as detailed above

2. Costing traditional services and offering individuals the option of taking this as a personal budget

The alternative options considered as part of the RAS development work were;

1. A separate RAS for older people and people of working age maintaining an overall contingency of 25%

2. A separate RAS for older people and people of working age maintaining an overall contingency of an agreed lower percentage (20% is included in the options appraisal for comparison)

3. A single RAS for both older people and people of working age maintaining an overall contingency of an agreed lower percentage (20% is included in the options appraisal for comparison)

4. Offer personal budgets based on the cost of traditional services

Anecdotal evidence from authorities that have selected the alternative option of using the cost of current services (for example, Warrington and Coventry) suggests that the Department of Health and the Care Quality Commission have an expectation that a
RAS will be developed. Costing of traditional services conflicts with the choice and control agenda.

Therefore the alternative options are deemed not to be appropriate as they are inconsistent with the Common Resource Allocation Framework in terms of equity and transparency across service user groups, and may be challenged on this basis.

Options for a lower level of contingency at this early stage would not be prudent, as lessons will be learnt as personal budgets become usual mainstream business.

The details of the alternative options considered are included in Appendix C.

8. APPENDICES

Appendix A – Resource Allocation Questionnaire
Appendix B – Service User Pathway
Appendix C – Options for Developing a Resource Allocation System
Appendix D – Evaluation of the Statistical Analysis
Appendix E – Equalities Impact Assessment
Appendix F – Personalisation Programme Board Members
Appendix G – Glossary of Key Terms

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BACKGROUND PAPERS

The following list of documents was used to complete this report and they are available for public inspection for four years from the date of the meeting, from the Contact Officer named above:

Putting People First: A shared vision and commitment to the transformation of Adult Social Care (DH 2007)

LAC (DH) (2008) 1: Transforming Social Care