

NORTH LINCOLNSHIRE COUNCIL

**ADULT SERVICES
CABINET MEMBER**

NORTH LINCOLNSHIRE RESOURCE ALLOCATION SYSTEM

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1 There is a national requirement for all councils to adopt a Resource Allocation System to provide improved support for those adults who are eligible for care and support services.
- 1.2 This report proposes a North Lincolnshire Resource Allocation System to be operational from May 2010 so that people who are eligible can receive an individual budget that will be used by them to purchase the care and support services they need.

2. BACKGROUND INFORMATION

- 2.1 Government has set out the future direction for Health and Adult Social Services in "Our Health, Our Care, Our Say" (DH 2007) and "Putting People First" (DH 2008). These policy documents outline the need for Health and Adult Social Services to give people greater choice and control over the way in which their support and care needs are met. Changes to the ways in which people receive care and support means councils moving away from an approach that places people into services, to one that helps people to find the best support for them. This new way of working is called 'personalisation' and all councils are required to adopt it.
- 2.2 The principles of personalisation are to allow people to:
 - Assess their care needs with support from Adult Social Services (ASS).
 - Be allocated an indicative individual budget based on their needs, taking into consideration any support provided by an informal carer.
 - Develop their support plan with support from ASS to meet identified need within the allocated budget.
 - Identify sources of support to help meet their need.
 - Manage their care and support package within their allocated personal budget.

- 2.2 A central element of personalisation is the need to have an equitable system for allocating funding for individual budgets. This report proposes a system that has been devised using a nationally recognised model recommended by the Department of Health. This is referred to as the Resource Allocation System (RAS). It is designed to be equitable regardless of the person's age, disability or service category.
- 2.3 The RAS starts with an assessment of need, using a national assessment tool. The outcome of the assessment creates a points value for the needs identified. A local calculation is then used to convert this into a budget allocation for the individual. An allocations table has been created where the points can be converted into a monetary value. The allocations table proposed for North Lincolnshire has been generated using a statistical modelling tool recommended by the Department of Health.
- 2.4 The information used to design the allocations table was extracted from a large number of current service user files. Paper-based assessments have been completed in respect of these service users using the new tool. The cost and effectiveness of their current support package has been analysed to inform the design of the proposed RAS.
- 2.5 Currently in North Lincolnshire, services and associated funding are not distributed equitably across all service user groups. For example, support services for people with learning disabilities can be more expensive than those for older people. In part this is due to variable market conditions and the range of complex needs that have to be met for some individuals and groups. The introduction of a fairer system of allocating funding to meet needs may well have a detrimental impact on some individuals if these variables are not taken into account. In order to address this issue, whilst inequalities will be removed over time, a moderation process will be required to ensure that all assessed needs are met.
- 2.6 The RAS has to be adaptable to dealing with variables such as those outlined above and at the same time Adult Social Services has to maintain a sound financial plan through which budgets are managed. For these reasons, a contingency fund within the Adult Social Service budget is proposed. The need for this contingency is nationally recognised by the Department of Health and the Association of Directors of Adult Social Services and is usually set between 15% and 25% of the funds allocated for care and support services. Evidence from the paper based assessment exercise referred to in 2.4 above suggests that a contingency of 20% should be adopted in North Lincolnshire. The contingency will cover costs that occur should many people choose not to use the internal services they currently use, or to meet the needs of people whose needs can not be met through the RAS allocation as explained in 2.5 above.

- 2.7 The RAS proposed in this report is based on national advice and guidance as well as local research evidence. The proposal is nationally acknowledged to be an interim step towards the personalisation of services. There is a need to review the RAS and the allocations table annually. Outcomes of reviews and any further proposals will be reported to the Cabinet Member.
- 2.8 Currently, in line with all councils, North Lincolnshire Council charges individuals for some care and support services but not for others. The RAS will not allow such distinctions. This will require a new charging policy that will be applied to all service users. The report to the Cabinet Member relating to fees and charges for 2010-2011 presented later at this meeting will outline the details of this and will make proposals.

3. OPTIONS FOR CONSIDERATION

- 3.1 A North Lincolnshire Resource Allocation System is agreed for implementation from 3rd May 2010 and is reviewed on an annual basis.
- 3.2 The proposed resource allocation system is not adopted.

4. ANALYSIS OF OPTIONS

Option 1 – Adopt the Proposed Resource Allocation System

- 4.1 Through the adoption of a RAS, Adult Social Services will be able to deliver personalisation and set up an equitable system for allocating funding for care and support services. This process requires a mechanism for managing budget pressures both to the service and to individuals. This can be achieved by establishing a contingency fund. A contingency of 20% would allow the development of personalisation in respect of those people with the most complex needs whilst at the same time safeguarding Adult Social Services budgets.
- 4.2 To increase individuals' choice and control requires a change in the way which services are delivered and commissioned. This may impact on current services, as individuals make different choices. This will be managed through the use of the contingency fund, the remodelling of internal services as required and by applying new commissioning processes led by the Adult Social Services Commissioning Team.
- 4.3 The implementation of the RAS may result in a decrease in the number of people accessing some services such as council run day services. This will be managed through the remodelling of current services to make best use of resources and buildings. There will be a greater emphasis across Adult Social Services on early intervention and

prevention so that people have more choice about the services they can access at an earlier stage as their needs increase. Adult Social Services staff will discuss options with any service users who choose not to continue with their services as a result of these proposed changes to try to ensure their needs continue to be met.

- 4.4 Some individuals may receive a smaller financial allocation than their current package of care costs. Adult Social Services will enable people in this category to have their needs met by encouraging the use of existing community resources and by new and innovative commissioning of specific services. Where needs cannot be met in this way, a moderation process will be used to access contingency funding as outlined in 2.6.

Option 2 – Not to Adopt the Proposed Resource Allocation System

- 4.5 The RAS is a system for delivering personalisation through an equitable and transparent process of resource allocation to meet the needs of adults who are eligible for social services under the Fair Access to Care criteria. Failure to adopt a RAS would lead to a failure to deliver personalisation and as a result the council would fail to meet Department of Health requirements.
- 4.6 A key target for North Lincolnshire is contained within the requirements of National Performance Indicator NI130. This is an indicator within the North Lincolnshire Local Area Agreement and requires that 30% of all people receiving adult social services are to be in receipt of an individual budget by March 2011. If a RAS is not adopted in North Lincolnshire, this target cannot be met. This would impact on the assessment of Adults Social Services by the Care Quality Commission, and subsequently have a major impact on the Comprehensive Area Assessment (CAA).

5. RESOURCE IMPLICATIONS (FINANCIAL, STAFFING, PROPERTY, IT)

5.1 Financial implications

5.1.1 The RAS will be set up to meet Adult Social Service budgetary requirements, managing any day to day budget pressures through the contingency fund and market management and brokerage processes.

5.1.2 The research underpinning the RAS identified a potential risk to budgets of £182,000 as a result of people exercising their choice not to receive current services. This will be managed through the allocation of an element of the Social Care Transformation Specific Grant as appropriate in addition to the development of new commissioning processes, managed by the Adult Social Services Strategic Commissioning Team.

5.2 Staffing implications –

5.2.1 The RAS will allow individuals' greater choice and control over the provision of their support services. This results in a need to remodel and develop services, processes and systems. This has been taken in to consideration as part of the Fit for the Future review and the new staffing structure agreed for Adult Social Services enables this to take place.

5.2.2 Staff have been trained in the use of the new support planning process and will undertake further training following the implementation of the RAS. Staff will continue to explain the new process to service users as part of their social work function.

5.3 Property implications –

Personalisation may require a remodelling program for some council run services such a day services that may have an impact on the use of properties. However at this stage the impact of this is difficult to predict. Any impact will be managed by Adult Social Services in line with the council's finance and asset management processes. Any proposed changes will be subject to further reports to cabinet member as appropriate.

5.4 IT implications –

Current IT systems are adequate to meet the short term needs to assess, calculate and pay a RAS. In the longer term Adult Social Services may need to develop or procure an IT system to support personalisation and the RAS process. This will be managed through an Adult Social Services IT strategy and any proposals will be subject to a report to the Cabinet Member in the future.

6. **OTHER IMPLICATIONS (STATUTORY, ENVIRONMENTAL, DIVERSITY, SECTION 17 - CRIME AND DISORDER, RISK AND OTHER)**

6.1 Statutory implications –

The adoption of a North Lincolnshire Resource Allocation System is a Department of Health requirement to ensure that the council discharges its statutory duty in respect of the provision of community care services.

6.2 Environmental implications –

None

6.3 Diversity implications -

Implementing a Resource Allocation System gives individual greater choice and control over the care and support services they receive. This will lead to an increase and a wider diversity of support services to meet specific needs and requirements of a range of individuals from diverse groups.

6.4 Section 17 – Crime and Disorder implications

None

6.5 Risk and other implications –

6.5.1 Any financial risks will be managed through the contingency fund and allocation of specific grant as proposed in 5.2.2.

6.5.2 Risks to service users in terms of the potential for abuse will be managed through existing and new safeguarding adults risk management processes.

7. **OUTCOMES OF CONSULTATION**

7.1 The proposed Resource Allocation System has been developed in line with the national lead agency, “In Control” and current Department of Health guidance

7.2 The council’s Financial Services section has been involved in designing the RAS and agrees to the proposal outlined

7.3 Service users and carers have been extensively involved in the development and design of the processes and the tools that will underpin the RAS. The needs of 400 service users were assessed to provide the research base for the proposed RAS.

8. **RECOMMENDATIONS**

8.1 The Cabinet Member is asked to approve the proposal for the council to adopt a Resource Allocation System in North Lincolnshire from 3 May 2010.

8.2 The Cabinet Member is asked to agree to a contingency fund of 20% of Adult Social Services purchasing budgets to ensure that service users with complex needs are not disadvantaged.

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Background Papers used in the preparation of this report

'Resource Allocation Systems' In-Control 2008

'Resource Allocation Systems – guidance for local authorities' Department of Health
2009