in°Control

In order to give disabled people information about their Individual Budget there needs to be a Resource Allocation System (RAS).

Summary

In Control has been working since 2003 on helping to transform the present social care system into a system of Self-Directed Support. Central to our thinking and success so far has been the idea that it really helps people to be in control of their support if they know how much money they can spend on their support.

When you know how much money you can spend then this means you have what we call an Individual Budget. But in order to tell people how much money they have in their Individual Budget there needs to be what we call a Resource Allocation System (RAS). The term 'Resource Allocation System' sounds rather technical but it is an important part of any system of Self-Directed Support and we have already collected significant evidence which shows that the use of a Resource Allocation System is financially possible for local authorities and has significant benefits for disabled people and their families.

This paper describes the principles that we have applied in developing In Control's RAS and it explains how and why we think it works. In August 2005 we published In Control's RAS Version 3.1 and we will be setting this system up on-line for anyone in England who wants to use it. If you want to look at the most up-to-date system in detail then please go to: www.in-control.org.uk

When we began working on developing RAS we committed ourselves to being guided by certain key principles:

- It must fit existing statutory guidance and the existence of other systems (e.g Fair Access to Care and the Independent Living Fund)

- It should create the lowest feasible transaction costs (i.e. the costs involved in actually allocating funding should be as low as possible)

- It must be economically and practically feasible for any local authority to deliver

- It must use definitions of need that are clear and make possible self-assessment of need

These principles still guide our work and we hope that this paper will explain how they can be used to achieve radical improvements in the present system.

Simon Duffy & John Waters

1. RAS Now

To begin with it is important to realise that there is already an existing system of resource allocation, one that is prevalent across social care within England, but one that is implicit rather than explicit.

THE PREVALENT SYSTEM

If you are someone who is entitled to receive help then how much help you can receive is usually calculated using a four-step process:

1. You will be assessed by a social worker or another professional, who defines your needs.

2. The assessor will then identify which needs are being met by other people in the your life.

3. The assessor will then write up a care plan, which describes how your needs will be met.

4. The costs of the paid support in your care plan would be determined by the service that is selected.

Assessment — Care Plan — **X** — Service Price — **=** — Allocation
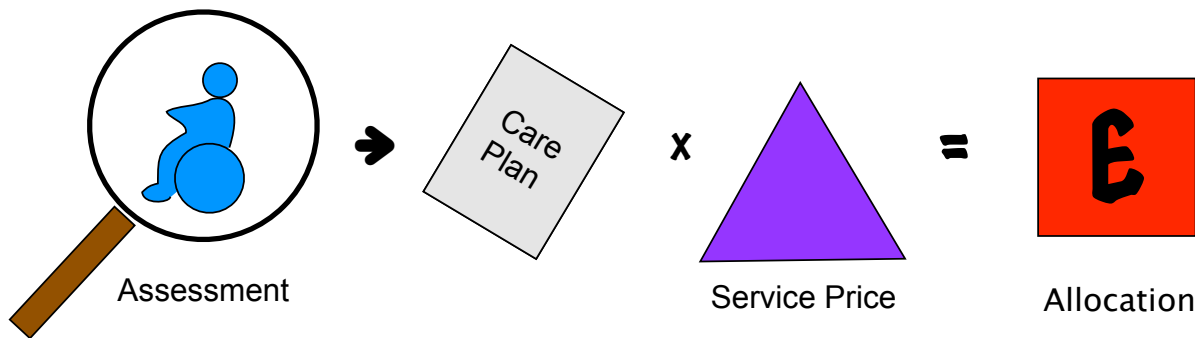
Although process is the norm there are several reasons why it is problematic and does not encourage the best use of existing resources:

1. The principles by which allocations are made should be public and open. In general it encourages greater individual responsibility and more accurate assessments if people are encouraged to identify their own needs – Self-Assessment.

2. At the moment the process of agreeing what help will be available from family, friends or neighbours creates perverse incentives. There is no standard for what is normal or fair. Either you or your family will feel you are expected to do everything you can to avoid receiving paid support or you will realise that you will only receive help if you do away with unpaid help (or pretend to do away with it). Increasingly the engagement between local authorities and families has become a gamble in which the local authority aims to offer nothing (but may end up paying for everything.)

3. There is no reason to believe that the present pattern of services provides a good use of resources. The institutional history of services means that many of the options available are far from ideal. It is important that new services are designed creatively and do not fallback on old models of service delivery. However if the care manager leads the service solution this puts a huge onus on care managers to be creative, community-focused and person-centred. This is particularly challenging when care managers operate with significant caseloads and where many people have no care management support. The overall effect of the present system is to slow down innovation and community development.

4. If funding levels are fixed by passive reference to the existing market then this makes it more difficult for individuals to seek out the best deal for themselves. At the moment the care manager takes full responsibility for negotiating the price of the service and this often leaves the individual and the provider on the same side, pushing up the relevant costs.

In summary the present system is not working well for several reasons.

- *It does not control costs well, especially when needs are perceived to be more complex.*

- *It limits creativity, innovation and community development.*

- *It discourages family and community support solutions*

- *It is a costly and inefficient process*

But most fundamentally, by not telling people what level of funding they have available, it stops disabled people from deciding for themselves how they want to be supported.

2. Early work

The challenge for In Control has been to create a different system, one where people do know what they have got to spend but one which is practically and economically achievable for local authorities to apply.

BUILDING A SYSTEM

Hence In Control began to develop its own explicit system of resource allocation, a system that would enable local authorities:

- To make a clear and open statement about what kind of needs would be matched by what specific levels of funding.

- To enable people to make their own initial determination of their needs - Self-Assessment

- To reduce the disincentive for family and friends to positively contribute to the person's support

- To work within existing funding and plan ahead for the future years within a coherent and rational framework

Whether such an approach is possible depended critically getting a positive answer to the following two questions

1. Can we identify different levels of funding that seem fair and reasonable to meet people's needs?

2. Can we define needs clearly enough so that we can say why a particular individual should receive a particular level of funding?

In our early work we were excited to find that we could answer both questions with a resounding yes.

FUNDING LEVELS

The first system of Self-Directed Support was developed in North Lanarkshire in 2000 and this formed the basis of In Control's Version 1 system. However the system for allocating resources in Version 1 was very crude and linked resource allocation to Disability Living Allowance (DLA) and was not tested in any detail.

When we began work in Wigan to develop RAS Version 2 in late 2003 we began by trying to identify how funding was spent in the present system. Details of this can be found in the spreadsheet *Resource Allocation Methodology* which is available through In Control's website.

Our central finding was that the present care management system was allocating resources in a way that was highly clustered around specific levels. For Wigan those levels are set out below:

Level	Expenditure
7 (Red)	£125,000
6 (Orange)	£75,000
5 (Yellow)	£50,000
4 (Green)	£30,000
3 (Blue)	£15,000
2 (Indigo)	£5,000
1 (Violet)	£1,500

Importantly the top level of funding was **not** treated as an explicit entitlement for there is strong evidence that the services and funding levels for the small minority of people at that top level are highly inappropriate and it seems dangerous to treat funding levels that can be in excess of £100,000 per year and often average nearer £150,000 as setting any useful standard.

Over the next 12 months 7 local authorities developed Resource Allocation Systems using the same methodology. Full details of all the different funding levels can be found in the paper *Resource Allocation Data* which is also available through in Control's website. Interestingly, although the precise levels of funding do vary from place to place those variations do not seem to reflect the background economies of the locality; instead funding levels reflect the history of commissioning and service development and the relative generosity (or otherwise) of local councils.

ANALYSING NEED

After having developed a sense of what level of funding is appropriate it was then possible to work backwards to determine whether suitable criteria could be identified to justify those different levels of funding. Initially three different kinds of variable were identified, two of which had only two options and the third (level of need) having three:

Variables	Options
1. Level of Support Needed	High
	Medium
	Low
2. Community Support	Intensive
	Minimal
3. Complexity	Complex
	Not Complex

The next stage of the process was to match need and funding directly. In fact although the proposed criteria for need seemed relatively crude it was striking that they produced 12 different permutations, which is twice the number of funding levels. Hence several permutations of need would receive the same level of funding.
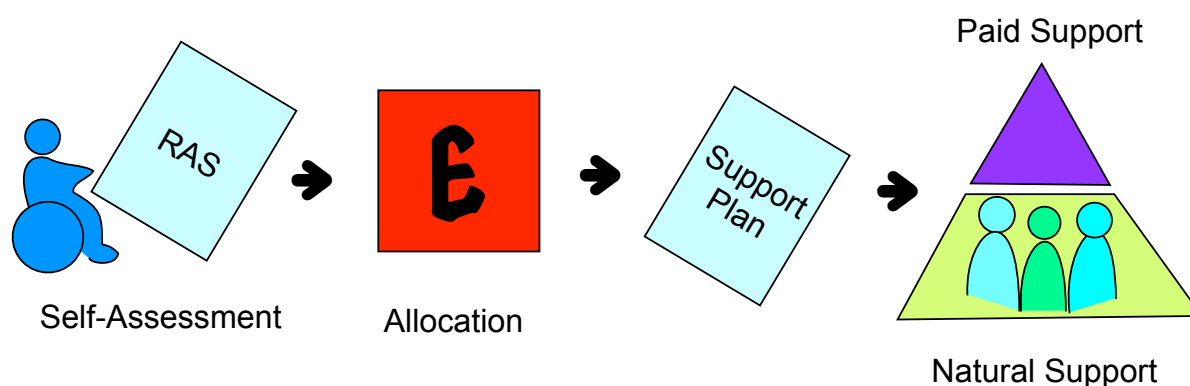
The work to put together funding and need was in fact carried out in its first form in Bradford, who have done a very detailed analysis of their own spending and also set out to describe indicators of need that would help care managers and disabled people to apply the broad criteria of need more easily. *Bradford's first version of the Resource Allocation System is set out on the next page.*

EVALUATING VERSION 2

This paper is being published before the full evaluation of Phase I of In Control's work (which is due in December 2005). However some initial comments may be possible about the strengths and weaknesses of Version 2.

Strengths	Weaknesses
It enables quick and early allocations of funding	The criteria are not set out in a way that makes self-assessment easy enough.
Care managers found the criteria worked well	The disincentive to stay in the family home still too marked
The funding levels usually seemed reasonable	The linkage to DLA and ILF criteria is not always clear
	The system is too static and will need adjusting over time

So from early in 2005 In Control began to explore how its own Resource Allocation System could be further developed.

Self-Assessment — RAS — Allocation (£) — Support Plan — Paid Support / Natural Support

RESOURCE ALLOCATION

Level	Funds	Conditions	Possible indicators
1	Low	Low Need	• Can keep themselves safe • Can meet own personal care needs • Can travel independently • Can manage money with some help • Can sustain involvement in activities
2	£6,500	Low Need & Not in Family Home & Complexity	• Reduced ability to sustain involvement • Possible mental health problems • Needs regular help with bills and reading • Possibly subject to bullying
3	£11,000	Medium Need **&** In Family Home & No Complexity	• Needs supervision or support most of the time • Help is typically in the form of prompts or guidance • Can be left for small periods
4	£18,000	Medium Level Need & In Family Home & Complexity	• The person's behaviour creates extra risks • There can be no gaps in support
4	£18,000	High Level Need & In Family Home & No Complexity	• Needs support for 24 hours a day
5	£27,000	Medium Level Need & Not in Family Home & No Complexity	• Needs guidance and direction • Needs help cooking • Can dress get dressed • Can carry out personal care • Does not need 24 hour support
5	£27,000	High Level Need & In Family Home & Complexity	• Extra medical needs • Difficult behaviour • Family situation is fragile
6	£38,000	Medium Level Need & Not in Family Home & Complexity	• Difficult behaviour • Self-injurious behaviour • Night-time epilepsy
7	£43,000	High Level Need & Not in Family Home & No Complexity	• Need for some waking support at night • Possible complex health needs
8	£58,000	High Level Need & Not in Family Home & Complexity	• Very challenging behaviour

3. Version 3

In the Spring of 2005 work began on developing RAS Version 3. This work like all our other work was rooted in local innovations, in this case we started to explore a points-based system that had been developed in Lincolnshire. This system links a friendlier set of questions to the appropriate level of funding via a weighting system.

KEY IMPROVEMENTS

In August 2005 In Control published In Control's *Resource Allocation System Version 3*. This new version presents a significant advantage over Version 2 because it allows work to begin independently on two different challenges:

- To build the most accessible and appropriate process for helping people understand their own needs

- To develop a clear national framework for calculating a fair level of funding to meet people's needs

The RAS now offers, a 'pick up and use' self-assessment process that leads quickly and simply to an allocation of resources, and a set of defined outcomes to be achieved. Version 3 does this by improving on previous versions in several ways:

1. It has been designed as a questionnaire to be used by disabled people themselves and their families rather than as an assessment that is 'done to' people by professionals. This is what we mean when we say Self-Assessment.

2. The criteria used for allocating money are now set out in a more open way which links directly to the Self-Assessment.

3. Version 3 is now more clearly linked to other existing funding sources namely DLA and ILF. (This helps to makes the system cost effective for local authorities to work to as the funding levels are set to encourage people to access this money).

4. The disincentive to stay within the family home has been further softened, as the system allocates funding regardless of whether people live in the family home.

5. As well as producing an allocation of resources Version 3 now also offers a set of outcomes that should be achieved with the funding, making arrangements for accountability more open.

SELF-ASSESSMENT

Self assessment is important for several reasons.

- It helps people take control right from the start and makes sure that the values underpinning Self-Directed Support are at the heart of the system.

- Disabled people most often know much more about their lives and needs than the professionals do. Self-Assessment makes sure disabled people are treated as experts on their own needs.

- It helps make the assessment process easy for everyone to understand and be part of.

All this should mean that the whole system becomes more efficient and accurate. With less time and energy going into assessment and less time spent arguing about the outcome of assessments. This in turn could lead to much more time being spent on the important task of helping people plan and organise their support. The shift to Self-Assessment raises big questions for professionals about really letting go of their power. Self-Assessment will mean that professionals need to work hard to form partnerships based upon trust and reach agreements about important decisions.

THE QUESTIONNAIRE

The Self-Assessment questionnaire helps the person and their carer identify their needs in the following areas:

1. level and impact of disability

2. meeting personal needs

3. maintaining relationships

4. being part of the local community

5. work, leisure and learning

6. making important decisions about life

7. staying safe from harm

8. complex needs and risk

9. family carer and social support

These areas were chosen as they were felt to cover the full range of issues that needed to be included when making funding decisions. Each area is divided into a number of levels; the Self-Assessment Questionnaire asks the person to pick which level of need best describes them and their life.

At the moment Fair Access to Care (FAC) should ration eligibility for support before the question of rationing

resource arises. However in practice we believe that these questions should also provide local authorities with enough information to allow them to make eligibility decisions against their FAC threshold when a request for funding comes from the disabled person. We will discuss FAC in more detail below.

Each level deliberately covers a wide range of need, so it should be easy for the person using the assessment to choose the level that best describes their situation. This not only makes the Self-Assessment easy to use but, importantly it means that different people using the assessment who have similar needs will have broadly the same outcomes and allocation. This is important for consistency and fairness of the system.

The Self-Assessment tries hard to not simply to measure how disabled a person is, but also to identify if people need help to lead a fulfilling life. So the levels of need are written in such a way as to describe both how disabled the person is and the effect the person's disability has on their quality of life.

The Self-Assessment also identifies if someone is at risk of harm or if the things they do could cause harm to other people. These are seen as important areas and so have a high allocation of points in the scoring system.

THE INDICATIVE ALLOCATION

As well as high risk situations a high allocation of points is made where current caring arrangements are breaking down. This emphasis on high risk situations and the breakdown of existing caring arraignments reflects current practice in decision making process of many local authorities.

At the end of the Self-Assessment points are added together to produce a final score. This score is then matched against a resource allocation framework to determine which of 5 possible funding levels should be made available.

The banded funding levels are set in a way to ensure they dovetail with the Independent Living Fund rules and regulations. Individuals with High Care DLA entitlement but low and medium levels of need will be eligible for ILF in addition. This should serve to make the system more affordable to local authorities.

Allocation level for low is set to the minimum contribution required to access ILF, plans which require funding above this level will require ILF contribution to cost of care. Allocation level for medium is set to the ceiling point for ILF, this is the maximum amount that a local authority can contribute and still achieve ILF income. Allocation level for the high band equates broadly to the ceiling rate for residential care best practice band.

It is important to note that the figures below represent the total that Social Services will contribute to a package of care and do **NOT** include funding that may be available from other sources such as the ILF. This is different to the procedure we applied in Version 2. Figures are also net of any charging income.

Level	Points	Indicative allocation
1. Prevention	0 to 10	£2,000
2. Very Low	11 to 15	£5,000
3. Low	16 to 30	£10,428
4. Medium	31 to 45	£15,381
5. High	46 or more	£ 33,943
6. Very High	46 and 3 points or more in each area	£50,000

4. Next Steps

Even now it is clear that further changes will be needed to Version 3 and In Control hopes to test out this model with several authorities in the coming months and make any necessary improvements. Here we discuss some of the issues we will be exploring.

FAIR ACCESS TO CARE

The Government has written a policy called Fair Access to Care to make sure that local authorities treat people fairly when offering them help. This policy asks local authorities to decide the level of risk the local authority is prepared for people to face; after this it must make sure that only those who are in riskier situations than that level are offered help.

Fair Access to Care only determines eligibility for services but does not dictate the specific allocation of funding. The risk criteria set out in FAC, while useful in determining someone's priority for social care, don't serve as useful proxies for the level of support required. (That is, you can have a 'critical need' that could be met very cheaply, while a have 'significant level' of need that would be more costly to meet.)

Version 3 of the RAS now includes a set of questions intended specifically to help people identify if they are likely to meet FAC criteria levels in their area. The further detail gathered by the Self-Assessment should in most circumstances also provide sufficient information to allow local authorities to make a decision on eligibility without need for further assessment.

In Control would like to further explore how FAC can be integrated effectively into the Resource Allocation System. Ideally the two systems could even be merged, however this may take further discussions at the level of national policy.

INDEPENDENT LIVING FUND

Version 3 is designed so that it fits with current ILF rules, this has a number of advantages but it does raise issues. For people who currently receive a high level of support from social services accessing ILF may be difficult, as the fund cannot generally be used to replace existing community care services. Also people who were formerly long stay hospital patients cannot access the fund. (A protocol suggesting how people in these circumstances can use the RAS has been developed.)

*In Control will be working with the ILF to find the most sensible way of integrating these two systems. Ideally we would like the Resource Allocation System to give a figure that **includes** the ILF element.*

SUPPORT BROKERAGE

Because of the way in which the RAS allocation levels have been set to marry up with ILF rules it is arguable that many of the management costs of support, including any fee for a support broker are not properly captured in Version 3. (Brokerage costs are hidden in the traditional social care system, and so ILF levels do not account for them.)

The early work in Essex provided a framework for brokerage which gave the following costs (although it is very important to note that In Control is not proposing that everybody needs brokerage support).

Simple task and information centred work	35 hours @ £18 ph	£630
Simple planning and task centred work	55 hours @ £18 ph	£990
Extended planning and task centred work	70 hours @ £18 ph	£1260
Complex planning and task centred work	100 hours @ £18 ph	£1800
Detailed facilitation, profiling, planning and task centred work	125 hours @ £18 ph	£2250
Extended facilitation, profiling, planning and task centred work	150 hours @ £18 ph	£2700
Complex facilitation, profiling, planning and task centred work inc. provider development	over 150 hours @ £18 ph	£3000 to £5000

In Control will be doing more work on brokerage costs, in particular we will want to make clear how much up-front investment will be required and how much can be funded from within the system of individual allocations.

OTHER STREAMS OF FUNDING

Version 3 includes only core social care funding and even excludes ILF. However it may be possible to build into the model other funding streams, from housing, education, employment or health sources. For instance:

- Supporting People Funds
- Disabled Facilities Grant
- Integrated Community Equipment Services
- Access to Work
- Continuing Health Care

In Control will be working closely with national policy-makers to develop an integrated system that links together as many of these funding systems as possible.

SHORT-TERM FUNDING

The time-scale by which funding is agreed is almost as important as the level of funding and in future more work will need to be done to clarify the options for funding security. In Control's recommendation at this point would be that authorities were able to do all of the following:

1. Use the Resource Allocation System to allocate funds on a long-term basis which would not be subject to regular review for those needs which are clearly long-term in nature and where insecurity of funding would lead to poor cost control and defensive behaviour.

2. Use short-term funding or start-up funding to meet costs that are likely to be time-limited and, where possible to give such funding 'up-front' and expect people to work within the available sum. This should limit the risk of people being over-assessed and becoming dependent on unnecessarily high levels of funding.

3. Use small grants, in the way that In Control's Small Sparks programme has done, to create opportunities for greater innovation and community development.

4. Any system will also need to deal with problems where things go wrong. Although it is possible for the local authority to take responsibility for this there are two further approaches (a) encourage individuals to 'save' to cover their own risks or (b) to put funding aside in some kind of insurance fund.

These issues are also ones that will become clearer in the light of developments in FAC and preventative services and In Control.

OUTCOMES

In addition to providing an allocation of funding the framework also identifies 'outcomes' that the persons plan should be designed to achieve. These are directly related to the Self-Assessment options identified by the person.

For example if someone identifies in their Self-Assessment that they have a need for support to form and keep relationships by agreeing with statement:

at present I have few or no relationships, outside of the family home

Then their Support Plan would be expected to show how they will:

form and keep relationships with people who are not paid to offer support

This would then be a theme of the review process. Setting an outcome in this manner may be seen as 'adding strings' and taking control away form the person. On the other hand if the clear outcome offers commissioners an assurance that the money is achieving what it needs to, there may be a greater willingness for them to let go, being less concerned about the detail of how the outcome is achieved, ultimately resulting in more creativity within plans, and more control for disabled people over their support.

CHECKS AND BALANCES

It is important that these levels are not treated as crude caps on costs as this would be inconsistent with existing guidance. However there is no problem on insisting on a certain cap if there is evidence that an appropriate service can be funded at that level.

There needs to be a way for people to challenge their allocation. A suggested protocol exists in the model policies and procedures.

VERSION 4

In Control has already begun to sketch out some of the key elements of its next major upgrade to its Resource Allocation System. Some of the keys elements of the upgrade will include:

- A basket of appropriate support options for each level are identified

- The basket is priced by reference to the existing market

- The weighting of support needs are re-checked and amended where necessary

- The links to the benefit system and other funding streams

- A dynamic process will enable funding levels to be regularly reviewed.

- Fair Access to Care will be merged into the Resource Allocation System

In Control will be working with subscribing authorities and central government to develop the best possible system in the months ahead with the goal of having Individual Budgets for all by 2012.

CHALLENGES FOR TRANSITION

There are still many challenges that will arise simply from the process of operationalising Individual Budgets:

- Historical imbalances between services and groups will become starker and there will be winners and losers.

- Any savings identified will need to be wrestled from existing service providers who will experience change as a loss of income security.

- Individuals and groups fear change and will focus on possible reductions. The prevalent social care culture will tend to professionalise and over-complicate systems that are designed to be simpler.

- Different service and different social care groups have different cultures and will respond to change in different ways.

It is still for people to become confused and treat RAS as just one resource allocation process; in particular we have found that it is important that this process is integrated into existing Direct Payments schemes at source.

In Control will be working with local authorities to offer guidance and draw out the early lessons of their experiences. A first discussion paper on strategies for commissioning Self-Directed Support will be published later in 2005.

For more information about In Control:

Go to our website www.in-control.org.uk to find

- An accessible brochure describing Self-Directed Support

- Model policies, procedures and guidance

- In the Driving Seat - a tool for developing your own Support Plan

- Discussion papers on various aspects of Self-Directed Support including: Individual Budgets, Support Brokerage & Service Provision

- Stories, pictures and data