

**Report to Cabinet Member for Adult and Community Services**  
**Report submitted by: Corporate Director for Operations and Delivery**  
**Date 6th January 2016**

**Part I**

Electoral Division affected:  
All

**Adult Social Care – Use of new Resource Allocation System (RAS)**  
(Appendix 'A' refers)

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**Executive Summary**

Following the development of policies on 'Personalisation' the County Council's Adult Social Care has been using a Resource Allocation System (RAS) to support frontline decision making in the setting of Personal Budgets for people with eligible social care needs. Earlier versions of the RAS have been used locally stretching back to 2007/08. The current version has been in operation since January 2014.

Following the implementation of the Care Act in April 2015 and the need to make financial savings, a new version of the RAS has been developed for use in Lancashire and this report seeks agreement for this new version to be introduced into policy and practice early in 2016.

Once adopted the RAS will be Care Act compliant and provide a basis for reviewing existing or proposed levels of Personal Budgets to realise savings where safe and reasonable.

This is deemed to be a Key Decision and the provisions of Standing Order No. 25 have been complied with.

**Recommendation**

The Cabinet Member for Adult and Community Services is recommended to:

- (i) Agree the adoption and use of a new RAS to support decision making in the setting of Personal Budgets for adults with eligible care needs, which will enable the delivery of savings and ensure Care Act compliance.

(ii) Authorise the Director of Adult Services to make any necessary amendments to the Resource Allocation System in the light of further testing, operational management advice, experience and legal clearance.

(iii) Endorse the continued development and implementation of plans to embed the new RAS into the County Council's operating systems.

(iv) Endorse the continued development of plans for undertaking service user reviews to realise savings on the basis of the new RAS.

## **1. Background and Advice**

The 2015/2016 'Service Offers' approved by Cabinet earlier this year included proposals to reduce expenditure on packages of care to meet the care and support needs of adults deemed eligible under the Care Act.

This offer implied that the County Council would review all existing adults who receive Personal Budgets to meet their needs, to ensure that budgets are distributed more equitably across all customer groups and that one tool we will use to support the review is a new RAS with the expectation that we will be able to reduce the average care package cost by user group across the overall adult social care budget. It also implied that the Personal Budget offer made to adults deemed eligible for Personal Budgets in future, would in many cases be lower than currently available.

Detailed work has been undertaken since then, and the proposals have been reshaped to ensure compliance with the Care Act, to learn from testing by our own operational staff and the technical advice offered by the company, FACE, who provide the proprietary RAS software. The County Council has also taken account of the findings of the consultation earlier this year with existing service users. This has led to a significant revision of the proposals, with greater confidence in the robustness of the final proposal below but a significantly reduced expectation of the level of savings likely to accrue from this area of social care.

## **2. Using the RAS**

Like many other councils, Lancashire County Council uses a RAS as part of the social work assessment process.

In brief, the RAS is used to provide an estimated budget as a guide to what money may be made available to meet an individual's assessed needs. This works as follows:

- The RAS software takes scores from information collected by the social worker about the individual's needs and circumstances during the assessment process and feeds these into a formula.
- The formula then uses a sophisticated algorithm, the proprietary name of which is FACE. This is weighted to allow for local differences in the costs of care and support, to provide an indicative budget of the amount of money likely to be

required to meet the customer's identified need.

- The intention of the indicative budget is to provide greater clarity for frontline staff in working with eligible adults, their families, NHS partners and providers. The aim is to empower the individual at the heart of the assessment on the assumption that an understanding of the money available will enable her/him to exercise greater choice and control at the support planning stage.
- When the support plan is agreed and signed off, the value of the actual Personal Budget is also recorded and must be shared with the individual.
  - The actual Personal Budget may be higher than the indicative budget, because that is the amount required to meet eligible needs. Giving an individual less would be unlawful
  - Conversely, the indicative budget might be more than enough. Giving people more than they require fails tests of best value and of equity, while jeopardising financial imperatives for the County Council including ensuring affordability.
  - So the final Personal Budget amount should be just right, balancing these two factors

In many cases the Personal Budget will be in the form of a Direct Payment (effectively a cash payment), but in most cases the Personal Budget is held by the County Council or sometimes by a third party and used to pay for the range and volume of services specified in the support plan. In some cases this money will be used to off-set the costs of using in-house services.

The benefits of using the RAS are now reasonably well established. It assists with demonstrating fairness, consistency and transparency, and consciously sets out to target money according to need. For service users and families it may allow greater creativity when they come to plan their support. For the County Council's Adult Social Care management it provides a systematic financial and quality assurance tool for managers and supervisors to use across large and dispersed workforces, and to support delegated decision making.

However the use of RAS is not without its challenges. It can be difficult to understand and explain in straightforward language how the numbers have been arrived at, and as a system it does need active management and maintenance. Not all councils have used a RAS in the past, but it seems the challenge of ensuring compliance with the Care Act is leading those who have not previously used a RAS to reappraise the benefits and consider its introduction.

### **3. Recalibrating the RAS**

The RAS should be re-calibrated on at least an annual basis to ensure that variations in local fee rates or adjustments in the allocation of resources can be updated and the RAS remains accurate.

Lancashire's current RAS (FACE version 1) has been in place since early 2014 and whilst a re-calibration would ordinarily have been completed, this project will instead upgrade to the latest version (FACE version 7) of the RAS and make this available for use within a single Care Act compliant process for social care customers across

all client groups and also for Carers.

The latest version has now been updated to reflect the most current provider fee rates and configured to support reductions in resources allocated whilst still ensuring that the County Council's statutory duty to meet assessed need within its overall financial envelope are met. It has been tested by local social work practitioners using a sample of real cases and with the right training and advice there is a good fit between the scoring system and the workers assessments. However further development work is needed before it can be used in some areas. For example, in Personal Budget decision making for Adult Mental Health, further testing is required. Further consideration is also needed as to how it can best be used to support decision making in supported living services for adults with learning disabilities.

The law is quite clear that the County Council cannot impose arbitrary ceilings on the cost of care it will meet, and indeed it is not the County Council's intention to do so. However what we can legitimately consider is the broad range of options and ways to meet need, and this means we can and do intend to use the appropriate fee rates for residential care or for 'Shared Lives' services, for particular user groups as a threshold to test the most affordable setting we can meet a person's needs and keep him/her safe. In practical terms to support the implementation of the new RAS, the County Council will also introduce the concept of a 'Reasonable Offer' into social work practice to ensure staff consider the relative value for money and affordability of meeting needs in different settings and share that with the individual.

This 'Reasonable Offer' will be based on ensuring that the County Council is able to meet its minimum statutory requirements in responding to the assessed needs of those who are eligible under the Care Act. The 'Reasonable Offer' can legitimately take account of the potential for signposting and referral to other support that does not require Personal Budget expenditure.

#### **4. Implementation Issues**

The adoption of the new RAS will create a number of issues that need to be addressed further.

Firstly, the operational arrangements for assessment, use of advocacy services, determining eligibility, for support planning and for reviewing needs will need to be adapted to support its use. This will involve some technical system changes, finalisation of Care Act compliant policies, and ensuring training is delivered to all relevant staff. Acknowledging the importance of getting these responses right to ensure legal compliance was a theme in the County Council's response to the Service Offer consultation findings which was reported at <http://council.lancashire.gov.uk/ieDecisionDetails.aspx?ID=7336>. This will have particular relevance for former Independent Living Fund recipients, but it will also for all those individuals and groups concerned that in making funding reductions we protect the most vulnerable, and are fairly distributed.

Secondly, the importance and role of preventative services such as reablement, telecare, community equipment and the Health and Well Being Service will be further highlighted and emphasised through training and briefings with staff. This will be accompanied by an equal emphasis on strength or asset based approaches to

assessment which fits closely with the County Council's Corporate Strategy and its focus on working across and within 'Neighbourhoods'. Together, these approaches are intended to ensure support is available to individuals in ways which do not require a level of expenditure to be built into Personal Budgets. This will be an important response to the reduced levels of Personal Budgets that some individuals will face as a result of changes to the RAS. This was an important point in the responses received as part of the consultation findings reported in <http://council.lancashire.gov.uk/ieDecisionDetails.aspx?ID=7336> and evidenced in the Equality Analysis at Appendix 'A' as a mitigating factor.

Thirdly, getting the right level of Personal Budget first time for everyone we deal with is the correct ambition but it is best and more realistic to assume we will not always achieve that. So we need to build in arrangements for early resolution of disagreements or complaints about the Personal Budget setting process and the levels allocated. This was also an important issue highlighted in the consultation on the Service Offers as can also be seen in <http://council.lancashire.gov.uk/ieDecisionDetails.aspx?ID=7336> . We will consider how best to establish increased capacity or different arrangements to support an early resolution to complaints or substantive disagreements.

Fourthly, the sensitive and safe management of the changes faced by individuals affected by reductions in Personal Budgets will also be essential. In some cases the scale of such changes for some individuals may require a transitional arrangement is agreed while new support plans are drawn up and services are put in place. Again these were issues and options highlighted in the Service Offer consultation at <http://council.lancashire.gov.uk/ieDecisionDetails.aspx?ID=7336> and in the Equality Analysis at Appendix 'A'.

Finally it is important to acknowledge that there will continue to be differences in the levels of Personal Budgets offered to individuals which will arise from differential patterns of availability and pricing between services for different user groups. This may mean for example that an older person may receive a lower level of Personal Budget compared to someone with a mental health need or learning disability.

## **5. Illustrative Examples**

Given the wide range of individual and local circumstances that have to be taken into account in assessments and support planning, one must be cautious in making broad generalisations about the way these changes will impact on individuals. However some simple examples include:

- The use of Telecare as a substitute for some home care visits for older people which are focussed on safety or medication checks
- Acknowledging opportunities for people with learning disabilities to participate in leisure, work or social activities outside their home will rely much more on volunteers to accompany the individual than on paid staff, and encouraging people to make the most of their own and community strengths and assets
- Shifting the balance towards more support from family, friends or neighbours and less from paid carers
- Greater focus on the role of prevention, establishing an ethos of promoting independence throughout all services so the value of an individual's Personal

Budget is reviewed downwards if and when an alternative and cheaper approach to support is available

These changes in emphasis and in the value of Personal Budgets may be difficult for many individuals and families to accept, but these, realistically, are the nature of the impact they will experience.

## **Consultations**

The findings from the consultation on the original Service Offers were subject of a report to Cabinet in October 2015 <http://council.lancashire.gov.uk/ieDecisionDetails.aspx?ID=7336>. These findings have been considered in the Equality Analysis attached at Appendix 'A' and some of the specific responses have been highlighted in Section 4 of the report above 'Implementation Issues'. These have resulted in a significant change to the speed of and approach to implementation which has also contributed to the revision of the level of anticipated savings.

## **Implications:**

This item has the following implications, as indicated:

## **Risk Management**

This report contains a complex and significant set of proposals which will affect many individuals who receive services now or may do so in the future. The impact on the County Council's finances is also significant if targeted levels of savings are not achieved.

The work on the development of the RAS so far has been subject to robust Programme Management arrangements, and if the recommendations in this report are approved, revised but equally robust Programme Management governance will be established to oversee full implementation over the next year.

## **Finance**

The budget agreed in February 2015, contained programmes to reduce the current cost of packages of support for service users in receipt of community based support. The total saving estimated to be achieved by these programmes between 2015/16 to 2017/18 was agreed as £17.4m, although this service offer was then subject to a planned separate consultation process.

The implementation of the proposed recalibrated RAS is expected to contribute to the delivery of this savings programme, which was always subject to individual care assessments of each individual and therefore a significant level of delivery risk. An updated risk assessment has identified that £8.8m of the originally agreed savings is now not considered deliverable and savings of £4.3m in 2016/17 and £4.3m in 2017/18 are now assessed as achievable. The impact of these changes has been factored into the updated Medium Term Financial Strategy November 2015 Cabinet report.

## Equality

The report 'Adult Social Care: Findings from the Consultation on Service Offers and the County Council's Options in Response' have been taken into account both to inform the Equality Analysis and development of potential mitigating arrangements.

### List of Background Papers

Paper	Date	Contact/Tel
Adult Social Care: Findings from the Consultation on Service Offers and the County Council's Options in Response	12 October 2015	<a href="http://council.lancashire.gov.uk/ieDecisionDetails.aspx?ID=7336">http://council.lancashire.gov.uk/ieDecisionDetails.aspx?ID=7336</a>