

# Corporate Policy and Strategy Committee

10.00, Tuesday, 25 March 2014

## Implementation of a Funding Allocation System

Item number 7.6  
Report number  
Wards

### Links

Coalition pledges [P30](#), [P38](#)  
Council outcomes [CO10](#), [CO11](#), [CO12](#), [CO13](#)  
Single Outcome Agreement [SO2](#)

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# Executive Summary

## Implementing a Funding Allocation System

### Summary

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One of the duties placed on local authorities by the Social Care (Self-directed Support) (Scotland) Act 2013 is the requirement to notify those eligible for social care support of the estimated cost of meeting their support needs, in order to allow them to exercise informed choice about the way in which those needs are met.

At the meeting held on 28 January 2014, Health, Social Care and Housing Committee agreed:

- the approach being taken to the development of a Funding Allocation System in order to inform people of the “relevant amount” available to meet their social care needs; and
- that a report be submitted to Corporate Policy and Strategy Committee detailing the outcome of the work being undertaken to calibrate the Funding Allocation System, and seeking approval to implement the Funding Allocation System by 1 April 2014.

This report sets out the proposals for the calibration of the Funding Allocation System, which will meet the requirements placed on the Council by the legislation.

### Recommendations

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Committee is asked to:

- approve the proposals set out in this report for the implementation of a Funding Allocation System
- note the controls identified within the report to manage the operation of the proposed Funding Allocation System
- note that a report detailing the first six months’ operation of the Funding Allocation System will be submitted to the Health, Social care and Housing Committee at the earliest opportunity.

### Measures of success

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The Council is able to meet the requirement placed on local authorities by the Social Care (Self-directed Support) (Scotland) Act 2013 to notify people of the “relevant amount” (estimate of the cost of meeting their care and support needs).

The operation of the Funding Allocation System will be closely monitored to evaluate the following success factors:

- the implementation of the Funding Allocation System enables people to exercise greater choice and control over the way in which their care and support needs are met
- the Funding Allocation System is sufficiently flexible to be adjusted in response to issues identified through experience in operating the system
- the Funding Allocation System is calibrated in order both to meet the needs of individuals and remain affordable to the Council.

## Financial impact

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There is no direct financial impact arising from this report, which sets out the proposed methodology to be used in estimating the cost of meeting the care and support needs of individuals assessed as being eligible. The implications of the legislative requirement on local authorities to provide people with an estimate of the cost of meeting their care and support needs are detailed within the report.

## Equalities impact

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The need to ensure equity is one of the underlying principles, which has informed the development of the Funding Allocation System. This has been designed to ensure that it is applied:

- consistently, regardless of whether the individual chooses to direct their support themselves through a direct payment; asks the Council or another organisation to arrange and manage their support as they direct; asks the Council to select and manage their support for them; or chooses a mixture of these options
- equitably across all service user groups, whilst taking account of factors specific to each.

## Sustainability impact

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There is no sustainability impact arising from this report.

## Consultation and engagement

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A collaborative approach to engagement with service users, service providers and frontline staff has been a key feature of the Personalisation Programme, using mechanisms such as the Collaborative Inquiry Group and the 'Network to shape our future'. These were established to collaborate with frontline staff, and service users and carers, in the planning and delivery of the Personalisation Programme.

The proposed approach to establishing the estimated cost of meeting an individual's care and support needs, using a score generated through the outcome focused assessment and the scoring mechanism, has been discussed with people who use services, service providers and staff, through a range of fora. Due to the size of the sample used in developing the Funding Allocation System; the time it has taken to analyse the data; and the need to implement the system by 1 April 2014, it has not been possible to consult widely on the details of the financial bandings proposed. However, there is general recognition from both the Scottish Government and Audit Scotland that the implementation of the Self-directed Support legislation will be developmental. There will therefore be ongoing consultation on the operation of the Funding Allocation System and other aspects of self-directed support over the coming months, as the Council continues to collaborate with key stakeholders through the Personalisation Programme.

## **Background reading / external references**

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[National Self-directed Support Strategy](#)

[Social Care \(Self-directed Support\) \(Scotland\) Act 2013](#)

[Progress in the implementation of personalisation and self-directed support report to Health, Social care and Housing Committee 28 January 2013](#)

## Implementation of a Funding Allocation System

### 1. Background

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- 1.1 A report detailing progress on the implementation of the Social Care (Self-directed Support) (Scotland) (Act) 2013 in Edinburgh was submitted to the Health, Social Care and Housing Committee on 28 January 2014, setting out the approach to be taken to providing individuals eligible for social care support with an estimate of the cost of meeting their care and support needs. As work on the development of the proposed Funding Allocation System was still in hand, and given the implementation date of the legislation (1 April 2014), the Committee agreed that the proposals should be presented to the March meeting of the Corporate Policy and Strategy Committee for approval.
- 1.2 In order for individuals to exercise choice over how their care and support needs are met, they require to know the amount of money available to meet those needs. The (Self-directed Support) (Scotland) (Act) 2013 therefore places a duty on local authorities to notify individuals assessed as being eligible for social care support of the estimated cost of meeting their care and support needs. The legislation refers to this estimate by the Council as the “relevant amount”. In practice, it is usually referred to as the “indicative budget”. The indicative budget is the amount of money, which the individual and their social worker or the person who is assisting them should use as a guide when developing their support plan; it is not an absolute entitlement. Once the support plan has been agreed by the individual and the Council, the cost of the plan is referred to as the “personal budget”.
- 1.3 The Funding Allocation System is the mechanism proposed for the Council to use to identify the estimated cost of meeting the assessed care and support needs of an individual: their indicative budget.

### 2. Main report

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- 2.1 The overall approach to the allocation of resources through the Funding Allocation System was approved by the Health, Social Care and Housing Committee on 28 January 2014.

- 2.2 Following further work on the development of the Funding Allocation System, the indicative budget will be determined through the following steps:
- i. the level of the individual's need is identified through an outcome-focused assessment and expressed as a score
  - ii. the score is adjusted to reflect the extent to which the individual's needs are being met through informal support
  - iii. the impact of the caring role on informal carers is also taken into account and is added to the adjusted score
  - iv. the score is converted to a financial banding (the indicative budget), within which the cost of the individual's care and support needs should be met.
- 2.3 Detailed work has been undertaken to calibrate the Funding Allocation System by establishing the relationship between the scores generated by the assessment and the cost of meeting those needs. A sampling exercise was undertaken involving the completion of around 700 assessments or reviews, using the outcome focused assessment tool. The assessment allowed scores to be generated across seven domains:
- i. personal support needs
  - ii. nutrition
  - iii. making important decisions
  - iv. work and learning
  - v. leisure and community activities
  - vi. caring and parental responsibilities
  - vii. risks to wellbeing
- 2.4 The scores generated by these assessments were compared to the cost of the packages of care put in place as a result of the assessment/review, in order to determine the relationship between the two. This then led to a more focused and detailed analysis of a smaller cohort of 100 assessments. This allowed the range of scores for each area of need to be refined, along with the relative contribution to the overall score made by each area of need. An example of the scoring for one of the domains is attached as Appendix A.
- 2.5 One of the biggest risks in notifying individuals of their indicative budget is that they will view the figure as an entitlement, rather than an estimate. It is therefore proposed that the indicative budget should be expressed in terms of financial bandings, rather than specific amounts. For example, £100 to £200 per week or up to £200, rather than a precise amount of, say, £185.

- 2.6 The care package costs from a range of typical test cases were used to establish the relationship between levels of need expressed as a score and the cost of meeting needs. This analysis resulted in the creation of a number of financial bandings, which can be applied across service user groups.
- 2.7 Where it is not possible to meet the cost of an individual's care and support needs within their indicative budget, the case will be referred to named service managers who will decide on a case-by-case basis whether the amount of the indicative budget should be increased.
- 2.8 The proposed Funding Allocation System has been designed to be flexible and responsive, and to allow changes to be made in the light of experience or policy change. For example, the weighting between domains of need can be changed as can the weighting within domains and the financial bandings.
- 2.9 Despite the significant amount of work done to ensure the Funding Allocation System is calibrated to meet the needs of individuals *and* to be affordable, this is to some extent uncharted territory. Audit Scotland has recently identified as a risk for all Scottish councils the requirement to provide individuals with an estimate of the cost of meeting their care and support needs. This risk needs to be managed and monitored carefully.
- 2.10 It is therefore proposed that Edinburgh takes a measured approach, limiting initially the maximum amount of an individual budget allocated through the Funding Allocation System. For individuals with higher levels of need, we will establish an authorisation process to allow an increase in the indicative budget where it is insufficient to meet needs, i.e. consideration on a case-by-case basis by named service managers. This will ensure that the Council can continue to meet need, whilst the Funding Allocation System is bedding in.
- 2.11 Once operational, the Funding Allocation System will be subject to close monitoring to ensure that it is working as intended; to identify any areas for improvement; and to ensure robust financial control.
- 2.12 It is therefore proposed that:
- the maximum amount allocated directly through the Funding Allocation System from 1 April 2014 is £500 per week (£26,000 per annum)
  - the bandings used are those set out in the table below:

<b>Points banding</b>	<b>Financial banding per week</b>	<b>Financial banding per annum</b>
1 - 3.5	Under £50	Under £2,607
4- 8	£51 - £100	£2,607 - £5,214
9 - 12	£101- £150	£5,215 – £7,821
13 - 16	£151 - £200	£7,822 - £10,428
17 – 20.5	£201 - £250	£10,429 - £13,035
21 - 25	£251 - £300	£13,036 - £15,642
26 - 33	£301 - £400	£15,643 - £20,856
34 - 42	£401 - £500	£20,857 - £26,070

2.13 In order to mitigate against the inherent risks involved in such a significant change to the allocation of resources, the following controls will be put in place from 1 April 2014:

- all assessments will be checked by senior social workers prior to the generation of an indicative budget, to ensure that the detail within the assessment supports the level of need identified by the social work practitioner
- any requests for a level of funding over the amount of the indicative budget will be subject to consideration and approval by a senior manager
- monitoring will take place on a monthly basis comparing:
  - the indicative budget with the amount of funding allocated and agreed through support planning
  - expenditure on new cases compared with that for the same period during the previous year
- monthly reporting to the Director of Health and Social Care, the Chief Social Work Officer, the Head of Older People and Disabilities and the Principal Finance Manager for Health and Social Care – these monthly reports can be made available to members on request, and will be collated into a formal report for the Health Social Care and Housing Committee, following 6 months of the new system’s operation.



2.14 Where any issues are identified in relation to the operation of the Funding Allocation System, recommendations will be made to rectify these using the flexibilities built into the system.

### 3. Recommendations

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3.1 Committee is asked to

- approve the proposals set out in this report for the implementation of a Funding Allocation System
- note the controls identified within the report to manage the operation of the proposed Funding Allocation System
- note that a report detailing the first six months' operation of the Funding Allocation System will be submitted to the Health, Social Care and Housing Committee at the earliest opportunity.

## Peter Gabbitas

Director of Health and Social Care

## Links

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<b>Coalition pledges</b>	P30 – Continue to maintain a sound financial position including long-term financial planning
<b>Council outcomes</b>	P38 - Promote direct payments in Health and Social Care CO10 - Improved health and reduced inequalities CO11 - Preventative and personalised support in place CO12 - Edinburgh's carers are supported CO13 - People are supported to live at home
<b>Single Outcome Agreement</b>	SO2 - Edinburgh's citizens experience improved health and wellbeing, with reduced inequalities in health
<b>Appendices</b>	Appendix 1- Example of scoring system used within the Funding Allocation System

## Appendix 1

### Example of scoring system used within the Funding Allocation System

Domain 6 Nutrition						
The things I may do		My view	Carer's view	Assessor's view	Band	Score
6.1	I do not need help in this area.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
6.2	I need prompting to prepare a meal and/or eat and drink regularly	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	A	1
					B	1
					C	1
					D	1.5
6.3	I need some help to prepare a meal and/or eat and drink regularly	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	A	2
					B	2.5
					C	4
					D	5.5
6.4	I need all of my meals provided or prepared for me by someone else	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	A	6
					B	6.5
					C	7
					D	8
6.5	I need total support from someone else to help me to prepare my meals and to help me to eat and drink	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	A	8.5
					B	9
					C	9.5
					D	10.00

Please note the scores in this table are illustrative not actual