

Bath & North East Somerset Council	
MEETING:	Wellbeing Policy Development & Scrutiny Panel
MEETING DATE:	16 th March 2012
TITLE:	Personal Budgets: Review of Policy Framework & Resource Allocation
WARD:	ALL
AN OPEN PUBLIC ITEM	
List of attachments to this report:	

1 THE ISSUE

- 1.1 The report provides analysis and impact assessment of the Personal Budgets policy framework and resource allocation system currently used to deliver social care services in Bath & North East Somerset.
- 1.2 The reports sets out key changes to the current policy framework and resource allocation system which will be necessary in order to:
 - (1) Achieve financial sustainability and meet the Council's efficiency targets for adult social care.
 - (2) Achieve the central Government target to deliver Personal Budgets to 100% of all adult social care users by April 2013.
 - (3) Address a range of equalities issues which have been identified in the current system.

2 RECOMMENDATION

The Wellbeing Policy Development & Scrutiny Panel is asked to agree that:

- 2.1 The current policy framework and resource allocation system for Personal Budgets in Bath & North East Somerset is revised to address the equalities and financial concerns set out in the body of the report.
- 2.2 The revised policy framework and resource allocation system is more clearly and transparently linked to the Fair Access to Care Services eligibility criteria currently in place in Bath & North East Somerset.
- 2.3 Further wide scale consultation and impact assessment of proposed changes is undertaken prior to any significant operational changes being implemented.

3 FINANCIAL IMPLICATIONS

- 3.1 The Council's financial plan for adult social services sets out targets for £1.94m efficiencies (gross of any inflationary awards to providers) against the commissioning of services for older people, people with physical and sensory impairment, people with mental ill health and people with learning difficulties. On average approximately 40% of commissioning activity across all these service user groups relates to the use of Personal Budgets, or community based packages of care and support such as supported living. The remaining 60% of commissioning activity is within the residential and nursing home sector.
- 3.2 It is therefore assumed for the purpose of this report that up to £776k (40% of gross target) must be achieved from efficiencies in the commissioning of community packages, i.e. Personal Budgets. It is also assumed that the overall impact of policy and resource allocation changes will be cost neutral.

4 THE REPORT

- 4.1 Bath & North East Somerset Council was one of thirteen pilot local authorities that contributed to the development and subsequent mainstreaming of Personal Budgets. Personal Budgets can be used by social care service users to purchase a range of community care and support services to meet needs identified through the statutory social care assessment process. Personal Budgets are not currently made available to service users for residential or nursing home placements.
- 4.2 More than 60% of all adult social care services users in Bath & North East Somerset now receive a Personal Budget with which to purchase services, and whilst many express a preference to have services commissioned by the local authority (PB commissioned), a significant number choose to manage their own budget under a Direct Payment arrangement (PBDP) and a third group opt for a mixed package (PB mixed).
- 4.3 The Government vision in relation to Personal Budgets is set out in *A Vision for Adult Social Care: Capable Communities and Active Citizens*¹ which states that 'Councils should: provide personal budgets for everyone eligible for on-going social care, preferably as a direct payment, by April 2013'.
- 4.4 Financial analysis shows that per head expenditure on social care packages has increased since the mainstreaming of Personal Budgets in Bath & North East Somerset. This increase appears to be over and above that which could be linked to inflationary or demand pressures though it is clear that demand for social care services continues to rise in line with the frailty and complexity of service users presenting.
- 4.5 Figure 1 shows that total expenditure has risen by £7.3m since 2008/09 whilst the total number of open packages (Figure 2) has risen by 938 in the same period, although this does not necessarily equate to individual service users. Figures 3 & 4 show growth in spend on Personal Budgets (£9.4m) and a corresponding, though not equivalent decline in spend on 'old style' packages (£2.1m).

¹ Department of Health, 16th November 2010
Printed on recycled paper

4.6 Figures 5 & 6 illustrate that whilst more people prefer a PB Commissioned option (961:200), the overall cost of the PBDP option is significantly higher at £10.6m as opposed to the £8.2m that is spent on PB Commissioned packages.

Figure 1 - Total Purchased Care Expenditure

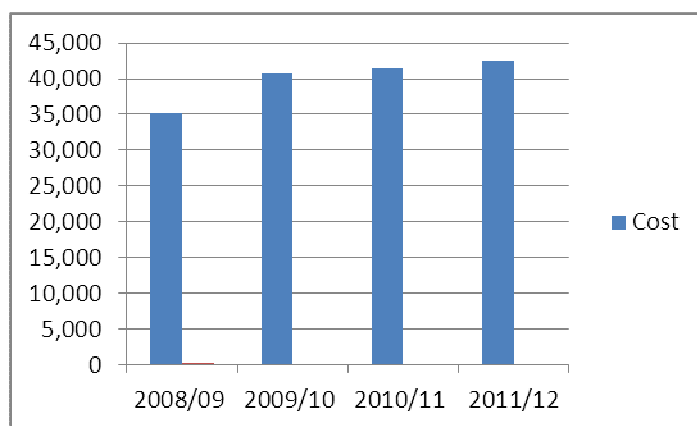


Figure 2 – Number of Open Social Care Packages

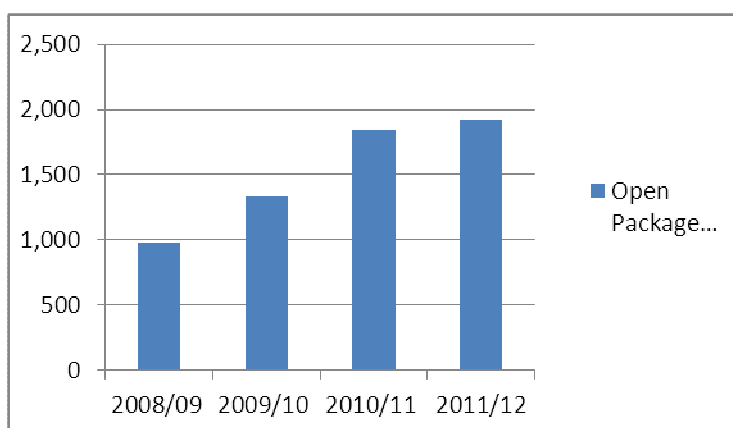


Figure 3 – Personal Budgets Expenditure

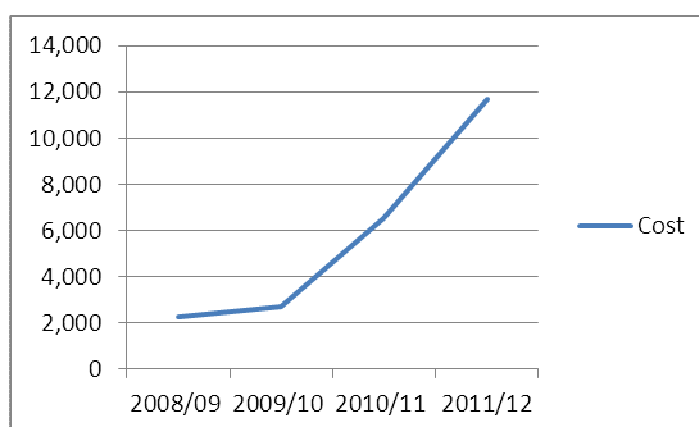


Figure 4 – Other Packages Expenditure (old system)

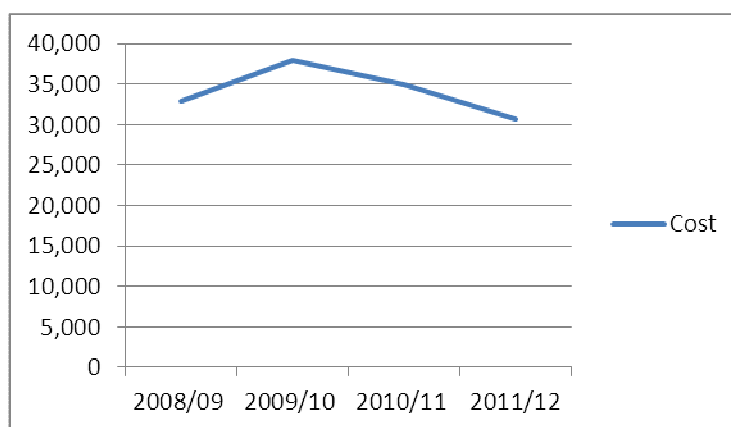


Figure 5 – Personal Budget Types

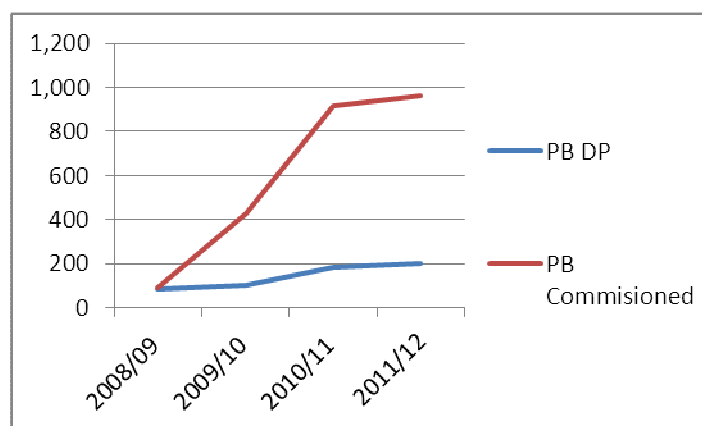
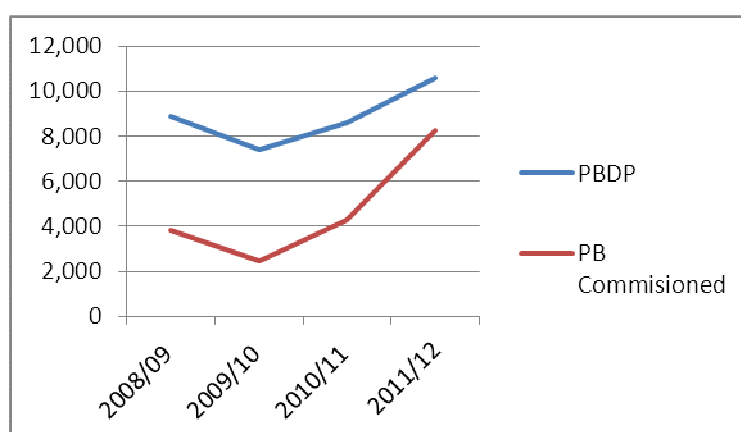


Figure 6 – Personal Budget Costs by Type



4.7 Feedback from staff and service users² suggests that there is confusion and inconsistency in both the allocation and application of Personal Budgets across different teams and different service user groups. This is partly due to cultural differences in the way different parts of the social care system have operated historically and partly due to insufficient clarity in relation to policy framework and

² Workshop with Equality B&NES, 20th October 2011
Printed on recycled paper

practice guidance. These issues were highlighted in a recent internal audit of Personal Budgets³ which found that the Council and Sirona had 'weak control' in a number of key policy and operational areas. An action plan is in place and being implemented in respect of the PB audit which addresses, at least on an interim/short-term basis, the areas of weak control identified.

4.8 A Social Care Strategic Planning Group set up in October 2011 to address issues arising from the mainstreaming of Personal Budgets has pursued a number of lines of enquiry in order to corroborate anecdotal evidence of inequality and inefficiency in the system. This has included the activities set out below and, more recently, expert input from the company commissioned by central Government to develop the national Resource Allocation System for Personal Budgets.

- (1) Analysis of the distribution and costs associated with Personal Budgets has shown that in general younger people tend to receive a higher level of resource than older people.
- (2) Analysis of the application of Fair Access to Care Services (FACS) eligibility criteria in the process of resource allocation has revealed inconsistencies both between and within teams, and in some cases packages of care offered to service users are holistic, rather than focussed on addressing substantial or critical risks as set out within the current B&NES eligibility framework.
- (3) Analysis of the use of Direct Payments has highlighted the need for clearer guidance for staff and service users in relation to the appropriate use of resources, again focussing on addressing critical or substantial risks rather than holistic or moderate and low needs.

4.9 Early findings from expert analysis of the B&NES Resource Allocation System are consistent with the evidence collated by the Strategic Planning Groups and these include:

- (1) The assessment questionnaire does not lend itself to self-assessment which is contrary to Government guidance
- (2) The tool itself does not allocate points for need and then translate them into indicative funding levels
- (3) The tool does not lend itself to reducing spend via the review process and in this way gaining tighter control on overall budgets
- (4) The questionnaire and tool are not fit for purpose and it is recommended that the council considers switching to the use of the Common RAS consistently for all client groups, supported by a self-assessment questionnaire that measures need

5 RISK MANAGEMENT

5.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance.

³ January 2012
Printed on recycled paper

6 EQUALITIES

- 6.1 A formal Equalities Impact Assessment has not been completed in relation to the current policy framework and resource allocation system for Personal Budgets, however advice and guidance has been sought from the Equalities Team.
- 6.2 Previous sections of the report set out some of the equalities issues that have been highlighted through the process of reviewing current arrangements and these can be summarised as:
- (1) Disparities in the allocation of Personal Budget resources between younger and older service users
 - (2) Disparity in the application of FACS criteria within and between teams
 - (3) The Personal Budgets audit report found further disparities in relation to the amounts of Disability Related Expenditure sanctioned by different teams and individuals during the financial assessment process
 - (4) Cultural differences between teams and differences in the expectations of service users in relation to budget allocations and their use
- 6.3 It is therefore recommended that a full Equalities Impact Assessment of the revised policy framework and resource allocation system for Personal Budgets is completed as part of the development process so that the final product is fully informed and influenced by equalities considerations. This will help to ensure that all of the issues highlighted above are either eliminated entirely or transparently linked to the different types and levels of need that do exist between and within different service user groups.

7 CONSULTATION

- 7.1 *Cabinet Member; Overview & Scrutiny Panel; Staff; Other B&NES Services; Service Users; Stakeholders/Partners; Other Public Sector Bodies; Section 151 Finance Officer; Chief Executive; Monitoring Officer*
- 7.2 The groups and individuals highlighted in 7.1 have been informed and updated of progress since the mainstreaming of Personal Budgets in Bath & North East Somerset through a variety of means including panel and cabinet meetings, informal briefings, public and internal workshops and planning meetings.
- 7.3 It is proposed that the user led organisation Equality B&NES and the Care Forum, through its network of user and carer groups are engaged to facilitate widespread consultation and feedback on a revised policy framework and resource allocation system for Personal Budgets between April and June 2012.

8 ISSUES TO CONSIDER IN REACHING THE DECISION

- 8.1 *Social Inclusion; Customer Focus; Sustainability; Corporate; Impact on Staff; Other Legal Considerations*

9 ADVICE SOUGHT

9.1 The Council's Monitoring Officer (Divisional Director – Legal and Democratic Services) and Section 151 Officer (Divisional Director - Finance) have had the opportunity to input to this report and have cleared it for publication.

Contact person	<i>Sarah Shatwell, Associate Director, Non-Acute & Social Care</i> Sarah_Shatwell@bathnes.gov.uk 01225 477162
Background papers	<i>None</i>
Please contact the report author if you need to access this report in an alternative format	