

**BIRMINGHAM CITY COUNCIL****PUBLIC REPORT**

<b>Report to:</b>	<b>Cabinet</b>
<b>Report of:</b>	<b>Interim Corporate Director for Adult Social Care and Health</b>
<b>Date of Decision:</b>	<b>25 July 2017</b>
<b>SUBJECT:</b>	<b>RESOURCE ALLOCATION SYSTEM</b>
<b>Key Decision: Yes</b>	<b>Relevant Forward Plan Ref: 02820/2016</b>
<b>If not in the Forward Plan: (please "X" box)</b>	<b>Chief Executive approved</b> <input type="checkbox"/> <b>O&amp;S Chairman approved</b> <input type="checkbox"/>
<b>Relevant Cabinet Member(s)</b>	<b>Councillor Paulette Hamilton - Health &amp; Social Care</b>
<b>Relevant O&amp;S Chairman:</b>	<b>Councillor John Cotton – Health, Wellbeing and the Environment</b>
<b>Wards affected:</b>	<b>All</b>

<b>1. Purpose of report:</b>
<p>1.1 A Personal Budget is the mechanism that, in conjunction with the care and support plan enables an individual to understand and to exercise greater choice and control over how their care and support needs are met. The Council's previous method for calculating these budgets was a formulaic Resource Allocation System which in hindsight is felt to lack transparency. Following a series of engagements with citizens, a proposal is made for a ready-reckoner model - a Personal Budget Calculator.</p>

<b>2. Decision(s) recommended:</b>
<p>That Cabinet:-</p> <p>2.1 Approve the introduction of the Personal Budget Calculator as set out in paragraph 5.5 of this report.</p>

<b>Lead Contact Officer(s):</b>	Tapsham Pattni Assistant Director – ASP Workforce
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<b>3. Consultation</b>
<p>3.1 <u>Internal</u></p> <p>Legal &amp; Governance Department, City Finance and the Directorate for Adult Social Care &amp; Health Leadership Team have been involved in the preparation of this report. In addition, briefing meetings have been held with social work staff informing them of the reasons the Resource Allocation System was changing and the implementation of the new processes.</p> <p>3.2 <u>External</u></p> <p>There were 4 public meetings where Birmingham Citizens were invited to attend and discuss the proposal. The feedback from the engagement is detailed in Appendix 2.</p>
<b>4. Compliance Issues:</b>
<p>4.1 <u>Are the recommended decisions consistent with the Council's policies, plans and strategies?</u></p> <p>This report supports the Vision and Forward Plan, as agreed by Cabinet on May 16<sup>th</sup> 2017: Health – A great place to grow old in. Help people become healthier and more independent with measurable improvement in physical activity and mental wellbeing.</p> <p>4.2 <u>Financial Implications</u></p> <p>The proposed model is used to calculate an indicative budget for individuals who have been assessed as having eligible need for care and support. The rates used in the model are consistent with amounts currently paid and is therefore cost neutral to the authority.</p> <p>4.3 <u>Legal Implications</u></p> <p>The Care Act 2014 together with associated delegated legislation and statutory guidance sets out the powers and the duty to meet assessed eligible need for care and support.</p> <p>4.4 <u>Public Sector Equality Duty</u></p> <p>The intention of the system is that people understand how their Personal Budget is calculated and that the process is as transparent and simple as it can be. The Equality Impact assessment (Appendix 1) did not identify any adverse impacts.</p>
<b>5. Relevant background/chronology of key events:</b>
<p>5.1 A Personal Budget is the mechanism that, in conjunction with the care and support plan enables an individual to understand and to exercise greater choice and control over how their care and support needs are met. The Care Act 2014 placed personal budgets into law for the first time.</p> <p>5.2 In order to ensure that citizens understand and can fully engage in the care planning process the Care Act 2014 requires that the process used to allocate a personal budget is:</p>

- 1) Transparent - the method by which the indicative personal budget figure has been arrived at can be easily understood by the citizen and any professional involved.
- 2) Timely – it should be readily available at the end of the assessment stage so that it can inform the upcoming support planning discussions.
- 3) Sufficient – the indicative personal budget generated needs to be adequate to purchase the appropriate support to meet the eligible care and support needs identified by the assessment.

5.3 In compliance with the Care Act 2014, the system proposed means that individuals will:

- know, before care and support planning begins, an estimate of how much money will be available to meet a person's assessed eligible needs;
- have clear information about the total amount of the budget, including proportion the local authority will pay, and what amount (if any) the person will pay;
- be able to choose from a range of options for how the money is managed (direct payments, managed budget by the local authority; individual service fund, or a combination of these approaches); and
- have greater choice and control over the way the personal budget is used to purchase care and support, and from whom.

5.4 The system used in Birmingham before the Care Act came into force was an algorithm approach and was subsequently thought by many to lack transparency. In hindsight it is apparent that rigid or formulaic Resource Allocation Systems may not function adequately for all client groups, especially where people have multiple complex needs, or where needs are comparatively costly to meet.

5.5 The system now proposed is that of a 'Personal Budget Calculator'.

Following the conclusion of the adult social care assessment, the individual and their social care worker will discuss and agree how many hours per week will be needed to meet their needs and consequently an initial 'indicative' personal budget amount is arrived at. The individual and the social care worker will agree the best way to meet their eligible care needs (e.g. purchased services or a direct payment) using the 'indicative' personal budget amount as a rough guideline.

The 'indicative' personal budget is an amount determined by the number of hours required multiplied by a standard hourly amount for home support services. It is further proposed that the hourly rates used in the Personal Budget Calculator to set new indicative personal budgets are reviewed every six months to ensure the rates are reflective of the market. As at 1<sup>st</sup> April 2017, the hourly rate for purchased services is £13.35 per hour, while the rate for Direct Payments is £10.96 per hour. It should be noted that the above rates are consistent with amounts paid currently so is cost neutral to the Local Authority.

A consultation upon the Adult Social Care Framework has recently closed. It may propose a move to fixed fees and if so, the above proposal for periodic reviews may need to be amended or withdrawn.

- 5.6 If an individual's needs and outcomes required cannot be purchased within their indicative personal budget, it will be assumed that the sum calculated is too low. The social care worker will be required to use their professional judgement to 'moderate' the indicative personal budget to a higher amount, so that needs and outcomes can be met appropriately. This might most commonly be the requirement when the individual requires residential care.
- Likewise, if needs and outcomes can be purchased for a lesser amount then the social care worker is required to use their professional judgement to 'moderate' the indicative budget to a lower amount.
- The Final Personal Budget or Resource Allocation is confirmed when their care and support plan has been finalised and the actual costs of the care and support they receive are concrete and established.
- 5.7 Birmingham City Council has a charging policy for community services, in addition to the requirement for residential care. During the assessment and support planning process, the Client Financial Services Team will work with the individual or their representative to complete a financial assessment. This will inform the individual of how much they are required to contribute towards their personal budget. Where possible, this will be completed before the personal budget is finalised, however, the Department of Health recognises that this is not always possible. In such cases, the citizen will be informed as soon as possible and arrangements made for them to pay their contribution to the Council and this will be backdated to the start of funding for the care and support.
- 5.8 People who care for another person are entitled to a 'Carers Assessment' and if they are deemed as eligible for care and support would be entitled to a Personal Budget Allocation and subject to the same process.

## **6. Evaluation of alternative option(s):**

- 6.1 There are many methods used to arrive at personal budget amounts throughout England, ranging from complex algorithmic-based resource allocation systems (RAS), to more 'ready-reckoner' approaches.
- The system used in Birmingham before the Care Act came into force was an algorithm approach and thought by many to be not in keeping with the Care Act as it was not felt to be transparent. The approach recommended is a 'ready reckoner' model informed by assessment and professional practice and meets the criteria stipulated in the Care Act i.e. transparent; timely and sufficient.

## **7. Reasons for Decision(s):**

- 7.1 This report seeks to introduce a Personal Budget Calculator methodology to calculating indicative personal budgets to comply with the Care Act 2014's requirements for such a system to be transparent, timely and sufficient.

Signatures	<u>Date</u>
Cllr Paulette Hamilton Cabinet Member for Health & Social Care .....	.....
Graeme Betts Interim Corporate Director Adult Social Care & Health .....	.....

List of Background Documents used to compile this Report:
Care Act 2014 Care and Support Statutory Guidance (Updated 28 <sup>th</sup> June 2017 Workbook on Personal Budgets, Skills for Care
List of Appendices accompanying this Report (if any):
1. Equality Assessment 2. Engagement findings

<b>Report Version</b>	<b>v11</b>	<b>Dated</b>	<b>10/07/17</b>
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