What is the topic and why is it important?
All Authorities have a finite pot of resource (money or budget) which they utilise to meet the needs and maximise outcomes for their local population. Ensuring that Authorities are financially sustainable is critical to the successful transformation of social care into a personalised system.

For the purposes of this paper “Managing Resources” represents the ability of Authorities to ensure that their personalised system of support is delivered within the financial constraints that exist now and support financial sustainability in the future.

Initially the topic title for the working group was Financial Sustainability. The breadth and complexity of financial sustainability means that this paper can not cover all areas of interest and the working group necessarily had to limit the scope of their discussions. This paper outlines practical advice on the key areas that London Authorities decided were crucial to supporting them manage resources within a personalised system of support, which in turn will support financial sustainability.

Background
Between September 2009 and April 2010 the London Joint Improvement Programme (JIP) delivered a programme of bespoke support to authorities in relation to Resource Allocations Systems. During the delivery of this support authorities requested practical guidance on 4 common topics affecting their organisations.

This paper relates to one of the topics suggested – Financial sustainability, but focuses specifically on the RAS and managing resources. It is 1 of 4 papers (see box 1) that offers tangible, practical and relevant guidance for London authorities. Each paper defines the topic and why it is important. It details the key issues that authorities believe are important and offers practical solutions and a way forward. Each paper should be seen as practical guidance and advice not competing with any policy, but trying to interpret existing policy and make practical implementation suggestions for London authorities.

<table>
<thead>
<tr>
<th>TOPICS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Financial assessment and charging</td>
</tr>
<tr>
<td>2. Informal support and carers</td>
</tr>
<tr>
<td>3. RAS and managing resources</td>
</tr>
<tr>
<td>4. Personalisation and the Law</td>
</tr>
</tbody>
</table>

Each paper was co-produced with input from London authorities with experience of the topic within a personalised system and utilises their knowledge. The solutions offered are intended to work now. Therefore, each paper is framed to have a shelf life of 6-12 months.
Priority areas and ways forward

Five priority areas were identified by authorities:
1. Ensuring that the authority operates a fully personalised system of support
2. Undertaking robust strategic modelling and demand forecasting
3. Ensuring contracts are fit for purpose
4. Transitioning existing users to a personal budget
5. Managing the variations in costs between internal and external providers

Priority area 1: Ensuring that the authority operates a fully personalised system of support

Financial sustainability is a broader concept than the RAS alone. Having an effective RAS is important, but what is more important is that a RAS sits within a personalised system of support. A robust RAS, on its own, will not deliver financial sustainability.

Recommended approach for London

- Develop a system map of your personalised system. This map should include contact points, universal services, reablement, preventative elements as well as RAS, support planning and review. 2 example system maps are shown below.
- It is important that this system map demonstrate one consistent universal approach to personalisation for all service users.
- It also needs to demonstrate how the authority is responding to the whole community including people who are not eligible and do not want formal support provided.
Example system map 1

System Map

1. Walk in or become known through other contact points
2. Self assessment (as another route to contact us)
3. Referred by other organisations

Initial Screening
- Determine service user's need
- Is there an ongoing need?

Investigate and discuss all options (CT, equipment, leisure etc.)

Is Social Services best org to respond?

Assisted, proportionate assessment to understand service user need

Maximising independence & opportunities - Telecare - other

Identify ongoing needs and agree future outcomes

Is there an ongoing need?

Signpost to range of services and follow up

Wellbeing services
- Prevention
- Housing
- Monitoring/follow up

Outcomes agreed via appropriate mechanism

Continuous outcome focused care planning

Develop a support plan with help from others

Agree the support plan and review parameters

Putting support in place with help from others

Putting support in place with help from others

Putting support in place with help from others

Living life

Is there a substantial change in circumstances/need etc.

Enhanced review

Standard review

Self review
Example system map 2

- Contact LA
- Rapid response function
- Reablement / crisis intervention
- Ongoing need
- Exit
- Assessment begins
- Financial assessment
- Calculate indicative resource allocation
- Package of resources available
- Support Planning
- Resource allocated
- Independent brokerage
- Adjust support plan
- Recalculate resource allocation
- Rapid response team
- Ongoing team
- Review team
- Live life
- Review
- Stable
- Intensive
- Review
- Live life
- Review
- Must be a significant change in situation / need / outcome
- Up to 6 weeks for majority (there are appropriate exceptions)

RAS and Managing Resources
Priority area 2: Undertaking robust strategic modelling and demand forecasting

There was general agreement that better modelling needs to occur to help authorities plan for the future and understand the impact of the RAS within the social services environment. This reflects a more long term perspective and it was agreed that a consistent approach incorporating best practices occurring now would be useful.

Any modelling should relate to the new personalised system and include elements such as reablement etc, as detailed in the system map.

Recommended approach for London

- Each authority should develop its own strategic planning model. Off the shelf tools (i.e. the iMPower model) are useful to provide a starting point but bespoke development is needed to develop models that are ‘owned’ by each authority and reflect the unique dynamics which exist within each authority.
- Any modelling tool should be internally owned and updated as new learning / data becomes available – essentially it should be a live tool.
- Any model must include key elements including: demographics, population, service utilisation and changes in the market and availability of community-based services.
- Any model should use realistic and transparent assumptions that can be changed as new learning/data becomes available.

Priority area 3: Ensuring contracts are fit for purpose

With a personalised system flexible, responsive contracting agreements are required. Traditional block contracting arrangements are not fit for purpose as they do not support service user choice and innovation.

Recommended approach for London

- Moving from a block contract culture to one based on choice and flexibility is essential to create a market that can respond to people with personal budgets.
- As soon as possible review ALL current contracts (block or other) and notify (as required within the contract) those that can be that you will reviewing your contracting arrangements with them. As the notice period for some contracts can be quite long, it is important that this notice is given, so that regardless of whether any changes are made you have the flexibility to change your contracting if needed.
- Do not agree anymore traditional block contract arrangements.
- Authorities should seek to develop new models of Contracting, including Framework Agreements and Individual Service Funds.
- It is important to take a strategic approach to this shift that:
  - Does not de-stabilise the market
  - Does not create capacity problems in commissioning and contracting departments
  - Takes advantage of opportunities – dates when contracts are due for renewal, or review.
- While this process is on-going, authorities should consider the extent of contingency funding required to manage short-term double-funding due to voids.
- Authorities should seek to measure the extent to which people are choosing to use their Personal Budgets to purchase alternative forms of provision, and if possible record details of what those alternatives are. The data gathered can be used to inform Commissioning Strategies, as well as enabling the potential cost of double-funding to be calculated.
Priority area 4: Transitioning existing users to a personal budget?
As an authority implements personalisation there will be a transition period where current service users will transition from a traditional package of care to a personal budget. Ensuring that this process is managed so that it is sustainable and fair to service users is important.

Recommended approach for London

- Transparent information is critical here. Informing service users of the previous costs of their care package and explaining the reasons for any difference in cost is important.
- If there is a difference in the indicative allocation as calculated by the RAS and the previous cost of care then the indicative allocation should hold and be used to begin support planning. Even if it is assumed that the service user might struggle to develop a support plan within the indicative allocation, the attempt should still be made. Any adjustments to the final allocation can then be made and this information used to inform the calibration of the RAS to improve the reliability of the indicative allocations.
- Where there is a gap between the existing amount and the final agreed personal budget transitional planning may need to occur. This should be co-produced with the service user and family to create a trajectory over time towards the personal budget. This may require some transitional funding, i.e. time limited funding that enables the move from a previous level of funding to the new personal budget. This amount should be included within the final personal budget and its usage clearly detailed in the support plan.
- Continual analysis of data gathered through the use of the RAS and the development of Personal Budgets is essential to understand how patterns of allocation are changing over time in the light of changes in demographics and in the market.

Priority area 5: Managing the variations in costs between internal and external providers
The change in costs of service provision either from choice of service provision (internal / external) or due to market factors presents the risk of substantial variations in costs of care, either across the board or between user groups, which need to be considered.

Recommended approach for London

- By focusing on fair and consistent indicative resource allocation based on levels of need, the use of a single RAS can help show where the costs of services in particular markets have been strongly determined by providers. This may help the Authority play a pro-active rather than a reactive role in managing the costs of provision.
- Using RAS tools (SAQ and support planning) is a very effective way of understanding in house services, what people need, and of creating a transitional plan that ensures services are shaped to need.
- The “Price” of Authority-arranged services should be clear and transparent for Service Users completing their support plan. If the Unit Cost and therefore the “Price” of in-house provision differs from equivalents purchasable via Direct Payments, Service Users should be able to make their decisions in the full knowledge of the level of provision that they can afford via either mechanism.
- Some Authorities operate a subsidy system transitionally for in house services – this was seen by Authorities to be a reasonable temporary step. Such subsidies should be transparent however, with a plan in place to phase them out over time.
- Inflation needs to be dealt with consistently in line with the way Authorities deal with inflation in other areas of its activity.
- RAS and allocation methodology is ultimately a policy of the Authority and as such can be changed through the usual processes of policy review. The implications of any changes then need to be worked through mindful of legal responsibilities – e.g. any changes to someone’s...
support need to be after the opportunity for a re-assessment – namely another opportunity to describe need through a SAQ, and to create a support plan.