



# A FAIR BUDGET

A Discussion Paper exploring the role of the RAS  
in the development of self-directed support.

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Simon Duffy and Keith Etherington

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# SUMMARY

This discussion paper describes a way forward for developing Resource Allocation Systems (RAS) in Scotland as an essential component of a sustainable system of self-directed support. It argues that, rather than fixate on one model or system, we need to begin a period of genuine innovation and exploration in partnership with disabled people and families.

## The authors suggest that:

- the English experience of implementing personal budgets provides some important lessons
- there is a grave danger of creating an unduly bureaucratic system that does not trust disabled people or professionals

## The authors offer:

- 7 principles to describe how an effective RAS should work
- an empirical process to measure the success of emerging models

The authors recommend that there be a period of permissive, low cost innovation, combined with greater efforts to measure the effectiveness of different solutions.

# 1. INTRODUCTION

The term Resource Allocation System, or RAS, was initially used as a general term to describe any system of rules that helped to define a fair budget up-front (Duffy, 2005). However, perhaps unhelpfully, the term has come to stand for just one particular kind of system, developed in England by In Control in 2003 and which has then been subject to a number of iterations (Poll and Duffy, 2008).

This system is not bad, but it is an early model with many flaws, and in many cases it has been used crudely. For this reason, it would be a mistake to fixate on this one model as the defining example of how a RAS should work.

If a RAS can be developed in a number of ways, then, rather than focus on one particular technology, it would be more helpful to open up a period of exploration and innovation to enable different models to be compared and contrasted. More importantly, it is vital that we better understand the purpose of a RAS and the underlying ethical, legal and practical questions that it raises.

It will be ordinary citizens - particularly disabled people - who will be most affected by any new system. So they must have the chance to develop and explore any new systems, alongside professionals and those running local systems.

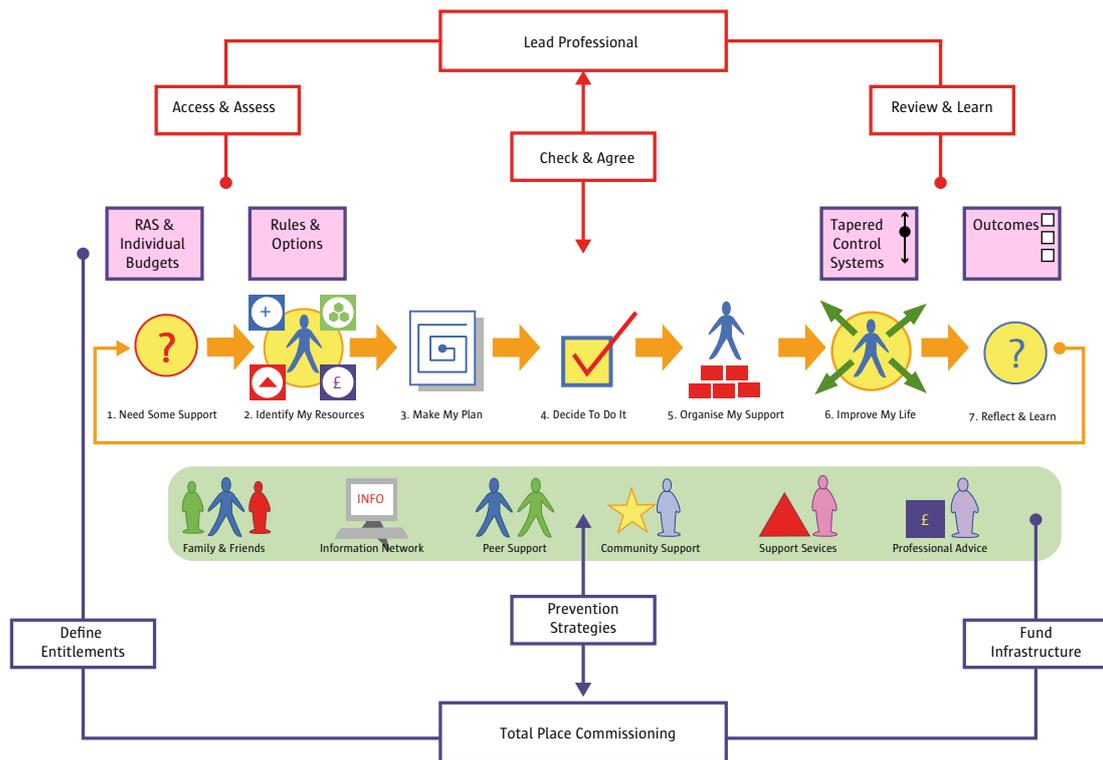
In this paper we offer, as a starting point for further discussion, a set of 7 principles for how any RAS should be designed.

**Any decent Resource Allocation System should be:**

- **Empowering** – people should know as soon as possible what they are entitled to.
- **Creative** – the system should encourage innovation and give people the ability to get more value from their budget.
- **Sufficient** – the final budget agreed should be reasonable, it should give people enough to achieve full citizenship, but no more than can be reasonably expected in the circumstances.
- **Equitable** – the system should be consistent and should lead to fair and equitable allocations across the community.
- **Sustainable** – the system should encourage prevention and be achievable within the reality of public expenditure limits.
- **Transparent** – the system should be open to public scrutiny, debate and subject to further improvement over time.

- **Efficient** – any bureaucracy should be minimised and there should be a reasonable level of trust in the judgements of citizens and professionals.

As this list indicates it is also important that the idea of a RAS is not confused with one set of questions or one particular system of rationing money. The RAS should be treated as just one part of a whole system (as set out in Figure 1). This is not just about defining a budget, it is also about how the budget is refined, used and justified within the context of the rights and responsibilities of each citizen.



**Figure 1.** The wider system within which a RAS is implemented

In fact, if we remember that the RAS is actually just one part of a system of self-directed support then this will reduce the risk that the RAS becomes over-burdened with rules and complexities. For many of the risks inherent in a resource allocation system are better managed by resolving matters at other points in the system - not by adding to the complexity of the RAS.

**For example:**

- Giving people indicative budgets quickly and allowing for professional judgement and room for negotiation allows the RAS to be simpler.
- A different RAS that can be used by different teams may well be more useful than trying to develop one system for the whole organisation.

- A process for sharing good practice and finding out how people use their budgets in practice will provide a better grounding for allocations.

Given the fluid nature of public policy in health and social care it is especially unhelpful to design systems which are hard to change and to adapt over time. The relationship between social care and other systems and services is not likely to remain static in the coming years.

Our recommendation is that leaders in Scotland invest in low-cost action learning research and create regular opportunities for disabled people, innovators and local leaders to come together, to share their learning and, later, to explore at what point greater consolidation or conformity may be helpful.

## 2. THE SCOTTISH CONTEXT

The 10 year national strategy for self-directed support in Scotland and the legislation recently introduced to the Scottish Parliament [Self-Directed Support (Scotland) Bill] have provided a significant impetus for people around the country to think differently about implementing a system of self-directed support. One of the challenges this has brought to the fore, particularly in the light of pressure on social care spending, is how to share out available resources fairly amongst those eligible for support.

In the national strategy, the following recommendation identified some of the thinking in the national reference group at the time the strategy was developed:

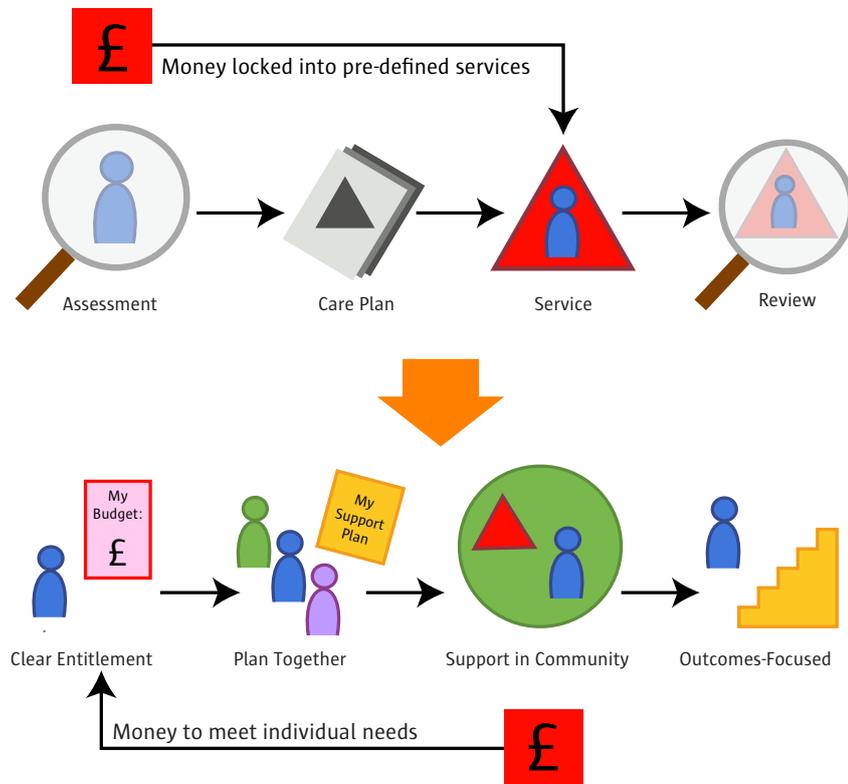
*RECOMMENDATION 11 - Beginning in 2010 the SDS Implementation Group should gather and interpret information on resource allocation models and systems to see which approaches best deliver the outcomes for all groups and levels of need. The group should consider whether research and development is required to recommend a method that has both technical rigour and a personalised, transparent and outcomes focus.*

A small reference group has met on a number of occasions to consider this recommendation further. It has helped to stimulate further thinking and planning in Scotland about what systems might reasonably and effectively be used to identify fair allocations that individuals and families can use to direct their own support. This has involved some comparison of the Resource Allocation System (RAS) methodology that was originally developed in England by In Control alongside the *Indicator of Relative Need* (IORN) tool and the *Talking Points* approach.

It is our view that it would be dangerous and unhelpful to push for the early adoption of any one method. For example, some have claimed that the use of the In Control methodology has made it too easy for authorities to make undue cuts to the level of resource available to people as an individual budget (Naysmith, 2011). Others have suggested that the IORN assessment is too focused on deficits (ADSW, 2010). Whether or not these claims are true it does not seem necessary to develop a preferred model at this stage.

Some kind of system to identify an upfront allocation of resources, however, will be necessary, for the simple reason that, unless people have some indication of the budget that they can expect, then they cannot meaningfully plan nor can they explore more creative ways of using

resources. Leaving the budget out of the planning process is disempowering and damages creativity (see Figure 2).



**Figure 2.** Why up-front budgets help promote creativity and empowerment

In Control Scotland therefore believes that some kind of RAS - for want of a better term - is going to be necessary. This is the only way in which people can make genuine choices about their own support.

In addition, it has to be recognised that any such system will ration public resources. For In Control Scotland this provides an important opportunity to develop a system which makes clear and transparent the kinds of needs that must be met, and strengthens and clarifies the entitlements of Scottish citizens.

## 3. LEARNING FROM THE ENGLISH EXPERIENCE

The concept of an individual budget – a transparent up-front allocation – was actually first developed in Scotland by Inclusion Glasgow (Scottish Executive, 2000). However the initial RAS that was used was based more on professional judgement than any explicit principles (Fitzpatrick, 2010). In 2003 the term ‘RAS’ was first used in order to describe this formal allocation of a budget as part of the initial assessment of need. In its first version the RAS was a simple, tiered array of budget levels with criteria for allocation (Poll, 2006).

As individual budgets and the use of the RAS accelerated a desire also grew to create systems of greater sophistication and systems that were even less reliant on professional judgement (Poll and Duffy, 2008).

**Over time the typical RAS in England has become more and more complex; key variables include:**

- Multiple judgements of need (individual, carers, social worker...)
- Multiple criteria of need (longer list of questions about need)
- Differing points of focus on outcomes or service inputs
- The use of complex weighting systems, often opaque to the professionals and users
- The use of discount systems to tweak costs up or down for different groups
- The use of ranges – allowing for professional judgement after a complex questionnaire has specified an amount

Complexity has grown; but there is no empirical evidence to suggest that any of these systems is leading to fair and sustainable allocations for all. Frequently local leaders inform you that their system is currently ‘broken’ and that they need more time to make further amendments.

The initial period of innovation on the RAS appears to have halted as national bodies have forced the pace of change and as local bodies have adopted innovations that they barely understand - too quickly and at too high an organisational level (Duffy, 2012). Instead of creating a system to liberate individual citizens and front-line practitioners, England has witnessed systems that are controlled by small groups of people only

accountable to the senior management of the local authority.

Effectively, instead of a smart, innovative and empowering approach, England has ended up with a centralised and bureaucratic approach. Innovation seems to have largely ceased. Front-line professionals and disabled people are now dependent on access to systems which, by their nature, are slow and risk-averse.

It is important to understand some of the reasons why innovation has slowed down and why the RAS has now become so problematic. The initial process of innovation was undermined when local authorities were told that they must have a RAS in order to fulfil central objectives - and that this must be done very quickly. Before 2007 a handful of local authorities were making significant progress, under their own leadership. After 2007 central government imposed a rapid time-table upon all local authorities and provided £0.5 billion which was spent on new managers and consultants.

This sudden growth in spending and central leadership then led to the hasty adoption of any RAS that seemed to be working somewhere else. More complex models were also promoted by consultancy companies who were eager to provide solutions to local authorities, ideally building them into their own bespoke computer systems. This was despite the fact that none of these consultancy companies had any relevant expertise in self-directed support. As often happens, when a flood follows a drought, much of the money that was spent was wasted. Little of the new technology made any advance on the earlier models that were already adopted and were already freely available.

Not only was the process of innovation undermined by the sudden intervention of central government, so too was the process of implementation. Any new system tends to be implemented in the light of the values and assumptions of the current system. So when a new model offers to bring empowerment into a culture that is far from empowering then often that model itself becomes damaged. It is implemented in the spirit of the old culture and much of its original value is lost.

We would urge leaders in Scotland not to make the same mistakes and to ensure that the cultural change and shifts of power necessary for a sustainable system of self-directed support are given more emphasis than the technology of RAS development.

**Many English local authorities continue to work to a number of negative and damaging assumptions, which in turn undermine the effectiveness of their implementation of the RAS:**

- Disabled people and families cannot be trusted to make reasonable judgements of need - so their assessments of need must be double-checked and questioned, and increasingly 'objective' - but often misleading -

questions must be used instead.

- Front-line professionals cannot be trusted to make reasonable judgements of need - so their judgements are undermined, panels are used to review assessments and increasingly bureaucratic forms are used to gather information.
- Existing assessments and services provide a good standard - the new systems must mimic the results of the old system. This means that the RAS must be made increasingly complex to mirror the results of the older system by the use of weightings, discounts, premiums or other 'fixes'.
- Only senior managers can be trusted to manage budgets and ensure financial control - instead of shifting power and responsibility downwards decisions move upwards. This in turn provokes poor morale, mistrust and exactly the negative behaviour feared by senior managers.

The impact of these 4 assumptions in England has been very damaging and it has radically undermined the transparency of and public faith in the RAS (The Small Places, 2012). There are now several legal cases underway challenging the validity of the RAS judgement and many citizens have become deeply mistrustful of the system and the judgements it makes (Whittaker, 2011). It is for this reason that a small number of authorities are beginning to return to a much simpler approach (Duffy, 2011).

Note that none of this is resolved by finding a new solution for defining 'need'. This is not the central issue. Need is to be understood in the light of legal and ethical principles and human judgement. It is risky to redefine a category like need by some artificial and narrow proxy for need.

## 4. PRINCIPLES FOR RAS DEVELOPMENT

It is our view that Scotland should avoid the mistakes made in England and should focus instead on ways of supporting citizens and front-line workers to make reasonable judgements of need and allocation without undue delay or bureaucracy.

A simple system of rules or guidance is necessary, but it should be one that has the following features:

1. **Empowering** – people should know as soon as possible what they are entitled to.
2. **Creative** – the system should encourage innovation and give people the ability to get more value from their budget.
3. **Sufficient** – the final budget agreed should be reasonable, it should give people enough to achieve full citizenship, but no more than can be reasonably expected in the circumstances.
4. **Equitable** – the system should be consistent and should lead to fair and equitable allocations across the community.
5. **Sustainable** – the system should encourage prevention and be achievable within the reality of public expenditure limits.
6. **Transparent** – the system should be open to public scrutiny, debate and subject to further improvement over time.
7. **Efficient** – any bureaucracy should be minimised and there should be a reasonable level of trust in the judgements of citizens and professionals.

We explore these 7 principles in some more detail below. They are also applied to the structure of the RAS in Figure 3.

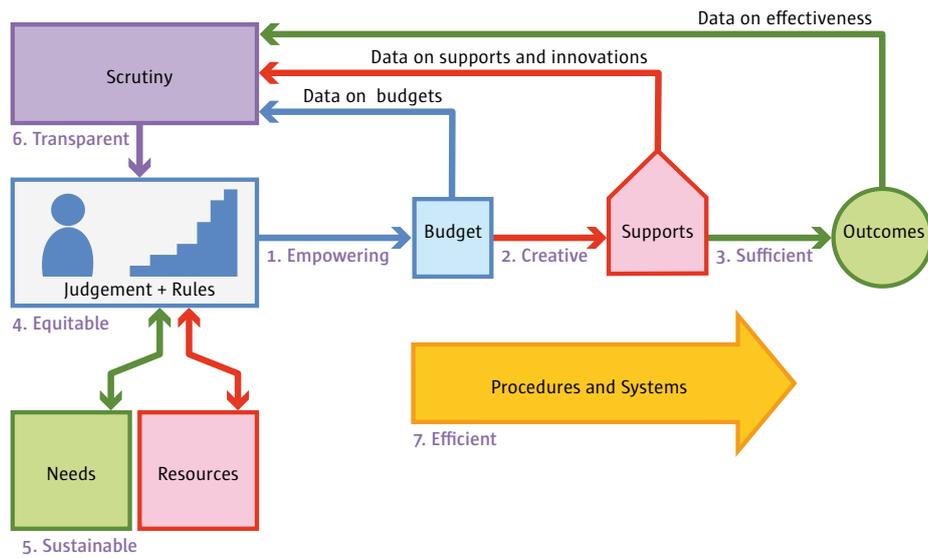


Figure 3. How a RAS should work

## 1. Empowering

The central innovation of a system of individual budgets is to empower people so that they know what they are entitled to, in order that they can then determine how best their own needs can be met. If the RAS does not deliver this information quickly to citizens, and to the professionals working with them, then it is failing in its most basic task.

## 2. Creative

The primary reason that individual budgets have been effective in improving efficiency is that they enable people to be more creative. However, this depends not just on knowledge about the budget itself. People also need to know that they can use their budget flexibly and that they can get, if they need it, the support necessary to think creatively and find the most effective solution for their own needs.

## 3. Sufficient

A professional, carrying out an assessment of need, has a duty to ensure that the final figure is sufficient to meet eligible needs. What counts as ‘eligible’ is

a legal, ethical and social question and how it is answered does change over time and from place to place. It is our view that, in a fair society, the goal of our health and social care system should be to support independent living and citizenship for all.

In a system of self-directed support the initial (indicative) figure and the final (agreed) figure agreed do not need to be the same. The indicative figure is used to trigger initial planning but the final figure is agreed with the lead professional and is subject to judgement in the light of experience and their combined efforts to plan within the initial figure. This is one of the most powerful reasons why unduly complex and cumbersome questionnaires and points systems are completely unnecessary. The human element can provide the necessary check and balance to ensure sufficiency is achieved.

## 4. Equitable

In order to achieve equity it is necessary both to (a) treat the same level of need with the same level of seriousness and (b) to treat different levels of need proportionately. It is tempting to simplify the issue of equity by unduly simplifying what counts as a need, but this can be very risky. So, while rules and guidelines help avoid favouritism or prejudice, it is also important to allow for the kind of human judgement that can distinguish those circumstances where a somewhat different approach might be necessary.

## 5. Sustainable

The systems we develop will need to lead to allocations of resources that are sustainable both for individuals and for public authorities. We can only share what is available. However, public bodies also have a responsibility to ensure that they have put in place budgets that are sufficient, that needs are met and crises are diverted.

Finding the balance between duties of public governance and respecting the rights of disabled people requires leadership at every level, and partnerships based on trust and shared values. One of the particular advantages of a good RAS system is that it makes the relationship between needs and resources much clearer and enables a more informed debate with politicians and the public.

## 6. Transparent

The system should be simple, straightforward and easy to understand so that citizens can see the reason and rationale for the allocation of resources and

believe in it. This pre-supposes the vital importance of involving disabled people in developing any new system. Transparency is not just important for citizens, it is also important for leaders and professionals. Transparency about the system itself and its outputs - especially the outcomes it is achieving - is the means for developing and improving any system. A system that is not transparent is a system that cannot be improved.

## 7. Efficient

The system itself should not waste resources or time by creating undue levels of bureaucracy, overly complex systems, time delays or failures to delegate decision-making to the right point. It is particularly important that the RAS is not so complex or dependent on bureaucratic decision-making that it obstructs good practice. It is not helpful or productive if too many decisions are referred to panels or if professional judgements or agreements with citizens are undermined - this is very inefficient and radically undermines morale at every level.

**This list of principles can be improved. But unless some such list is adopted it will prove very difficult to have a sensible debate about the value of any particular RAS. It is highly likely that unspoken (and possibly false) assumptions will dominate discussions and shape the final decision.**

## 5. AN EMPIRICAL APPROACH

The 7 principles for the RAS which we set out above offer an initial platform for further developments and the means for developing more scrutiny and further innovation. In particular it should be possible to measure the success of any emerging models by using these principles.

For example, the framework set out in Table 1 could be further developed.

PRINCIPLE	VALUE	MEASUREMENT
1. Empowering	I know my budget	Citizens know their indicative budgets early in the assessment process
2. Creative	I can use it flexibly	Citizens know their rights Level of innovation is high
3. Sufficient	It is enough	Level of complaints or disputes is low
4. Equitable	It is fair	Complaints of unfairness are low Professional discretion is respected
5. Sustainable	It is affordable	Productivity rate is improving
6. Transparent	The system as a whole is clear	There is a clear process for review, challenge and improvement There is an empirical process set out for improving the RAS over time
7. Efficient	The system is easy to use	Cost of process is low Citizens feel system is easy to use Professional morale is high Time taken to make decisions is low

**Table 1** An empirical approach to RAS development

An empirical approach would also be valuable because the exact boundaries of self-directed support are unlikely to stay static.

**There has already been significant success in applying self-directed support to:**

- services for disabled children, including education and healthcare (Cowen, 2010)
- support for people who are homeless (Homeless Link, 2012)
- mental health support (Eost-Telling, 2010)
- continuing healthcare conditions (Davidson et al, 2012)

Unduly focusing on adult social care may lead to more rigidity than is helpful. Moreover, trying to define and account for ‘generic social care need’ or even one RAS for one large geographical area may also be unhelpful.

**Innovation requires ‘small, safe places’ in which to innovate and now is the time for innovation and not for conformity.**

## 6. CONCLUSION

In Control Scotland and The Centre for Welfare Reform are more interested in helping people achieve full citizenship than in promoting any particular technology or any one version of the RAS.

In particular we believe that a more innovative, open-ended and empirical approach is required. Now is not the time for a desperate rush to settle on one solution. The English experience suggests that rushing to conformity is damaging and may cause significant long-term problems.

Instead, we would like to see the Scottish government give permission to and then support the efforts of disabled people, local government leaders, the NHS and many other partners, to develop effective systems of resource allocation. There should then be time to test, compare and learn from each other's experiences.

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## ABOUT US

**Keith Etherington** qualified as a Social Worker in 1982 and has spent the time since then working in the voluntary sector as a practitioner and manager trying to make services fit for people. His roles have included significant involvement in the development of new support for people leaving several long stay Hospitals and other institutions in Scotland. Since August 2009, he has worked as In Control Scotland Co-ordinator, promoting the benefits of the in control approach and the development of a sustainable system of self-directed support. Keith's email is: [keith.e@in-controlscotland.org.uk](mailto:keith.e@in-controlscotland.org.uk)

**Simon Duffy** is Director of The Centre for Welfare Reform. Simon is best known for inventing Individual Budgets, Self-Directed Support and the RAS. He has founded a number of organisations to put these ideas into practice, including Inclusion Glasgow, Altrum and In Control. He was a Harkness Fellow in 1994. He was awarded the RSA's 2008 Prince Albert Medal, and in 2011 the SPA's Award for Outstanding Contribution to Social Policy. He has a PhD in moral philosophy from Edinburgh University and is author of Keys to Citizenship. He is an Honorary Senior Research Fellow at the University of Birmingham and Policy Advisor to the Campaign for a Fair Society.

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design: henry iles & associates / [design@henryiles.com](mailto:design@henryiles.com)