

Upfront

The benefits of a Resource Allocation System and knowing your budget upfront in a system of Self-Directed Support

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Contents

Abstract	5
Introduction	6
The Allocation of Resources	7
Being informed of the available funding up-front	14
Some principles at stake	20
Summary	21

Abstract

The implementation in April 2014 of the “Social Care (Self-directed Support) (Scotland) Act, 2013” marked a potentially significant point of departure in the journey of disabled people in Scotland towards greater levels of choice and control over their own lives. Its introduction coincided, however, with the increasing application of United Kingdom government “austerity” policies, and continuing criticisms of the efficacy and benefit of “self-directed support”.

This paper argues for and provides positive supportive evidence from the Scottish context for

- ❖ the necessity of a transparent system for the allocation of resources
- ❖ the empowering effect of up-front communication of the value of the individual budget, and
- ❖ the powerful social work principles at stake in establishing a coherent system of self-directed support.

Introduction

First of all, some clarification of terms.

We use the term “**self-directed support**” to denote a systematic, rights-based ¹ approach to social care, affording disabled people optimum levels of choice and control over their support arrangements, as a means to achieving the important social outcomes associated with “**full citizenship**” ² and “**independent living**”³.

In this context, we understand the calculation of an annualised “**individual (or personal) budget**” through a method of “**resource allocation**” to be one important element of any system of self-directed support, representing the disabled person’s right or entitlement to an amount of public funding in pursuit of those ends. The resource allocation process is simply a means to an end – to provide information about the sort of financial resources available that can be used to develop a support plan. It is therefore one of a number of associated means of achieving those social outcomes, and not an end in itself.

The extent to which “**self-directed support**” is viewed as an aspect of “**personalisation**” will depend, at least in part, on the definition of personalisation being used. It is sufficient for our purposes here to clarify that the two concepts cannot be used interchangeably: self-directed support is not personalisation, and vice-versa. Self-directed support is variously, but relatively tightly, defined, and can be viewed as a contribution from social care to the much broader sweep of personalisation – a concept with a more global aspiration to reform public services per se, through “modernisation”.

In this paper we will argue:

- ❖ first, that in any system of social care (and not simply in any system of self-directed support) it is sensible, and indeed inevitable, that a method of **resource allocation** is used;
- ❖ and, second, that if the disabled person is truly to direct their own support in any meaningful sense, then it is necessary, and uniquely empowering, to be **informed, up-front**, of the size of the individual budget to which s/he is entitled, so that this knowledge can be part of what is used to inform the range of choices that need to be made

1. Health and Social Care Alliance Scotland, “Being Human: a human rights based approach to health and social care in Scotland”, 2013
2. Simon Duffy, “Keys to Citizenship”, 2nd edition, 2006, The Centre for Welfare Reform
3. COSLA, ILiS, NHS Scotland, Scottish Government, “Our Vision for Independent Living in Scotland, Edinburgh, 2013

The Allocation of Resources

Clear moral issues arise for disabled people, professionals and society as a whole when levels of global funding become so deficient as to render safe levels of social care difficult or impossible to achieve. We share the view that the global level of funding for social care, having in recent times already been drastically reduced from a barely adequate base, and facing further reductions, is insufficient. We support those campaigns that argue for the restoration of more socially just levels of social care funding.

We consider, however, that these moral and political issues are beyond the scope of the current paper. The method of resource allocation has no bearing on the overall size of the total amount of funding available for social care, though it is clearly unacceptable that any method of resource allocation should be used to disguise or distort funding reductions. Unfortunately, the introduction of new models of resource allocation (and self-directed support) coincided with a drastic reduction in the available funding and has therefore been linked with reductions and cuts, both by perception and in reality.

The arguments advanced here, however, assume that financial resources (however lavish, adequate or deficient) are always finite, and that therefore the requirement for a system of financial resource allocation is self-evident. Whatever the size of the cake, there is always a need for a clear and fair method of determining who gets which slice.

Indeed, there have always been systems of financial resource allocation within social care, long before the advent of self-directed support. Typically, these systems of financial resource allocation were informal, implicit, unsystematic and opaque – at times barely understood to exist by the disabled person or professional social worker alike; but they have always existed in some form in each local authority.

Resources were allocated (or not) in an ad hoc fashion owing more to the ability to influence and persuade than to any rigorous connection between the funds allocated and the “assessed need” of the individual. Indeed, evidence gathered by In Control and others suggest that there was often little correlation to be found between these two variables.

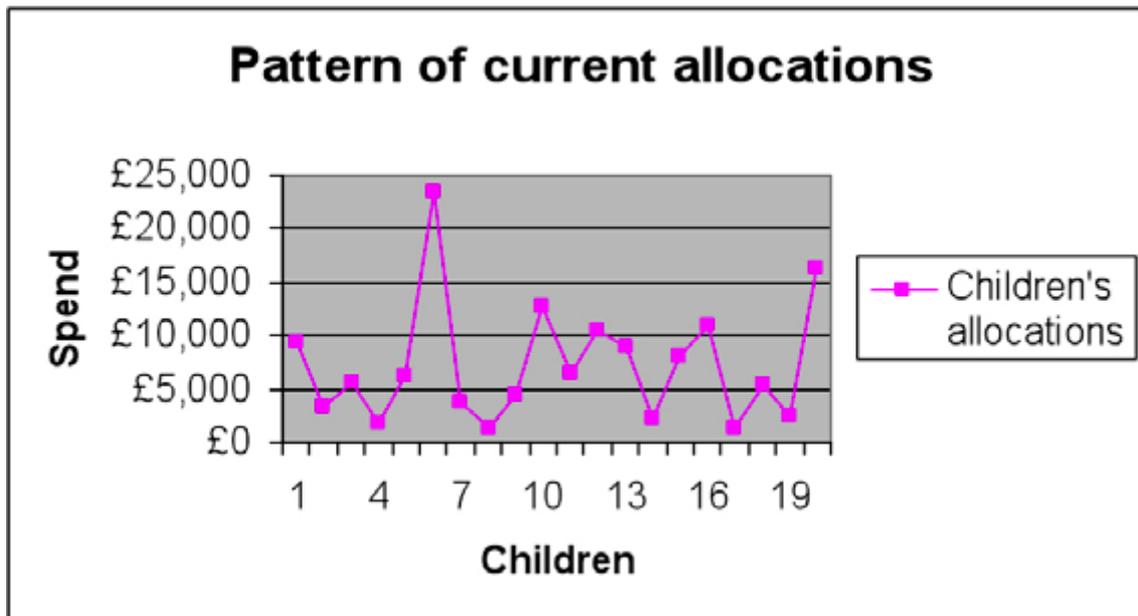


Figure 1: Example of a pattern of spend from lowest (1) to highest (20) need (when perceived need discussed and agreed comparatively by workers)

As emerging systems of self-directed support began to be articulated, however, In Control argued for a particular form of systematised financial resource allocation more suited to the principles of self-directed support, with a particular emphasis on **transparency** and **equity** (there is a cake; the cake is of a finite size; the cake needs to be seen to be sliced fairly) and the need to ensure that “**control**” passed from the professional to the disabled person.

Perhaps because previous forms of financial resource allocation had been largely invisible, the explicit approach favoured by In Control tended to become known as “the Resource Allocation System”, and then more commonly shortened to “the RAS”. This particular (upper case) “Resource Allocation System” is, however, just one form of general (lower case) resource allocation system. As discussed, others have existed previously and since, and some form of financial resource allocation system is necessarily to be found in all local authorities at any time, so long as financial resources are finite.

The distinctive characteristics of the “In Control” approach to resource allocation were:

1. that its methodology was rooted in an underpinning ideological commitment to the **social model of disability**, i.e. it understood the financial resource allocation of the individual budget as a means to the end of full “citizenship” and “independent living” within the context of a proper system of self-directed support;
2. that it therefore sought to estimate individual “**need**” in a manner consistent with the concept of fundamental human needs articulated by Maslow and, more recently, Max-Neef⁴; it sought to translate and express this estimate as an **annualised financial resource allocation** (the person’s individual budget), calculated as an equitable share of the finite budget at the disposal of the local authority;
3. it argued that this financial resource allocation should be understood, and consequently managed, as the disabled individual’s **entitlement from the state**, and thus not regarded as being in the discretionary gift of the local authority or the professional social worker; and
4. it sought to encourage the flexible use of the person’s existing “**social capital**”⁵ (or “**real wealth**”⁶) in conjunction with the individual budget.

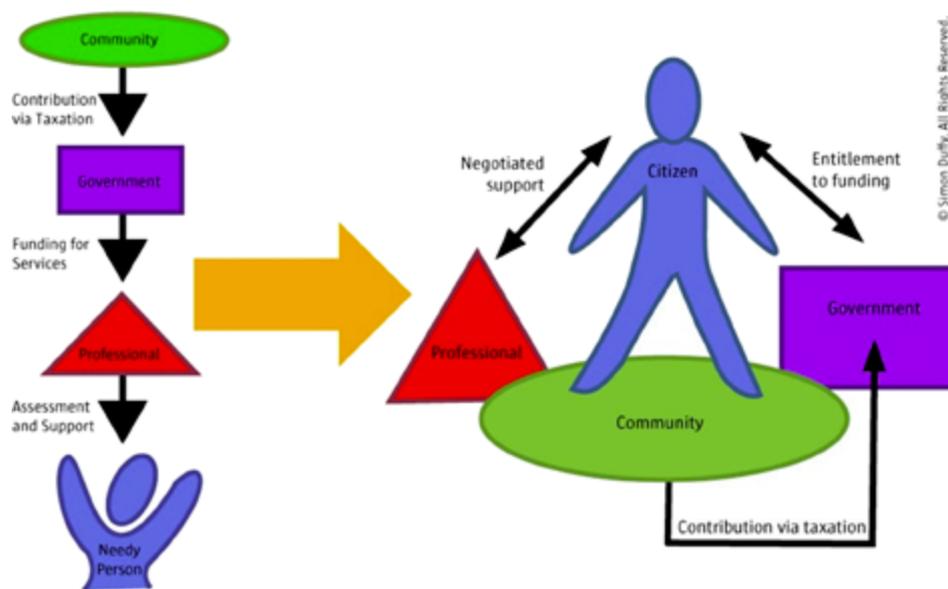


Figure 2: Moving from the professional gift model to entitlement to funding⁷

4. Manfred A. Max-Neef with Antonio Elizalde, Martin Hopenhayn. (1989). Human scale development: conception, application and further reflections. New York: Apex. Chpt. 2. “Development and Human Needs”
5. Edinburgh Health Inequalities Standing Group, “Social Capital, Health and Wellbeing”, 2011
6. <http://www.centreforwelfareform.org/library/authors/pippa-murray-phd/real-wealth1.html>
7. <http://www.centreforwelfareform.org/library/by-az/citizenship-professional-gift-models.html>

Given, then, that a system of financial resource allocation is always to be found in any local authority at any time, our contention here is that it remains sensible, when designing a financial resource allocation system compatible with self-directed support, to adopt the methodology and principles advanced by In Control, and described above.

Critics of what has come to be known as “the RAS” argue:

- ❖ that it has been used merely as a cloak for budget reductions;
- ❖ that it is inefficient and increases bureaucracy; and
- ❖ that it is neither effective nor useful because final allocations are often significantly different to the allocation initially indicated.

There is some evidence (as indicated earlier) to support the first of these points; and indeed serious concerns about the way that resource allocation systems have been implemented have led one of the architects of the methodology, Simon Duffy, to issue “An Apology”⁸. It is clear, however, that, whilst lamenting the ways in which the application of the “RAS” became increasingly complex and less fit for its initial purpose, Duffy is still arguing for a simple and straightforward method of resource allocation and people knowing their allocation upfront: *“I continue to think that knowing your budget, as soon as possible, is a useful way of enabling you to take more direct control over your own life and your own supports. It promotes autonomy, creativity and a rightful sense of entitlement.”* We would go further and argue that it is not the principle of resource allocation, or even the practice of the particular RAS methodology that is at fault here, but the crude application of a simple tool beyond the parameters for which it was designed and for which it is fit

The first versions of what became known as the RAS always involved a mixture of simple rules (allocation questions designed to measure the person’s need for additional support to achieve outcomes) and professional judgement to ensure consistency and coherency. The bureaucracy and inefficiency built into any new system of resource allocation is a failure of effective implementation and understanding. In fact, evidence from Scotland certainly encourages the view that resource allocation need be neither bureaucratic nor inaccurate. Utilising a resource allocation system which initially identified an indicative (or “estimated”) individual budget, in 2014, North Lanarkshire Council carried out an analysis of 516 people subsequently in receipt of an individual budget across their six localities (see table below). This shows that for more than 50% of the people concerned there was no change from the indicative to the actual budget, and that the cumulative variance in the overall budget demonstrated that people actually spent 3% less in their plans than had originally been indicated.

8. <http://www.centreforwelfarereform.org/library/authors/simon-duffy/an-apology.html>

Locality	N° of Budgets	Indicative £	Individual £	Difference £	N° with no change
Airdrie	78	2,886,995	2,886,727	-268	41
Bellshill	71	2,191,907	2,300,951	109,044	43
Coatbridge	59	2,359,351	2,372,930	13,579	28
Cumbernauld	167	5,983,461	5,535,625	-447,836	101
Motherwell	36	1,517,583	1,382,070	-135,513	14
Wishaw	105	4,257,165	4,138,308	-118,857	45
NLC	516	19,196,460	18,616,609	-579,851	272

Figure 3: North Lanarkshire Council – Difference between indicative and actual individual budgets (January 2014)

Elsewhere, effective resource allocation systems have been developed to indicate the funding available by using a banding approach. Newcastle City Council, for example, developed a resource allocation system that includes twelve funding bands for disabled children. The funding offer is based both on the use of an allocation questionnaire and the fuller assessment that is carried out with child and family. Newcastle City Council reported that around 90% of the actual allocations made in the first phase of their introduction of individual budgets to families fell within the band indicated. The use of a banding system for resource allocation has begun to be used successfully in many local authority areas in Scotland, often linked directly to the criteria for eligibility being applied in the areas and informed by judgments from the social work assessment process.

This approach reflects something of the simplicity of methodology initially associated with the In Control approach to financial resource allocation. As we have noted earlier, however, this approach became subject to increasing complexity and over time it contributed to an unhelpful impression that it should be possible to arrive at an absolutely “correct”, quasi-scientific system of financial resource allocation through mathematical calculation. Experience has shown that rendering the process overly complex is unhelpful, distracting and indeed unnecessary, and that an approach to financial resource allocation suited to self-directed support should remain sufficiently simple to be readily understood by the disabled person and the professional alike.

In 2011, SQW carried out a comparison and analysis of different resource allocation tools for the National Disability Authority in Ireland.⁹

The needs of the same 112 people were assessed using two different tools, the Support Intensity Scale® (SIS) and the In Control Resource Allocation System (RAS). The findings of this analysis showed:

that the two tools took very different lengths of time to introduce and administer dependent on the 'complexity' of the tool;

that there was a tendency in those administering the tools to prefer the tool which took longer (SIS), believing it gave greater insight;

that the tools were equally acceptable to people seeking support and completing the questions

that the tools resulted in very similar indicative allocations, despite the very different processes and lengths of time required to complete

The imperatives of self-directed support are such, however, that the importance of the characteristics of the approach originally advocated by In Control remains undiminished.

To be fit for the purpose of promoting a system of support directed by the person, the system of financial resource allocation requires to be:

- ❖ **clear** – to all stakeholders, especially the primary beneficiaries;
- ❖ **fair** – in its distribution of the available funding, taking account of the social circumstances of the primary beneficiary and the judgement of their need; and
- ❖ **sufficient** – to allow the primary beneficiary to achieve the full citizenship outcomes associated with independent living.

Implementing a system that achieves these objectives is clearly challenging, particularly within bureaucracies that have not yet managed the accompanying changes in culture (practice and thinking) required for self-directed support to be implemented as a whole systems change that can work for everyone. This should however remain our objective if we are serious about a system of self-directed support that really works for people and families in Scotland and truly puts people in control.

9. SQW for the National Disability Authority: "National Disability Authority Resource Allocation Feasibility Study. Final Report, January 2013.

Last year's Audit Scotland snapshot evaluation of the implementation of self-directed support¹⁰ concluded that so far progress has been patchy across Scotland and in particular that 'progress has been mixed among councils and slower in some areas which have underestimated the scale of the cultural and practical changes'

Without endorsing any particular methodology, the report acknowledges the necessity of an effective process for allocating resources and includes as one of its key messages the following:

'Councils have adopted different methods of allocating the money they spend on social care to support individuals. There are risks and advantages with each model. Regardless of the approach taken, councils should manage the risks carefully without unnecessarily limiting people's choice and control over their support'

10. Audit Scotland, "Self-Directed Support", 2014

Being informed of the available funding (your ‘relevant amount’) up-front

“...if you are open and honest with us about what funding is available then maybe we can start to work together, we might not like what you are telling us but at least you are being honest and we may start to trust what you are telling us..... but if you continue to withhold information, make decisions behind closed doors and not give us the information we need to make good decisions about support for our sons and daughters how can we ever trust what you say”

Lara Roberts, parent of a young man who has had an individual budget for over two years. ¹¹

But “In Control” also argued that the amount contained within the individual budget should (at least indicatively) be communicated to the individual “up-front”: ahead of the processes of support planning, rather than subsequent to them.

Although the concept of up-front allocation is strongly associated with the particular form of Resource Allocation System proposed by In Control, it is clearly distinct from, and neither reliant upon nor tied to, the concept of resource allocation per se. It stands or falls as a concept in its own right, whichever system of financial resource allocation is being used, though clearly the view taken about its merits is likely to shape the type of system that is elaborated.

One of the new duties in the Social Care (Self-directed Support) (Scotland) Act, 2013, is that everyone should be informed of the ‘relevant amount’ of financial resource to which they are eligible, irrespective of the mechanism they have chosen to direct their support. The statutory guidance to accompany the Act states on page 36: ‘Regardless of the specific approach to allocating resources, the authority should take steps to inform the person of the amount of support available under each of the options’ and that ‘The level of resource identified in the final support plan should be sufficient to meet the needs

11. within “Personal budgets and the SEND Reforms”, powerpoint presentation by Nic Crosby for In Control, June 2015

identified as eligible in the assessment'. So the statutory guidance reinforces the two key principle of clarity of information and sufficiency

What the Act and subsequent statutory guidance ¹² does not do, however, is to articulate at which point in the self-directed support process people should be informed of the relevant amount available to them. (A similar omission in the English Care Act (2014) is noted and discussed elsewhere by Slasberg et al. ¹³) Interestingly, during the period of formal consultation on the Scottish guidance, both the Association of Directors of Social Work (ADSW, now known as Social Work Scotland) ¹⁴ and the Coalition of Care and Support Providers Scotland (CCPS) ¹⁵ suggested that the guidance should be strengthened to identify that people should have information about the relevant amount 'upfront' – in advance of agreeing a costed support plan. We would argue that this imperative still stands and whilst not explicitly stated is implicit in the underlying statutory principles of participation and dignity, involvement, informed choice and collaboration. The application of each of these principles in practice rely on good information, including information about the amount of financial resource available that can then inform the choices made when developing a plan.

The following diagram demonstrates and illustrates the benefit to people in knowing upfront the amount of funding available and the way this can inform decisions and encourage creativity and a focus on outcomes.

12. <http://www.scotland.gov.uk/Resource/0042/00423126.pdf>

13. Colin Slasberg, Peter Beresford and Peter Schofield: "Further lessons from the continuing failure of the national strategy to deliver personal budgets and personalisation"; in *Research, Policy and Planning* (2014/15) 31(1), pp43-53

14. ADSW comments to consultation: '*ADSW is particularly concerned to ensure that statutory guidance be amended to include a statement on the need for recipients to be informed of the parameters of their indicative budget, following assessment, at the stage before support planning begins. This principle has already been agreed by the Bill Steering Group, attended by ADSW. There requires to be a fair and transparent system for resource allocation.*'

15. CCPS comments to consultation: '*Providers are, however, still concerned that there is no indication at which stage a financial allocation is made. The sequencing of this step is significant in ensuring that supported people are not financially penalised through the selection of one of the options....Suggest that allocation of budget is noted as part of the pathway and that this occurs ...before option choice to ensure choice is not influenced*'

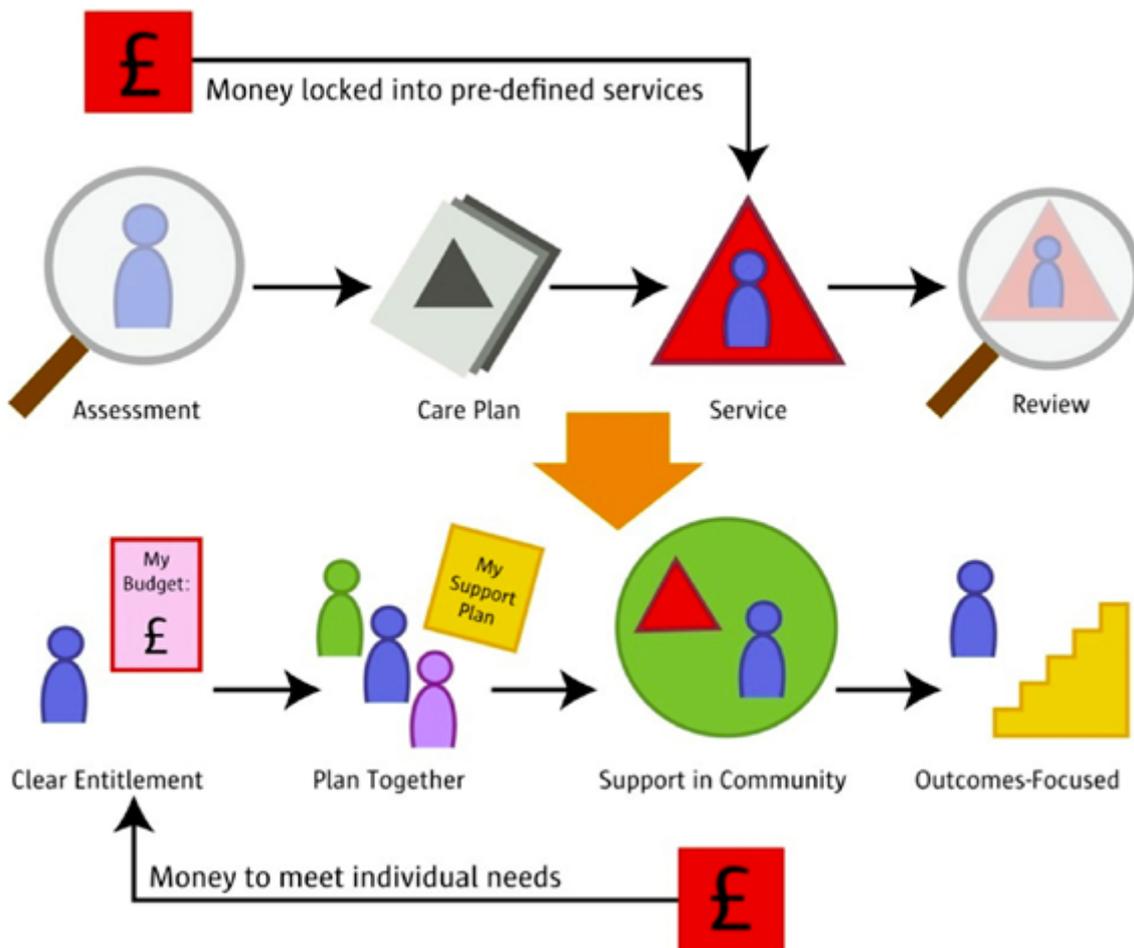


Figure 4: Knowing upfront.¹⁶

There are two main sets of related reasons that lie behind the argument for ensuring people are informed up-front about the resources available to them: the argument from the perspective of the rights of the individual; and the argument from the perspective of ensuring efficiency and effectiveness.

From a **rights** perspective, having “up-front” information regarding the amount of the financial resource being allocated strengthens the individual’s sense of empowerment, entitlement and personal control over their budget. The right to know in advance the level of funding to which you are entitled greatly enhances the disabled person’s ability to meet their own needs. It adds to the sense of transparency around the whole set of transactions, and enables the individual to enter into the processes of support planning with prior knowledge of what the state can afford to contribute towards the necessary supports.

16. Simon Duffy - from a presentation to Self-directed support and employment event, March 2014

It thus makes it more likely that **cost-efficient** and **outcome-effective** decisions will be made about how to use the budget to maximum advantage in the life of the individual. It allows the individual to harness the funding available from the state to their existing social capital and other forms of “real wealth”. It also avoids those redundant support planning activities undertaken without knowledge of the funding available where, it subsequently transpires, the plan cannot be “afforded”.

In 2012, a wide ranging evaluation of personal health budgets¹⁷ was carried out by the Department of Health in England.

Point 13 of the Executive Summary in this document identifies:

‘The configuration of personal health budgets also appeared to be important. Generally, a more positive effect on outcome indicators was seen where sites: choose to be explicit in informing the patients about the budget amount; provided a degree of flexibility as to what services could be purchased; and provided greater choice as to how the budget could be managed. Some negative impacts were found for sites using configurations with less flexibility and choice than other sites.’

In England, the Third National Personal Budget Survey¹⁸ emphasised the importance of knowing in advance

‘..people who could report the amount of their personal budget ...were more likely to report positive impacts of their budget on: their quality of life; arranging their support; being as independent as they wanted to be and their mental health’

‘People who felt their views were included during assessment, budget setting and planning were more likely to report positive outcomes ...across all..outcome indicators.’

Slasberg et al ¹⁹ assert that “up-front allocations rely on the theory that it is possible to standardise and measure needs, and attach a standard monetary value to them.” It would be less extravagant to state that they are based on the assumption that a clearer, fairer and more sustainable method of relating cash allocations to the needs and circumstances of individuals is possible.

17. Evaluation of the personal health budget pilot programme, Department of Health, London, November 2012

18. Third national personal budget survey: experiences of personal budget holders and carers across adult social care and health; John Waters and Chris Hatton; Think Local Act Personal, October 2014; pp 39 & 44

19. Colin Slasberg, Peter Beresford, Peter Schofield, “How Self-Directed Support is Failing to Deliver Personal Budgets and Personalisation” in Research, Policy and Planning, 2012, 29(3), pp 161-177

The same authors also advocate “a new eligibility framework that supports councils to make decisions that are both fair and sensible about which needs they can afford to meet and which they cannot”. Surely, though, if we are serious about the social model of disability, the adoption of a rights-based approach, and the holistic concept of fundamental human needs, this is to propose a false and threatening human dichotomy. And in stating that up-front allocation is “carried out before knowing the actual cost of meeting a person’s needs” they appear to miss the point: that there is no absolute and objective “cost” of a person having their needs met; that a judgement about the appropriateness of the up-front allocation can only be fully considered after a process of support planning, taking into account the social capital of the person entitled to it; and that outcomes are likely to be better if the person is facilitated to make informed choices through using the up-front allocation to actively decide on the best way for them to meet their own needs.

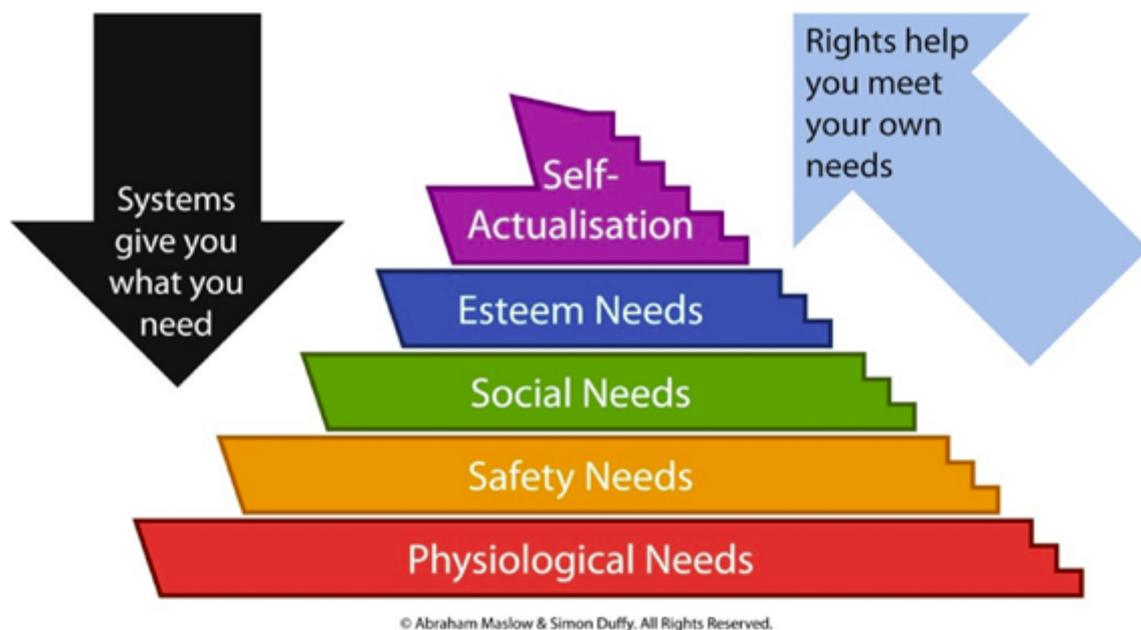


Figure 5: Two ways of meeting needs.²⁰

20. <http://www.centreforwelfarereform.org/library/by-date/working-with-vulnerability.html>

“David is in his mid-20s and requires intensive support for his complex needs. David [and his mother, Brenda] came to the Thistle Foundation following a protracted period of difficult relationships, where traditional services failed to meet his needs and the support arrangement broke down.

An upfront allocation of funding was given to David in the form of an ISF, along with existing arranged day services which continued (using Option 4 within the SDS Act where the other three options are ‘mixed and matched’). This allowed an opportunity for a different conversation, which built trust and partnership working with the family. Input from Occupational Therapy also encouraged creative thinking about how to use that money to meet David’s needs in a way that Brenda felt respected the role of the family, as well as meeting David’s needs and personal outcomes. The process has dramatically improved the quality of both David and Brenda’s lives”.²¹

“People should know very quickly a rough estimate of what their budget will be (and this should be increased if necessary after planning). And they should be able to use this information to lead their own planning, with support if they want it, and have the chance to build flexible creative support around their own particular circumstances. Too many of us, however, have had to struggle to get this genuine self-direction. We need councils to avoid the temptation to over-control things, to give us lists of what budgets can buy, to use secretive panels to scrutinise our plans, and to make poor use of pre-paid cards.”

The Doers Club²²

21. *Independent Service Funds: learning from the Edinburgh Pilots*: to be published by Animate Consulting, December 2015

22. Geoff Scaife and Gavin Croft in *The Guardian*, 24th April, 2014. www.bit.ly/personal-budgets-allow-us-to-take-charge

Some principles at stake

Some critics of the principle of up-front financial allocation argue that it lends undue weight and emphasis to the importance of money within the support planning process, and brings an overly-individualistic tone to social care more generally.

The enduring ethos of social work^{23 24} certainly points to underlying values less material and more socially collaborative than seem to be evident in the early calculation and communication of the value of an individual's budget; and, as has been discussed above, some of the undue prominence given to the seemingly ever more complex technicalities of "the RAS" have fuelled an impression that resource allocation and the resulting individual budget are ends in themselves.

But lest we end up throwing the baby out with the bathwater let's remind ourselves that in asserting up-front resource allocation within a coherent system of self-directed support we are merely insisting on some core social work principles:

- ❖ that the balance of power and control rests with the individual and group being served and not with the worker or the employing agency;
- ❖ that no matter the value and importance of "co-production" and "partnership", the rights and empowerment of the individual or group take priority over process or the professional relationship;
- ❖ that the "entitlements" of individuals or groups are not trumped by the need to "protect public money" or by "the interests of the Council".

We should not remain complicit in a system characterised by "inequality, lack of transparency and accountability, bureaucracy and unresponsive services"²⁵; nor should we be complacent that, despite years of evidence to the contrary, the present system, if only it can somehow be further adapted, can give people what they need, or what we can afford them to need.

23. Felix Biestek, *The Casework Relationship* (Loyola University Press (1957)

24. BASW (British Association of Social Workers) (2002) *The code of ethics for social work*. BASW, Birmingham

25. Chris Hatton, "Personalisation: are personal budgets improving outcomes?", in *Community Care*, 29/09/11

Summary

In this paper we have argued:

- ❖ that systems of resource allocation are always required within social care as the amount of available public finance (though politically determined) is always finite;
- ❖ that the principles of clarity, fairness and sufficiency behind the system of resource allocation originally proposed and developed by In Control are those most likely to empower people who rely on the social care system, (and to achieve value for money for all concerned);
- ❖ that in order for self-directed support to really work, and irrespective of the method or system used to identify available funding, it is important that people know what is available to them upfront ('up front allocation'); and
- ❖ that to the extent that we may seek to moderate or dilute these principles, we diminish the transformational potential of self-directed support and the intended impact of the Self Directed Support Act, as well as something of the essence of social work itself.

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