

CHESHIRE EAST COUNCIL

CABINET REPORT

Date of meeting: 16 June 2009
Report of: Strategic Director – People Directorate
Title: Adult Social Care Redesign - Implementation

1.0 Purpose of Report

- 1.1 This paper provides an update on the redesign and implementation of Adult Social Care services and identifies key decisions for taking this forward. It is a comprehensive report that contains significant operational and financial implications for a service which is undergoing transformation and which constitutes a large proportion of the Cheshire East budget at £72m in 2009-10.
- 1.2 Transformation is being driven nationally and these changes represent the most radical review of services for over 20 years. Redesign is now in an advanced state within Cheshire East and will deliver the broad objectives of localised services; handing over control and choice to individuals; reducing bureaucracy; improving preventive and information services and changing the shape and nature of provision.
- 1.3 These proposals have been considered by the Health and Adult Social Care Scrutiny Committee on 20 May 2009. The Committee broadly supported the approach to redesigning social care services for adults, welcomed the proposals and felt that the public consultation exercise had been comprehensive and effective.

2.0 Decisions Required

The Cabinet is recommended to decide to:

- 2.1 Adopt the new model of Social Care services for Adults, which fully embraces and expresses the personalisation of services.
- 2.2 Note the responses to the public consultation exercise and support the action taken to incorporate these views within the new model, as appropriate.
- 2.3 Agree that the implementation of the new model should involve the development and establishment of locality teams across East Cheshire by March 2010, in line with the Council's commitment to localism and Local Area Partnerships.
- 2.4 Approve the phased implementation by locality teams, starting in Wilmslow, of an upfront Resource Allocation System (RAS) for *all new users* and for users requiring an *unscheduled* review (as defined within the report).
- 2.5 Agree that a review of implementation of RAS should be undertaken during 2009-10 and that subject to the outcomes of that review its

application should be extended to all existing users by the end of 2010-11.

- 2.6 Note the intention to develop a schedule of prices for provider services, based on the current policy of full cost recovery and authorises the Adults and Finance Portfolio Holders to approve the pricing schedule prior to the start of implementation.
- 2.7 Note the intention to instigate a review of the Council's Finance and Contract Procedure Rules to ensure compliance with a personalised approach to commissioning adult social care services
- 2.8 Agree that reablement services should be offered free of charge to users assessed with Critical or Substantial needs under Fairer Access to Care Services (FACS) criteria on a cost neutral basis.
- 2.9 Approve the earmarking of Social Care Reform Grant and other carried forward Social Care specific resources up to a maximum of £6.9m, to deliver the changes required as outlined in this report, insofar as these costs cannot be contained within the Directorate outturn position for the duration of the implementation.
- 2.10 Agree that robust financial and performance management systems should be put in place and that the risks inherent in implementation should be carefully managed on a whole Council basis.
- 2.11 Require regular reports to be made to members during the implementation of the new model over the medium term.

3.0 Background and Options

Context

- 3.1 In October 2008, Shadow Cheshire East Cabinet accepted Cheshire County Council's recommendations for the delivery of a new model of social care. This model is based on nationally-driven principles of personalisation for Adult Services, as well as the adoption of prevention approaches, lean systems and more customer focused processes. From November 2008 until February 2009, the County Council carried out a comprehensive public consultation exercise about this model and published an evaluation of the results in March 2009 for the two new Councils to receive and address.
- 3.2 In February 2009, the Shadow Cheshire East Council set its Adult Services budget at £72m, incorporating a reduction of £4.1m (6%). The disaggregated budget contains an underlying overspend against adults under the age of 65, and an underspend against adults over 65. There are emerging growth pressures across the board.
- 3.3 Central Government has provided Local Authorities with Social Care Reform Grant for three years from 2008-09 in recognition of the magnitude of changes required to move away from traditional models of care and in order to drive through those changes. The Department of Health has made it clear that social care services (in the widest sense) must transform as outlined in Local Authority Circulars 2008 (1) and

2009 (1). Cheshire East has been allocated £1.2m Social Care Reform Grant in 2009-10, which will have to be repaid if not spent as intended. In addition, there is a sum of £3.8m unspent Social Care specific grant monies carried forward from the County Council's Community Services budget and £1.9m one-off budget allocated to transform social care from previous budget settlements. This makes a total of £6.9m as referred to above in decision 2.9. The use of these resources will provide essential pump priming and transitional support in order to deliver the new model of social care within the challenging budget set and against the backdrop of growth. **Target savings are unachievable without this phased funding, and will put services at risk.**

- 3.4 The Council will need to consider all the above factors, and how to manage the associated risks, in making decisions about the pace and nature of changes to Adult Social Care Services in the medium term, and what resources it will make available in the longer term. If implemented responsibly, however, the new model provides more responsive services to users, more sustainable services for a wider group in the longer term, counters growth that is being experienced nationally and makes optimal use of resources available to the Council.

The New Model

- 3.5 Previous reports have outlined in detail the main features and principles underpinning the new model and the programme of work on Adult Social Care Redesign which sits behind its design. In summary, Councils are expected to shift from traditional methods of assessment and provision and enable more choice and control for users to:
- (a) understand what they are entitled to, and
 - (b) have more choice about how best to achieve outcomes against assessed need.

These factors, if applied properly, constitute a massive change to the current delivery of services, to the nature of the services provided and to the financial and operational management of those services.

- 3.6 Aspects of the new model have been implemented and combined with the transfer to Cheshire East, following the approval by the Shadow Cabinet in October 2008. The new management structure and functional split between Provision, Strategic Commissioning and Individual Commissioning therefore constitute a major shift from the traditional approach to care services and provide the necessary framework to deliver the rest of the model. The structure chart is shown at **Appendix 1**.

- 3.7 The next stage requires the following actions:

Locality Teams

- 3.8 In order to improve overall responsiveness and better local working, it is proposed that six locality teams are formed to undertake provision of information and signposting, preventive services, assessment,

reablement¹, support planning, provision/commissioning of brokerage and provision of advocacy. A major piece of work has been undertaken to review the processes and systems to be undertaken by these teams, and evidence suggests that a significant amount of unproductive activity can be removed from current systems. The resources required by each team have been estimated on the basis of projected demand in each area. Each team will be 'mapped' onto the seven Local Area Partnership (LAP) boundaries agreed within Cheshire East (one locality team will serve two LAPs), so that in time their performance can be managed and measured on that basis with other key partners within each locality as well as making an active contribution to how the Council develops LAP working. It is estimated that six operational teams will operate out of four office bases. All teams will encompass flexible and mobile working systems, and be provided with the necessary technical kit for which capital provision exists.

- 3.9 A detailed implementation plan has been drawn up following extensive consultation with staff, managers, partners and users, and it is proposed that the new model is implemented patch-by-patch starting in Wilmslow in July 2009. All locality teams will be operational by February 2010. A new staffing structure is planned to be in place by October 2009. This aspect of the model will deliver permanent efficiencies, in terms of lean systems and fewer staff involved in process and administration. It will provide enhanced services in terms of prevention and reablement, which in turn will generate better outcomes for individuals. This approach should reduce growth pressures on the social care budget. It will require temporary funding in terms of change management resource and potential redundancy costs.

Provider Services

- 3.10 Giving users more choice and control will inevitably impact on the current provider market. It is intended to develop more commercial and business-like practice within current in-house providers, and better value and choice for users. In addition, bringing all our providers into a single structure instead of splitting across Adult and Older Client Groups allows leaner staffing structures to be implemented, whilst protecting the level of service. Internal providers will be challenged to cover all costs (including overheads) with income from users and commissioners, to ensure that (a) users want their services and (b) they are financially viable.
- 3.11 Savings are planned, this year through significant restructuring and reductions in posts as well as rationalising provision where there is a business case for efficiency, as agreed during the budget setting process. In future years, further savings will be achieved through a reshaping of services where only services that meet required outcomes within budget will survive. In the longer term, different, more commercial operating models for providers are currently being explored – in conjunction with Health colleagues – and will be brought back to

¹ Reablement is about giving people over the age of 18 years the opportunity and confidence to relearn/regain some of the skills they may have lost, as a consequence of poor health, disability/impairment or going into hospital or residential care, and to gain new skills that help them to maintain their independence

Members for consideration in due course. Temporary funding is required for change management input, potential redundancy costs and to fund any impact of 'double running' services while some are decommissioned where no longer chosen, required or viable.

- 3.12 The Strategic Commissioning part of the service will be charged with monitoring and managing the impact on, and effectiveness of, these services, and ensuring that an appropriate level of service is available to meet the Authority's duty of care both from suitable internal and external sources. This includes a specific role to help to manage the market and provide services in a more integrated and efficient manner.

Transport

- 3.13 The provision of transport will also need to be reviewed in the light of personalisation of services and cost pressures. Most of the transport currently provided within Adult Services is not an assessed care need, and as such does not have to be provided directly by the Authority. However, it has been provided for many years to many people and there is now significant 'dependency' on this form of transport that will take time to tackle. The review will take place over coming months, with recommendations to be brought to Cabinet to coincide with the next budget-setting cycle. It is possible that public consultation will be required for significant changes to current provision. In the meantime, all new users will only be offered transport where it constitutes an assessed need.

Resource Allocation System (RAS)

- 3.14 Personalisation of Adult Services requires that all users are given a 'Personal Budget' based on an upfront and transparent Resource Allocation System. This means that individuals are told of the level of resources they are entitled to at an early stage in their contact with the service. This work is being driven nationally, and more work has been done in Cheshire than in most authorities, to determine an efficient and safe way of allocating funds for this purpose. More detail about the development of a national RAS framework, the local research carried out by Cheshire County Council and the different approaches to making allocations is attached at **Appendix 2**. Authorities have, since 1998, been legally obliged to offer cash payments to individuals to meet needs in the form of a Direct Payment, but take up nationally has been slow for a variety of reasons. The Government's intention is that the take up of Direct Payments (DPs) and application of Personal Budgets are dramatically increased, that the processes underpinning user choices are transformed and that the method by which DPs are calculated is more transparent and objective e.g. through a RAS. Local Area Agreement (LAA) targets exist and are published annually to monitor Councils' progress towards this goal. Cheshire East is currently exceeding these targets due to the work undertaken in redesigning social care so far, but will not meet the next target level (NI 130) without major changes in culture, procurement rules and structure.

- 3.15 This directive can be achieved through the application of a formula-based RAS where needs are assessed and allocated 'points' – these are then converted into a financial allocation through a set formula. Users can opt to take this allocation as a cash payment (Direct Payment). If users opt NOT to take a cash payment, they can continue to receive services direct from the Council to the level determined in the RAS. This is referred to as a 'virtual budget'. At the present time it is not legally possible for users to purchase services from internal providers using a direct payment. Currently the only way services can be provided to users by internal providers therefore is through a virtual budget.
- 3.16 It is proposed that the Council adopts an up front Resource Allocation System for all new users and users requiring unscheduled reviews on a phased basis during 2009-10. The intention is to then migrate all remaining existing users at review stage by the end of Year 2 (2010/11), subject to an evaluation of this approach and further research during Year 1. This evaluation will be undertaken to ensure that such a method is providing the right outcomes for users and a stable financial situation for the Council and will be reported back to members if significant issues emerge. A summary of the definition of users and the proposed phasing is shown at **Appendix 3**.
- 3.17 To give an indication of scale, if a formula is applied, full roll out to all users would total **£30m** in a year on current budget. RAS would be applied as part of the roll out of locality teams, patch-by-patch. In the first year a contingency of 20% (**£7.6m**) will be held in the Strategic Commissioning service. This will be used where it is identified that the allocation of funding under RAS does not allow the user to meet their assessed needs and therefore does not fulfil the Council's duty of care – these cases should be exceptional and in future years the level of contingency should be adjusted as the accuracy of allocations improves with experience.
- 3.18 The amount of funding allocated through the RAS, and contingency levels, and the mechanism by which this is done should be reviewed by the Council on an annual basis as part of the budget-setting exercise. It must be emphasised that the RAS cannot be used by Councils to make efficiencies and savings per se, as the duty of care to meet assessed need will not change through these developments.

Procurement issues

- 3.19 The move towards Personalisation creates a tension between the Council's procurement rules and an individual's scope to direct the commissioning of their support needs. Whilst it will be possible to introduce some elements of individual choice into the present procurement arrangements it will be necessary to review the Council's Finance and Contract Procedure rules if individual choice and control is to be built in to future procurement strategies. This tension applies where individuals choose a virtual budget (as opposed to a Direct Payment) and leave their resource allocation with the Council to commission services to meet the needs of their Support Plan. The Government target N1 130 requires that 'the person (or their representative) can use the

funding in ways and at times of their choosing' and the Council's ability to fully meet this criteria (and therefore its desired LAA rating) will be impeded until the current rules are adjusted to reflect this exception.

- 3.20 Proposals will be presented to Members as they are developed during the first year of implementation. In the meantime, under current procurement rules we will aim to maximise individual choice and control within the current constitutional framework.

Charging Policy and Price Setting

- 3.21 Service users assessed with critical and substantial needs and who are therefore eligible for services through Fairer Access to Care Services (FACS) criteria, need then to be financially assessed to determine the level of contribution those individuals make to the cost of their assessed needs. The Council's charging policy, which is written in accordance with the Department of Health Fairer Charging Guidance, is not changing under these current proposals. However, there is a need to review some aspects of the current approach to setting the price of services under the inherited County Council policy. As underlined in the public consultation exercise, under the new model it is proposed that Provider Services, and other non residential care services commissioned by the Council, charge at full cost and that existing subsidies are removed in the interests of consistency, transparency and fairness. A schedule of prices is being developed in line with the principles shown at **Appendix 4**. Authority is requested for the Adults and Finance Portfolio Holder to sign off the schedule of prices prior to the start of implementation. Prices will be reviewed on an annual basis to allow for market changes and changes in cost base.
- 3.22 This change in approach is less of an issue in Year 1, where mainly new users to services will be affected. However, the combination of a new method of calculating allocations (RAS) and internal provider prices reflecting full cost may affect some users already using current services. As stated above, this was one of the main features of the public consultation exercise – there will be 'winners and losers' in this process, and this will have to be managed during the transitional period through the provision of transitional relief funding.

Reablement and Prevention

- 3.23 Through its budget setting process, the Council agreed to fund reablement and preventative services as part of the implementation of the new model. These services will supplement the existing provision, and will be located across different parts of the service and jointly with Health. It is proposed specifically that those individuals with assessed Critical or Substantial needs will be offered a maximum of six weeks reablement services free of charge, on the basis that this will improve their quality of life and reduce the call on social care budget allocated through the RAS. Overall, the impact on the budget will be neutral.
- 3.24 The precise application of reablement and preventive services is being developed through specific pilot studies, and will be tested in the roll out of new ways of working in locality teams during the year, for review

before the next budget-setting process. Provision of these services that increase independence is being driven nationally.

Safeguarding

- 3.25 The Council also agreed to fund additional posts for the creation of a Safeguarding Unit within the New Model providing an additional £200K within the budget. This Unit will organise and co-ordinate activities to help protect adults and to ensure that risks are highlighted and addressed in the most effective way. It should be noted that although this unit will provide a critical part of the new social care system it will continue to be the responsibility of all to highlight safeguarding and protection issues.

Joint Working with Health

- 3.26 Integrated and seamless services delivered jointly with Health are key to leaner, more efficient services. People Directorate of the Council and Central and Eastern Cheshire PCT are now working closely together, and are developing joint change programmes so that services can be designed in the most effective manner. A specific project focusing on the top 100 high intensity users of both Council and Health services is being jointly progressed, and will inform the future design of services. This is being initiated with the involvement of GP practices and community matrons as part of the roll out of the locality team in Wilmslow. In addition, we are exploring alternative delivery models for providers jointly with Health as mentioned above.

Consultation

- 3.27 A major public consultation exercise was undertaken by Cheshire County Council from November 2008 to February 2009, and results published in March 2009. All the relevant documentation and information from the consultation is publicly available on the Council's website, and a summary of responses is shown at **Appendix 5**. More than 18,000 documents outlining the new model were distributed across the County and over 600 responses were received. The process and evaluation of responses was reported to the County Council's Adult and Health Scrutiny Committee.
- 3.28 This consultation has provided invaluable feedback for Councils to consider and address as they deliver the new model of social care. Although much of the overall direction is set by Government, there is local discretion which can allow us to respond to public views.
- 3.29 From the responses received, there was overall support for more choice and control, for clear and transparent charging mechanisms, for alternatives to current services and for more flexibility. Conversely, there were concerns about dealing directly with cash and arranging more tailored types of care unless the necessary support and advice was in place. Such support will be essential when rolling out personal budgets and encouraging people to develop personalised packages of care.
- 3.30 Specific proposals within the new model reflecting feedback from this exercise are as follows:

- 3.30.1 There will be a phased implementation of a RAS based Personal budget and locality working starting with new users and those requiring unscheduled review;
- 3.30.2 There will be further redesign of brokerage and support services to ensure those who need support to get maximum benefit from the new system are equipped to do so;
- 3.30.3 There will be an transparent schedule of prices where users will be more aware of the choices available to them;
- 3.30.4 There will be an undertaking by the Council that, where users do not want to handle or administer direct payments, the Adults Service will work on behalf of users to exercise as much choice and control as possible under current rules in utilising virtual budgets;
- 3.30.5 Pilot the offer of a free reablement service where it can be shown to reduce cost pressure on the Social Care budget;
- 3.30.6 Explore and address perceptions that changes will affect people unfairly through a comprehensive Equality Impact Assessment (see below).
- 3.31 Consultation with all stakeholders will need to continue throughout this period of change to monitor and evaluate effectiveness.

Equality Impact Assessment (EIA)

- 3.32 All Councils have a duty to assess the impact of significant policy changes on diverse user groups. An impact assessment has been prepared in respect of Adult Social Care Redesign and a meeting, facilitated by Cheshire, Halton and Warrington Race and Equality Centre, was held in April 2009 to ascertain and address any issues which may present a potential disadvantage. A report of the meeting will be received by the Council for its consideration in implementation. On the whole, however, personalisation by its very nature should result in services which are more tailored to individual needs and which are inclusive; it is hoped, therefore, that more diversity is achieved. Results of the EIA will be publicly available on the internet and will be taken account of in the implementation of changes as far as possible.

4.0 Financial Implications 2009/10 and beyond

- 4.1 The Adult Services budget is under severe pressure both locally and nationally due in part to demographic changes and public expectations. Traditional methods of providing social care services are now deemed be unsustainable in the longer term, and do not represent the best use of resources for the best outcomes. There will have to be serious consideration, however, of the amount of reductions that can continue to be made in the future if the Council is to meet its statutory responsibilities and meet national targets.
- 4.2 The new model of social care is the key mechanism to deliver more responsive services within a reducing cost envelope. Within its 2009-10 budget the Council set a gross budget reduction of £4.1m. The proposals

within this report are designed to deliver £3.4m of that target with other specific measures to deliver the remainder eg. Extra Care Housing.

- 4.3 It had been anticipated that such changes would need significant pump priming of available grants / transitional funding, over and above the National Social Care Reform Grant allocations, in order to be delivered effectively and safely. Access and Capacity Grant was therefore set aside for this purpose during the design work done previously to bring this implementation to fruition. This has been carried forward within the Cheshire East budget with an understanding that this would be available to fund the transformation. It is proposed therefore that the Council confirm the earmarking of up to £6.9m available Social Care specific grants / temporary funds for this purpose. Broadly speaking this is needed to resource change management skills, potential redundancy costs, double running of services whilst they are decommissioned and phasing support pending the full year realisation of benefits. A summary of the potential commitments and calls on this fund is summarised at Appendix 6. It is proposed that expenditure against this grant is authorised through the Strategic Director, People and Finance Manager (People Directorate) ensuring that it is being used for the purposes of transition and transformation over the next one-two years, ie the implementation period.
- 4.4 Robust financial and performance management systems will need to be operated by both service and corporate colleagues in partnership in order to ensure these changes are delivered within budget, that the RAS is being applied appropriately and that preventive and reablement services are generating benefits. This will be a challenge, given the demands of ensuring corporate systems are up and running effectively within a new Council. However, the cost of not pursuing these changes would be excessive and at the same time fail to meet Government directives and public expectations for better, more individualised services. Use of temporary resources to support the change and progress towards the outcomes and financial targets will be closely monitored and reported to members through the Council's outturn reporting process, allowing for review and recourse where necessary.

5.0 Legal Implications

- 5.1 There are several legal implications which arise as a result of personalisation but no new legislation has been introduced to support the process. All changes therefore have to take place within the existing community care legislation framework. Officers have worked alongside senior officers from Legal Services throughout the development of these proposals and will continue to consult with them on a frequent basis as the proposals are implemented.

6.0 Risk Assessment

- 6.1 The Adult Social Care Redesign programme has been managed from its inception using the Prince 2 methodology – a disciplined structure of project management which focuses attention on milestones, accountabilities and interdependencies. Risk and Issue Logs have been

maintained throughout the process and will continue throughout implementation. Inevitably – as with any transformation – there are several risks in terms of cultural issues, financial management, legal challenge, short term performance management, disruption to existing services, market instability and user anxiety, which have been identified in this report. However, these can be addressed if the nature and pace of change is dealt with responsibly and if the Council responds in a dynamic, coherent and corporate manner.

7.0 Reasons for Recommendation

- 7.1 Members have previously approved the direction of travel for Adults Social Care and have incorporated this within the 2009-10 budget proposals. This report allows members to take account of the results of the public consultation exercise and to note the detailed implications of the principles of Adult Social care redesign. Permission is requested to 'go live' with the new model in July 2009 applying earmarked temporary monies to support the necessary changes as outlined in this report.

For further information:

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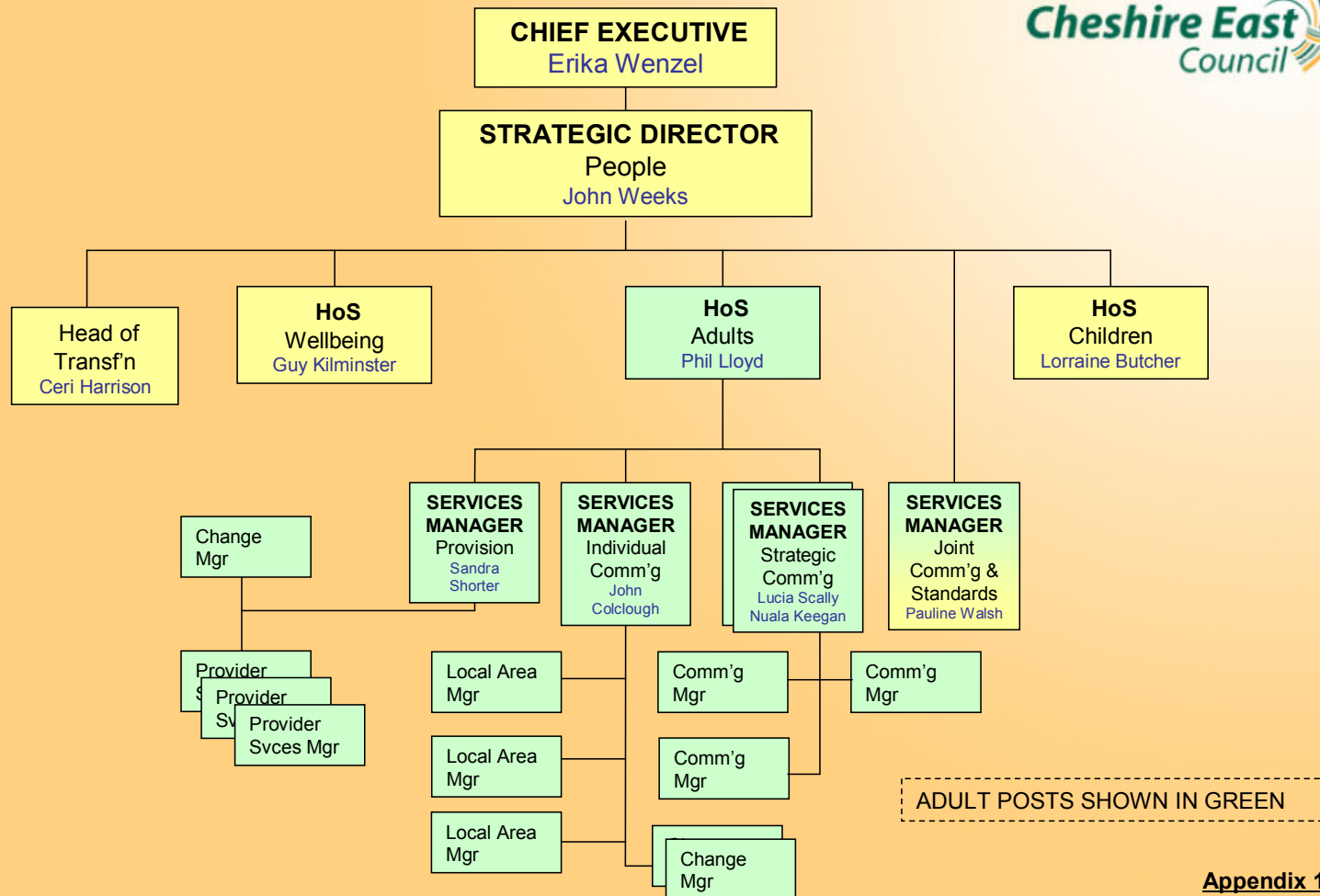
Background Documents:

Documents are available for inspection at:

http://www.dh.gov.uk/en/Publicationsandstatistics/Lettersandcirculars/LocalAuthorityCirculars/DH_081934

http://www.dh.gov.uk/en/Publicationsandstatistics/Lettersandcirculars/LocalAuthorityCirculars/DH_095719

<http://www.cheshire.gov.uk/socialcareandhealth/PersonalisationEvaluation.htm>



Cabinet - 16 June 2009 Adults Social Care Redesign

Resource Allocation System (RAS) – Background Information

Approach to testing RAS in Cheshire County Council

The approach to testing and modelling the RAS in Cheshire was as follows and in two distinct stages:

Stage one being around a reasonably representative sample of services-user cases, allowing for later refinement of questions, and giving a basis for the initial points for £s allocations and an algorithm for taking account of unpaid carer support (ie, support from family and friends).

Stage two was more rigorous and comprehensive, using a statistically significant sample to represent the target population, aiming at 95% confidence level. This was intended to test the use of the questionnaire with well-briefed care managers based on clients on the current caseload, identify the cost of each of these individual's care package, carry out a reasonableness test – ie, could the RAS allocation work for individuals – and then to carry out further modelling and undertake variance analysis. It is important to reaffirm at a population level the averaging out of variances. High level packages of £1000 were taken out of the RAS and provision will be made through a support planning approach/Best Value approach. A contingency also needed to be agreed to ensure the functioning of the financial framework.

Development of the National RAS

The National RAS is being developed to assist Councils by providing an “off-the-shelf” framework that can be utilized locally based on local requirements. It contains three main components:

- A financial framework to develop a RAS;
- An (agreed) self-assessment/RAS questionnaire with suggested scores;
- A systems map

The Department of Health has commissioned 12 Local Authorities who have developed their own RAS and also in co-production with Citizen Leaders to undertake this work. Cheshire County Council (now Cheshire East) was one of these authorities. The aim was for the work developed by these Councils to be evaluated by the group in Autumn 2009, with an ongoing commitment to share progress regionally.

There are key commonalities between the local RAS and the National RAS Framework, which it is important to highlight at the outset before describing any differences.

These commonalities are:

- The basis that the RAS is about a transparent and equitable way of providing resource to meet eligible need.
- The RAS is only ever an indicative amount, with LAs overriding duty to meet assessed eligible needs remaining.
- The RAS is affordable and sustainable.
- That the financial frameworks (or process/approach) used to determine how the RAS should be calculated locally, were the same.
- Likewise the system maps - showing the stage at which the RAS should be deployed – were the same.
- There are high levels of synergy around the domains of need on which the RAS questionnaires are based.

The key differences between the local RAS and the National RAS are in relation to the financial framework, where in the National RAS there will be different allocation tables for different service-user groups and the Budget envelope covers all budget areas, eg Residential Care. Also, in Cheshire we have been in a position to carry out a more thorough and comprehensive approach to the testing and modelling as described above.

Finally, work is still underway by the National RAS group in relation to taking account unpaid carer support (from family and friends) and therefore the resource available to individuals, whereas the Cheshire RAS has addressed this.

Phasing of the Resource Allocation System Introduction

The introduction of the use of the RAS will take place alongside the introduction of the new patch teams, area by area, as detailed below.

For new users and existing users requiring unscheduled reviews*	
Starting July 2009	Wilmslow Knutsford
Starting Oct/Nov 2009	Macclesfield Poynton
Starting Dec 2009	Congleton
Starting Jan/Feb 2010	Crewe Nantwich
For existing users at time of scheduled annual review	
Starting Mar 2010 Completion by Mar 2011	All areas

** An existing case should be considered as requiring Unscheduled Review when:*

there has been a significant change in the person's needs (ie, a new area of need in FACS terms has been presented) which is likely to persist beyond a 6 week period. Estimated numbers are approximately 3,500 per annum

INTERNAL PROVIDER PRICES

BACKGROUND

The new model of social care, with personal budgets in the hands of individuals, requires internal providers to set 'prices' for their services for the first time.

Important note: these **prices** are the amounts needed from a service user's personal budget to purchase internal provider services, and are distinct from **charges**, which are amounts charged to an individual from their own money, based on their assessed ability to pay.

Providers will generate income sufficient to cover their full costs through a combination of services to **individual commissioners** (prices charged to service users, funded from personal budgets allocated through the RAS) and **strategically-commissioned services** (funded outside the RAS).

The prices referred to in this Appendix relate only to **individually-commissioned services**.

PHASE 1 APPROACH

For July 2009, the following principles will apply and will underpin the calculation of internal provider prices:

1. Standard Average Prices

Initially, prices will be calculated on a *standardised, average basis* i.e. each service provision type will set a single price for a single, time-based unit of service, regardless of locality (e.g. one hourly rate for home care, one daily rate for day services, one night rate for respite services etc).

2. Cost Base

Wherever possible, costs will be based on the average costs for 2008/09 from the financial ledger. The main exceptions to this will be:

- where costs of a service are known to have changed; in this case, the most accurate current costs will be used;
- where the service delivery model has changed, such that it no longer reflects the structure recorded on the financial ledger; in such instances, costs from other centre codes will be apportioned on the most appropriate basis.

3. Activity Base

Wherever possible, existing activity records for 2008/09 will be used, based upon the most recent 'average' activity period, except where future activity can be reasonably expected to deviate from historic patterns to a material degree. The methodology for calculation of activity will be standardised across similar services, and will be made available for information.

4. Full Cost Recovery

Providers will set prices at the same level as costs, including a contribution towards some overheads (see point 3 below). Providers will not set prices that generate a profit, as they are not yet constituted with the ability to trade

5. Overheads

Prices will include recovery of the following overheads:

- indirect management structure costs
- corporate support costs (inc. finance, legal, HR, property management, Health & Safety and IT)
- transport costs

They will not include the following:

- democratic core costs
- transformation programme management costs

6. Other Funding Streams

Services funded either wholly or partly by other funding streams (e.g. health monies, Supporting People income etc) will set prices net of that income i.e. Cheshire East Council will not seek to 'double recover' the costs of that element of the service. Where this funding is location-specific, the effect of that income will be spread across the whole of the relevant service, in keeping with the principle of standardised, average prices (see Point 1 above).

7. Strategically Commissioned Services

Costs associated with the provision of strategically commissioned services, including reablement and the 'service of last resort', will be removed from the calculation of these prices.

8. Contingency

An element of contingency has been withheld from the RAS allocation to fund transitional relief and supplementary allocations, as required. Internal provider prices are unaffected.

The list of actual prices will follow, and will be shown in Table 1 below.

Internal providers will be supplied with information technology to enable them to monitor and manage the impact of their prices on their full cost recovery position. Prices will be set at the beginning of the implementation in July 2009, and they will not be reviewed more frequently than on an **annual basis**.

In addition, internal providers will develop standard **terms and conditions** for the application of these prices that identify for the service user the way in which these prices will apply.

PHASE 2 AND BEYOND

As the RAS allocation is rolled out on a patch-by-patch basis, detailed work will continue on options for setting local prices (i.e. specific to a given provider unit) and activity- or need- (rather than time) based prices e.g. separate prices for swimming at a day service, as compared with horse riding or snooker, additional prices for additional support needs etc.

Table 1

Service	Establishment(s)	Unit	Price

Summary of responses to the consultation on the future direction of Adult Social Care in Cheshire

Health & Adult Social Care Scrutiny Committee: 11 March 2009

1. CONSULTATION PROCESS

The public consultation period took place between 17 November 2008 and 16 February 2009.

In order to reach certain groups this consultation process went beyond the traditional, written consultation exercises. As well as public meetings held in East and West Cheshire there were also six roadshow events where a bus staffed by officers representing Cheshire was situated in busy public areas.

2. MEETINGS AND EVENTS

These took place throughout January and February 2009.

Six public consultation meetings were held in Christleton, Macclesfield, Crewe, Winsford, Ellesmere Port and Congleton at which a total of 327 people attended.

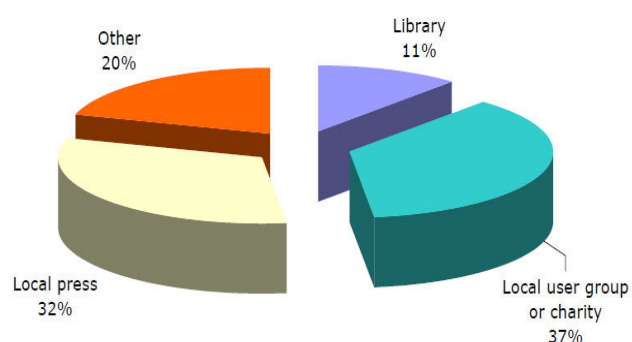
Roadshow events took place in Nantwich, Chester, Ellesmere Port, Macclesfield, Northwich, Congleton and Alsager.

3. DOCUMENT, QUESTIONNAIRE AND RESPONSES

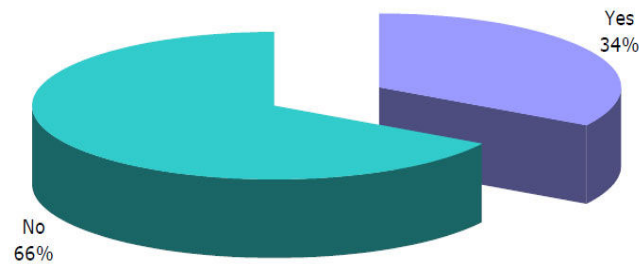
A 16-page consultation document, *Let's Make it Personal in Cheshire*, with a tear out questionnaire and a 12-page shorter version/easy read document was produced. Eighteen thousand copies of the consultation document (including easy read versions) were distributed to members of the Cheshire Older People's Network, charities, libraries, GP surgeries, health promotion networks and members of the consultation team spoke about the consultation in a number of forums; the document was also available on the web. Over 600 responses were received.

The questions asked are shown below along with summarised responses:

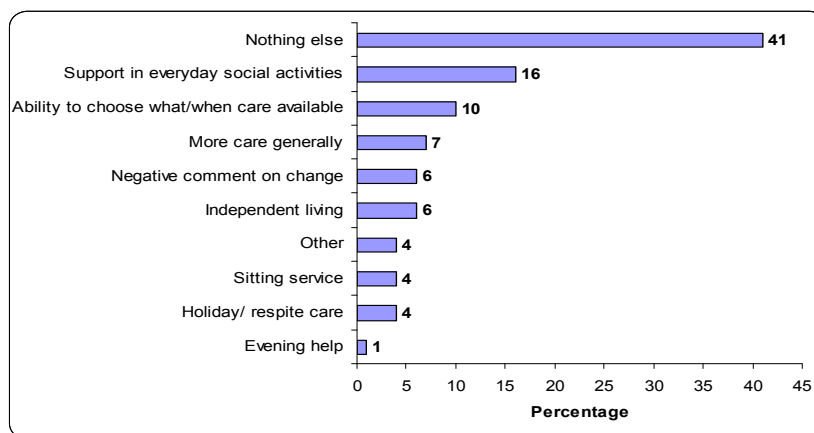
Question 1 - How did you find out about this consultation?



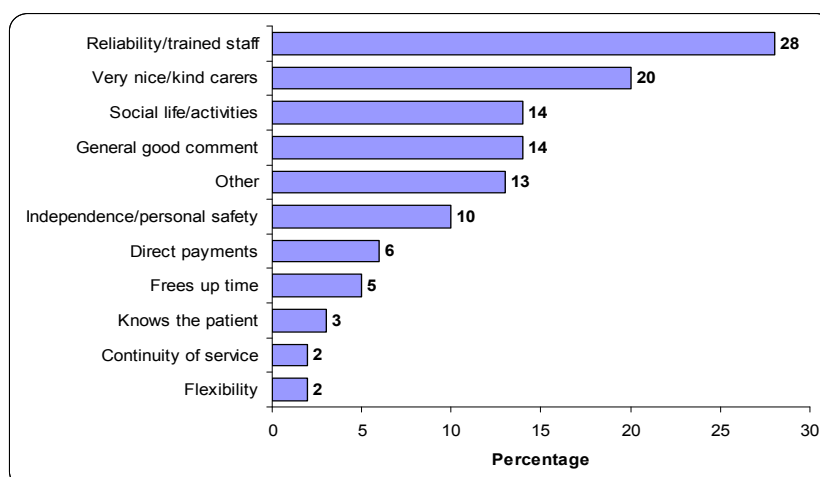
Question 2 - Are you an existing service user or carer?



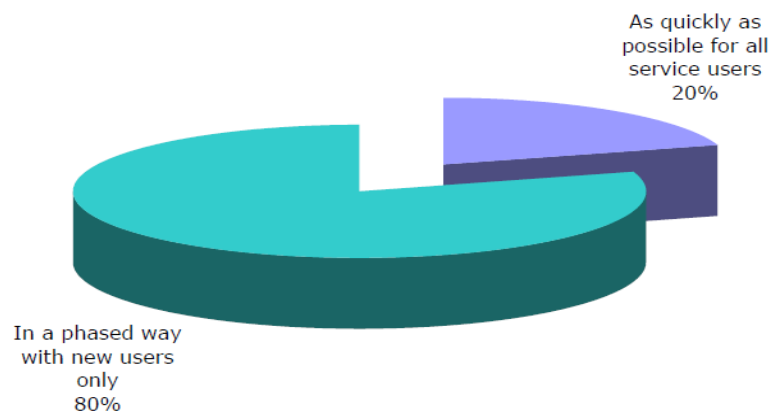
Question 3 - Given that the new proposals will offer more choice on how to meet your needs, is there support which you currently don't get that you would like to spend your Personal Budget on?



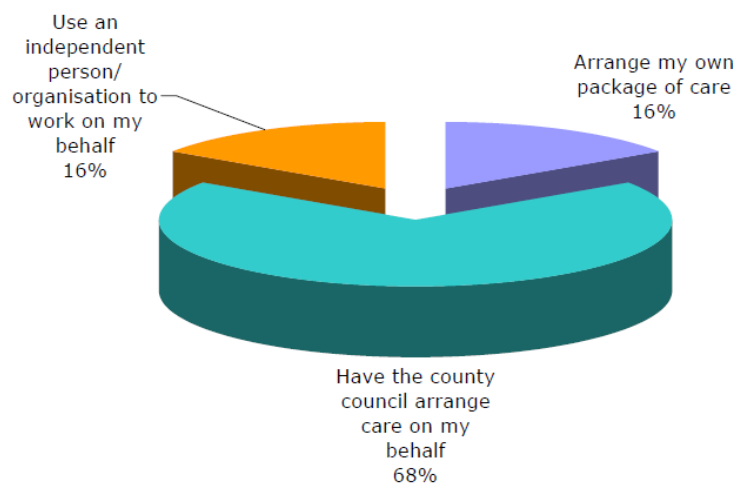
Question 4 - What do you particularly value about the care services we provide at the moment?



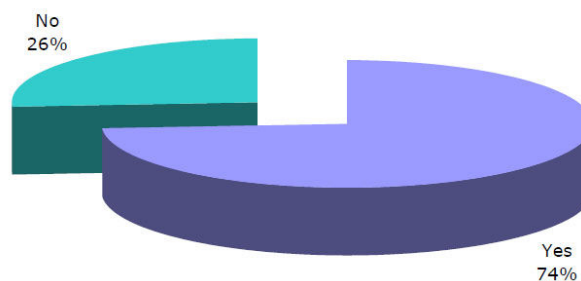
Question 5 - I would prefer to see the proposed new system introduced



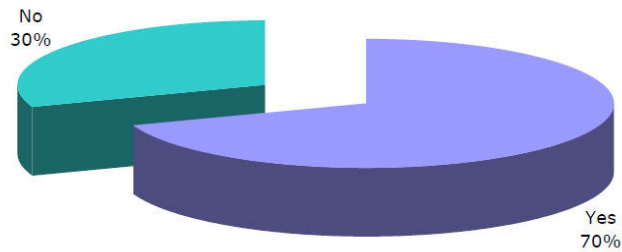
Question 6 - Given the choice I would prefer to



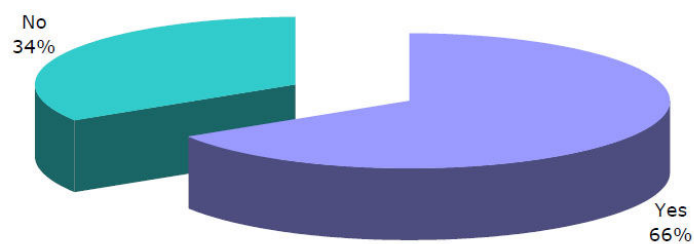
Question 7 - I would welcome a clearer set of prices from the County Council, which will allow me to compare the costs for care services and make the appropriate decisions to suit my circumstances, even if this means that the costs of some elements of a care package may change.



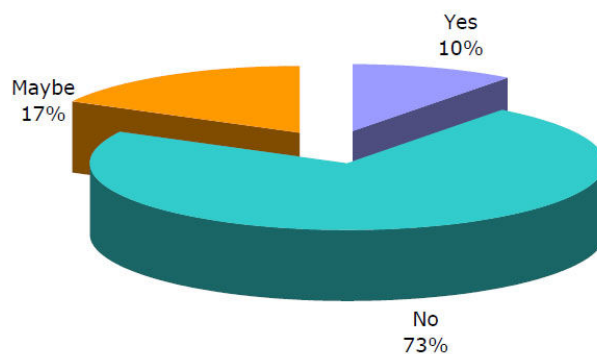
Question 8 - Would you use an offer of 'reablement' services if these were free of charge (up to six weeks)?



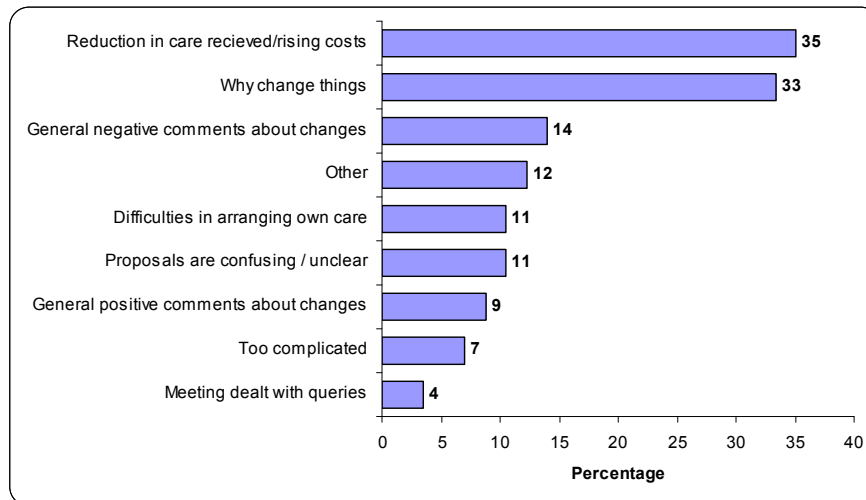
Question 9 - With a Personal Budget your contribution (and the Council's) would not vary month on month. If your needs or services fluctuated by small amounts it is assumed these would even out over time. Would this increased certainty help you to manage your budget?



Question 10 - Do you feel that these changes will affect you unfairly on the basis of your race, gender, disability, sexuality or culture?



Question 11 - Please tell us about any other comments or concerns that you might have regarding these proposals



KEY ISSUES RAISED

Generally, people's concerns can be summarised as follows:

- Pace of Change.
- Support service users will receive in managing their budget.
- Will it mean cuts in service?
- Quality of Services.
- Safeguards.

NEXT STEPS

- Health and Adult Social Care Scrutiny Committee to comment and advise.
- Summary of responses to be widely published.
- New councils to receive summary of responses and take account of this consultation exercise in developing new models for Adult Social Care.

TEMPORARY COSTS AND FUNDING

	East £000s	
Grant Carry Forward (subject to outturn)		
Access and Capacity	-2,723	
Social Care Redesign (SCR)	-502	
Training	-566	
	-3,791	
New Grant Allocations		
SCR Implementation Grant	-1,205	
Temporary Budgets Available		
Transforming Cheshire Change Budget	-399	
SCR Implementation Budget	-624	
SCR Growth Budget	-936	
	-1,959	
Funding	-6,955	
Potential calls on temporary funding:-		
<u>Temporary Costs</u>		
Transitioning – SCR Implementation		
Phased Savings	1,063	Relates to phased reduction in provider costs & reduction of care package costs through reablement
Addtl savings to fund 0.5% inflation decision	231	Budget setting requirement
Double Running Costs	1,250	Where individuals choose other providers but our services are still running under capacity
Change Team	600	Costs of backfill/external consultants, etc
Early Adopters	250	Cost of launching new ways of working whilst decommissioning old team structure
Redundancy – broad estimate	1,500	Worst case scenario
	4,894	
Addtl Cost of Inherited Payroll		
Employees	300	Cost of disag staff structure over 2009-10 budget
Agency Workers	220	
	520	
<u>Permanent Gaps Requiring Temp Funding</u>		
Other funding requests		
Access restructure	175	Cost of splitting Access and maintaining whilst launching new ways of working
Dementia Strategy – to consider	-	Set-up costs of Dementia Strategy will need to be funded from current grant provision
Direct Payments admin	120	
PARIS financials support	100	Cost to bolster current implementation
PARIS development team – to consider	-	
SAP team	145	
Other	72	
	612	
Flexible Mobile Working Saving	146	Imposed via budget setting to pay back capital investment – budget already contains £250k target
Costs	6,172	
Remaining Balance	-783	