Discussion article for Journal of Care Management

Individual Budgets and Transformational Change

Summary
Oldham Council was chosen to become one of 13 pilot sites leading the implementation of Individual Budgets. We are currently well advanced in introducing individual budgets, with over 1,000 people having received an indicative amount and over 500 people having agreed support plans and self directing their support.

In this article, I want to outline the challenges that face local authorities in the implementation of Individual Budgets and raise questions about some longer term impacts of Individual Budgets - upon commissioning, social care services and performance management.

Introduction
Individual Budgets were first recognised as an important driver for change within a number of policy documents:

Improving the Life Chances of Disabled People (Strategy Unit, January 2005)
Opportunity Age (Department for Work and Pensions, March 2005)
Independence, Choice and Well-Being (Department of Health, March 2005)
White Paper - Our Health, our care, our say (Department of Health, January 2006)

Individual Budgets have been defined as:-

to enable people needing social care and associated services to design that support and to give them the power to decide the nature of the services they need.

The key feature of Individual Budgets is the development of the Resource Allocation System -a transparent allocation of resources, giving individuals a clear cash or notional sum for them to use on their care or support plan.

Other, essential elements of the Individual Budgets project include:

A streamlined assessment process across agencies, meaning less time spent giving information
Bringing together a variety of streams of support and/or funding, from more than one agency.
Giving individuals the ability to use the budget in a way that best suits their own particular requirements
Support from a broker or advocate, family or friends, as the individual desires.

Individual budgets can include some or all of the following income streams:

Council-provided social care services
Independent Living Fund
Supporting People
Disabled Facilities Grant
Integrated Community Equipment Services
Access To Work

Development of Individual Budgets in Oldham

During 2005 the Department of Health decided to test this concept by a National pilot, establishing 13 pilot sites as part of a two-year project.

Liam Byrne visited Oldham in November 2005, where he announced Oldham had been successful in bidding for pilot site status.

Since our acceptance as a pilot site we have implemented a wide range of Project tasks and objectives

Between November 2005-April 2006 Oldham undertook a programme of actions constituting the preparation phase of the project. Key actions included the development of a Resource allocation system, the revision of care management processes to incorporate individual Budgets, the development of support planning, training and development and communications.

Our initial work on the development of the Resource allocation system (RAS) before April 2006 (we have developed the system with further versions subsequently) comprised the development of a self assessment questionnaire to identify and measure needs and designed to relate the resulting scores to an indicative amount of funding. The questionnaire was tested through a desktop exercise by staff reviewing existing caseloads. The scoring system has been built and revised against existing budgets. Additionally, we have developed a transitional grants process for individuals who would otherwise have received a funding reduction.

We revised care management and associated administrative procedures to incorporate Individual Budgets. We undertook a business process remodelling to identify and agree new efficient transitional processes which whilst initially maintaining existing structures (recognising that the Individual Budgets project is a pilot scheme), achieved a streamlining of tasks to reduce any duplication of form filling. We have found that the revised FACS (Fair access to care services) process and new RAS processes complement each other and we can use the evidence from FACS to validate information in the RAS, in order that we can allocate the right amount of money to meet individual needs. Most importantly we adapted existing decision making panels to undertake a risk management role - we have used a Panel process involving senior managers to approve and/or require amendments to support plans .Revised processes were also supported by a new administration flowchart to address IT recording, charging and case file completion.

A cornerstone of Individual Budgets is that individuals prepare their own support plan (sometimes with support from others – family, other agencies or the local authority – or sometimes without support).During the preparation phase of the project, we decided to try to avoid producing a Support Plan template on the basis that this might restrict individuals from exercising their freedom to 'think outside of the box'. Instead we set up a drop in clinic, publicised example support plans and offered a support planning pack. Whilst we have subsequently produced a template at the request of some care managers the initial work has been a valuable support to the Council in enabling a rapid expansion of Individual Budgets

We have found that the provision of training and development has been critical to the achievement of Individual Budgets – to enable staff to understand and follow revised processes but also to address the concerns and anxiety that arise from change. To this end, we decided to combine communications, information provision and training in an integrated series of visits to all social care teams. This comprised a regular, monthly

briefing/development session for each team with direct input from senior management and project staff throughout the preparation period.

Of course one of the most essential tools to successfully achieve any project is communications. In the last paragraph I mentioned that we combined communication sessions for staff with training and development, and that these sessions were supported by senior management and project staff. Our communications plan also involved a robust and intensive approach to communications with service users and carers, and with care providers. The plan included regular presentations and discussions to a range of user and carer groups and the transition of our Direct Payments User Group into an IB Users Group which has been critical to ensure user input into our initial document and process design. There is also a major impact on care providers and we have undertaken monthly briefing and discussion sessions with all providers from the start of the project. This has been supported by separate consultation events for all providers (and separately for those providers with whom we have block contracts where we have worked upon additional transition arrangements).

These key tasks were accompanied by the necessary preparation work to align – and where possible integrate – social care budgets with other funding streams. Project staff were dedicated to joint work with other agencies to negotiate joint protocols and establish common procedures. Initially we were able to align social care budgets with Independent Living Fund funding; further work took place during the first implementation phase to integrate community equipment funding into our IBs and to establish integrated processes to address Disability facilities Grants; initially we included 10% of the Supporting People budget in our IB funding with the intention of negotiating an increased percentage at a later date within the pilot scheme.

Our preparation work achieved its target milestone with the provision of Individual Budgets from April 2006.

Alongside the first implementation phase from April 2006, during which a dedicated project team have monitored performance, and revised our initial procedures where necessary, we have continued to develop our framework to support Individual Budgets. In particular we have entered two contracts to develop a brokerage function, and provide support/training to potential providers; we have further developed the Risk Management Panel and finalised a Risk Enablement Policy; and we have developed our Care Management policy to reflect the incorporation of new processes.

The development of our IB support framework continues into the second and final year of the pilot scheme; indeed, we recognise that there remain outstanding issues for us to tackle.

In 2007 we launched a community of practice forum bringing together a cross section of operational staff (managers, social workers, support service staff) – we envisage the forum as a tool for two-way communication, for sharing learning about best practice (and problems!) and to help our project team address new developments such as new RAS models, the application of User websites, new brokerage services etc.

We are also currently developing one of our existing buildings as a Centre for Inclusive Living – the centre will be a focus point for all information to support Individual Budgets and will host a development base for user websites and an office base for support planners and brokers.

We are currently engaged in a review of our care management structure - to reflect our success in a substantial expansion of Individual Budgets, and to seize opportunities to develop new enablement services and enhance our review capabilities

Challenges of Implementation

Each of the strategic tasks listed above has been a project in itself; however, this process of change management has required us to address some overarching challenges, specifically:

- Culture
- Practice and Processes

Our management team recognised that the process of change in Oldham was dependant upon staff acceptance of the need to change – changing the culture. The engagement of staff began with acceptance of a narrative setting out the need to change:-
    the strategic objectives of Individual Budgets (empowerment of service users; new, partnership working between care managers and users)
    and the service/organisational/financial needs of Oldham (inequality in the system; budget deficits)

Discussion with, and engagement of staff have been critical to the developments so far and will remain so for the future.

We have endeavoured to maintain this engagement through a range of tools – training workshops, a communications strategy, discussion events etc- but the critical components of our development programme have been:-

- leadership and project direction by a dedicated senior manager
- a dedicated project team
- visible senior management leadership and direction

The introduction of a Resource Allocation System (RAS) is central to many of the objectives of the Individual Budgets – and one of the key challenges to local authority processes. Local authorities need to consider the benefits/disadvantages of different approaches to implementation – the introduction of RAS alongside existing assessment processes can introduce duplication and elongated processes, but an incremental approach to new processes may also address risk and staff commitment. There is a trade-off here between a limited degree of inefficiency and achieving longer term project goals – engaging stakeholders in understanding and accepting this limited dual running of processes is crucial.

There is also a clear gain for local authorities as the transparency of RAS highlights any mismatch between needs and resources and thus facilitates enhanced cost effectiveness.

The introduction of Individual Budgets has also created a major challenge to our Care management practice. Revised procedures, training, support guidance and communications have all been critical to changing practice but we have found it equally important to establish discussion/engagement forums – in Oldham, a Community of Practice meeting – designed to allow issues to be explored in a reflective and professional context

Processes and practices are relatively easy to change; however changing a culture is not. Supporting people to think creatively 'outside of the box' is proving to be one of the greatest challenges. Utilising assistive technology and support planning in a different way is a more complex process for Care Managers.

Outcomes
The outcomes of the pilot in Oldham, and the other 12 pilot sites will be assessed by independent evaluation and considered by government next year but locally we can already point to significant achievements :-

Currently (November 2007) over 500 people have constructed their own care plans and are managing their own budgets. Service Users from all care groups have received Individualised budgets:-

Adults with a Learning Disability
Older People
Adults with Mental Health Issues
Adults with a Physical Disability / Sensory Impairment Young people in transition over the age of 18 years

We have received feedback from a number of sources – from satisfaction survey forms (which will contribute to the national In Control research programme); from many of the Individual Budget users we have been supporting and from our locally constituted Individual Budget Service Users Group. The feedback appears to support several of the outcome objectives we set for the project:-

People will be at the heart of all planning and all decisions about their life.
People are getting support to plan, and implement their plans if they need to via brokerage (and support needs to be as large/small as appropriate to the individual). People will know up front what money or support is available to meet their support needs so that they can decide what they want to do with it. They can then plan effectively and creatively. Any rules about what mustn't be done or any guidance about what should be done must be clear and accessible. All guidance and rules will be sensible clear and accessible.

Individual Budgets through flexibility and creatively will increase choice and empower people to make decisions on how to meet their needs. This will include a wide range of options and will include in house services should people choose, and - Individual Budget support plans will improve the quality of life for Service users and carers.

Longer term challenges

I want to reflect upon a range of longer term issues which will challenge local authorities, consequent upon the introduction of Individual Budgets. These issues are not intended to be comprehensive but they are intended to be a cross-section of a number of 'wicked issues' which I hope will encourage debate!

What will be the impact(s) of Individual Budgets upon:-

- Our commissioning role
- Our organisation and relationships
- Performance Management – how we develop (the) market(s) to deliver efficiency and effectiveness

Commissioning

Like most local authorities Oldham responded to care needs through a range of direct service provision and the purchase of care through a mix of block contracts, price and volume contracts and spot purchasing with the independent sector. We had developed

a number of service user group commissioning strategies and are developing other strategies including joint commissioning with partners, such as the PCT, also using mechanisms such as the Local Area Agreement.

But what does this mean if the purchasing power of the local authority is reduced by transferring funding directly to service users? Does the local authority have a revised role, and how can this be expressed?

I believe that this creates a significant opportunity to develop commissioning in its truest sense, as a separate activity from procurement and purchasing. If we define commissioning as a range of actions to develop and create markets, then the local authority role is unique and vital:-

- It provides the local knowledge necessary for market making
- It ensures a democratic input into market shaping and development
- It provides opportunities for aggregate purchasing of specialist services
- It provides opportunities for representation of many stakeholders (service users, carers, the third sector etc)

 A local authority Commissioning strategy ought to achieve a number of objectives

- the development of prevention services
- the procurement of services for those service users who are unable or unwilling to purchase their own care through individual budgets (these could include high cost/high risk placements and are likely to be joint commissioned)
- pump priming new services
- providing support to IB users – through information and advice
- providing strategic direction to providers

The focus here is on 2 main areas: (a) the development of services (and therefore, choices) that rely on aggregate purchasing – where individual purchases alone are unlikely to stimulate a sufficient niche within the market – prevention services and/or specialist services for high need individuals, which may require a guaranteed minimum level of purchasing to be viable and (b) providing an overall lead and direction to the market – based on the aggregate of individual spending decisions, as well as intelligence re best practice and efficiencies.

In Oldham we are currently developing a commissioning strategy to reflect these objectives - information from our IT systems will be set out in our commissioning strategy to show the volume and type of need that is intended to be met through Individual Budgets, and this will be supported by local authority funding for pump priming new services.

Impact on Providers

Commissioning strategies will need to address the transformational impact of Individual Budgets on Provider services – whether 'in-house' or independent sector.

The need to respond to service users exercising power directly through their own resources is not a new factor for the independent sector but the scale of this 'freedom to purchase' will be a challenge; local authorities will want to work with external providers (in the private, voluntary or third sector, and faith sectors) to ensure that market capacity exists and provides choice; commissioning strategies need to reflect new complexities

but also provide the clarity/transparency of future demand – now to be expressed through the aggregate of many individual purchasing decisions.

Commissioning strategies must also address the future of directly provided services. The flexibility required through direct service user decision making will be a major challenge for social care services:-

- commissioning strategies will need to reflect local need/demand for in-house provision as well as local, democratic input; the strategies will need to reflect these new complexities – developing a medium term approach to funding to allow for service development and contraction; encouraging new flexible working across social care , as well as other providers, including the independent sector;

- provider strategies/business plans will need to focus on new forms of operational analysis to achieve internal efficiencies;

- service strategies will need to re-focus all provider services (in-house and independent sector) on new niches within the market (prevention; high need services) . New types of service provision, such as social enterprise units will be explored.

Of course, market making and development must consist of more than purchasing decisions and/or financial investment; it involves:-

developing the flexibility and quality of service provision

Through Commissioning for Quality local authorities need to work with all Provider services to develop the flexibility, and the customer focused culture that Individual Budgets will require. The development of these new ways of working may require financial support, such as recognition of skills development in contract prices, or perhaps support in kind, such as access to appropriate training and development, or advice and guidance regarding IT and other support systems – it may involve support to revise operational management :new business processes to support flexibility;

developing a market intelligence to support users and providers

A market works most efficiently if there is sufficient good quality information available on a transparent basis. Providing information to Service users, carers and providers (including potential providers) is critical to enable users to make a choice, and to make informed choices, and for Providers to ensure that a market exists. Records management, Internet access and software such as enquiry tools are key elements of a market intelligence strategy.

developing capacity within the market

I believe that a tremendous strength of the development of Individual Budgets is the opportunity to develop a greater range and/or variety of services – support to users not arbitrarily defined as 'social care' but available and purchased by users because they meet needs. There is a great opportunity here for joining up services across current service 'boundaries' in order to provide the 'seamless'/ 'one stop shop' that service users want and local authorities should seize this opportunity to recognise that Individual Budgets will impact across many if not all local authority directorates/services, for example, we now have experience of service users receiving respite care through the purchase of leisure services rather than traditional day centres.

However, there is also a danger that many valued and long standing services, particularly smaller scale providers/organisations may struggle to deal with the new paradigm. This may apply to either service providers or user organisations. Direct support to such organisations will be critical to maintain capacity and ensure the strength/vitality of the new Individual Budgets market.

Joint commissioning

Not only can Individual Budgets reinvigorate commissioning, but they can also provide a new dimension for joint commissioning. There is, I believe, an emerging market development role for local authorities and PCTs – the development of practice-based commissioning, new joint responsibilities/alignments for public health and community wellbeing, which, when set alongside the introduction of Individual Budgets offer an opportunity for our organisations to create new thinking.

There is a challenge – and opportunity – to integrate these developments and apply new thinking in new, wider commissioning approaches, for instance using the LAA and Joint Strategic Needs Assessment.

Organisation and relationships

The introduction of Individual Budgets will transform how we organise ourselves:
- through changing the focus of care management
- through creating a customer-led market for provider services
- through its impact on partnership working,
- by introducing new perspectives on localism and citizenship

Local authorities will devise their own structures and processes for care management in an Individual Budgets context. These will depend upon local needs and demand, re-ablement and prevention strategies, decisions regarding the location of brokerage services and the volume and response to long term and reviewing teams. In all Individual Budgets scenarios there will be an opportunity and a need to examine the function and role of care management for the future. Whilst some may see a threat in changing roles, I believe that there is a tremendous opportunity for us – to reinvigorate the role of care management: moving away from an artificial gatekeeper of resources, away from the micro-purchasing/contractor role that has come to take up such a large proportion of the workload , and instead to move to a new role (some would say return to the role as originally envisaged) of support to service users, enabling users to make choices and assess options and to focus upon outcomes – in partnership with the service user.

Of course, the Individual Budget care model is predicated upon empowerment of service user and care managers working in partnership with service users – and these are strategic gains which fully justify our investment in change. For social care organisations there are gains in a greater focus on outcomes, in requiring processes to address risk and the opportunity to dedicate resources for prevention and review. Additionally, I think there are great gains for Care Managers and their professional development – more time to focus on outcomes, opportunities to 'think out of the box' and to explore new creative ways to meet need .

And I think this development of creativity will become increasingly important and critical – the transparency of budget allocations through Individual Budgets will increasingly strengthen service user views about their entitlement to funding.

Is there a danger that this will move social care services to an agency role where the task is to make payments as opposed to creating new roles of partnership – developing preventive services, supporting users to develop new, innovative ways to meet their needs, reviewing outcomes?

Further, might this danger be increased through current approaches to customer relationship management!? Many authorities are now developing new strategies to increase the efficiency of their customer contact process – self service, one stop shops, website access, contact centres and shared service centres. Is there a dichotomy between the increasing efficiency of customer contact – especially through remote, and/or automated access – and the need to develop new care management roles? If individuals can use the internet and/corporate contact centre to complete self-assessment forms and, equally remotely, complete support plans directly and/or through third parties, how do we integrate new care management roles without creating additional links into the customer pathway chain?

I believe the answer lies in our hands – we need to support staff, corporate colleagues, providers and above all, service users and carers to identify, welcome and develop these new 'Individual Budget roles' – through senior management leadership, through debate and discussion, through training and development and through the establishment of new forms of partnership with users and carers. If we can explore this new environment together there is every opportunity for social care – and the professionals within its organisations – to expand their scope , to develop new areas of work that develop community wellbeing ,new types of social enterprise and self-realisation.

We need to address how the development of Individual Budgets will impact on other, corporate approaches to how local authorities engage with the citizen and the local community. I noted earlier that delegation of purchasing power to individual service users requires the local authority to develop alternative commissioning arrangements for prevention services. Is there a similar need to make separate arrangements for services covering a particular geographical area? How will Adult Social care services interact with corporate objectives to develop a greater geographical focus on service provision?

Similarly, we need to reflect upon the changed nature of the relationship between the local authority and service user under Individual Budgets. The pilot programme rightly recognises the immense cultural change of moving from a previous care management model where 'professionals' make decisions on behalf of users (with differing levels of partnership) – sometimes described as a 'professional gift' model – to a new citizenship model in which individuals negotiate services based upon an entitlement to funding. But what about the impact of these changes upon the rest of the local authority – the personalisation agenda will have, I believe, an equally significant impact across the whole local authority: financial decision making, local/area strategies, corporate policies and standards - will need to recognise the empowerment of service users through involvement and participation.

Performance management

Our implementation of Individual Budgets has also raised several challenges to the way in which we deliver and monitor efficiency and effectiveness in service delivery.

Nationally we need to address our performance management framework – the impact of individuals purchasing a greater variety of services – often in ways which would not previously have been defined as social care – and which may not fit into existing

definitions of Performance Indicators challenge local authorities (Adult Social Care, Audit and Council (!)) and national government to devise new forms of activity measures, with a new and more relevant emphasis on outcomes.

Locally we need to re-assess our approach to activity costing – service users' procurement of different types of support, the re-focusing of providers on high need, high cost service provision or new prevention services make it more difficult to use benchmarking or other unit costs associated with previous service configurations. At the same time, there is a greater need than ever before to ensure that value for money is achieved through scarce resources – possibly more so when expenditure is no longer directly controlled.

In Oldham we found the process of reviewing care pathways (which is an essential element of introducing Individual Budgets) was a useful tool to identify volumes and costs throughout the care management system. We have used this data to inform our decisions about processes and structures - we now need to use this data to develop new forms of activity episodes and performance measures for the future. Inevitably, due to the nature of the Individual Budgets model we envisage that this performance framework must focus on outcomes – the reduction in information about outputs which are no longer purchased by the local authority but by individual service users and the more variegated nature of services being purchased means that local authorities must increasingly focus on the outcomes set out in support plans

Conclusions

I hope that the issues I have attempted to raise in this article illustrate that the implementation of Individual Budgets is only the first part of a much longer journey facing local authorities. Individual Budgets will transform not only care management but all parts of social care and will have significant impacts upon the wider local authority. In order to address this wider agenda we have decided to tackle these issues through an Organisation Development Programme in Oldham. I hope that this article may stimulate a discussion that can help us all identify solutions for the future.