

Accounting for personalisation

DRAFT Proposals for changes to BVACOP and PSSEX returns

April 2010

Introduction

In the summer of 2009, as part of its programme of work to support the delivery of Putting People First, the Department of Health began working with a number of councils to explore the implications for the way social care money is accounted for. This work looked at what improvements might be needed to develop an accounting system better suited to supporting the delivery of personal budgets and key aspects of Putting People First such as the shift of resources to early intervention.

In early discussions, councils said they felt there was a need to fit the current accounting system and the aims and values at the core of the personalisation agenda. Councils described the way in which they are currently required to keep their accounts under the Best Value Accounting Code of Practice (BVACOP) Statement of Expenditure analysis as being restrictive in accounting for the money allocated to people with personal budgets. Councils also told us that the national system for reporting information, known as the PSSEX1 return, did not provide sufficiently useful information to inform local commissioning.

There has been some work to develop the PSSEX1 to meet the new policy requirements. The approach has been to add new memorandum lines on a voluntary basis. These include spending on support for family carers, on reablement and other preventative interventions. This approach adds to the complexity of the data collection and may not be the best long-term solution.

To explore these issues, between May and July 2009, the Department of Health facilitated a small working group comprised of finance officers from a selected group of councils (attendees shown in Appendix 1), together with representatives from CIPFA and the Information Centre for Health and Social Care to come together and discuss potential improvements. The group met twice during this period, to develop their ideas. Their mandate was to start with a blank sheet of paper and consider what a personalised accounting system would look, without the constraints of current accounting rules and financial systems, and then to develop this thinking into some proposals which could be shared with decision makers.

The draft proposals from the working group have been shared with a number of groups, including a finance reference group established by ADASS, the CIPFA social care panel. SIIP and the CIPFA working group have seen a summary of the proposals. The proposals have been updated to take account of the comments received.

Summary of key issues

Three key issues emerged throughout the course of the workshops, which it was felt together represent the main reasons for the lack of fit between the existing reporting system and the personal budgets and personalisation agenda.

- **Accounting is based on traditional service categories.** Current accounting practice makes no consistent link between spend and the purpose of spend in terms of policy objectives. Although current revisions make some move towards this (e.g. splitting of home care into sub-categories to include short-term enablement) this was not felt sufficient to reflect the breadth and future of the personalisation agenda. Service categories also do not reflect the shift towards early intervention and prevention.
- **Information is collected about spend on services, not costs for individuals.** Presently, there is no requirement to report spend per individual and therefore the capability to provide individuals with ongoing and meaningful tracking of their personal budget is beyond the current capacity of most councils.
- **Reporting is based on national requirements not what is useful locally.** Councils suggested that the PSSEX1 reporting requirements do not have a sufficient focus on producing information which would inform local commissioning and decision-making.

Proposals for change to PSSEX1 and the BVACOP

To pilot changes under which spending information will be recorded at an individual level rather than a service level for everyone with an on-going social care package.

Currently the PSSEX1 triangulates high-level budget spend against activity data and service and client user categories to produce unit costs. The working group proposed that councils will need in future to record spending for every person with an ongoing package of support. Shifting the approach to a granulation of individual level data will enable councils to capture how money is being spent for an individual and report this to the individual. Councils will then be better placed to support people in managing their budget over time by issuing statements which track spend to date against a person's annual budget.

To pilot a new set of spending categories more closely aligned with the policy objectives of Putting People First & Self Directed Support.

The group suggested that the existing set of categories no longer reflected the policy aims of choice and control and early intervention. A new set of categories (see below) would help councils to understand what they were spending to achieve these aims and whether money is being invested in ways that would achieve the intended purpose.

Changes to PSSEX1 could make it easier to triangulate information with feedback from service users and carers and in turn inform commissioning. This could be of particular value for councils aiming to increase the level of investment in developing universal advice, information and support planning services.

It will also make it possible to aggregate information in new ways. For example, if a council is interested in looking at older people at risk of entering residential care in conjunction with the proportion of the budget spent on support planning or enablement for that group. Aggregation of data from different client groups could also support market management.

Information could be used to inform decision-making at three levels:

- **at individual level:** when developing support plans and at reviews
- **at local level:** aggregating individual information to inform commissioning decisions, strategic planning and performance management
- **at national level:** to better understand how resources are being used to support policies, and to inform policy development and spending reviews.

The diagram below illustrates what kinds of information would be available at each level.

DRAFT

Individual

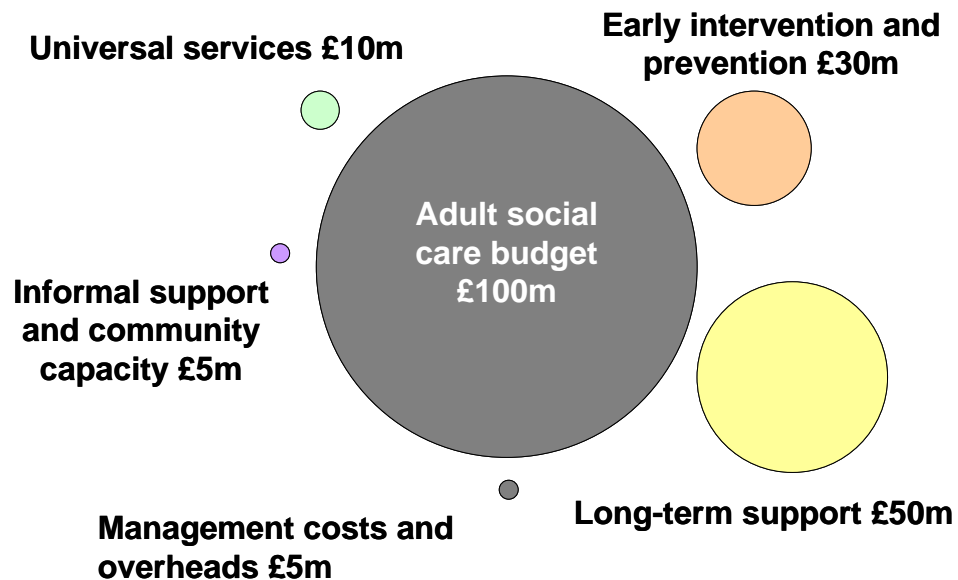
PERSONAL BUDGET STATEMENT

Date:	30/09/2011	£
Period:	April 2011-March 2012	
Your personal budget		10,100
Your contribution		1,100
Your council's contribution		9,000
Period:	April-September 2011	
What you spent		
Early intervention and prevention		
Item		
Handrail		150
Short-term residential care		250
Long-term support		
Item		
Direct payment		1,250
Dav centre		3,450
Total		5,100

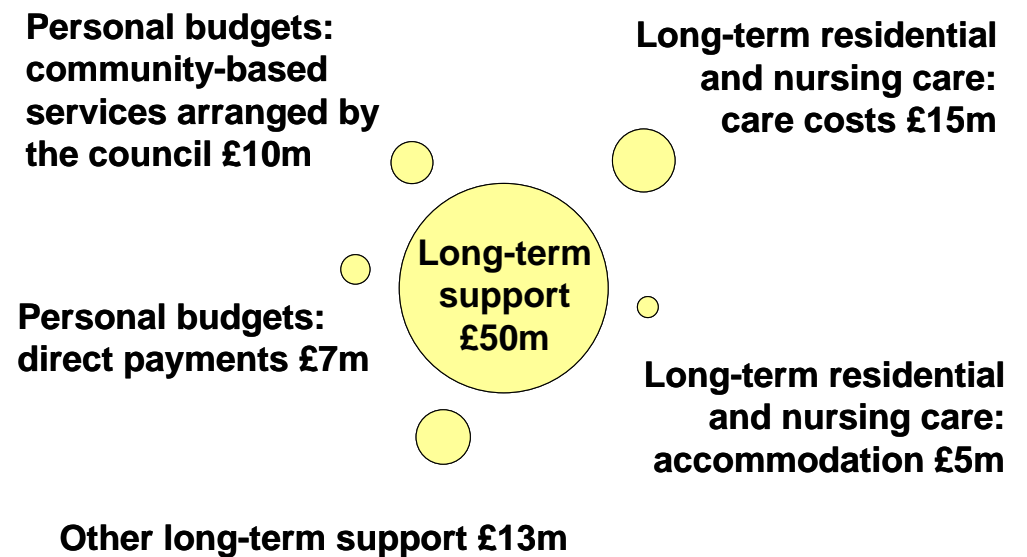
Local

National

Purpose of spending



Spend by service type



Proposed new spending categories

The group proposed that **primary need** categories should be retained, to include the following categories: people with a physical disability or sensory impairment, people with learning disabilities, people with mental health needs, and other adults. Spending on asylum seekers (about 0.1% of social care spending) would be included under “other adults”. The group suggested that there may not be a need to retain a separate category for older people, and that the approach should instead be based on age bands.

Age band should be recorded separately using the categories in the Referrals, Assessments and Packages of Care return (18-64, 65-74, 75-84 and 84+). For example, the number of people with learning disabilities would be broken down into each of these age categories, with the result that those aged over 65 would be recorded separately from other groups of older people.

The group proposed that the main **purpose of spending** should be recorded in a new set of categories. The aim of doing this is to relate spending more closely to policy goals. In particular, the categories can help councils to understand whether they are succeeding in shifting investment away from long-term institutional support for individuals towards enabling people to maintain or gain independence.

The first two categories relate to investment in approaches which aims to reduce the need for people to become reliant on personal social care services. This spending is aimed at a population of people and is not linked to specific individuals.

Universal services: Covering service strategy, assessment and care management, information and advice services, and universally-available preventative services.

Informal support and community capacity: This category relates to investment in activity which aims to reduce people's reliance on formal services. This could include grants to voluntary sector organisations, advice and support services for informal carers (that are not provided to named individuals), services to self-funders, and other kinds of community-building activities (e.g. volunteering schemes, timebanks).

The other two categories represent spending that can be related to a named people (including family carers), who would normally be recorded as receiving a service:

Early intervention and prevention: Including telecare, enablement, equipment and adaptations, rapid response services, and other short-term support and services.

Long-term support: Including long-term home care, residential care, supported accommodation and other ongoing interventions.

Management costs and overheads: Includes costs not directly related to front-line services, such as service strategy, IT and financial systems, and senior management.

The diagram below shows how this would relate to spending.

Spending on populations

Spending on individuals

Universal services

Early intervention and prevention

Informal support and community capacity

Long-term Support

Management costs and overheads



Revisions based on initial questions and comments from stakeholders

Purpose of spending

There was broad support from stakeholders for moving from categories based on service types to higher-level categories focusing on the purpose of spending.

Primary need and age bandings

The current categories are in appendix 1. There was support from stakeholders for retaining the primary presenting need categories so that differences in spending patterns and unit costs can be identified. However, it was felt that it was not necessary to retain older people as a separate category. The basis for this is that the need to access support from social services is linked to needs arising from specific impairments, rather than age.

There was support for introducing age bandings for all primary need categories. This would mean that all expenditure is analysed by primary presenting need. Expenditure would also be broken down by age. This would mean, for example that expenditure on older people with learning disabilities is reported separately from other groups rather than being included in a single category of spending on “older people”.

For spending on individuals, there would be four age bandings in line with the RAP collection on activity. Spending on overheads and spending on populations would be broken into two age bandings (18-64 and 65+). It will therefore continue to be possible to identify all spending on people over 65.

Service categories

There was support for combining the current service categories for community-based services (including homecare and daycare). However, it was suggested that residential and nursing care should be retained as a single category (broken into care and accommodation costs). This is because it remains a policy goal to support people in their own homes, reducing use of residential care. The split between care and accommodation costs was proposed in the White Paper.

Supporting People spending (where this continues to be identified separately from the social care budget) would be recorded under **Early intervention and prevention**.

There was also support for continuing to identify **Management costs and overheads** separately from the costs of front-line provision.

Support to family carers

There was support for identifying funding aimed at informal carers as a specific category. However, the logic of the proposals means that this funding should be recorded according to its purpose. This means drawing a distinction made between support aimed at populations, and support to named individuals to enable them to continue caring. Under the revised proposal, spending on specific services or support to individual carers would be recorded under **Early intervention and prevention**. Funding for carers' services not linked to identified individual families (such as grants to voluntary organisations) would be recorded under **Informal support and community capacity**.

Income and contributions

The revised proposals show how information on income and contributions could be collected. The collection tables (see appendix 3) would include data on gross expenditure, income (client contributions and other income such as from the NHS) and net expenditure.

Unit costs

The revised proposals would include a collection on unit costs. These would be expressed in average spend per person per week, rather than per unit of service (cost per week or cost per hour).

Developments in Data Collection - DH CSED TRIPS programme

In parallel with the proposed changes, the DH and the Information Centre are working on proposals for a national roll-out of 'Tools for Rapid Integration of Public Submissions' (TRIPS). The aim of this programme is to make it easier for councils to extract data held in their information systems and use this for both local and national analysis. The roll-out is expected to be in place by March 2011.

The TRIPS programme would provide a mechanism for national reporting to the Information Centre for the revised PSSEX returns. TRIPS will itself need to be adapted in line the proposals outlined here.

In addition, the Department of Health is proving a £30 million capital grant which may be used by councils to develop their IT systems to support accounting for personalisation and personal budgets.

Data collection burdens and considerations

As a result of these changes, the revised proposal includes 15 service categories, compared with 11 in the current PSSEX1 return. However, the detailed memorandum lines in the current PSSEX1 return would no longer be needed. Overall there would be a reduction in the number of data items reported nationally.

As these changes will be linked to roll-out of the TRIPS programme, there should be no need for councils to develop new data collection and reporting tools for the revised PSSEX1.

Next steps

Implementation of the new PPSEX1 categories would take place from 2012-13, following formal consultation with stakeholders and councils, and a period of testing through early implementation. Work to identify how personal budget statements could be developed by councils is already being carried out by ADASS and investment in IT systems is being supported nationally, by the DH £30m IT capital grant.

The proposed timescales for taking forward the PSSEX1 proposals are listed below:

1. Share the revised proposal with ADASS finance reference group (DH, April 2010)
2. Consult the Strategic Improving Information Programme Board (SIIP), on which DH, ADASS and the Information Centre is represented (DH, April 2010)
3. Consult with councils through the CIPFA social care panel and working group (CIPFA, April - September 2010) with a view to raising national (local government) awareness and beginning the consultation process at the earliest opportunity
4. Develop and demonstrate the proposed approach, through the TRIPS programme (DH/Information Centre, September – March 2011)
5. National implementation and rollout of TRIPS (March/April 2011)
6. Update proposal to take account of learning from development phase and policy changes (DH, April 2011)
7. Develop final definitions and data collection forms (Information Centre, April-June 2011)
8. Publish final proposals (CIPFA, September 2011)
9. National implementation of the new PSSEX1 (Councils and Information Centre, April 2012).

Appendix 1

Existing spending categories

Existing PSSEX1 categories	
Client group	Older people (aged 65 or over) including older mentally ill Adults aged under 65 with a physical disability or sensory impairment Adults aged under 65 with learning disabilities Adults aged under 65 with mental health needs Asylum seekers Other adult services
Spending categories	Assessment and care management Nursing care placements Residential care placements Supported and other accommodation Direct payments Home care Day care Equipment and adaptations Meals Other services Supporting People Service strategy Overheads

Appendix 2

Proposed spending categories

Proposed high level categories	
Primary presenting need	People with a physical disability or sensory impairment People with mental health needs People with learning disabilities Other adults
Age band	People aged 18-64 People aged 65-74 People aged 75-84 People aged 85+
Purpose of spending	Universal services Informal support and community capacity Early intervention and prevention Long-term support

	Purpose	Proposed service categories	Notes
Overheads	Management costs and overheads	Management costs and overheads	Service strategy, financial planning, IT infrastructure, overheads.
Spending on populations	Universal services (including reablement & FPC)	Assessment and care management	Spending on statutory functions including assessment, support planning and reviews.
		Other universal services	Any other universal service directly provided by the council using social care funding, including information and advice.
	Informal support and community capacity	Developing informal support and community capacity	Spending on voluntary organisations, user-led organisations, carers' organisations, advocacy, peer support, employment and training.
Spending on individuals and families	Early intervention and prevention – targeted interventions	Direct payments to carers	Includes all spending through direct payments to family carers.
		Other support to carers	Non-residential short-term breaks, specific services to individual carers.
		Supporting People	Spending on short-term accommodation and support services funded through the Supporting People programme.
		Short-term residential and nursing care: care costs	Includes respite care in a care home and short stays in residential care (up to 6 weeks).
		Short-term residential and nursing care: accommodation	Includes respite care in a care home and short stays in residential care (up to 6 weeks).
		Other short-term support	One-off direct payments, reablement, equipment, adaptations, telecare, intermediate care in non-residential settings, predictive tools, falls prevention, short-term accommodation-based services.
	Long-term care & support	Personal budgets: community-based services arranged by the council	All spending on community-based services arranged by the council for people with personal budgets, including: leisure, supported accommodation, home care, day services, employment, meals, transport.
		Personal budgets: direct payments	Includes all spending through direct payments to individuals getting on-going support (excludes carers and one-off direct payments).
		Long-term residential and nursing care: care costs	
		Long-term residential and nursing care: accommodation	
		Other long-term support	Spending on community-based services arranged by the council for people who do not have a personal budget.

Appendix 3

Proposed data tables

Data tables would be the same each of the four primary need categories. The examples shown below are for:

- People with a physical disability or sensory impairment – gross expenditure (£000s per year)
- People with a physical disability or sensory impairment – net expenditure (£000s per year)
- People with a physical disability or sensory impairment – income and contributions (£000s per year)
- People with a physical disability or sensory impairment – unit costs (£ per person per week)

People with a physical disability or sensory impairment – gross expenditure (£000s per year)

Purpose	Proposed service categories	Aged 18-64	Aged 65-74	Aged 75- 84	Aged 85+	Total
Management costs and overheads	Management costs and overheads					
Universal services	Assessment and care management					
	Other universal services					
Informal support and community capacity	Developing informal support and community capacity					
Early intervention and prevention	Direct payments to carers					
	Other support to carers					
	Supporting People					
	Short-term residential and nursing care: care costs					
	Short-term residential and nursing care: accommodation					
	Other short-term support					
Long-term support	Personal budgets: community-based services arranged by the council					
	Personal budgets: direct payments					
	Long-term residential and nursing care: care costs					
	Long-term residential and nursing care: accommodation					
	Other long-term support					

People with a physical disability or sensory impairment – net expenditure (£000s per year)

Purpose	Proposed service categories	Aged 18-64	Aged 65-74	Aged 75- 84	Aged 85+	Total
Management costs and overheads	Management costs and overheads					
Universal services	Assessment and care management					
	Other universal services					
Informal support and community capacity	Developing informal support and community capacity					
Early intervention and prevention	Direct payments to carers					
	Other support to carers					
	Supporting People					
	Short-term residential and nursing care: care costs					
	Short-term residential and nursing care: accommodation					
	Other short-term support					
Long-term support	Personal budgets: community-based services arranged by the council					
	Personal budgets: direct payments					
	Long-term residential and nursing care: care costs					
	Long-term residential and nursing care: accommodation					
	Other long-term support					

People with a physical disability or sensory impairment – income and contributions (£000s per year)

Purpose	Proposed service categories	Client contributions	Joint arrangements	Income from NHS	Other	Total
Management costs and overheads	Management costs and overheads					
Universal services	Assessment and care management					
	Other universal services					
Informal support and community capacity	Developing informal support and community capacity					
Early intervention and prevention	Direct payments to carers					
	Other support to carers					
	Supporting People					
	Short-term residential and nursing care: care costs					
	Short-term residential and nursing care: accommodation					
	Other short-term support					
Long-term support	Personal budgets: community-based services arranged by the council					
	Personal budgets: direct payments					
	Long-term residential and nursing care: care costs					
	Long-term residential and nursing care: accommodation					
	Other long-term support					

People with a physical disability or sensory impairment – unit costs (£ per person per week)

Purpose	Proposed service categories	All provision	LA supported	Own provision	Provision by others	Total
Management costs and overheads	Management costs and overheads					
Universal services	Assessment and care management					
	Other universal services					
Informal support and community capacity	Developing informal support and community capacity					
Early intervention and prevention	Direct payments to carers					
	Other support to carers					
	Supporting People					
	Short-term residential and nursing care: care costs					
	Short-term residential and nursing care: accommodation					
	Other short-term support					
Long-term support	Personal budgets: community-based services arranged by the council					
	Personal budgets: direct payments					
	Long-term residential and nursing care: care costs					
	Long-term residential and nursing care: accommodation					
	Other long-term support					