

# Principles of self-directed approaches

*Self-directed approaches are underpinned by six principles that foster a person's ability to actively participate in the decisions that affect their lives.*

## Self-determination

People with a disability, their family and support networks actively participating in making decisions that affect their lives.

## Choice

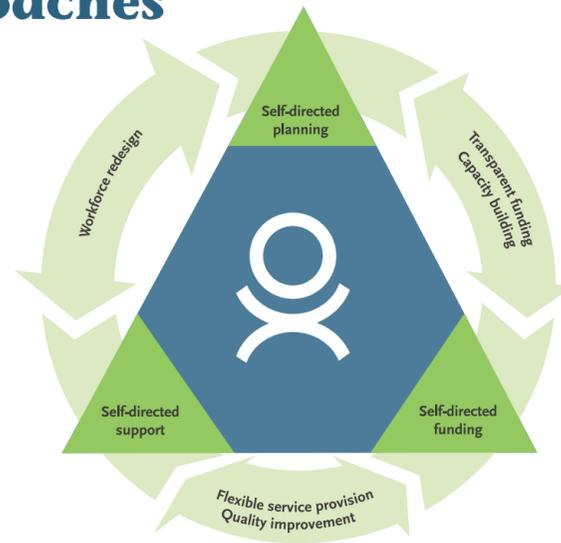
People with a disability, their family and support networks actively expressing their views and preferences about decisions that are made in meeting their goals, lifestyle choices and aspirations.

## Inclusion

People with a disability, their family and support networks are embraced as belonging, sharing responsibility, contributing to and adding value.

## Transparency

Resources are allocated to people with a disability, or their family and support networks where appropriate, based on individual needs, goals and aspirations in a fair and open way.



## Accessibility

Information, policies and processes are clear to maximise the person and their family and support network's ability to take control of their own support.

## Citizenship

People with a disability, as members of the community, exercise their equal rights and responsibilities.

“ In recent years, there has been a progressive reorientation of disability supports to reflect self-directed approaches, with a focus on person-centred responses and enhanced community inclusion. ”

## Resources

NDS, the DHS and other organisations are working to support the reorientation of disability service providers within the context of self-directed approaches. A range of information, tools, training materials and other products are being developed to assist service providers. Please visit:

[www.nds.org.au/vic](http://www.nds.org.au/vic)

[www.dhs.vic.gov.au/disability/disabilityserviceshome](http://www.dhs.vic.gov.au/disability/disabilityserviceshome)

Contact NDS – telephone: 03 8341 4300 or email: [ndsvic@nds.org.au](mailto:ndsvic@nds.org.au)

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## Checklist questions

- Does your organisation's planning take account of the challenges and changes associated with disability sector reorientation and self-directed approaches?
- Does your organisation have systems that can manage the new requirements?
- Does your organisation have appropriate financial management systems to track client-attached funding, allocate payroll and overhead costs, generate invoices, etc?
- Do board members oversee financial planning and monitor expenditure against budgets?
- Are financial reports (profit and loss and balance sheets) regularly provided to senior managers, board members and funders?
- Does your organisation have a financial control system that can effectively manage and monitor cash flow?
- Has your organisation implemented learning and development strategies, involving staff at all levels, in relation to self-directed supports?
- Are the right people in the right jobs in the organisation? Is adequate human resource planning occurring? Does your organisation forecast, recruit and retain staff effectively?
- Does your organisation have clear and well known processes for seeking client feedback and comments, and for reporting this to senior management and board members?
- Is your organisation prepared for auditing against the DHS Quality Framework and outcome measures?
- Does your organisation have a marketing strategy in which the philosophy, mission, goals and resource strengths of the organisation are matched with the needs of your target group?
- Does your organisation systematically collect client and product information to inform your marketing program?

## Strengthening the sector

*This leaflet is one of a series of documents produced by National Disability Services Victoria to support members of boards of disability service providers. Other topics addressed in this series include The Disability Act – with an introduction about good governance, the Quality Framework, Strategic Planning and Risk Management.*

## Overview

This resource provides board members with an overview of

- the current reorientation of disability supports
- self-directed approaches for people with a disability, including self-directed support, self-directed planning and self-directed funding arrangements
- the implications of this new approach for disability service providers and board members.

## Reorientation of disability supports

Disability services funded by the Victorian Department of Human Services (DHS) are currently changing to reflect an emphasis on personalised support. A key strategy of the *Victorian State Disability Plan 2002-2012* is the reorientation of disability supports to enable greater flexibility, control and better outcomes for Victorians with a disability.

The reorientation of disability supports aims to:

- enable choice and control by people with a disability to the greatest extent possible
- support people with a disability to actively participate in the life of the community

- reshape current services in line with a self-directed approach
- build and support a sustainable disability sector.

In recent years, there has been a progressive reorientation of disability supports to reflect self-directed approaches, with a focus on person-centred responses and enhanced community inclusion. Increasingly, supports are being provided in response to individual needs, aspirations and the choices that people make about their lives.

All areas of the disability service system are changing to reflect the new approach.

## Self-directed approaches

Self-directed approaches aim to give people with a disability control of their own support and lives. Self-directed approaches recognise that every person has unique support needs. They will need different levels of assistance to design and manage their supports. Self-direction ensures that the focus remains on the person, who is at the centre of all activity and decision making.

Supporting the person is a framework of self-

### Self-directed approaches include

#### Self-directed planning

The person, or the family of a child with a disability, direct planning as much as possible. They identify lifestyle choices, aspirations and goals of the person, their skills and capabilities. Planning establishes how supports will be provided and identifies outcomes to be delivered.

directed planning, self-directed support and self-directed funding. Implementation of this approach requires a reorientation of disability services and supports.<sup>1</sup>

The emphasis on self-directed approaches reflects the vision of the *Victorian Disability State Plan 2002 – 2012* and complies with the *Victorian Disability Act 2006* and the *Victorian Charter of Human Rights and Responsibilities 2006*.

#### Self-directed support

Supports should be flexible, tailored to individual needs and preferences and focus on strengthening community participation and informal supports. Support can be formal or informal, funded or unfunded and provided by disability specific or community programs available to everyone. Supports range from one-off 'low intensity' support to more intense 'specialised' supports.

#### Self-directed funding

The allocation of individually attached and portable funds to people with a disability is changing the way that disability supports are provided. People with a disability have greater choice about the services they use and who provides their support. They will be able to change service providers where their current service provider is unable to meet their support needs and preferences.

Funding allocations are based on individual needs and preferences that are identified through the planning process. Funding may be used to buy a range of supports within government guidelines. Supports may be individually delivered and/or group based, such as a day service.

People with a disability will choose how their funds are managed. Support funding may be paid directly to the disability service provider where people choose to purchase all or almost all of their support from one service provider. Funds may also be held by a third party, a financial intermediary. This is an organisation that holds funds in a trust-like arrangement, makes payments at the person's direction and keeps records of the funds.

In addition, DHS is currently trialling direct payments. These involve the transfer of an agreed amount of

funding to a person with a disability to use to directly purchase and pay for services and supports in line with their plan. For more information about the Direct Payments Project visit:

[www.dhs.vic.gov.au/ds/direct\\_payments](http://www.dhs.vic.gov.au/ds/direct_payments)

Self-directed funding is steadily being extended across the Victorian funded disability sector, through:

#### • Individual support packages

Some programs that already had a strong individualised focus, such as Home First and Support and Choice, were streamlined into Individual Support Packages in 2008. Funding for other programs such as respite is currently being examined to identify applicability to individually-attached funding. Funding allocated through Individual Support Packages follows a planning process which assists the person and their family/carer to consider how needs will best be met. These are documented in a support plan. A funding plan describes the specific disability supports and their costs.

The *DHS Individual Support Package Guidelines* provide a framework for the development of the funding plan, which is usually undertaken with support from a facilitator. For example, they specify the types of

services that people can purchase, describe notice to be given if changing service providers, and require personal support to be purchased from registered disability service providers, with some exceptions.

#### • Day services

People attending day services will be able to make decisions about where and how they purchase disability supports from the end of 2009. Individual funding allocations will be based on the existing budget for the day service. People with a disability may choose to continue with their current supports, purchase some or all of their supports elsewhere, or choose a combination of group-based activities and other supports or services.

If a person chooses to purchase one-to-one support as an alternative to group-based activities, they will need to consider the cost of this choice. This may require reducing the hours of support they are able to access and considering whether different day activities can be accommodated by their accommodation provider or carer.

#### • New financial arrangements

Under traditional 'block funding' arrangements, community service organisations (CSOs) are contracted and receive monthly payments from the DHS to provide disability supports and manage the funding. This funding model provides organisations with a relatively high level of predictability in relation to budgeting.

In contrast, self-directed funding arrangements enable people with a disability to decide how their funds are managed. There are three options, two of which will change the way service providers are paid for the supports provided. People with a disability may choose to:

- arrange for the government to pay their funds directly to a registered service provider
- use a financial intermediary to pay the service providers
- receive the funds themselves as a direct payment using them to purchase and pay for their own services and supports, in line with their plan. This option will be more widely available over time.

## What does this mean for disability service providers?

Many service providers have actively moved to a self-directed approach over the last few years, adapting service models to better meet the individual choices and preferences of people with a disability. However, there is widespread recognition that service reorientation requires major change in disability services.

Disability service providers will need to ensure:

- that models of disability service provision can be tailored to meet individual needs
- they market and respond to new support requests and the preferences of people with a disability and their families/carers
- flexible workforce practices to provide support when and where it is needed
- more sophisticated business, financial and information technology systems and infrastructure and
- focused strategic and business planning and risk management.

#### The role of the Board

Boards should consider challenges raised by sector reorientation. The Disability Risk Management and Controls Model<sup>2</sup> identifies the following elements which will assist services to plan to meet the challenges of service reorientation.

##### 1. Leadership

Board members have a key role in leading organisations to develop and maintain appropriate skills and capacity in the new service environment. This includes ensuring the alignment of strategic and business plans with self-directed approaches.

##### 2. Strategy and planning

A more competitive market place requires clear strategic direction based on comprehensive analysis of an organisation's capabilities and the service environment. Board members are encouraged to

ensure that their organisation's strategic directions address the challenges and opportunities posed by a changing environment which will evolve over the coming years as service users move to self-directed planning and support provision.

##### 3. Financial management

Effective management of individual budgets and payments poses a challenge to many organisations whose financial systems have been developed to report more simply on the acquittal of regular monthly payments under 'block funding'.

Financial management systems must accurately identify, allocate and track costs, including overhead costs, associated with each individual's support. Where an individual's funds are not held with the service provider, the organisation will need to generate invoices. Sometimes disability service providers will manage an individual's funding, paying other organisations for supports they receive. Funding for a package of supports will also need to be tracked, and reported onto

individuals, their families or carers and the DHS. Where a group-based service is purchased, reporting of individual expenditure is not required.

Management of cash flow and the predictability of annual revenue may also be more challenging. Increasing use of financial intermediaries and direct payments may result in payment being received after, rather than before, supports are provided. The timeliness of payment of fees by individuals receiving the service may also vary considerably. Revenue may be more variable as people with a disability exercise their right to choose and move between service providers.

##### 4. Client and market focus

The ability of people with a disability to change service providers may accentuate competition between disability service providers. Organisations may choose to develop and refine their 'service offerings' and related marketing materials to demonstrate their capacity to meet the individual needs of existing and potential service users.

Reorientation may also require a change in the types of services provided and the organisation's culture to

achieve a balance between social service values and a business orientation.

##### 5. People

Many organisations will review their learning and development strategies to ensure that all staff have appropriate knowledge, values, personal skills and attributes to support the implementation of self-directed approaches. Staff may require training in new business and financial systems. Boards and managers will need to implement organisational change strategies to ensure all elements of the organisation are working within the new paradigm.

Self-directed approaches and the focus on community inclusion, are likely to accentuate workforce recruitment, retention and management challenges for service providers.

There is an increasing trend for workers to work more independently as they support individuals in the community and their own homes. There may be a greater demand for shift work and for disability supports outside traditional working hours. The portability of funding, with notice periods for service

providers, may require more flexibility in workplace arrangements. These factors require organisations to review and adjust their human resource management practices to reflect the new operating environment.

##### 6. Innovation, quality and improvement

Quality disability supports depend on service providers listening to the voices of people with a disability and their families/carers. Effective communication structures are needed to encourage and support people to voice their opinions, preferences and concerns; and enable organisations to respond in a timely and flexible way.

A well advertised quality system that includes complaints processes, is an essential part of this new environment. Organisations will need to adjust their systems and processes based on feedback and the changing needs of people with a disability.

<sup>1</sup> 'Support Your Way' – [www.dhs.vic.gov.au/disability/improving\\_supports/self-directed-support/whats-new-in-self-directed-support/support-your-way-a-self-directed-approach-for-victorians-with-a-disability](http://www.dhs.vic.gov.au/disability/improving_supports/self-directed-support/whats-new-in-self-directed-support/support-your-way-a-self-directed-approach-for-victorians-with-a-disability)

<sup>2</sup> The *Disability Risk Management and Controls Model* has been developed by NDS in consultation with the Victorian Managed Insurance Association, DHS and disability service providers. It has been informed by the Australian Business Excellence Framework Principles [www.saiglobal.com/Improve/ExcellenceModels/BusinessExcellenceFramework/default.htm](http://www.saiglobal.com/Improve/ExcellenceModels/BusinessExcellenceFramework/default.htm)