

Haringey Council

Agenda item:

[No.]

Overview and Scrutiny

On 10th January 2008

Report Title: **Direct Payments for Care Packages**

Report of: **Director of Adult, Culture and Community Services**

Wards(s) affected: **All**

Report for: **Information**


1. Purpose (That is, the decision required)

1.1 To advise Members of the local performance in delivering Direct Payments to Residents with care needs.

2. Recommendations

2.1 That Members note the contents of this report.

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3. Director of Finance Comments

3.1 The funding for the direct payments function is mainstreamed within the Adults and Children's Services budgets. The report indicates some resource issues to support the direct payments functions, however, these have not been quantified. These will need to be reviewed in light of the emerging personalisation agenda

3.2 The government has indicated a new grant to meet the personalisation agenda around self directed care. The grant has been notified at £374k in 08/09, £867k in 2009/10 and £1.060m in 2010/11. This grant is ring-fenced to meet the social care reform agenda. Further details of the criteria for the use of the grant will be issued by the Department of Health shortly.

4. Head of Legal Services Comments

- 4.1 The current legal position is accurately described in the main body of this report. The government made a commitment in the 2006 White Paper *Our health, our care, our say*, to extend the availability of direct payments to 'those groups who are excluded under the current legislation.' The Bill helps to deliver this commitment by extending the availability of direct payments to those who lack capacity. It allows a direct payment to be made to a 'suitable person' who can receive and manage the payment on behalf of a person who lacks capacity.
- 4.2 One of the key beneficiaries of the new legislation will be young adults who are learning disabled and their parents. It will enable the parents of a child with learning disabilities who are in receipt of direct payments, under section 17A of the 1989 Children Act, to continue to be able to receive them once their child reaches 18 years of age. Under current legislation, the young adult loses their direct payment once they turn 18.

5. Local Government (Access to Information) Act 1985

- 5.1 None

6. Strategic Implications

- 6.1.1 Direct Payments is the system that gives people with support needs the option of having a cash payment in preference to receiving directly provided services e.g. home care provided by agencies, or attendance at a Council run day centre. This enables people to use the money to obtain and organise their own care services.
- 6.1.2 This does mean the person taking on some additional responsibility in terms of having to manage the money and account for its use. However, for increasing numbers of people, this is outweighed by the much greater flexibility that direct payments offer, and, particularly, the control it affords the user over their care arrangements.
- 6.1.3 Many users opt for direct payments because they are unhappy with services provided through a care agency. However, the important point to note is that even the best possible agency care package will not give the degree of control and flexibility offered by a direct payment. Experience in Haringey and elsewhere demonstrates that once people have started direct payments, they hardly ever opt to return to standard provision.
- 6.1.4 It should also be noted that many people have chosen direct payments as a means of meeting language, religious, or social and cultural needs. However, while this should be noted as another positive attribute of direct payments, this also needs to be balanced against a possible conclusion that this may be the only means that people have to meet these needs, and, where this is the case, direct payments cease to be a genuine alternative.

6.1.5 Direct payments are seen by many as one of the most fruitful of all developments in Social Services, in that it has come about through the pressure and campaigning of service users themselves, who were seeking independence in their lives and seeking to have control over their care arrangements.

6.1.6 This is expressed in the government's own guidance as follows:

The purpose of direct payments is to give recipients control over their lives by providing an alternative to social care services provided by the local council. A financial payment gives the person flexibility to look beyond 'off the peg' solutions for certain housing, employment, education and leisure activities, as well as for personal assistance to meet their assessed needs. This will help increase opportunities for independence, social inclusion and enhanced self-esteem.

6.1.7 Legislation to allow Councils to make direct payments was first passed in 1996, prior to which it had been illegal. At that stage, this only allowed for payments to be made to people 18-65 years.

6.1.8 From 2003, a number of changes in legislation took place, all encompassed within the Direct Payments Guidance, and which led to the following key changes:

- That local authorities had a duty to offer direct payments.
- That direct payments were now available to all users of social services i.e. Anyone over the age of 16 with a disability, or the parents of any child with a disability.
- That there is now a duty on social workers or care coordinators to discuss direct payments at all assessments and reviews.

6.1.9 Further evidence of the government's determination to increase the numbers of people using direct payments came with the introduction of direct payments as a key performance indicator (KPI), and it has remained so since 2004.

6.1.10 Reflecting its origins, the great majority of users of direct payments throughout the country had been younger adults with physical disabilities. The government were keen, however, to extend the benefits of direct payments to all service users. This was given some additional weight when the government decided also to weight the KPI towards older people, so as to increase uptake among this group.

6.1.11 Since then, the government has continued to give emphasis to direct payments and other forms of what is now referred to as self-directed support (SDS). These ideas have been developed in the Green Paper published in 2005, and the

White Paper the following year, *Our Health, Our Care, Our Say*. This developed the idea of individual budgets. (See below).

6.1.12 It has been observed by a leading commentator in the field of disabilities that:

Direct payments are not an end in themselves, they are a means to an end, and the end is independent living.

6.1.13 Thus the key to successfully implementing direct payments is not only that direct payments should be available as an alternative to standard provision. Rather, the expectation is that assessments should be used not just to determine an individual's level of function, but to identify ways in which the user can be assisted to maximise their independence, to have control and to make decisions about how they live their lives. Social workers can then explore with service users how direct payments can be used to support that process.

6.1.14 The effective implementation of direct payments depends on three key elements:

- **Social workers or care-coordinators** - their role is to ensure that direct payments are fully explored with the service user.
- **The support service** - The generally preferred model is for this to be provided by a local independent user led group, but there are other alternatives including in-house provision. The provision of a decently resourced support service is generally accepted to be fundamental to the effective delivery of direct payments.
- **Finance and Administration Structure** - the effective and timely provision of payments is essential if users have to have faith in the system. In addition, there is also a requirement to monitor expenditure in order to ensure that the monies are spent only on meeting the user's assessed needs.

DIRECT PAYMENTS IN HARINGEY

6.2.1 In Haringey, in common with many authorities, no real priority was given to developing or expanding the scope of direct payments when the original legislation was passed (1996), and there was no attempt to introduce a fully-fledged direct payments scheme until 2001-02.

6.2.2 Further impetus was not given until 2004 when a decision was taken to appoint a full time direct payments officer. This was consequent to the government's clear intention to raise the profile of direct payments, and the fact that it was now a KPI.

- 6.2.3 From 2004 until this year Haringey's performance on direct payments has been good relative to other similar authorities. To achieve this year's target would see Haringey climb into the top banding of the PI. It has become increasingly difficult to maintain this rate of progress, and that makes this year's target an ambitious one.
- 6.2.4 Recent increases in uptake of direct payments are largely attributable to having implemented a basic training programme for social workers and a generally raised profile for direct payments in the department. However, overall, it has not been possible to develop the infrastructure needed to underpin the further expansion of direct payments.

ISSUES FOR THE FURTHER DEVELOPMENT OF DIRECT PAYMENTS IN HARINGEY

Social Work

- 6.3.1 There is now a need to expand on the basic training that has been offered to social workers to date. This would focus on assessment skills and particularly on assessment for independent living.

Support Service

- 6.3.2 Haringey has not had a support service since 2005. A basic contract was awarded to an organisation called Choices in 2001. This was due to expire in 2005, when Choices decided to withdraw from the contract in Haringey. About a year later they went into administration.
- 6.3.3 Since 2005 this function has been covered by a seconded social worker, and through a contract with an independent payroll service. These arrangements were hastily arranged to cover this gap in provision and were not intended to be a long term arrangement. There have been a number of problems to address in response to the situation created by Choices going into administration, as well as in just maintaining the service.
- 6.3.4 In the circumstances, current performance is very good. However, a number of problems remain. Some users need relatively intensive assistance from a support service. However, our experience has been that all users need some input to ensure that unnecessary problems are avoided. A full procurement exercise was undertaken to contract a support service however none of the applications were affordable at that time.
- 6.3.5 A full procurement exercise was completed for a support service however none of the subsequent tenders came within striking distance of the available budget.
- 6.3.6 In general terms, issues that we are unable effectively to address at the present time are:
- It is very difficult to provide support a timely response to new referrals to the scheme, namely one support worker.
 - The capacity to provide assistance with recruitment, in particular, is limited. Some users have to wait many months to start direct payments, and there are some who have not been able to take up direct payments because of an inability to recruit people to work with them.

- It is not possible to provide ongoing support and review. The consequence of this is that some users have ended up with significant problems in relation to managing their payments.

6.3.7 The result is that disproportionate amounts of staff time have to be devoted to dealing with problems that could have been avoided.

6.3.8 Communication between staff and the independent payroll service has been very positive and has mitigated some of these problems.

Agency Rate

6.4.1 Agreement has recently been given to the development of an agency rate for Direct Payments where users decide to use direct payments to obtain their support directly from an agency rather than become primary employers themselves.

6.4.2 The benefits of developing an agency rate are to provide greater choice to people in making use of a direct payment, people do not have to worry about sickness or annual leave cover arrangements, staff undergo a Police check, and the time between the decision to make use of a Direct Payment and then benefiting from this is significantly reduced. The agency rate puts the person in a direct cash relationship with the care provider and should therefore improve the balance of power/relationship between them.

6.4.3 The impact of this single initiative is likely to be a rapid expansion of the numbers of people taking up a Direct Payment.

Other Issues

6.4.4 The development of more comprehensive policy and guidance on direct payments, both internally for staff and for the people who receive a service. The employment issues emerging for people who directly employ personal assistants is increasingly becoming more complex.

6.4.5 The development of direct payments in what tend to be referred to as the harder to reach groups. This tends to refer to people with mental health problems or learning disabilities. Performance in these areas is quite poor, although Haringey is not particularly unusual in that respect.

6.4.6 However, harder to reach groups should also be taken to encompass carers and 16-17 year olds. In general, there is still a tendency to negotiate and establish direct payments care packages with the parents of young adults. The further development of person centred planning and provision and planning for transitions are probably important here. Equally, however, the development of

ideas and mechanisms like circles of support and independent user trusts would be important on the direct payments side.

Individual Budgets (IB's)

- 6.5.1 This is the main component of what is generally referred to now as self-directed support (SDS). Individual budgets are an idea developed by the government in the recent Green Paper and subsequent White Paper. It builds on the idea of direct payments, the key differences being:
- 6.5.2 An IB allows the user to have a sum of money that they can use to plan how support is provided, without necessarily having to manage a direct payment.
- 6.5.3 It allows the service user to draw on other funding streams and not just social care budgets. This might include Supporting People, Independent Living Fund, and various housing and education budgets.
- 6.5.4 Pilots are now running in a number of LA's with funding from the Department of Health (£150,000 per Pilot Area). The interim reports from the Pilot Areas is mixed with some claiming great success while others are less enthusiastic.. These pilots will be used to develop detailed proposals, with a view to implementing IB's nationally from 2009.
- 6.5.5 Other authorities are also running their own pilots independently. In the case of Essex they have committed to providing all services via individual budgets by March 2008. This is currently being considered in Haringey and we expect to have a project initiation document early in the New Year.

7 Financial Implications

- 7.5.1 The hourly rate for a Direct Payment, that is, the total money paid to the person with a disability is considerably less than the current cost of the Council's block domiciliary care hourly rate. It is also below the current unit cost of the Council's in house Home Care Service.
- 7.5.2 At present the transaction costs of administering a Direct Payment are less than those of services directly contracted from the Third Sector. There is no comparable cost for direct provided Council Services but is likely to also be less.

8 Equalities Implications

- 8.1 Direct Payments are available to all people who need to use social care services, there is however national and local evidence that people with learning disabilities and mental health issues are under-represented in benefiting from them. In Haringey the take up of Direct Payments is over-represented by people from black

and minority ethnic groups although this is in line with the overall profile of people with physical disabilities who use services.

8.2 Issues relating to hard to reach groups will need to be addressed by individual commissioners if the numbers of people benefiting from Direct Payments in these groups are to increase.

9 Consultation

9.1 None

10 Background

10.1 See Above

11 Conclusion

11.1 Direct Payments in Haringey have been very successful for the people in receipt of them. It has generally improved peoples choice and control over how they manage their support needs. There is however only limited support available for people to set up and maintain their services under Direct Payments. The time between the decision to take up a Direct Payment and benefiting from this is significant.

11.2 The Council's performance in rolling out Direct Payments to residents has been good in the light of the level of resources dedicated to this area, with Haringey being a top performer in outer London for several years now. Maintaining or even improving on this position is likely to be challenging without further investment in the infrastructure to underpin and support Direct Payments and more importantly Individual Budgets. Early indications from the National Pilots is considerable levels of advocacy/support are necessary for people to make use of individual budgets.

11.3 It is timely therefore for the Council to consider how it wishes to progress the governments personalisation of support services.

12 Use of Appendices / Tables / Photographs

12.1 None