

AGENDA MANAGEMENT SHEET

Name of Committee	Adult & Community Overview and Scrutiny Committee
Date of Committee	17th August 2006
Report Title	Update on the Direct Payments Scheme
Summary	This report informs Members of the progress to date in increasing the number of people using Direct Payments in Warwickshire and plans for a more substantial and inclusive use of direct payments in 2006/7
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Would the recommended decision be contrary to the Budget and Policy Framework?	No.
Background papers	Direct Payments Guidance: Community Care, Services for Carers and Children's Services (Direct Payments) Guidance England 2003 – Department of Health 23 rd September 2003 The Community Care, Services for Carers and Children's Services (Direct Payments) (England) Regulations 2003. SI 762/2003 Report to Cabinet "Development of the Direct Payment Scheme 20 th November 2003" Report "Development of the Direct Payments Scheme" to Social Care & Welfare Overview & Scrutiny Committee 15 th February 2005 Report "Update on the Direct Payments Scheme" to Adult & Community Overview & Scrutiny Committee 26 th July 2005

CONSULTATION ALREADY UNDERTAKEN:-

- Other Committees
- Local Member(s)
- Other Elected Members
- Cabinet Member
- Chief Executive
- Legal Jane Pollard
- Finance
- Other Chief Officers
- District Councils
- Health Authority
- Police
- Other Bodies/Individuals

FINAL DECISION YES

SUGGESTED NEXT STEPS:

- Further consideration by this Committee
- To Council
- To Cabinet
- To an O & S Committee
- To an Area Committee
- Further Consultation

**Adult & Community Overview and Scrutiny Committee
17th August 2006**

Update on the Direct Payments Scheme

Report of the Strategic Director of Health and Social Care

Recommendation

The Committee is asked to:

- a) Note the progress made in implementing Direct Payments in Warwickshire and the plans for a substantial increase in the use of Direct Payments in 2006/7
- b) Receive further reports on progress in meeting the targets for Direct Payments in 2006/7 as part of the reporting on the Adult Social Care Improvement Plan
- c) Request a further report on the costs and benefits of extending service user choice through Direct Payments

1. Introduction

- 1.1 When someone has an assessed need for services from a Social Services Department, the Council is required, in certain circumstances and when the service user requests this, to make Direct Payments to them to enable them to purchase the service for themselves, as an alternative to services being provided by the Council.
- 1.2 Direct Payments promote independence, choice and social inclusion by giving service users control of the services they need. They can choose for themselves how, when, and by whom, their needs will be met. This is therefore an important element of the Modernising Social Services and Promoting Independence agenda.
- 1.3 This meaning of the term “direct payment” in this context is entirely different to the meaning given to it by the Department of Work and Pensions, who use the term, with massive publicity, to describe the payment of Social Security Benefits direct into people’s bank accounts.
- 1.4 Although people receiving direct payments from the Council have to accept responsibility for ensuring the money is used effectively to meet their care needs and that all legal obligations, such as having the right insurance and deducting PAYE, are met, they are not required to undertake all of the work themselves. They can receive as much support as they need in undertaking

these tasks, from friends, family, informal carers and others. The Social Services Department also funds an independent organisation of disabled people, the Rowan Organisation, following a competitive tender, to give service users specialist expert advice and assistance and a payroll service, and to help promote the scheme. It is understood that the Rowan Organisation also provides the same services to about 12 other Local Authorities.

2. Background

- 2.1 The number of people receiving direct payments in Warwickshire has been increasing over recent years.

Date	3/01	3/02	3/03	3/04	3/05	3/06
Target	-	-	-	121	183	Initially 243, later increased to 261
Number	67	85	105	123	184	254

- 2.2 Broadly speaking, the PAF indicators for direct payments for Warwickshire are:

Number of people receiving direct payments	PAF Rating "blobs"
Under 60	1
60 to 119	2
120 to 359	3
360 to 599	4
Over 600	5

- 2.2 This shows that Warwickshire has had an increasing uptake in direct payments which has been, broadly speaking, in line with planned targets and with a PAF rating moving from 2 "blobs" to 3 and steady progress towards 4. However, these figures do not show the whole picture:

- Although we have, broadly speaking, met our targets, and these targets were, at the time, seen as being reasonably ambitious, it is now clear that other Local Authorities have been setting and achieving much more ambitious targets, with the effect that, in comparison to them, our performance has been falling behind.
- People using direct payments in Warwickshire are predominantly people with physical disabilities and we have not succeeded in extending significant use of direct payments to other user groups. Of the 254 people receiving direct payments on 31/3/06, 170 were people with physical disabilities.

2.3 In order to accelerate our performance, an objective of achieving an increase in the number and range of people receiving direct payments is a significant part of the Adult Social Care Improvement Plan which is currently being developed and which will be separately reported to Members, including this Committee.

3. Targets, plans and action in 2006/7

3.1 A target has now been set by the Strategic Director of 500 users to be in receipt of direct payments by 31/3/07. It has taken about 10 years for Warwickshire to progress to 250 people using direct payments but the target is now to double this in a single year. If achieved it will move Warwickshire well into the 4 “blob” PAF range and a long way towards the maximum 5 “blobs” and move us alongside, or closer to, our comparator authorities. This target also addresses the low take up amongst users other than those with physical disabilities as substantial take up by other users will be required to achieve the target figure.

3.2 The overall target of 500 users has been split according to user groups, as shown in the table below. Members will note that while there is still some planned increase in the number of users with physical disabilities, the bulk of the increase is planned for other users.

User Group	Achieved 31/33/06	Target increase for 31/3/07	Total target for 31/3/07
Physical disabilities	170	55	225
Learning disabilities	29	31	60
Mental Health	10	40	50
Older People	45	120	165
TOTAL	254	246	500

3.3 As well as the overall target and that for each specialism, targets have also been set for each team and incorporated into the team and unit plans that have recently been developed for 2006/7. This helps to ensure that the targets are “owned” by front line staff. Monthly monitoring, regularly fed back to teams, will help inform them of their progress throughout the year.

3.4 A significant barrier to improving the take up of direct payments, particularly older people, is that it is difficult or not practicable for some service users to meet their own care needs by employing their own staff. For example, if someone needs one hour of care every morning and half an hour of care every night, they would need to employ someone to work 10 ½ hours a week, but spread over 14 work periods. Very few people are willing and able to work such hours. Therefore if this person were to use direct payments to meet their care needs, it is most likely that they would have to do so by using a care

agency instead of employing someone themselves. While employing a care agency does not give users as much choice and control as employing their own staff directly, it is much simpler and easier for them and still gives users more choice and control than receiving care provided by the Council's own staff or a care agency chosen by the Council.

- 3.5 The recent retendering exercise for home care helped us by giving us good and up to date information on the market rate for home care agencies and demonstrated beyond doubt that while the standard hourly rate of direct payment, currently £9 an hour, while generally sufficient for users to employ staff directly, is not sufficient for them to use a care agency.
- 3.6 Therefore, with effect from the beginning of June this year, we have introduced a new, higher “agency” rate of direct payments available to users for whom it is not practicable to employ their own staff or to help users who wish to retain their existing care agency and not be transferred to a different agency as a result of the recent home care retendering exercise. The amount of the agency rate of direct payments varies by area and whether it is for “standard” or “premium” hours and is currently in the range of £11.30 to £17.32 per hour.
- 3.7 It is anticipated that this change will be a major factor in increasing the uptake of direct payments, particularly, by older people. It is intended that after trialling the use of an agency rate in this way, consideration will be given to giving all users the choice between using direct payments to employ their own staff or use a care agency, at the appropriate rate of payment, but there are major cost issues to be considered in this context.
- 3.8 In addition to the above there are a range of other initiatives which are being undertaken and are at various stages of completion, to support the objective of increasing the number of people using direct payments. They include:
- Improving and simplifying the guidance given to operational staff to make it more complete and easier to understand;
 - Improving and simplifying the recording of direct payments on CareFirst, to make it easier for staff, to help in monitoring that staff are offering all users a direct payment and to ensure that all direct payments are “captured” for PAF purposes. At present some data cleansing is necessary at the end of the year and this always increases the number of known direct payments recipients;
 - Reviewing the guidance given to staff on whether individual users with learning disabilities are capable of agreeing to a direct payment and finding additional ways of supporting them to use direct payments;
 - Identifying ways in which direct payments can be used to give users greater choice and control as an alternative to “traditional” day care and respite care;

- Using direct payments to make small, but regular payments to support preventative and rehabilitative work with users with mental health problems;
 - Working with the Direct Payment Support Scheme provided by the Rowan Organisation to ensure that there is smooth and efficient communication between operational staff, users and themselves and that they are capable of supporting the increased numbers users to set up and use direct payments on a long term basis.
- 3.9 As a separate piece of work, which will only have a long term impact, staff are currently consulting with existing direct payment recipients on:
- What sort of support they find most, and least, useful in using direct payments?
 - What sort of organisation they think is best placed to deliver this?
 - How effective they believe the Rowan Organisation is in delivering them with the support they need?
- 3.10 This consultation with users, together with a benchmarking exercise with other local Authorities, will be used to inform recommendations as to whether or not to extend the contract with the Rowan Organisation to provide the support to people using direct payments, as this is due to run out on 31/3/07.
- 3.11 Staff are also working to identify ways in which the use of direct payments by carers can be significantly increased. However as direct payments to carers are not part of the PAF indicator, the target set by the Strategic Director or the criticisms made by the Audit Commission/SCIE, these are not considered further in this report.
- 3.12 Given the scale and extent of the work that will be required and the size of the planned increase in the use of direct payments, the new target is an ambitious one, but is being supported by a number of wide ranging and developing pieces of work. However, despite these measures there is inevitably some risk that we will still fall short of our target. Staff are fully committed both to direct payments and to the target, but have competing priorities and are still learning how to present payment options to service users in a positive and proactive way.
- 3.13 So far this year we have only seen a small increase in the number of people receiving direct payments in 2006/7. This is a cause of some concern, and the position will be monitored on a monthly basis, but it is not necessarily a major problem at this stage. In part this is because some of the pieces of work are not yet complete, but also because there is an inherent and unavoidable delay in putting Direct Payment arrangements in place and being able to count them for our performance figures. However, what is clear is that the pace of Direct Payment take-up needs to increase significantly and quickly and service managers have been tasked to ensure that this happens.

- 3.14 It is therefore to be expected that the rate of increase in service users on direct payments will be slow at first, but pick up at an increasing pace as the year progresses. Staff responsible for each service area have estimated the rate at which they expect to move towards the target for March 2007, and their combined conclusions are that we expect the following rate of take up over the year

Date	% of the total increase planned for the year	Number increased from 31/3/06	Total recipients
30/6/06	12	30	284
31/9/06	24	58	312
31/12/06	54	133	387
31/3/07	100	246	500

- 3.15 Progress will be measured against these targets on a regular basis and action taken where necessary if there is significant slippage.
- 3.16 Members may wish to further understand the different costs and benefits associated with providing choice to users, particularly through direct payments. It is proposed therefore to bring a further report later in the year which will provide a cost-benefit analysis of the scheme.

4. Conclusion

This report describes the challenging targets that have been set for a substantial increase in the number of, and range of, people receiving direct payments in 2006/7 and action that are being taken to meet those targets.

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