

Direct Payments

OPTIONS APPRAISAL

Monday 14th November 2016

Version 1.0 – Options Appraisal Working Group

Appendix A

difference | **wahaniaeth**
make the | gwnewch



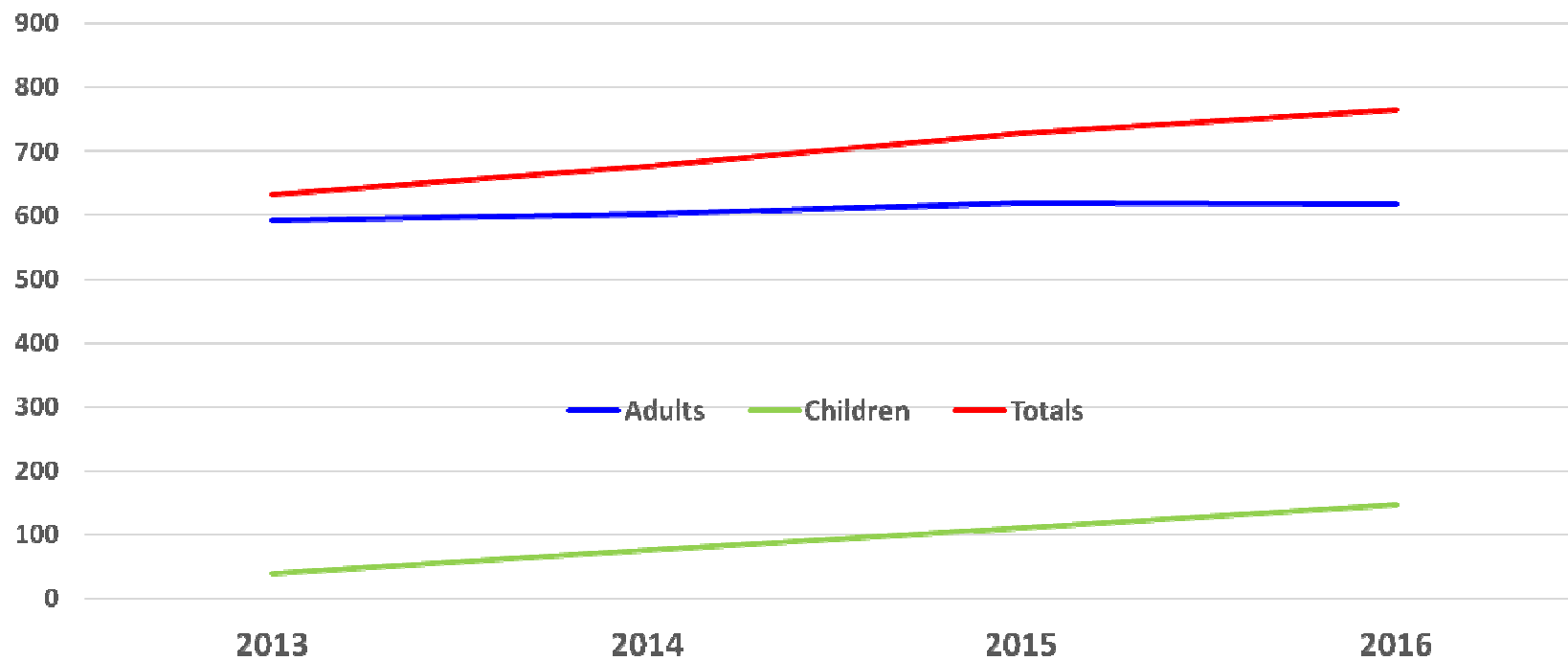


What are Direct Payments?

- **Direct Payments are payments from the Local Authority which are available to citizens whose needs have been assessed as substantial and critical and requiring a Social Services care and support package.**
- **In line with the Social Services & Wellbeing Act Wales (2014) it is a statutory duty to support an citizen through a Direct Payments service. Part 4 of the Code of Practice outlines the Local Authority duties with respect of Direct Payments.**
- **This method of managing care is designed to promote independence, decrease social inclusion and enhance self – esteem by enabling people to continue live in their own homes while taking an active role in their community.**
- **Cardiff Council has been operating a Direct Payments service since 1996; the service allows for the provision of Domiciliary care services either through a Personal Assistant (PA) or a Registered Domiciliary Care Agency (Agency).**
- **It is the Council’s intention to widen access to Direct Payments to the eligible citizens of Cardiff by increasing uptake of the service and by improving the processes contained within the scheme.**

Numbers of Direct Payments

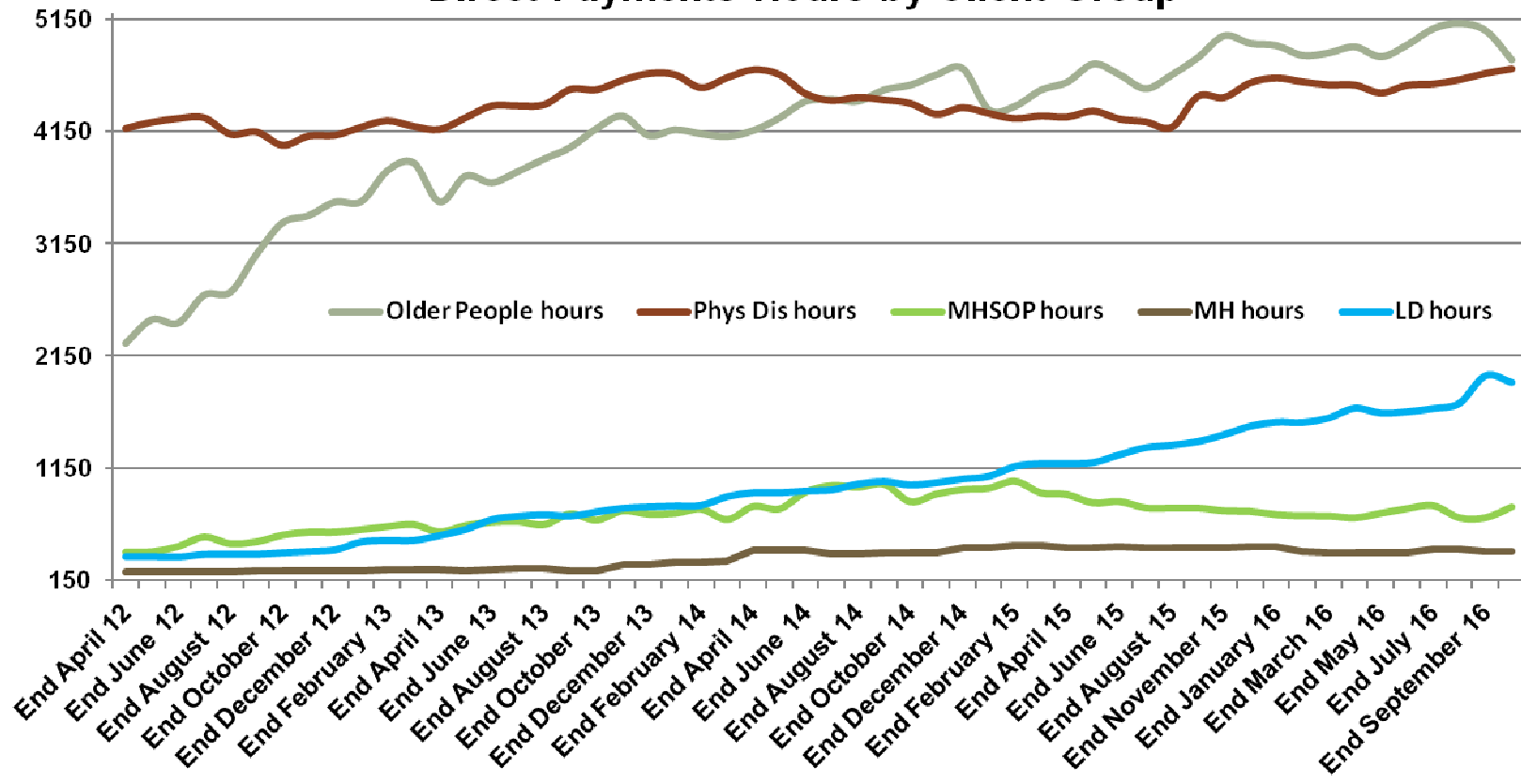
Direct Payment Service Users (2013 - 2016)



Which groups of citizens are using Direct Payments?

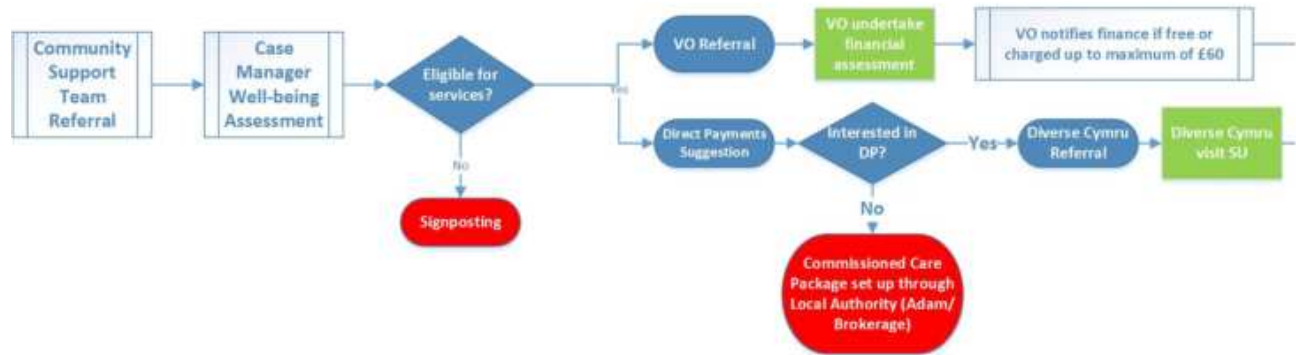


Direct Payments Hours by Client Group

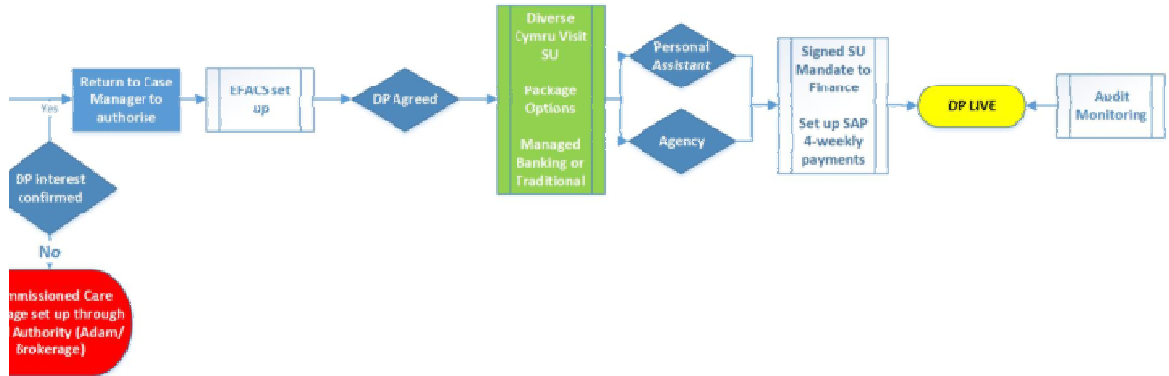


Service User Journey

'As-is' Process (Slide 1)



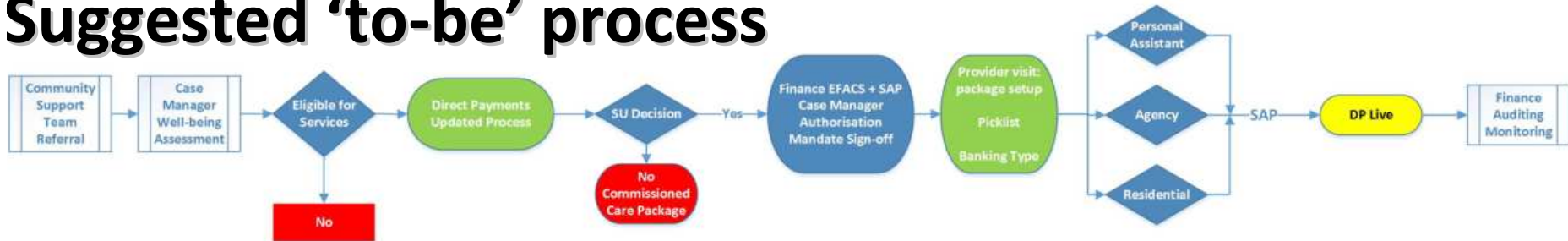
| Community Support Team Referral | Case Manager Assessment | Eligibility | Direct Payments Suggestion | Independent Living Visit - Finance |
|---|---|--|--|--|
| <p>Referrals come into CST from:</p> <ul style="list-style-type: none"> • C2C • GP • Intake & Assessment • MASH <p>Learning Disability & Mental Health referrals go straight to the relevant teams.</p> | <p>Internal Social Services process</p> | <p>If not entitled to LA assistance, applicants are signposted to other services/third sector partners</p> | <p>Case Manager provides information:</p> <ul style="list-style-type: none"> • Script • List • Information Pack • Policy • Guidance • Default Positions <p>Not Interested Follow LA brokerage system through Adam</p> | <p>Assesses available income of potential service user to establish if services will be free of charge or chargeable up to £60</p> |



| Diverse Cymru Referral | Diverse Cymru Visit <i>Terms & conditions confirm to Case Manager</i> | T&Cs SAP | Direct Payment Active |
|--|---|--|---|
| <p><i>Diverse Cymru/Case Manager visit Service user and provide initial information:</i></p> <ul style="list-style-type: none"> • Checklist • DP info pack • HR support eg. recruitment • managed or traditional banking • 3 routes • Employment Law | <p><i>Case Manager confirms that SU is interested and initiates ASWP to finance DC visit SU to set up final package options</i></p> <ol style="list-style-type: none"> 1. Domiciliary - Personal Assistant <i>SU chooses to independently recruit a PA to cover their care</i> 2. Domiciliary – Agency <i>SU contacts a domiciliary care agency to arrange cover for their care</i> 3. Residential <i>SU also has the option of using a DP to pay for residential care, but this option has not yet been used</i> <p>Managed Banking terms and conditions signed in person by SU</p> <p>Banking Type</p> <ul style="list-style-type: none"> • Recruitment • Interviewing • Advertising • Legal • Specific ongoing support requirements • Pensions/Insurance | <p><i>Banking terms and conditions returned</i></p> <p><i>Start date agreed between Case Manager, provider and SU</i></p> <p><i>Finance sets up 4-weekly payments in SAP after start date has been sent to brokerage</i></p> | <p><i>Monitoring and auditing</i></p> <ul style="list-style-type: none"> • Case Manager • Visiting Officers • Finance • Brokerage |

'As-is' Process (Slide 2)

Suggested 'to-be' process



| Referral (Council) | Wellbeing Assessment (Council) | Introduction to Direct Payments Eligibility | Direct Payments Suggestion & Visit UPDATED PROCESS | Service User Decision | Finance & Case Manager Authorisation UPDATED PROCESS | Package Setup Visit UPDATED PROCESS | 3 Routes SAP | Direct Payment Active UPDATED PROCESS |
|---|---|---|--|---|---|---|--|---|
| <p>Referrals come from Community Support Team members: C2C, MASH, GP, Intake & Assessment</p> <p>Working ability, Mental health and Children's Services referrals go to relevant teams.</p> | <p>Internal Social Services process</p> | <p>A detailed explanation of Direct Payments is provided to SU/family and if interested then they are assessed for eligibility</p> <ul style="list-style-type: none"> New script New DP policy <p>If not entitled to LA assistance, applicants are signposted to other services/third sector partners</p> | <p>Case Manager visits to suggest DP and provide comprehensive overview of DP process:</p> <ul style="list-style-type: none"> New information pack Support information Banking terms & conditions Recruitment advice including adverts/JDs/interviewing Appointment advice including HMRC/employment law/pensions/insurance Managed banking T&Cs banking advice payroll hmrc. Information sharing protocol PA/Agency/Residential options Local Authority required forms <p>VOs attend SU at the same time to conduct financial referral</p> | <p>If DP not requested, then traditional care package put in place through Children's Services brokerage process and Adam</p> | <p>Case Manager confirms that SU/family is interested and initiates ASWB and other finance processes</p> <p>Case Manager refers to Managed Banking provider</p> | <p>Provider visit SU/family to set up final package options using a picklist:</p> <ul style="list-style-type: none"> Specific package requirements Banking type Which route Sign banking documents Sign T&Cs <p>Mandate signed and delivered back to finance</p> | <p>Start date agreed between SU/Case Manager/provider</p> <p>Start date submitted to brokerage</p> <p>Finance sets up 4-weekly payments in SAP</p> | <p>Monitoring and auditing done through a single Direct Payments team based within the Council</p> |

Why are we reviewing the process?



- **Legislative requirements of the Social Services & Wellbeing (Wales) Act 2014 have changed:**
 - Provide greater choice and control over care
 - Increased the range of services that can be paid for by Direct Payments
- **The Council has been working with an external provider for Direct Payments since 2007 and the current contractual arrangements come to an end in March 2017.**
- **Concerns have been raised about consistency of service we currently receive, and benchmarking in line with other Local Authorities indicates that improvements can be made to the services we provide to Direct Payment recipients. These improvements will be designed to provide a better, more efficient service and deliver increased value for money.**
- **It is felt that the model could be more flexible in meeting the needs of people by offering a 'pick-list' containing a range of choice within the service provided.**
- **A more flexible service would give greater control over their people's lives and allow them to live more independently.**
- **An opportunity exists to stimulate the market for Personal Assistants/Domiciliary Carers by linking into the Council's Into Work Advice/Adult & Community Learning services.**

Consultation Results



- *Roughly 30% of overall DP service users replied (187)*
- 90% believed that Direct Payments were able to meet their care needs
- Over 70% of respondents believed that the Direct Payment service satisfied or exceeded expectations
- Only 14% of respondents believed that the service only met some or none of their needs
- 74% chose to use Managed Accounts service for the first time, compared to 77% who would set it up if they started again
- 93% believe their banking choice provided enough support to manage their DP service
- Less than 20% of Service Users responded that they used all of the 'pick-list' services, and when asked which services would be used in future, the figure was less than 10%
- 66% of service users would prefer to have contact with their support worker 'As & When' rather than on a regular basis
- 93% of respondents felt their Social Worker was helpful during the process



Response at assessment

April – Nov 2016

- Of the candidates who declined, 65% of those declined because they were satisfied with their current care arrangements
- When declining, service users gave the following reasons:
 - *Would prefer to stay with existing Agency – happy with standard of care provided*
 - *Residential/nursing home placement arrangements in place*
 - *Service user does not feel able to manage own care*
 - *Service user/family requires care in place immediately*
- 30% of candidates offered Direct Payments agreed either to take them up now or to work towards them in future
- 40% of the overall cohort that were assessed or reviewed during this time were not offered Direct Payments for reasons of capability or eligibility

Investigating the way that social workers assess for and recommend Direct Payments is an important part of the recommissioning process. Currently, there are over 50 different reasons recorded in CareFirst for why DP has either been refused or not offered, and this needs to be better monitored in order to improve future processes.

What legislation will guide the new model?



The Social Services and Wellbeing (Wales) Act 2014 (The Act) repeals previous legislation concerning entitlements to direct payments. The Care and Support (Direct Payments) (Wales) Regulations 2015, set the circumstances when local authorities are either required or allowed to make direct payments under Part 4 of the Social Services and Wellbeing Act 2014 as a way of meeting a person's needs for care and support.

Prior to the implementation of the Act, a local authority was required to provide a Direct payment if:

- It was requested by the person
- The Authority is satisfied that the care and support needs of the individual or a carer can be met through the provision of a direct payment
- The person is capable of managing the payment (either with or without support).
- If a person does not have the mental capacity to consent; the payment could be made to the 'suitable individual' to manage on the person's behalf.

The Act and associated regulations do not change the previous legislation and guidance but add to it by extending the range and the scope of use of Direct Payments. This Includes:

- Enabling individuals with a drug or alcohol dependency to request a direct payment (with suitable safeguards)
- Prohibiting local authorities from stipulating that the direct payment must be used in a particular way
- Allowing an individual to purchase care and support for the 'authority which made the payment'
- Authorising the use of direct payments to purchase care and support or help managing the payments from a relative living in the same household if appropriate for promoting the person's wellbeing
- People who wish to use their direct payments to cover long term residential care
- Requiring the first review of the direct payment arrangement at 6 months (previously 12 months)
- The use of direct payments for meeting a child's care and support needs for meeting a carer's support needs

It is to be noted that it remains a statutory duty of the local authority to meet the assessed individual needs of each service user.

What other elements must the model contain?

| | |
|----------------------------|---|
| Assurance of Supply | <ul style="list-style-type: none"> • Citizens should be able to exercise choice in how their assessed needs are met • Providers should attempt to provide as much choice as possible in how those assessed needs are addressed • They should be confident that their support will be provided in a timely manner • The new model must work to ensure that the market can handle |
| Quality | <ul style="list-style-type: none"> • Specialist expertise of the provider(s) • If PAs are recommended to citizens, they are qualified to the industry-recommended standards • Recommended PAs have the ability to administer medication as and when required |
| Service | <ul style="list-style-type: none"> • Services are tailored to meet the needs of individuals. • Support scheme ensures that appropriate advice, information and support is available to all citizens • Supports users in complexities of using direct payments to meet their support needs legally and efficiently • Ensuring access to services that are delivered in a community setting |
| Cost | <ul style="list-style-type: none"> • Council only paying for necessary services that address established needs • Need to dis-incentivise 'up-selling' of services and support |
| Innovation | <ul style="list-style-type: none"> • Added value and innovation in service delivery – only provide services suitable to needs • Encourage utilisation of community resources and services • Signposting those citizens with lower level needs |

Options under consideration

1. Internal Provider

Legal advice has been sought on whether the managed banking aspect of the service can be delivered in-house and it would appear that this proposal falls outside of the current legislation, including the Social Services & Well-being Act (Wales) 2014 and other guidance governing Direct Payment arrangements.

2. Hybrid

Support function provided by the Council with a managed accounts function to be provided externally.

3. External Provider

An external provider that offers both a support and managed accounts service. A discrete Direct Payments team based in Social Services will monitor the contract and direct payment activity.

Requirements of model



Enhanced role of the Council

A Council team will ensure promote and encourage the Direct Payment option from the first time a Service User comes into contact with the Council, or when their care arrangements are reviewed.

Assessing eligibility for Direct Payments and then ensuring a simple referral pathway into setting them up

Setting up a dedicated Direct Payments team to manage referrals and relationship with provider(s)

Encouraging the use of Direct Payments by explaining and signposting Service Users to relevant information and processes

Providing support to prospective Personal Assistants to enter the market

Working in partnership with the appointed provider(s)

This team will also bring together the monitoring and auditing function.

Monitoring the Direct Payment accounts to ensure that money is spent appropriately and balances are topped up

Holding provider(s) to account for key performance indicators

Guarantee and monitor contingency funds



Activity of Support Services

Delivered through a single provider

Providing support to set up and manage a Direct Payment provider that is appropriate to the person and covers their care requirements

- Managing active/eligible Direct Payment cases
- Advice on safety and best practices at home
- Support on planning to use PA/Agency or Residential
- Recruitment including adverts/job descriptions/interviews
- Advice on becoming an employer
- Setting up employment systems
- Legal advice relating to HR/Employment
- Advice in relation to training/qualifications/DBS
- Financial advice including pensions/insurance and payroll
- Ongoing advice around employment and Direct Payments
- Securing cover and emergency arrangements with PAs
- Establishing contingency arrangements with Service Users



Activity of Managed Account service

Delivered through a single provider

Setting up a Managed Account arrangement with the service user and providing ongoing support to keep the arrangement in place. Liaising with the Social Services with respect of payments.

- Setting up and monitoring the dedicated account
- Arrange & pay all agreed outgoings (PA wages, care agency fees, insurance etc)
- Pay all amounts due to HMRC and keep pensions/insurance covered
- Record income and payments
- Provide statements of all transactions

Key Objectives

Delivered within each model



- Assessing eligibility for Direct Payments and then ensuring a simple referral pathway into setting them up
- Providing a one-stop shop for enquiries, advice, support and complaints
- Encouraging the use of Direct Payments
- Providing support to prospective Personal Assistants to enter the market
- Monitoring the Direct Payment accounts to ensure that money is spent appropriately and balances are topped up
- Holding provider(s) to account for key performance indicators
- Guarantee and monitor contingency funds

Features of a hybrid service



- Council is able to directly manage quality and evolution of the service.
- Opportunity to deliver an effective model which takes into account the service user feedback supporting a single organisation as a point of contact, and the success of the ‘one-stop shop’ element of the current model.
- Offering a list of individual chargeable options could guarantee better choice for the Service User and deliver increased value, which has been suggested by feedback from consultation.
- When asked which options would be selected in future, Service Users again responded that they would select only a few options, and not the entire list, demonstrating that a list of individual chargeable options could better serve their purpose and deliver increased value.
- By administering the support service the Council could forge direct links between service users and a number of different services, both internal and community based.
- Council is well placed to provide a ‘one-stop-shop’ point of contact, as it has significant experience in providing a service of this kind.
- Stronger links between the team providing the wellbeing assessments and the support provider could produce a significantly more efficient process for the service user and limit ‘hand-offs’.
- Managed accounts service will be delivered through a competitive tender.

Concerns with operating a hybrid service



- In providing the Support element of the service, the Council will become responsible for delivering legal and employment service to a cohort of up to 700 clients, with the potential for that number to expand as increased uptake of Direct Payments is encouraged.
- The Council or provider may not immediately possess the experience or capacity to operate all elements of the Support service, and as such additional expertise would need to be called upon or possibly commissioned, for instance in payroll.
- With the possibility of services split up between the Council or provider and another additional provider for managed accounts, a number of ‘hand-offs’ may enter the process which could detract from continuity of the service user experience.
- The ‘one-stop shop’ approach that has been praised through consultation might be compromised if the service is divided up into different areas.
- There is a risk that, with the volume of the service needing to be provided, the Council or provider may need to expend significant resource in reaching the standard required.
- Existing staff providing support service will incur TUPE concerns

REQUIREMENTS OF AN EXTERNAL service



- › There are a number of experienced providers in the Direct Payments market that could provide a valuable and effective service to citizens of Cardiff, and this could be accessed through a combined tender.
- › Opportunity to deliver an effective model which takes into account the service user feedback supporting a single organisation as a point of contact, and the success of the 'one-stop shop' element of the current model.
- › Offering a list of individual chargeable options could guarantee better choice for the service user and deliver increased value, which has been suggested by feedback from consultation.
- › In order to ensure that personal assistants engage with a support provider, the most effective incentive could be a provider that operates both support and the managed accounts payroll.
- › The new model will encourage greater uptake of Direct Payments, this will result in a higher volume of DP cases needing support from a provider, by designing an external contract, this can be written into the requirements and adequately planned for.
- › In order to ensure the new contract is able to handle the volume required, it is possible to consider additional ways to deliver the service, including dividing contracts based on geography or volume
- › The level of responsibility involved with providing legal and financial advice on this scale may represented a risk for the Council, which is allayed by tendering the service externally.
- › The costs of delivering an external service can be mapped based on existing external provision in other Local Authorities, including analysis of volume and service charges.
- › The entire service will be presented to the market and tendered competitively.



Concerns with operating a fully external service

- There is a risk that with a service tendered at this volume the successful provider could begin a process of monopolisation.
 - *Note: this is addressed by tendering a one-service contract split into smaller contracts*
- Consistent contract monitoring for a tender of this volume would represent a significant resource drain on the Council.
- There would be limited scope for innovation within the service once a contract has commenced.
- Significant TUPE concerns will apply with a change of provider.
- The significant volumes involved with this tender could limit the engagement of potential bidders, especially considering the inherent focus on expanding uptake of Direct Payments.
 - *Note: by allowing the market the possibility to bid for smaller 'contracts' providing the entire service then this could be addressed*

Opportunities available through new model



Citizens will be able to select from a 'pick-list' of services

- This will ensure that the service provided will meet the agreed needs, and not provide anything that is not useful to the user
- This will ensure legislative compliance in that the SU is granted maximum choice during the process

New arrangements will build directly on lessons learned

- This will give the Council an opportunity to build a sustainable system that can work for longer
- The Council will be able to analyse and determine an accurate picture of what resources are needed to adequately manage a Direct Payments service

The Council will be in a better position to encourage take-up of Direct Payments and promote Independent Living



Issues encountered with current arrangement

| ISSUE | ACTION |
|---|---|
| <p>Personal Assistant/Domiciliary Care Market has insufficient capacity</p> | <ul style="list-style-type: none"> • Carer awareness activities and building stronger links with PA/Carer market • Setting up a route into PA work through Into Work Advice Service & Adult/Community Learning • Within the specification for the service, these measures to work with the market, the Council and other partners will be included as performance indicators |
| <p>Service Users have experienced difficulties arranging cover/contacting support agency</p> | <ul style="list-style-type: none"> • Detailed specification from which performance can be measured • Regular reporting, performance measurement and testing of compliance from provider(s) • Comprehensive vetting during tender process |
| <p>The Council currently pays one rate to a provider to facilitate Direct Payments to citizens. This rate is regardless of the level of support received.</p> | <ul style="list-style-type: none"> • Service Users will be able to select from a pick-list of services that they wish to receive • This selection will be appropriate for their assessed needs, and not provide unnecessary assistance • The Council can then pay provider(s) based on actual services provided, rather than a flat rate |
| <p>Current DP rate is not in line with the established market rate for the service.</p> | <ul style="list-style-type: none"> • Review DP rate in line with current inflation uplifts and market analysis • The DP market in Cardiff will be reviewed |



Further activity required from Project Group

| ISSUE | ACTION |
|--|---|
| Market sounding exercise to be conducted | <ul style="list-style-type: none">• Prior Information Notice to be prepared and published by C&P |
| Confirm desired recruitment model | <ul style="list-style-type: none">• Creating a new domiciliary care agency has been ruled out owing to cost to the Council• Using a managing agency has been considered and will be scoped out further• Serious consideration has been given to the concept of setting up a PA Pool to join together the market with Council services |
| Confirm desired setup for new provider | <ul style="list-style-type: none">• Framework of providers to be investigated• Market sounding exercises to be conducted |
| Pick-list prices to be established | <ul style="list-style-type: none">• Finance/Procurement to research and establish baseline prices for services• Appropriate DP rate to be further examined |
| Direct Payments Team to be scoped | <ul style="list-style-type: none">• Staffing and resource requirements to be established |
| Documents and policies to be refreshed | <ul style="list-style-type: none">• All aspects of Direct Payment documents/policies to be refreshed |

A decision relating to the recommended model and Direct Payment rate will be consulted upon and then presented prior to the Informal Cabinet session on the 8th December 2016.

Project/Tender Process & Timescale



| | | |
|--|---|--------------------------------|
| <input type="checkbox"/> SU/Social Services Consultation | - | November 2016 |
| <input type="checkbox"/> CASSC Scrutiny Submission | - | 30 th November 2016 |
| <input type="checkbox"/> CASSC Scrutiny Committee | - | 7 th December 2016 |
| <input type="checkbox"/> Detailed costing exercise | - | December 2016 |
| <input type="checkbox"/> C&P Prior Information Notice (PIN) | - | December 2016 |
| <input type="checkbox"/> CASSC Scrutiny Committee (Pre-Decision) | - | 18 th January 2017 |
| <input type="checkbox"/> Cabinet | - | 19 th January 2017 |
| <input type="checkbox"/> Provider Consultation | - | January 2017 |
| <input type="checkbox"/> OJEU Contract Notice | - | January 2017 |
| <input type="checkbox"/> ITT Stage | - | January/February 2017 |
| <input type="checkbox"/> Tender Evaluation | - | March 2017 |
| <input type="checkbox"/> Contract Award | - | March 2017 |
| <input type="checkbox"/> Contract Commence | - | April 2017 |

Interim Contract Arrangements in place until March 2017

Next steps to implement preferred model



- *Seek authorisation from Cabinet to secure service and implement revised model*
- *Seek delegation to Director of Social Services for all procurement/tender*
- *Project Group to complete actions:*
 - *Draft new service specifications*
 - *Refresh Direct Payments Policy*
 - *Update Information Pack*
 - *Compile tender documentation*
 - *Scope and implement transition arrangements*
 - *Conduct further stakeholder consultation*
 - *Establish pricing schedule and rate*
 - Council to consider a new rate for Direct Payment provision (growth bid)*
- *Council will need to recruit and appoint a dedicated team to manage service, monitor arrangements and liaise with providers*