

# Direct Payments

Community & Adult Services  
Scrutiny Committee

**Progress Update**

make the  
**difference** | **wahaniaeth**  
gwnnewch





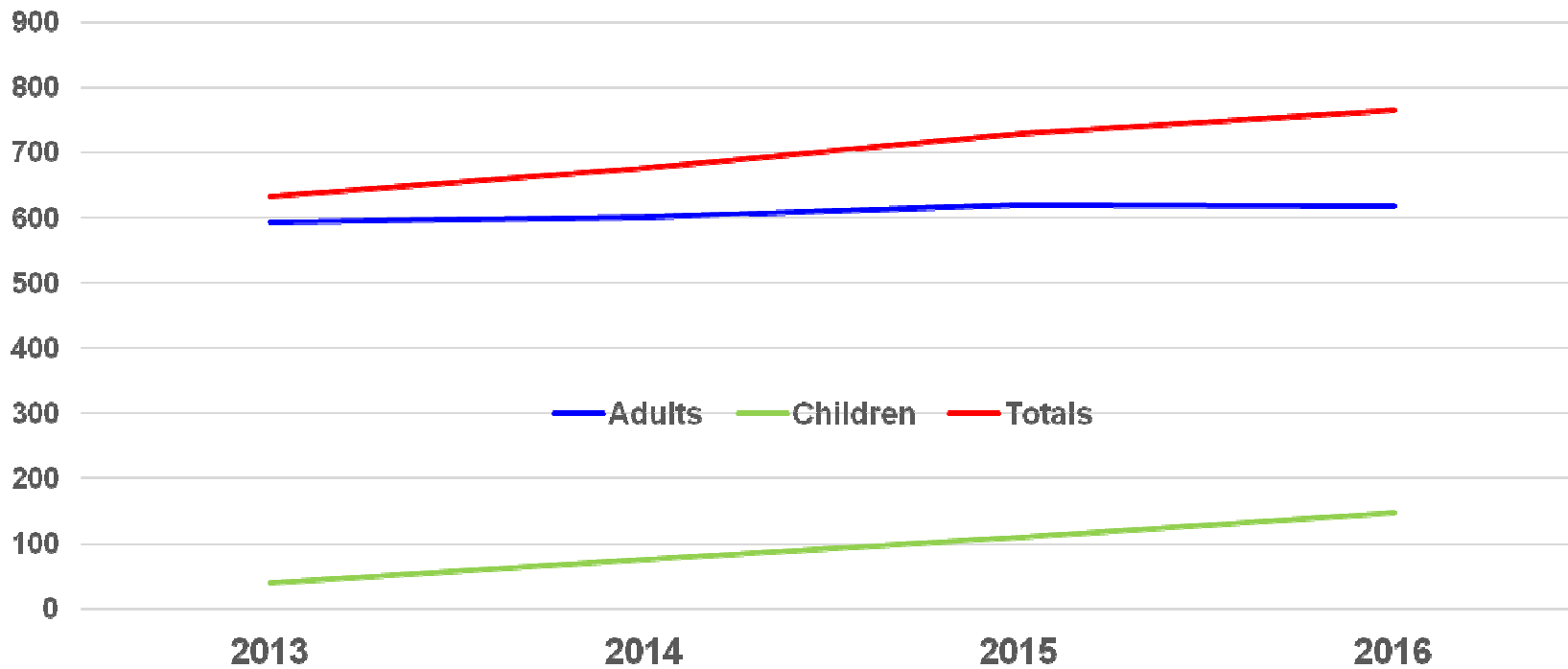
# Introduction

- **Direct Payments are payments from the Local Authority which are available to people who have care and support needs under the Social Services and Wellbeing (Wales) Act.**
- **It is a statutory duty to support a person 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.**
- **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 increase the uptake of Direct Payments**

# Numbers of Direct Payments



Direct Payment Service Users (2013 - 2016)





# Current situation

- At present, 20% of overall domiciliary care packages are handled through Direct Payments (Approx. £6million per annum of Adult care, £700,000 per annum for Children's care)
- As of 23.11.2016 – There are 621 adults (40 working towards) & 151 children (16 working towards)
- Use of Direct Payments has more than doubled over the last four years
- The Council currently commission, with the incumbent provider, a contract to the value of circa £700,000 per annum
- The Council currently pays £881 per year to an external provider for people to be assisted with Direct Payments, with a reduction to £721 per year after 12 months
- This arrangement delivers a 'one-size-fits-all' care package, which is issued to the provider regardless of how much support the citizen requires.

# 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 needs to enter into a new contractual arrangement post April 2017.**
- **Concerns have been raised about consistency of service we currently receive, and benchmarking in line with other Local Authorities indicate that the service could be suggested with better 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.**

# Journey to date



The Council has been working with an incumbent provider (Diverse Cymru) since 2007.

A Direct Payments Project Group has been established and has been collaborating to investigate the following:

- Reviewing and mapping current arrangements
- Researching alternative approaches, including examining the Direct Payments scheme as operated across the other Local Authorities in Wales and some in England
- Benchmarking the costs and components of the Cardiff system against other approaches
- Conducting detailed examination of the internal processes behind Direct Payments, and those of the incumbent provider
- Conducting consultation on the Service User and Case Manager/Social Worker perspective

As part of this investigation, the Group is considering opportunities a full range of delivery options to ensure the best possible quality of service and value for money.

The group has conducted a consultation with Case Managers, Social Workers and Service Users in order to assess the current service provision and establish principles for future service models.

# 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



## Issues encountered with current arrangement

- **Personal Assistant/Domiciliary Care Market has insufficient capacity**
- **Service Users have experienced difficulties arranging cover/contacting support agency**
- **The Council currently pays one rate to a provider to facilitate Direct Payments, which does not reflect the flexibility of service that is required**
- **Current DP rate is not in line with the established market rate for the service**
- **The 'Agency' option of employing PAs is perceived as more attractive so we need to build confidence about employment from a PA 'pool'**



# Options under consideration

## 1. Internal Provider

*The Council is legally prevented from providing an internal Managed Banking service. As specified within the SSWB Act (Wales) 2014, it is a conflict of interest for a local authority to simultaneously act on behalf of Service Users in providing advice and support with managing Direct Payments whilst enforcing an auditing role on the management of those payments.*

## 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.



# 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

# Rationale for 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’.

# Rationale for 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.

# Project/Tender Process & Timescale



<input type="checkbox"/> SU/Social Services Consultation	-	November 2016
<input type="checkbox"/> CASSC Scrutiny Submission	-	30 <sup>th</sup> November 2016
<input type="checkbox"/> CASSC Scrutiny Committee	-	7 <sup>th</sup> December 2016
<input type="checkbox"/> Detailed costing exercise	-	December 2016
<input type="checkbox"/> CASSC Scrutiny Committee (Pre-Decision)-	-	18 <sup>th</sup> January 2017
<input type="checkbox"/> Cabinet	-	19 <sup>th</sup> 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 start April 2017*