



THE IMPLEMENTATION OF DIRECT PAYMENTS FOR PEOPLE WHO USE CARE SERVICES

EXECUTIVE SUMMARY

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Main Findings

Two central arguments have been used to promote direct payments:

- (1) Direct payments have been promoted by the disability movement as a way of empowering disabled people
- (2) The Scottish government has seen direct payments as a way of delivering flexible, personalized and cost-efficient services, thus contributing to the modernization of welfare agenda.

- As a result of this twin rationalization, direct payments remains a contentious area of social policy.
- Take up in Scotland has been significantly lower than in England, and there are large differences in use of direct payments in different local authorities and for different user groups.
- Local authorities have not as yet shifted funds from traditional services into direct payments and there are anxieties that an increase in uptake of direct payments might destabilize existing provision.
- Training for front-line staff is patchy and social workers report a lack of knowledge and confidence.
- Local authorities have major anxieties about financial accountability issues and social workers feel the paperwork associated with direct payments is onerous.
- Social work staff also have concerns about how the local authority can guarantee a high quality of care since they have no control over personal assistants.
- Social workers often worry about users' ability to cope with financial management. However, service users believe that, whilst there are significant administrative demands, these are manageable with support.
- There is a growth in the number of people managing direct payments on behalf of others (e.g. parents of disabled children, children of frail older people). Whilst these service users feel that direct payments provides opportunities for personalised services in their home, there are concerns about ownership of the payment.
- Local authority case studies illustrate the micro-cultures within particular settings which either inhibit or support the development of direct payments.

Introduction

Partly as a result of pressure from the disabled people's movement, there has been a gradual move in Scotland, as elsewhere in the UK, towards forms of welfare which promote independent living, rather than more passive forms of welfare consumption. Direct payments have been seen as a means of empowering disabled people by

allowing direct control over the purchase of services to meet assessed needs. However, since the implementation of the Community Care (Direct Payments) Act 1996, there has been differential use of direct payments by local authorities in Scotland, and, particularly at first, there was relatively low uptake of direct payments in Scotland compared with parts of England (Witcher et al, 2000; Pearson, 2000; Riddell et al, 2005). In 2001, there were only 207 direct payment users in Scotland, although this had increased to 1,438 by March 2005 (Scottish Executive, 2005). Certain groups, particularly people with learning difficulties, mental health problems and black and minority ethnic groups have been particularly poorly represented among direct payment users. In addition, there have been significant differences between local authorities in the average size of packages, so that some local authorities which appear to be making quite extensive use of direct payments are spending a considerably lower proportion of their social care budget than others, which have fewer users but make larger payments on average (Scottish Executive, 2005). Research carried out by team members (Priestley et al, forthcoming) has identified the local factors which appear to make a difference to the use of direct payments. These include the nature and capacity of the local support organisation, the micro-politics of the local social work department and the political complexion of the local council.

The Community Care and Health (Scotland) Act 2002 places a duty on local authorities to offer direct payments to all client groups using community care services, and therefore has the potential to contribute to the promotion of direct payments in Scotland. Sufficient time has elapsed to allow an assessment of the early impact of this legislation.

Research Aim and Objectives

Following the research specification, the over-arching aim of the research was to evaluate the implementation of direct payments policy in Scotland.

The specific objectives of the research were to:

- examine whether there has been any significant change in uptake of direct payments since the Community Care and Health Act 2002 came into force.
- identify the extent to which people turn down the opportunity to receive direct payments
- identify the reasons why people choose not to take up direct payments
- identify differences in uptake between different client groups and explore whether there are specific reasons for these differences
- examine the experiences of those receiving direct payments in order to identify areas of good practice which facilitate their use and any difficulties encountered in using them
- identify barriers to effective implementation of the direct payments scheme by local authorities and support organisations.

Methods

The research used a progressive focussing strategy, starting with a very broad overview of the field, and gradually focusing down on the dynamics within three local authorities, highlighting the experiences of users, non-users and carers within specific local contexts. The study was conducted in the following overlapping phases:

Phase 1: Analysis of official statistics

Scottish Executive statistics were obtained on use of direct payments from 2001 – 2005. Secondary analysis of data was conducted by local authority, nature of client group, size of package and nature of support organisation. National figures gathered by the Scottish Executive were used in this analysis.

Phase 2 : Survey of local authorities

A questionnaire was sent to all 32 local authorities in Scotland to identify what they consider to be the major facilitating and inhibiting factors in relation to the uptake of direct payments in relation to different user groups. The extent of current or anticipated change following the implementation of the Community Care and Health (Scotland) Act 2002 was also investigated. Specific factors to be explored were the role of the local support group, the contribution of the Scottish Executive, knowledge and awareness in local social work departments and the nature of local funding regimes (e.g. spot or block purchase arrangements).

Phase 3: Case studies of three local authorities

Case studies were conducted in three local authorities with different policies, practices and take-up rates in relation to direct payments. Within each local authority, the aim was to gather data from a range of perspectives including social work staff, finance officers, support organisations, users of direct payments and those who had opted not to use a direct payment. Interviews were semi-structured and the majority were tape-recorded and transcribed.

Interviews were designed to explore the critical factors within each local authority which have contributed to the development of direct payments. The experiences of direct payment users were contrasted with the views of local authority personnel and support organisations.

Interviews and focus groups with service providers and support organisations explored:

- (a) the extent to which the individual considers direct payments are currently in place
- (b) the benefits perceived for their particular area of practice or need
- (c) the disadvantages for their particular area of practice or need
- (d) perceived barriers to implementation
- (e) perceived drivers for implementation
- (f) details of any practice examples relevant to direct payment training requirements

Interviews and focus groups with direct payment users and non-users explored:

- (a) Initial access to their support; areas of help and hindrance (and the key agencies involved), supporting roles.
- (b) How payments are used (where appropriate) and their interaction with other day to day employment and/or social activities.
- (c) Views on how their support could be improved.

SUMMARY AND CONCLUSIONS

In the following section, we first summarise findings, before considering some emerging themes.

Policy background

- Direct payments are for self-directed community care and involve service users purchasing and managing for themselves some or all of the care they have been assessed as needing.
- They are intended to increase the flexibility, choice and control disabled people have over the care they receive. They have been strongly promoted by disabled people as a means of achieving independent living.
- Since 1997, when the Community Care (Direct Payments) Act came into force in Scotland, England and Wales, local authorities have been permitted to make direct payments to 18 – 65 year olds. There has been a gradual extension over time to older people, 16 and 17 year olds and parents of disabled children. The Community Care and Health (Scotland) Act 2002, implemented from April 2003, made it mandatory of all community care service users to be offered a direct payment in place of a council-supplied service.
- Unlike England, Wales and Northern Ireland, carers in Scotland are not eligible to receive direct payments to meet their own needs.
- Direct payments have been described as a central part of the modernisation of welfare agenda, since they involve the services purchased should be user-focused and personalised. They are also in line with earlier community care policy of developing a 'mixed economy of care'.
- Early evaluations of direct payments in practice indicated that they might be more cost effective for the local authority.
- Concerns have been raised in the literature about the ability of some groups of disabled people, such as older people, to embrace the concept of becoming a purchaser rather than a passive consumer of services.
- Concerns have also been raised that personal assistants might have worse terms and conditions of employment than council workers or agency staff.
- This report focuses on Scottish data, and makes some statistical comparisons with the wider UK context.

Statistics on direct payments use in Scotland

- In Scotland, the number of people in receipt of direct payments has increased from 207 in 2001 to 1,438 in March 2005.
- Over 40 per cent of people who received a direct payment in 2005 were those aged 18-64 with physical disabilities.
- The value of payments has increased by nearly £11.6 million, from £2.1 million in 2001 to over £13.7 million in 2005.

- Almost a third of people who received direct payments in 2005 were aged over 65 or over, compared to over 7 per cent in 2001.
- There were major differences between local authorities in Scotland in their use of direct payments. Fife had the largest number of users, but the City of Edinburgh contributed the greatest value overall, accounting for £2.5 million (almost a fifth of the total amount paid).
- Scotland has only half as many direct payments users as England, whether this is measured by rate per 10,000 population or as a proportion of people with long-term limiting illness or disability.

Findings from the local authority survey

- Just under half of local authorities appeared to have a designated post to oversee direct payments. Local authorities with below median use were less likely to have such a post.
- Around half of local authorities, equally distributed between those with above and below median use, reported having a dedicated budget for direct payments.
- Local authorities with above median use of direct payments had more 'user led' support organisations than local authorities with below median use. The above median group also appeared to see user involvement as more important in the development of direct payments.
- Local authorities with above median direct payment use regarded user involvement as a forum for service users to share information, whilst below median local authorities viewed user involvement as a means of gaining insight into the experiences of the service users. Both groups argued that a disadvantage with user involvement is that perspectives can be too narrow, failing to reflect the experiences of all potential service users. Many local authorities with below median use felt that the expectations and hopes of service users were unrealistic and generally too high.
- Although local authorities identified similar facilitating and inhibiting factors, local authorities with above median use were more positive in their identification of facilitating factors, seeing these as critical, whilst local authorities with below median use were more definite in their identification of inhibiting factors.
- The most commonly cited aiding factors (identified by more than 90% of respondents) were demand from service users and carers; national legislation, policy and guidance; positive attitudes to direct payments amongst staff.
- The most commonly mentioned hindering factors (identified by about two thirds of respondents) were concern about managing direct payments among service users and carers and difficulties with the availability to work as personal assistants.
- Advantages of direct payments for the individual service user include choice, flexibility and control whereas disadvantages include problems with being an employer and managing the payment effectively.

- Advantages of direct payments for local authorities include more user involvement, fewer complaints and reduced contact with service users once care packages are established. Disadvantages of direct payments use for the local authorities included additional time demands, particularly in the early phases, cost constraints and complex administrative arrangements.
- All local authorities expected an increase in direct payments use for all groups over the next five years. Those with a lower starting point anticipated the largest increases.

Case studies: Local Authority 1

- Devolved care management and widespread use of spot contracting was felt to be helpful in allowing practitioners more flexibility in decision making over care packages and assessments for direct payments.
- Both practitioners and direct payment users relied heavily on the support organisation for information and advice.
- Practitioners generally welcomed the help given to them by the support organization.
- Direct payment users would have liked even more support than they were receiving.
- Practitioners were concerned that financial management might be too arduous a task for service users, but, with sufficient support, this did not appear to be the case.
- Practitioners and users thought that the monitoring practice was unsatisfactory.
- Practitioners were unhappy about being requested to undertake financial monitoring and users were aware of this.
- The proposal for the support organization to undertake financial monitoring was approved of by social workers and users, although there might be a conflict of interest for the support organization.
- Practitioners indicated that almost all users either received considerable support to manage the direct payment or had it managed for them.
- One social worker expressed concern that the disabled person might be isolated if their care was solely provided in the home.
- Family members managing direct payments on behalf of the disabled person tended to see it as 'their' package, raising questions about ownership and control. This clearly has broader implications for the independent living/social inclusion foundations of policy.
- Family members managing direct payments felt it gave them more autonomy in choosing personal assistants and controlling the quality of care.

Local Authority 2

- Whilst all groups recognized the potential of direct payments to give greater autonomy to some users, doubts were expressed at many different levels.
- Senior managers felt that new funds were needed from the Scottish Executive if the use of direct payments was to grow. They believed that direct payments were likely to generate increased demand for council services. Demand for existing services was unlikely to decrease and these might become unsustainable given finite funds.

- The financial organization of direct payments through a separate cash limited budget appeared to limit the opportunities to promote direct payments as a mainstream policy option alongside other community care services.
- Practitioners were aware of budgetary constraints and found that requests for direct payments were 'knocked back' or else took a long time to be agreed. They therefore felt that encouraging use of direct payments was a pointless exercise.
- There appeared to be mixed messages from senior staff and practitioners over the availability of training and information materials. All staff had access to a training manual and case study examples and it was emphasized by senior staff that training had been made available to all practice team leader. However, practitioners believed they had not received adequate training in how to process a direct payment. They also felt the information they received from personal assistance advisers was partial, unclear and inaccurate.
- Practitioners believed that the paperwork involved in putting a direct payment in place was unduly cumbersome and contributed to their workload.
- Care managers felt that they had been disempowered by the policy, losing contact with the service user.
- Service users also felt that the paperwork was excessive.
- A key concern for both practitioners and the union was whether service users were able to act as responsible employers.
- Practitioners and the union representative were concerned about accountability for public money; the risk of abuse of 'vulnerable adults'; the employment of unsuitable personal assistants who might harm other household members; the delivery of substandard care; the practitioner's loss of control; liability should something go wrong; service users' ability to manage funds competently; unfair treatment of personal assistants.
- Senior managers believed the direct payments budget would increase as demand grew. However, practitioners were reluctant to encourage prospective applicants because of a perception that funds were not available. Service users were aware of a lack of enthusiasm for direct payments and believed the council did not want to make a success of the initiative.

Local Authority 3

- Local Authority 3 had a relatively high use of direct payments and was a pioneer of personalised services in Scotland.
- The relationship between the local authority and the support organisation had developed over a number of years and was mutually supportive.
- There was considerable expertise in the local authority in relation to direct payments, but a comprehensive training programme had yet to be extended to all social work staff. As a result, some social workers lacked confidence in helping service users access direct payments.

- There were anxieties about the future impact of direct payments on existing services such as day centres.
- Social workers expressed anxiety about how they could ensure high quality care when responsibility for managing provision was handed over to the service user.
- There was general confusion about the status of disclosure checks on personal assistants and different views regarding whether these should be mandatory.
- Direct payment users reported mixed experience of social workers in terms of their knowledge and understanding of direct payments.
- Service users valued flexibility which direct payments offered, but felt that local authority systems were sometimes too controlling and limited potential creativity in the use of funds.
- Some social workers were concerned that direct payment users might receive an enhanced service, such as access to social activities, which traditional care packages would not allow.

Emerging themes

The status of direct payments in Scotland

It is evident from the review of policy and statistics that direct payments was initially adopted at a very slow pace by many Scottish local authorities. In 2002 there were ten Scottish local authorities with no direct payment users despite the fact that enabling legislation had been passed in 1996. By March 2005, all thirty two Scottish local authorities had at least one direct payment user, although in some local authorities numbers remained very low. Per head of population, Scotland has only half the number of direct payment users compared with England, although in both countries there is considerable regional variation. Some local authorities have been much more enthusiastic in their uptake of direct payments than others, with the City of Edinburgh Council being the largest local authority spender on direct payments, and Fife having the highest proportion of direct payment users (albeit with smaller average packages). It is evident that west coast local authorities with traditional Labour administrations and significant concentrations of deprivation make less use of direct payments than others. Resistance to direct payments appears to be driven in part by a desire to defend collective approaches to welfare provision and to protect public sector jobs against 'creeping privatisation'. Direct payments policy may be seen to exemplify Scottish suspicion of some aspects of the modernisation of welfare.

In Scotland, official government documents state that direct payments is one of a number of means of delivering improved and more individualised social services. However, no member of the Scottish Parliament has strongly championed direct payments and local authorities have not been expected to meet any targets in relation to direct payments implementation. There has also not been an equivalent in Scotland of the Direct Payments Development Fund (Hasler, 2006), under which £9 million of Department of Health money was invested over three years in improving take-up of direct payments by investing in support organisations. In Scotland, a development organisation, Direct Payments Scotland, was funded until 2005 to

support Scottish local authorities and support organisations in implementing direct payments and supporting users.

Inequality of access by different user groups

The independent living movement emerged in the US in the 1960 and 1970s, with physically disabled students at the University of Berkeley being particularly active in demanding access to all aspect of ordinary living, with modern technology being seen as playing a crucial role in empowering disabled people. The campaign for direct payments in the UK was inspired by the ideals of the independent living movement and it is interesting that to date the main beneficiaries of direct payments have been people with physical difficulties aged between 18 and 65, who still make up by far the largest group of direct payment users. There are currently moves to equalize access to direct payments for other groups, including people with learning difficulties and mental health difficulties, older people and disabled children. This raises questions about what it means to be 'willing and able' to manage a direct payment and how much support can be made available to those with fluctuating conditions or permanent cognitive impairments. Questions also arise with regard to the ability of centres for independent living to represent effectively the interests of newer user groups such as frail older people. Indeed, in the future older people are likely to make up the fastest growing group of direct payment users, raising major questions about the type of support and advocacy which will be needed

The influence of the disability movement

It has been argued that a key element in the promotion of direct payments is likely to be the advocacy of local groups of disabled people, who, as individuals, blaze policy trails and, collectively, provide support to others (Priestley, 1999). In Scotland, findings from the local authority survey suggest that those with above median use of direct payments are more likely to have a user-led support organisation.

The local authority case studies provide illustrations of the operation of user-led support organisations. The most effective support organisations had developed productive working relationships with the local authority often over a considerable period of time. They adopted an extremely important role in supporting service users and in providing information and guidance to social work staff. There were continued debates about the extent to which they should retain an independent and arms-length relationship with the local authority. Local Authority 1 provided an example of a support organisation taking over some of the work of the local authority in financial monitoring, whereas the support organisation in Local Authority 2 felt that undertaking monitoring on behalf of the local authority might compromise their ability to advocate for the disabled person.

Direct payments and local cultures of welfare

The three Scottish local authorities provide contrasting models of the implementation of direct payments. In Local Authority 1, there was a broad endorsement of the principle of direct payments, although the task of financial monitoring was seen as arduous by social workers and care managers, and it was being contracted out to the support organisation (see above). In practice, direct payments were often being managed not by the disabled person, but by a family member, and there was sometimes a slippage in terms of ownership, with references to 'my package' by proxy managers. Although it was felt that some disabled people benefited from more personalised services, many users were clearly not having full ownership of the process, and indeed for people with the most significant impairments financial management may not have been possible. Nonetheless, the extensive use of direct payments by proxy managers was likely to have some impact on the potential of

direct payments to reorientate social welfare provision to meet the needs of the disabled person. The alternative goal of direct payments, to foster a mixed economy of care within social welfare, would clearly be met regardless of whether the disabled person or the proxy manager was being empowered.

In Local Authority 2, with much higher levels of poverty and limiting long term illness and disability, direct payments were being pursued with much less enthusiasm. Senior managers felt that their creaking budgets were unlikely to be able to meet the needs of the new social welfare service users generated by the promise of direct payments. Whereas traditional local authority services had been off-putting to some potential users, the possibility of individually tailored services would be much more attractive and therefore more needs would be identified. Senior managers believed that the designated direct payments budget would increase as a growing demand was demonstrated, however grass roots practitioners had absorbed the message that no new funds were available and therefore did not encourage people to consider a direct payment. Practitioners also complained that their applications for direct payments were rarely approved, despite a large investment of time in the necessary paperwork, and this experience also dampened demand. For a period of time, social workers had refused to process direct payment applications on the advice of their union.

At senior management and grassroots level, there were serious doubts that service users had the financial competence to manage financial transactions, and there were fears that unsuitable individuals would be employed as personal assistants. Overall, practitioners felt that direct payments threatened to deskill their work and make them lose contact with their 'client'. The support organisation believed that it had been given insufficient funds to meet user demand for support, and had taken a long time to reach a working agreement with the local authority. Service users, for their part, believed that there was a shortage of both funding and support, and were therefore not encouraged to press their requests for direct payments. Compared with Local Authority 1, where conditions seemed reasonably conducive to the development of direct payments, Local Authority 2 illustrates the profusion of barriers to direct payments development at organisational, financial, cultural and ideological levels.

Local Authority 3 appeared to have made the most progress in the development of direct payments. With a strong user-led support organisation and commitment from social services, the difficulties in managing direct payments were recognised. However, the benefits of allowing service users greater freedom to manage their own services were seen to outweigh the problems of loss of control over commissioning. Even in this authority, however, it was recognised that a major expansion of direct payments would pose problems for some existing services, particularly those with high recurrent costs such as day centres.

The future development of direct payments in Scotland

The future of direct payments in Scotland is, of course, unwritten, and will depend on many factors including the future political composition of the Scottish Parliament. There are signals from the Scottish Executive that development work on direct payments will continue over coming years. The Scottish Consortium of Direct Payment Support Organisations is receiving support from the Executive to develop peer support amongst support organisations. There has also been targeted investment in training for support which will be led by Lothian Centre for Integrated Living and its partners to help them operate more effectively. The Scottish Personal Assistant Employers Network is also receiving support, and from 2007 Contact-a-Family, a voluntary organisation supporting families of disabled children, has been commissioned to deliver targeted training and support for disabled children's service

users. In addition, a Consortium of Mental Health Organisations has been funded to deliver targeted training and support for mental health service users. Perhaps even more significant is the recognition in the 2006 Spending Review that direct payments inevitably require some additional funds to assist with start-up costs, even if they are cost neutral in the longer term.

Individualised budgets are being strongly promoted by the Westminster Government (DoH, 2005; Cabinet Office, 2005). These would involve the aggregation of funds from a number of sources such as local authority direct payments, the Independent Living Fund, Attendance Allowance, Access to Work and Disability Living Allowance, providing the service user with even greater control over resources with far fewer bureaucratic constraints. There would also be considerable administrative savings, since at the moment each stream of funding has separate assessment and monitoring procedures. At the moment, whilst there is a commitment in Scotland to the delivery of personalised services, the extent to which this might involve individualised budgets is unclear.

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