



A – Z Introductory Guide to Health and Social Care

Direct Payments

Brief description

A Direct Payment is a payment made by a local authority so that a service user can arrange and buy services themselves in order to meet their assessed community care needs or their need for children's services. This self-directed care is one way of increasing the flexibility, choice, and control users have over the community care they receive, in order to help them live more independently. A Social Work department assesses a user's need for care services, and the user has the option of becoming responsible for arranging some or all of the care that they need. Local authorities are obliged to offer direct payments as an alternative to arranging the services themselves, but the service user must only use them to meet their assessed care needs.

National Policy and Key Developments

Purpose

The purpose of Direct Payments is to give service users more control and choice over the care services they receive, and in doing so achieve a better quality of life. Direct payments can be used to buy assessed community care and children's services, including housing support services and equipment and temporary adaptations. As a form of self-directed care, direct payments can increase independence and aid social inclusion.

Eligibility

Since June 2003 it has been a duty for local authorities to give direct payments for self-directed community care services to eligible client groups.

Currently, those eligible are:

- People with disabilities;
- Children who are 16 or 17 years old and assessed as in need under section 22(1)(a) of the [Children \(Scotland\) Act 1995](#);
- A parent or someone with parental responsibility for any child assessed as in need under section 22(1) of the 1995 Act referred to above; and
- People aged 65 or over who are assessed as needing community care services.

Representatives authorised under the [Adults with Incapacity \(Scotland\) Act 2000](#) can receive Direct Payments on behalf of a service user who lacks capacity.

Using Direct Payments

Direct payments can be used to buy services through an agency, a private or voluntary organisation or local authority, or to employ staff directly. In each case the service provider is responsible to the service user, not to the local authority. If they arrange things for themselves, the service user is responsible for sorting out any problems with the service provider. If they employ their own staff, they will have the legal responsibilities of an employer. Because of these responsibilities, many people are likely to be attracted to using an agency service to assist them: but whatever arrangement they choose, they are responsible for accounting for the way they use the money.

Provided the money is used to meet their assessed care needs, it is up to the recipient to decide how it is spent, although there are some restrictions. For example, direct payments cannot be used for permanent residential accommodation, or to pay a spouse, partner or close relative(s) living in the same household, but they do give eligible people a lot more flexibility about how their care needs are met.

Local authorities must allocate sufficient money so that arrangements can be made that will meet assessed needs. However, they have a responsibility to get value for money, which means that in some cases the local authority might not be prepared to pay the full cost of the particular way of buying services that the user chooses.

Key developments and current position

The Direct Payments for Older People (DPOP) Short Life Working Group has identified some barriers to take-up, and forthcoming guidance will reflect their ideas on how to overcome these. It is anticipated that this will lead to more older people choosing self-directed care.

The Scottish Executive recognises the need to increase awareness of direct payments and promote more widespread use. Its focus for 2005-6 will be on increasing direct payment uptake for users of mental health and disabled children's services. Two new short-life working groups will be set up to enable work with users, local authorities and direct payment support organisations to identify barriers to take-up for these groups and provide solutions.

Indication of volume/costs/trends

The latest available figures show that:

- From 2001 to 2004 the annual number of Direct Payments made in Scotland grew from 207 to 912, reflecting an increase in value from £2.1m to £8.3m pa;
- Almost half of the people who received Direct Payments in 2004 were aged 18-64 with physical disabilities;
- One third of people who received Direct Payments in 2004 were aged 65 or over, compared to only 7 per cent in 2001;

- The average cost of a Direct Payment reduced from £11,000 in 2002 to just over £9,000 in 2004.

Pressures on the service

Increasing take-up of self-directed care (direct payments) requires the introduction or expansion of the necessary support network for users and carers. To recognise this challenge to local authorities and the voluntary sector in many areas, the latest government Spending Review has allocated £1.8 million to local authorities for the development of direct payments for 2006-7 and £2 million thereafter. Local authorities will be expected to fund direct payments support organisations, a designated direct payments lead officer, direct payments training, and other initiatives that will be explained in forthcoming draft guidance that is expected to be available by the end of 2005.

Implications for Joint Working

Where services contracted via a direct payment replace some or all of a previous local authority-delivered or -commissioned service, the overall number of providers serving a particular individual may increase, as may the complexity of joint working arrangements. However, this process will be greatly assisted by the necessary training (made possible by the Spending Review allocations referred to above) for local authority staff, users and personal assistants that will help bring direct payments fully into the mainstream of service provision. It is recognised that local direct payments support organisations have an invaluable role to play in the provision of such training, as well as throughout the delivery process from pre-assessment and care planning to ongoing care management of direct payments packages.

Relevant legislation and statutory guidance

The following Scottish Executive Circulars and Guidance are available at:

<http://www.show.scot.nhs.uk/sehd/ccd.asp>

- CCD4/2000 Community Care (Direct Payments) Act 1996 – Community Care (Direct Payments)(Scotland) Amendment Regulations 2000
- CCD9/2001 Community Care (Direct Payments) Act 1996 – Community Care (Direct Payments) (Scotland) Amendment Regulations 2001
- CCD8/2002 Social Work (Scotland) Act 1968 – sections 12B and 12C – Direct Payments: policy and practice guidance
- CCD4/2003 Social Work (Scotland) Act 1968, sections 12B and 12C – Direct Payments: policy and practice guidance
- CCD1/2004 Direct Payments policy and practice guidance update: phased roll out of Direct Payments to new community care groups from April 2005

- CCD3/2005 Roll out of Direct Payments to older people aged 65+ years and change to guidance on employing close relatives: supplement to policy and practice guidance issued June 2003

Direct Payments Regulations 2005

<http://www.dpscotland.org.uk/documents/Regulations1.pdf>

A Guide to Receiving Direct Payments in Scotland 2003

<http://www.scotland.gov.uk/library5/health/grdp-00.asp>

Direct Payments Policy and Practice Guidance 2003

<http://www.dpscotland.org.uk/0304dps/SE/LAG3.ASP>

Supplement to Policy and Practice Guidance 2003

<http://www.dpscotland.org.uk/documents/Scottish%20Case%20Study%20Booklet%20Jan%202005-1.doc>

Other relevant material

For the latest national figures on Direct Payments, published by the Scottish Executive in 2004

<http://www.scotland.gov.uk/stats/bulletins/00370.pdf>

Directory of Direct Payments Support Organisations

<http://www.dpscotland.org.uk/0304dps/dpso/index.asp>

Personal Experiences Booklet

<http://www.dpscotland.org.uk/0304dps/canedit/documents/CCD12004-29Jan04.doc>

Direct Payments and Employers Liability

<http://www.dpscotland.org.uk/documents/Factsheet%2011%20-%20Employer%20Liability%20Jan%202005.doc>

See **Appendix A** of the Scottish Executive's 'A Guide to Receiving Direct Payments in Scotland' for a detailed list of other useful publications.

How can I find out more?

The SE funded development project Direct Payments Scotland is the main access point for information and advice on direct payments for users, local authorities and support organisations:

Website: www.dpscotland.org.uk

Phone: 0131 558 5200

Email: info@dpscotland.org.uk

Further information is available from:

SPAEN (Scottish Personal Assistants Employers Network)

Email: info@spaen.co.uk

Phone: 0141 550 4455

See **Appendix B** of the Scottish Executive's '**A Guide to Receiving Direct Payments in Scotland**' for a detailed list of where to get further information across Scotland.