






## Developing direct payments in the North East of England

This study explored the range of practice and experience in the delivery of direct payments in three local authorities in the North East of England. It was prompted by evidence that implementation of direct payments is, on average, slower in this region than in others. The Direct Payments North project was undertaken by Angela Stewart and covered two government regions: Yorkshire & Humberside, and the North East. The study found that:

-  Some authorities in the region played a leading role in implementing direct payments. Within these authorities, direct payments 'champions' provided focus and inspiration for the work. Such champions emphasised how direct payments helped local authorities to increase user involvement and to meet other multi-agency policy objectives.
-  Direct payments worked best in local authorities where a supportive local authority infrastructure is combined with both an understanding of the principles of independent living and a commitment to partnership with users.
-  Some authorities in the region were slow to implement direct payments. Based on project work in these areas, the study encountered a range of strategic and operational issues that affect the implementation of direct payments. The study also identified practical ways of overcoming these barriers.
-  The region has fewer centres of independent living and user-led disability organisations than other parts of the country. This leads to less 'bottom up' pressure on authorities to implement direct payments. Where direct payments are most successful, local authorities fund user-led support services as part of mainstream care provision. The project developed a nine-stage planning tool to help local authorities work with users to develop such services.
-  The study identified various reasons for the slower implementation of direct payments in the North East. None are in themselves blocks to good practice; nor are they unique to the region. These included difficulties with: internal communication; reaching users when there are no user-led groups; promoting and publicising direct payments; achieving sufficient flexibility to implement direct payments; and dealing with pay and recruitment difficulties.

## Background

The Community Care (Direct Payments) Act of 1986 allowed local authorities to offer disabled people cash in lieu of care services. The Act has since been extended to cover older people, carers and disabled children. On 8 April 2003 the government introduced the new direct payments regulations, extending the provision of direct payments and requiring local councils to offer them to all eligible individuals.

Figures collected in 2002 showed that authorities in the North East region had an average of 30 direct payments users per authority. Those in Yorkshire & Humberside had an average of 36. The national average was over 50 users per authority. In the North East region, one authority had 138 users but eight had fewer than 20 and one had only three. In Yorkshire one authority had 118 users while four had fewer than 20 users, and the lowest again had only three.

Research to date has tended to look at good practice areas. This project had a different focus. As an action-research project, it had a dual aim: to find out what was impeding implementation in the North East of England, and to work with three local authorities in the two regions to develop practical solutions for faster implementation.

## Championing direct payments

**"Once I got used to completing the paperwork and being ready for the audits, I think the scheme has been one of the best things to enhance my son's life."  
(Direct payments user)**

The benefits of direct payments for users and local authorities are undisputed and widely researched. Nevertheless, implementing direct payments requires a proactive approach. Responding to demand does not work. Directors and team leaders can speed up implementation by lending support to front-line workers and by being publicly committed to the aims of direct payments.

Champions of direct payments help to get across the following messages:

- Direct payments are a part of social services' performance indicators and help to determine the social services' inspectorate star rating.
- Direct payments are a good way for local authorities to encourage and support user

involvement. A support scheme with user involvement meets social services' inspection criteria, and demonstrates a 'best value' approach.

- Direct payments link in with other government priorities. For example, for many users direct payments offer a first experience of independent living. This may trigger new aspirations, such as finding employment, which means that additional funding sources can be accessed.
- Traditional care provision often does not meet the needs of people from minority ethnic communities. Experience in one of the authorities shows that direct payments can reach these users successfully.
- Direct payments promote independence and choice for service users and can be used to help achieve multi-agency strategic aims of other government policies, such as Welfare to Work, Valuing People, and Fair Access to Care Services.

## A dual approach to implementing direct payments

Implementing direct payments involves co-ordinating a joint exercise. On the one hand, the local authority is working to establish strategic frameworks to ensure that the systems, training, understanding, documentation and lines of communication are in place. On the other, it is actively seeking partnerships with users and user organisations in order to set up support services for direct payments that can eventually be user-led.

This combined approach was reflected in the work of the Direct Payments North researcher. Working with the three volunteer authorities in the two regions, the Direct Payments North project initiated a number of developments. These included a direct payments awareness-raising road show, a direct payments information-sharing event, the appointment of a dedicated direct payments worker, the creation of new promotional material, and the development of a training programme for social workers and team managers.

## Meeting the challenge to innovate

Some excellent direct payments schemes exist in the region, with two being in the top ten per cent in England in terms of user numbers. By looking at the other local authorities in the area, the study identified four barriers to direct payments success that needed to be addressed at a strategic level:

- local authority culture and communication channels;
- the undervaluing of consultation and user-involvement;
- commissioning and financial issues; and
- a lack of networks.

### **Culture and communication**

The success or otherwise of implementing direct payments may depend on a local authority's willingness to embrace cultural change and to innovate. General awareness of direct payments within some local authorities was poor. At directorate level, direct payments may not be seen as a top priority. There may also be a lack of information about how direct payments fit in with the local authority's strategic direction.

### **Commitment to user involvement and independence**

The success of direct payments relies on the local authority's ability to work with user organisations. Getting the user-led support service in place is the starting point for everything else. The project aimed to model the key principles of partnership. These are:

- A proactive approach that demonstrates the authority's commitment to independent living and user involvement by, for example, promoting the benefits of direct payments, identifying user-led organisations as potential partners, and inviting users to train local authority staff.
- A willingness to share power with user organisations. It is important for local authorities to develop a strategy for handing over management control of support services to an independent user-led organisation.
- Planning to involve all groups of users, so that a generic support service (which may include specialist advisers) is in place.

### **Commissioning and financial planning**

One important barrier encountered in the study was a lack of clear information about direct payments from the local authority finance department. In particular information about how to transfer money to direct payments from existing services was often absent. This is part of a wider strategic problem and highlights the importance of getting the finance department involved in developments as early as possible.

Successful authorities had a named person with responsibility for direct payments within the finance department. They advised that the finance department should be represented in any steering group on direct payments.

To ensure success in this area, finance departments need to:

- ensure budgets are flexible so that users can easily transfer from services to payments;
- help calculate costs for packages;
- administer the transfer of funds to individual bank accounts; and
- ensure that monitoring systems are effective.

### **Networking**

Direct payments schemes are a developing field and each authority has particular expertise to share. Most networks are under-resourced and this can undermine their ability to exchange information in this fast-moving area. Although outside the scope of this study, it might be useful to conduct future research into what systems of networking best support staff, users and the exchange of information and experience.

### **Putting direct payments into practice**

The project identified some common operational pitfalls:

#### **Communicating internally**

The key to addressing this issue is to appoint an officer to manage the implementation of government guidance across all departments.

#### **Reaching users when there are no user-led groups**

The project identified ways to help the development of direct payments where no, or few, user-led groups exist. (These are outlined in the section entitled 'Setting up user-led services', below.)

#### **Promoting and publicising direct payments**

Relevant, up-to-date and easy-to-use information about direct payments is essential and must be created if absent. Team leaders, care managers and users need training about the benefits of direct payments and practical implementation issues.

#### **Achieving flexibility**

The three authorities in the project shared a common difficulty in achieving a balance between the need for clear and consistent policy and procedural controls in place for direct payments, and the need to allow

enough flexibility for direct payments to work. The project identified some practical ways to achieve flexibility such as: making monitoring forms simpler; allowing users to accrue a surplus for contingencies; or having variable rates of payment for users with more complex needs.

- *Dealing with pay and recruitment difficulties*

Two of the local authorities experienced recruitment difficulties because the rate of pay for personal assistants was too low to attract staff of the right calibre. This is a countrywide problem. Pay rates need to take into consideration the rates for comparable work and local employment statistics.

### Setting up user-led support services

The highest numbers of people using direct payments are in local authority areas where users and the local authority share control and ownership, and where user-led support schemes are adequately resourced. The project developed a planning tool – *Smooth Routes to Direct Payments* – which outlines ten practical stages for developing an independent direct payments support scheme. The tool draws on several authorities' experiences of what barriers exist, as well as how they can be overcome. Initially developed for one of the local authorities in the study, the ideas have been refined with the aid of a reference group of direct payments co-ordinators and officers from several authorities in the region. Copies are available from Pavilion Publishing (see 'How to get further information' below).

### Conclusion

A lack of understanding about direct payments is still widespread and the study identified practical ways for local authorities to promote the benefits of direct payments. Although some authorities in the study area were struggling to develop direct payments, the study identified others that have been extremely successful. In those local authority areas where implementation has been slow, officers now recognise the opportunities to use existing knowledge, expertise and research to fast-track implementation. Working with the Direct Payments North project officer, this has resulted in a number of practical strategies for developing direct payments that are relevant to all areas of the country. These are documented in the full report.

### About the project

The Direct Payments North project aimed to address the low take-up of direct payments in the North East of England by trying to pinpoint factors inhibiting take up in the region, and by supporting local authorities in the region as they developed their direct payments schemes. The project was hosted by Disability North. A project worker was appointed for ten months to work with three specific local authorities in the North East and Yorkshire & Humberside and to network with authorities, support schemes and user groups across the study area. Direct payments users, local authority managers, support scheme co-ordinators, team managers, and social workers were consulted through a series of face-to-face interviews, questionnaires and information-sharing events and meetings.

### How to get further information

The full report, **Making direct payments work: Identifying and overcoming barriers to implementation** by Frances Hasler with Angela Stewart, is published for the Foundation by Pavilion Publishing (ISBN 1 84196 128 0, price £11.95).