
DIRECT PAYMENTS HOURLY RATES

**Responsible Cabinet Member - Councillor Veronica Copeland,
Adult Social Care and Housing Portfolio**

Responsible Director - Murray Rose, Director of People

SUMMARY REPORT

Purpose of the Report

1. To seek agreement from Cabinet to agree a Direct Payment hourly rate in respect of individuals who commission a domiciliary care agency to meet their assessed needs.
2. To seek agreement from Cabinet to agree a rate in relation to a Direct Payment sleep-in rate.
3. To seek agreement from Cabinet to allow some flexibility in relation to the existing Direct Payment sleep-in rate.

Summary

4. Following a recent tender exercise the Council is now able to commission domiciliary care and support at a rate of £11.25 an hour and £12.75 an hour for specialist support. As a consequence the previous commissioned services above these rates have been reduced.
5. There are approximately 100 people who commission a Domiciliary Care Agency using a Direct Payment at a rate above £11.25 and £12.75. It is proposed that these hourly rates are reduced to be brought in line with the commissioned rates or the standard Direct Payment rate of £10.86 an hour.
6. The current standard rate for a Direct Payment is up to £10.86 an hour. This rate was set to ensure individuals had enough resource to meet their social care needs.
7. It is proposed that the standard Direct Payment hourly rate remains at £10.86 an hour.
8. It is proposed that from the 1 October 2013, in line with the new Domiciliary Framework, those who currently commission from an agency at a rate above £10.86 have their Direct Payment aligned with the new rates.

9. An Equality Impact Assessment has been completed. In relation to the reduction in the hourly rate, the main impact identified is the potential loss of the individual who offers the direct support. However, this can be mitigated by the individual using the direct payment to directly employ their own staff. The impacts identified in relation to a change in the sleep-in rates are more complex, as many of the arrangements are very personalised. Detailed information is available in **Appendix 1 and 2**.
10. A number of individuals use a Direct Payment to commission a sleep-in service to meet their social care needs.
11. The current Direct Payment sleep-in rate is paid at £63.22 per night, which is in line with the commissioned rate.

Recommendation

12. It is recommended that Cabinet :-
 - (a) agree to maintain the standard Direct Payment of £10.86 per hour.
 - (b) agree that those individuals who currently commission support from an agency above the rate of £12.75 an hour have their hourly rate reduced in line with the commissioned framework rates or where appropriate the standard rate.
 - (c) agree individual rate of £10.86, £11.25 or £12.75 an hour to be determined by a Care Manager following review, using a assessment tool currently being developed.
 - (d) agree to introduce a rate for those who use a Direct Payment to fund a sleep-in, in line with the commissioned framework rate of up to £40 per night.
 - (e) agree to support a care management review of the 34 existing Direct Payment users who employ staff to provide a sleep-in service.
 - (f) agree to delegate to the Assistant Director, Adult Social Care individual decisions in relation to agreeing a sleep-in rate for those existing Direct Payment users who employ staff to meet their needs.

Reasons

13. The recommendations are supported by the following reasons:-
 - (a) This decision will bring the Direct Payment hourly rate for a small number of individual's commissioned service in line with the procured hourly rate.
 - (b) The current Direct Payment hourly rate of £10.86 remains enough to ensure that individuals can meet their social care needs.

(c) Those who use a Direct Payment to purchase a sleep-in, do so using a myriad of arrangements and one solution will not ensure needs are met.

(d) The decision will result in potential financial saving as outlined in paragraph 37.

Murray Rose
Director of People

Background Papers

Cabinet Report: Domiciliary Care and Housing Related Support Contract 5 March 2013

Mark Humble: Extension 2856

S17 Crime and Disorder	This decision will have no direct impact on Crime and Disorder.
Health and Well Being	This decision will have a direct impact on a small number of individuals with complex support needs.
Carbon Impact	There are no carbon impact implications in this report.
Diversity	There may be some individual impacts which are being identified and taken into account in preparing this report
Wards Affected	All wards are impacted
Groups Affected	This impacts on a small number of individuals who have a direct payment and use it to commission support from a Domiciliary Support Agency.
Budget and Policy Framework	No direct impact on the budget and policy framework.
Key Decision	This is not a key decision.
Urgent Decision	This is not an urgent decision.
One Darlington: Perfectly Placed	No direct impact.
Efficiency	This work will result in efficiency and potential saving.

MAIN REPORT

Information and Analysis

14. Every Council has a duty to offer money to people who are assessed as being eligible for community care services so they can buy and arrange their own care and support, instead of arranging services or support for them. Money given in this way is known as a Direct Payment.
15. A Direct Payment allows an individual, with support if necessary, to commission the support they want that can meet their identified eligible social care needs.
16. Direct Payments have been in existence since 1997 and are central to the drive to personalise social care.
17. Currently there are more than 450 people in Darlington who have a Direct Payment to pay for their assessed needs to be met.
18. The Council currently commission Darlington Association on Disability (DAD) to provide a support service to those who need support to manage their Direct Payment.
19. People use their Direct Payments to arrange and pay for a range of support; most people either commission from a provider or employ their own staff.
20. The current Direct Payment rate is £10.86 an hour. This figure was set a number of years ago and was developed to ensure that individuals could both employ their own staff or commission an agency to meet their needs. However custom and practice over the years has seen the Direct Payment rate for commissioning from a social care agency increase to be in line with the general agency rate of £11.03 an hour.
21. The hourly rate of £10.86 is under regular review. However, to date there is every indication that it continues to be viable for those who employ their own staff.
22. A small number of people, mostly with a learning disability have an increased hourly rate up to £13.32 an hour. This hourly rate reflected the rate procured through a tendered framework. These individuals use this increased hourly rate to commission their support from social care agencies that specialise in supporting people with a learning disability.
23. There are currently 34 people who have a Direct Payment of £63.22 per night to fund any sleep-in support they require. Eleven of these commission directly from an agency and the remainder employ their own staff.
24. A sleep-in can either be used by individuals to ensure their social care needs are met and they continue to live independently or used by family carers to ensure that they are able to take a break from their caring responsibilities.

25. Of the 23 people who directly employ staff there are a wide range of individual arrangements. These include a range of payments and terms and conditions. Many of those who employ staff have raised the issue of the working time directive and potentially employing staff at below the statutory minimum wage.

Current Position

26. The two current framework agreements “Domiciliary care and domiciliary continuing health care services for adults and older people” and Personal care and housing related supported for people with a learning disability” are due to end 30 September 2013.
27. Cabinet agreed on the 5 March 2013 to:-
- (a) Approve the retendering of Domiciliary Care services through an approved procurement process, for the contract period 1 October 2013 to 30 September 2015 with an option to extend by up to a further two years.
 - (b) Approve one Framework Agreement for all adults including domiciliary personal care and housing related support.
 - (c) Introduce a standard domiciliary rate for all adults based on a 2% increase to the current average rate of £11.03. This equates to £11.25 per hour.
 - (d) Introduce an enhanced rate of £12.75 to meet those individuals with complex needs based on criteria for Continuing Health Care.
 - (e) Introduce a sleepover rate of £40 per night and a structured payment in accordance with assessed needs.
28. There are approximately 100 people who currently have a Direct Payment and commission from an agency above the rate of £10.86 an hour. This 100 people also includes a very small number of individuals who employ staff at up to £13.32 per hour.

Proposals

29. Those individuals who have a Direct Payment and commission an agency to meet their needs over and above the newly procured rate have their Direct Payment reduced to either £11.25 or £12.75 an hour dependent on individual need. This rate is to be determined by a care manager using a newly developed tool that looks at the complexity and impact of an individuals support needs.
30. Those individuals who directly employ staff above the current Direct Payment rate have their hourly rate reduced to £10.86 an hour.
31. Individuals will be offered the support of a Care Coordinator to negotiate/manage this reduction.

32. Those individuals who commission from a Domiciliary Care Agency have their Direct Payment for a sleep-in reduced in line with the commissioned rate.
33. Those individuals who use a Direct Payment to employ staff to provide a sleep-in service are reviewed and individual care management decisions are made in relation to agreeing a sleep-in rate.

Financial Implications

34. A reduction in the hourly rate from £13.32 to either £12.75 or £11.25 will result in a saving. At this stage prior to review it is not possible to calculate this accurately, however at 14 February 2013, 920 hours were commissioned at an hourly rate above £10.86.

Table 1: Potential savings in relation to a reduction in the hourly rate

Revised Hourly Rate from £13.32	Maximum Projected Saving p.a
100% @ £12.75	33,594
50% @ £12.75 50% @ £11.25	66,883
10% @ £12.75 90% @ £11.25	92,196

Legal Implications

35. The Department of Health “Guidance on Direct Payments” 2009 maintains that a Direct Payment “Should be sufficient to enable the recipient lawfully to secure a service of a standard that the council considers reasonable to fulfil the needs for the service to which the payment relates”.
36. Successful procurement has shown that a reduction in the hourly rate will still be sufficient to enable someone to buy the support that they need.

Equalities Considerations

37. An Equality Impact Assessment in relation to a reduction in the hourly rate has been completed, which indicates that there are no significant equality impacts linked to this change. (Attached as Appendix 1).
38. An initial Impact Assessment in relation to the reduction in sleep-in has identified some significant impacts in relation to continuity of support. (Appendix 2).

Outcome of Consultation

39. The proposed changes were shared by letter with all of those impacted and individuals were given the opportunity to respond in writing or in person at two drop in sessions held at the Dolphin Centre on the 9 April 2013. The impact most highlighted was in relation to the individual relationships that have been developed

and their potential loss. Early indications from current providers are that they will accept the reduction and continue to provide support.

40. The proposed changes in relation to reducing the sleep-in rate were shared by letter with all of those impacted and individuals. There were 11 individual responses and a combined response on behalf of a number of individuals from Darlington Association on Disability. The most significant impact identified has been the potential loss of trusted staff that spend time in an individuals home when they are most vulnerable.