



DERBY CITY COUNCIL

**COUNCIL CABINET  
3 JULY 2007**

Cabinet Member for Adult Services

# ITEM 13

## **Direct Payment Rate paid to Service Users**

### **SUMMARY**

- 1.1 A Direct Payment is a payment made to service users to allow them to purchase directly the care or support they have been assessed as requiring. This is in line with Government guidance on increased independence and choice for users of social care.
- 1.2 The use of Direct Payments has proved very popular in Derby particularly amongst younger adults. Derby is a top performer in the region on the development of Direct Payments.
- 1.3 Direct Payments can be used by the service user to purchase care or services from an independent sector provider, or can be used to purchase care or services provided by a personal assistant. Where care or services are provided by a personal assistant, the service user recruits and employs the assistant. This can be a friend or family member.
- 1.4 At April 2007 Derby had a total of 280 Direct Payment service users who receive in total £2.1m per annum.
- 1.5 Derby currently pays an hourly rate of £10.20 for Personal Care regardless of how the service user obtains the care. Most other local authorities have introduced different rates to reflect the different costs incurred dependent on whether the service is provided through a Personal Assistant or by an agency.
- 1.6 The rate paid to service users who employ a Personal Assistant is higher than all of our neighbouring authorities. The rate paid to service users who purchase care from a Care Agency needs to be brought in line with the rate Derby procures home care from the independent sector.

### **RECOMMENDATIONS**

- 2.1 To reduce the hourly rate from £10.20 to £9.00 where service users employ a Personal Assistant.
- 2.2 To increase the hourly rate from £10.20 to £10.52 where service users purchase care from a Care Agency.
- 2.3 The above to take immediate effect for new service users and from October 2007

for existing service users.

<b>REASON FOR RECOMMENDATIONS</b>
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- 3.1 Prior to April 2007 our Direct Payment rate was aligned to the rate we pay the Independent Sector Agencies for the purchase of home care. The original decision for this was based on the assumption that most service users would use a Direct Payment to purchase care from an agency. Whilst some people do purchase their care from an agency it is far more common for people to directly employ their own personal assistant hence the 'profit' and agency overhead element in the rate is irrelevant.
- 3.2 The rate proposed is in line with our neighbouring local authorities for the employment of Personal Assistants.
- 3.3 The proposal does not reduce service, but it does reduce the hourly rate available to service users to employ their own personal assistants. In some cases it could result in the service user terminating contracts with existing personal assistants and hence a change to their care or support arrangements.



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Report of the Corporate Director of Corporate and Adult Services

## **Direct Payment Rate paid to Service Users**

### **SUPPORTING INFORMATION**

- 1.1 Our neighbouring authorities all currently pay at a rate lower than Derby. See Appendix 2.
- 1.2 Our neighbouring authorities with the exception of Leicestershire have split rates for employing a Personal Assistant and for using an Agency. Derbyshire have a split rate, but pay less when the care is secured through an agency. It is difficult to understand this, but it must be based on the presumption that independent sector care can be purchased at this price in Derbyshire.
- 1.3 Of 280 service users in receipt of a Direct Payment in April 2007 70 were purchasing care through an agency, 14 were receiving mixed care packages and 196 service users were employing a Personal Assistant.
- 1.4 The Council's overall financial position, and that of Adult Social Services in particular, requires us to continue to search for efficiencies.
- 1.5 It appears prudent to introduce a lower rate where service users employ a Personal Assistant direct. Evidence from Nottingham, Nottinghamshire, Leicester and Leicestershire indicates that appropriate support can be acquired for £9 per hour.
- 1.6 We intend to offer help to any service users who may face difficulty in moving away from arrangements they have put in place.

### **OTHER OPTIONS CONSIDERED**

- 2.1 Doing nothing and adopting practices of other authorities set out in Appendix 2.

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Background papers:	Appendix 1 – Implications Appendix 2 – Neighbouring authority payment rates

<b>IMPLICATIONS</b>
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**Financial**

- 1.1 Introduction of new rates from July 07 for new service users, and October 07 for existing service users would generate a saving of £90k in 2007/08.
- 1.2 The full year saving in 2008/09 would be £170k.

**Legal**

- 2.1 The Department of Health's direct payments guidance states that "It is up to the council to decide on the amount of the direct payment. However, the direct payments legislation provides that it must be equivalent to the council's estimate of the reasonable cost of securing the provision of the service concerned, subject to any sum paid by the recipient. This means that the direct payment should be sufficient to enable the recipient lawfully to secure a service of a standard that the council considers is reasonable to fulfil the needs for the service to which the payment relates. There is no limit on the maximum or minimum amount of a direct payment either in the amount of care it is intended to purchase or the value of the direct payment."
- 2.2 A reduction in the hourly rate where personal assistants are employed will not reduce the level of care provided to service users. The proposed rates are comparable to those paid by neighbouring authorities, so recipients should still be able to secure a service as required by the guidance.

**Personnel**

- 3.1 Monitoring will be required of the impact on the workload of existing staff were there to be a significant transfer of work from the in-house service to determine the need for any changes to numbers of staff employed.
- 3.2 The decreased hourly rate may result in some service users being unable to continue to employ existing Personal Assistants.

**Equalities impact**

- 4.1 This proposal will allow a more equitable allocation of Council resources.
- 4.2 The proposal would be likely to be of concern to people with disabilities, and may be challenged as a reduction in service. It is likely to generate a high number of complaints from existing service users.

**Corporate priorities**

- 5.1 The modernisation programme supports the Council's objectives of healthy, safe and independent communities and furthers the priority of modernising social care, including adult home care.

## Appendix 2

Day time rates paid by some of our neighbours are as follows (figures correct as at June 2007).

<b>Authority</b>	<b>Rate for PA</b>	<b>Agency Rate</b>	<b>Notes</b>
Leicester	9.00	10.70	
Leicestershire	8.90	8.90	
Nottingham	7.61 or 8.13	Flexible	7.61 6am – 8pm, 8.13 8pm – 10pm
Staffordshire	10.00	13.70	
Derbyshire	9.85	9.34 or 9.79	Higher rate includes quality premium
Nottinghamshire	8.50	8.50	(12.70 on Sunday)
Derby	10.20	10.20	