

MONITORING & REVIEW OF DIRECT PAYMENTS.

This fact sheet:

- **Outlines the purpose of monitoring and review of direct payments.**
- **Outlines good practice in monitoring and review.**
- **Suggests procedures that can be put in place to assist local authorities and recipients to manage and monitor direct payments.**
- **Identifies appropriate ways of dealing with problems that may occur.**
- **Details further sources of information.**

Although the role of support organisations may feature in individual monitoring and review arrangements, this fact sheet does not address the monitoring or evaluation of services provided by support organisations. Nor does it consider the evaluation of the direct payments service.

1. Introduction.

Direct payments offer new challenges to local authorities and recipients alike. Local authorities have a duty to ensure the best use of public funds, and good monitoring is crucial as a means to achieve this. They will naturally be concerned to ensure that recipients are aware of their responsibilities to use their payment properly, and that there are sufficient checks, balances and safeguards in place to minimise potential problems. Clearly, it is in the interests of all concerned that direct payments are managed and monitored appropriately.

It should be noted that there is little evidence of problems arising in existing direct payments schemes. Where they have occurred,

misunderstanding or miscalculation is usually the cause. In any event, the possibility that mismanagement or misappropriation may take place should never be a reason not to promote the availability of direct payments, nor to allow excessive local authority monitoring to undermine the real benefits for recipients – i.e. the choice, control and flexibility that enable independent living.

2. Community Care Assessments.

Assessment should identify an individual's needs. Discussion should then take place with the potential recipient (and their advocate, if appropriate) as to what support is best suited to meet those needs. If the basis for an assessment is unclear and the process is not transparent then it will be difficult for the recipient to manage the payment with confidence.

Good assessment does not mean being rigid and over-precise. Flexibility is crucial as the extent and duration of need may vary from day-to-day. E.g. flexibility in assessing time needed to go to the toilet (hours may vary according to whether you feel like reading the paper!).

Direct Payments Agreement.

Once a direct payment package has been agreed, a two-way agreement setting out responsibilities of the individual receiving the direct payment and the local authority should be signed by both parties.

This should clearly specify what is to be purchased with the direct payment. For example:

- Number of hours of personal assistance, the hourly rate and employer add-on costs / pensions (when available).
- Management support, payroll costs / self-management fees.
- Travel expenses.
- Equipment costs.

Clear guidelines on appropriate use of funds, and the circumstances in which payments may be recovered, should be included. It should also set out any scope to vary use without prior agreement with the care manager, where prior agreement would be required, and procedures for notifying under/ over-use. (See Factsheet 6 - Calculation a Direct Payment Support Package).

Support Organisations.

The availability of a local user-led support group will give the direct payment recipient an accessible and often more acceptable source of advice and assistance. For example they can help an individual identify their needs before the local authority does an assessment (See Fact Sheet 2 - Role of the Direct Payments Support Organisation).

Flexibility.

It is important to ensure that the direct payments ethos of flexibility and user control is not undermined. Systems and processes should be clear, transparent and not overly bureaucratic. For direct payments to be genuinely empowering, recipients need to feel confident that they understand the procedures involved and the responsibilities of all concerned - hence the importance of the Direct Payments Agreement. The more flexibility that can be accommodated as part of an agreement, the less need there will be to try and 'bend the rules' in order to exercise choice and lead a full life. Flexibility might be possible with regards to:

- The range of support that can be purchased.
- The activities that can be undertaken, e.g. both assistance with personal care, with social activities or with exercising family responsibilities.
- Provision for 'saving up' hours and carrying them forwards to times when more support is needed, e.g. because of the absence of an informal carer, or for an additional social activity, holiday, etc.
- Built in expenses for PA costs other than salary (travel, food and accommodation etc).
- Contingency funding for defined occurrences other than the above.

3. Review of the Community Care Assessment.

Review should take place at regular intervals. The first review should take place approximately 6 weeks after the direct payment has begun. Reviews may be more frequent when an individual starts receiving direct payments and fewer later on according to mutual agreement. This could be every 6-12 months but may vary depending on local authority policy, and should be agreed between the recipient and the care manager.

i. Who should be involved in reviews?

- Social Work Services Care Manager.
- Direct payment recipient.
- Advocates and/or members of individual trust (if applicable and only if requested by DP recipient).
- Family/friends (only if requested by DP recipient).

ii. What should reviews consider?

- How well the scheme is working generally.
- Whether additional/less support is needed e.g. in managing staff, or in administering payroll.
- Whether the direct payment recipient is exercising a sufficient degree of control over their support arrangements and whether this could be increased in any way.
- Whether additional training is needed.
- Whether additional/less funding is needed.
- Whether the local authority is meeting its obligations e.g. to make payment on time.
- Whether the direct payment recipient is meeting their obligations e.g. to keep appropriate records available for inspection.
- Whether funding has been spent in accordance with the agreed guidelines.

iii. What else could a review consider?

- Good use of advocacy helps prevent problems.
- The DP recipient's experience of using any support services.

iv. Benefits of a review for social work departments:

- To identify any additional training and support needs.
- To check money is being used appropriately by the person getting the direct payment.
- To check the disabled person is exercising appropriate control.
- To vary the amount according to need (either up or down).
- To determine whether arrangements are working well - are they providing best value?

v. Benefits of a review for the individual:

- To provide an opportunity to sort out any problems – though some problems may be more effectively addressed by the user-led support organisation.
- To provide reassurance and boost confidence where it is needed.
- To secure additional training or support.
- To vary the amount of the direct payment according to need.

Good practice in monitoring and review should be underpinned by the following principles:

Partnership.

Reviews should be conducted in a spirit of partnership and equal status. Review procedures should look at the responsibilities of **both** parties, not just the recipient's obligations.

Supportiveness.

Reviews should always aim to support the recipient and should not be punitive (this will encourage openness).

Simplicity.

Reviews should not be overly bureaucratic and be regular and ad hoc (if required).

Transparency.

There is a need for clear guidelines on paperwork and agreed agendas for reviews.

4. Financial Monitoring.

Financial monitoring will take place at intervals specified by the local authority (e.g. quarterly). This is done by a care manager/ finance officer and does not involve meeting with the recipient. The recipient will be expected to complete a financial statement identifying the total income from direct payments, the total expenditure on wages, total expenditure on other costs and the balance carried forward. A care manager may wish to see evidence to support financial statements. This may include the following supporting evidence:

i. Financial Records.

Recipients should keep proper financial records. Support organisations should provide training on how to keep these. The following records of income and expenditure can be requested:

- Monthly bank statements.
- Signed wage receipts.
- Signed receipts for cash payments.
- Employment records (these should be kept for 3 years in case of enquiries from the Inland Revenue, and include staff details – name, address, NI number, date employment commenced and

ceased, hours worked and payments received, PAYE and NI payments to the Inland Revenue).

- Agency invoices and receipts (if applicable).
- Records of other costs and receipts, e.g. cheque books.

ii. Bank Accounts.

Recipients should open a bank or building society account for the purpose of managing any monies received to meet their assessed care needs (direct payments, Independent Living Fund, Supporting People etc). Local authorities should request a monthly statement is forwarded to them.

- The local authority and the service user should agree how bank charges and interest earned on the balance of the account should be treated.
- The payments to the account by the local authority should be made via BACS (direct transfer to bank account), in advance.
- The local authority could approach local banks and building societies to obtain free service and advice for service users.

5. Gross Payment

In common with users of directly provided community care services, it is often the case that direct payments recipients will be means-tested and required to pay a charge towards the total cost of their care. However, the recipient may decide not to pay the charge and simply purchase less care than they were assessed as needing. Arguably, no misappropriation has been committed as no misuse of public money has occurred. The money is still being spent on the care that the recipient was assessed as needing – the recipient has just decided to do without the element of support funded by their own contribution.

To prevent this, local authorities should pay direct payments in gross, i.e. in full, without deducting the user's contribution, and then recoup the charge. A local authority's powers to recoup charges in this way are strengthened by the Community Care and Health (Scotland) Act 2002. Financial monitoring allows the local authority to check that the charge has been paid into an account by the direct payment user.

6. Problem Solving.

Problems can be minimised by:

- Regular support.
- Training.

- Advocacy.

When problems **do** occur there should be:

- Discussion.
- Additional support/ training.
- Recovery of payment.
- Alternative provision.

Any proposed changes to the value of an individual's direct payment must, apart from in exceptional circumstances, be discussed and agreed with the person and notice given in advance of the payment being altered. It may be helpful to involve a worker from the support organisation. Where it is not possible to negotiate an agreement the person should be advised of the reviews or complaints procedure.

If a local authority is not satisfied that money has been used to secure provision of services, or any of the conditions set out in the Direct Payments Agreement have not been met, the Community Care (Direct Payments) Act 1996 allows recovery of money. When considering whether or not to recover direct payments it is important to discuss the issues with the service user and give an opportunity for them to demonstrate that they can continue to manage the payments (e.g. by accepting additional support). However, if the service user continues to misuse the payment, normal local authority procedures for recovery of payment should apply. For example, the direct payment recipient should be requested to pay back the amount in full or in monthly instalments. If no payment is made, it should be deducted from other payments due, with the direct payment recipient's consent.

If payments are to be discontinued the care manager should arrange alternative provided/ purchased services to meet the person's need, unless after reassessment services were no longer required. If the recovery is due to the accumulation of a surplus, appropriate adjustments should be within the existing package.

7. Further Reading.

- CIPFA Community Care (Direct Payments) Act 1996, Accounting and Financial Management Guidelines, Fully revised second edition available from CIPFA at www.cipfa.org.uk or on 0207 543 5600 – essential guide to financial monitoring of direct payments

- Community Care Direct Payments Act 1996 – Policy and Practice Guidelines, June 2003, Scottish Executive.
- Direct Routes to Independence, Policy Studies Institute, Price £10
- Making Decisions: Best Practice and new ideas for supporting people with high support needs to make decisions, Values Into Action, tel: 0207 481 9053.

8. Further Information.

UPDATE, Scotland's National Disability Information Service.

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