PIRU POLICY INNOVATION RESEARCH UNIT

Direct Payments in Residential Care: an evaluation

A short summary of the final report

Background

Direct payments are monetary payments made by local councils to individuals to meet some or all of their eligible care and support needs. A direct payment can be paid to the service user or to a family member or representative. The rationale is that, by managing their own budget, people will be able to choose services that best meet their needs and that services will be more personalised as a result. Until recently direct payments were available only to those receiving social care services at home, or for respite care, and excluded those in residential care.

In 2013, the Government decided to test direct payments in residential care in 18 local authority 'trailblazer' sites in England. The aim was to find out if residents experienced increased choice and control of their residential care services, and whether services were more personalised as a result.

Direct payments were offered to a selected number of people entering residential care for the first time, as well as to people already resident in a care home. In some cases, the direct payment covered the entire cost of their residential care (minus any user contribution), while in other cases, the council continued to pay the basic care home fee, with the user receiving an amount of money to spend on other services, such as for individualised activities.

The Policy Innovation Research Unit (PIRU) carried out an independent evaluation of the trailblazers to understand how direct payments were being offered and used in residential care; whether they were making a difference to residents and their families; and how well they were working for councils and care homes. The evaluation took place between 2014 and 2016 and included:

- A survey with residents and family members who were offered a direct payment and either accepted or declined, including a follow-up survey;
- Interviews with council project managers before, during and at the end of the scheme;
- Interviews with council care managers and with care home staff and residents in a selection of sites;
- Interviews with key national stakeholder organisations;
- An online survey with care home providers.

Key Findings

1. Numbers of people taking a direct payment:

The number of people taking a direct payment for their residential care was lower than expected. Project managers in the 18 trailblazer councils had anticipated that around 400 people might want to take-up a direct payment. However, at the end of the programme, only 71 people had accepted a direct payment and, of these, 40 were set up and in use. Six months after the official end of the programme, only 29 people were receiving a direct payment for their residential care.

2. How direct payments were used:

Most of the direct payments (19 out of the 29) were used to pay for the full care home fee. These were termed 'full' direct payments. The remaining 10 were 'part' direct payments, i.e. paid in addition to, or as part of, the care home fee. These were mostly used to pay for activities outside the care home chosen by the resident.

Amounts made available as direct payments ranged from £1,250 per week to cover the full care home fee to £8 per week as a part direct payment.

3. Observed benefits of direct payments in residential care:

Care home residents who took up a direct payment were largely satisfied with the experience. For some, a direct payment offered a solution to a specific problem, such as allowing those who had previously been paying their care home fees themselves (self-funders) to remain in the same care home when they became eligible for funding support from their council (although this often required their relatives' paying 'third party top-up' fees where the care home was unable to accept the council rate alone).

Others, such as those previously receiving a direct payment in the community, could continue to have control of their budget when entering residential care.

Those in receipt of a part direct payment welcomed the opportunity to access additional or different services (such as day activities).

Some family members spoke about feeling empowered by the sense of control that direct payments provided for them over their relative's residential care support.

"It's almost giving me the control that using my own money would give me."

Family member accepting a full direct payment for her relative.

Council and care home provider staff appreciated the benefits that direct payments provided for some residents – such as residents aged under 65 who were more likely than older people to experience enhanced choice from having a direct payment. This was especially so for those who had extra funding available for activities during the day, which is most often restricted to younger adults.

Some care home providers for those aged under 65 saw a potential business opportunity in direct payments as they felt they could extend their day service provision to people with direct payments resident in other care homes.

4. Issues and concerns:

Many people decided against having a direct payment. Many of those declining the offer of a direct payment said that they were satisfied with the quality of the care and the choices they experienced in their care home and could not see any benefit of a direct payment. Some family members worried that a direct payment might disrupt the care home's routine and compromise its high standard of care, for example by taking funding that was used to benefit all residents to benefit only the individual holding the direct payment. As one family member said it is 'like robbing Peter to pay Paul'. A number of family members also did not want to manage their relatives' payment – for some this appeared to be unnecessarily complicated.

Some service users did not benefit. While all participants agreed that residents should receive care that was tailored to their needs and preferences, the study raised questions as to whether direct payments would be able to achieve this goal for residents with high care needs. For example, it was not clear how people would benefit from having a direct payment if they were unable to make meaningful choices for themselves, such as older people with advanced dementia and other people with severe mental and cognitive disabilities. In some cases, families or advocates could offer support, but in other cases the direct payment was declined because relatives or advocates judged that the service user could not benefit from additional choice.

"… [my daughter] couldn't honestly make an informed choice … she couldn't."

Family member declining a full direct payment for her relative.

Older people were less likely to benefit from having a direct payment than those aged under 65, reflecting the difference in funding available for older people compared to younger people. Funding for older people's care is more restricted than for younger people with disabilities leaving little, if any, flexibility for funding any additional services which older service users might want to choose.

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Key Findings continued

Direct payments were not always easy to promote. Some social workers and care home staff expressed doubts about the value of direct payments in residential care and therefore found it difficult to explain them to service users and their family members. Some staff, particularly those having little experience of direct payments in the community to draw on, found this challenging.

"... the message I get constantly is, well, we [social workers] don't really know enough about [direct payments]. We don't really mention it because we are not sure."

Social worker speaking about lacking confidence promoting direct payments to residents and family members

Council staff said that it became difficult to keep some care home providers engaged in the programme once it became clear that direct payments would not mean any extra funding for them, and might even pose a risk to their business.

Full direct payments were less flexible on choice of services than part direct payments. A full direct payment met the entire care home fee, i.e. the residential care 'package', including bed, board, personal care and activities. Although there was the potential for a full direct payment to increase peoples' choice of care home, enabling some to choose a care home that would not otherwise have been available to them, it was less likely to lead to greater choice within the care home as it only paid for the residential package. This particularly applied to residents over the age of 65.

MARY

Mary* is 85 and has lived in a private residential care home for one year. Mary has dementia and Parkinson's disease and has required a high level of personal care. She was self-funding until recently and had reached the threshold for council support.

Mary's daughter was managing her finances whilst she was self-funding and wanted to continue to do this with a full direct payment.

Apart from the value of being able to manage her mother's finances, Mary's daughter did not feel that having a direct payment offered any additional choices for her mother as it only paid for the care home 'package'.

But she did feel she would be able to use the direct payment to negotiate, with the care home, changes in her mother's care plan if she felt that her mother wanted to do things differently.

Part payments were easier to organise for people aged under 65 than for older people. Part payments provided an opportunity for greater choice of services, but relied on councils and care homes identifying and agreeing a sum of money that could be used by the resident flexibly as a direct payment. The resident would be able to choose what to purchase with his or her part direct payment as an alternative to a service or activity arranged by the care home. As a result, some care home managers feared that their home would lose part of their income if a resident chose to spend the money elsewhere, which might pose a threat to their business.

Direct payments proved costly to set up and put into practice. Setting up direct payments in residential care, especially part direct payments, was time consuming for councils and involved considerable cost per person since few people accepted them. In many cases, residents, family members and care home providers also invested significant amounts of time in helping set up the direct payments as well as in organising and supporting activities for which the direct payment could be used. While novel initiatives can be expected to incur additional initial costs, it was found that these costs were high relative to the modest outputs of the programme.

JAMES

James* is 63 years old and has lived in residential care for ten years. He requires a wheelchair for mobility and needs help for personal care. He lives in his own separate adapted dwelling in the grounds of a care home for people with disabilities.

James agreed to have a part direct payment so that he could install and fund an internet connection, and pay for personalised activities.

The internet connection is now set up, but the care home has had difficulty in organising the staff and transport required for his chosen activities. He has, however, been able to participate in some similar group activities available to all residents.

*Real names not used to protect identity.

Limitations

The findings relate to a relatively small number of direct payments active at the end of the programme. The findings from this study have therefore to be interpreted with a degree of caution. The survey of service users and family members (68 completed baselines and six follow-up at six months) was too small in number to permit much useful analysis. The interview data was more substantial (a total of 111), but included those with (as yet) little or no experience of direct payments, largely due to poor levels of take-up. As a result, much of the data relate to perceptions and concerns rather than the direct experience of receiving and using direct payments over a sustained period of time.

Recommendations

If direct payments in residential care become universally available in England in 2020:

- The Department of Health should consider issuing good practice guidelines to councils based on the experience of the trailblazers and findings of the evaluation.
- Councils should consider providing detailed information about their direct payments in residential care scheme for all stakeholders – more and better information will be important, particularly between councils and the care home providers they have contracts with.
- Training on direct payments should be made available to social workers and care home staff.
- Councils should ensure that sufficient support for those managing direct payments in residential care is provided through social care, advocacy and advisory services.
- Councils should recognise that setting up direct payments in residential care may involve additional administrative costs and staff time for councils and care home staff in comparison with usual arrangements for residential care placements.
- Councils and the government may want to consider whether direct payments are likely to be more successful with a higher level of funding for residents in care homes, especially older people, to increase opportunities of it offering greater choice and control for the service user.

Final Report

Ettelt, S., Wittenberg, R., Williams, L., Damant, J., Lombard, D., Perkins, M., Mays, N. (2017): *Evaluation of Direct Payments in Residential Care Trailblazers. Final Report.* London, Policy Innovation Research Unit.
www.piru.ac.uk/assets/files/DP Trailblazer Final Report.pdf

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