

24 July 2012

Director of Adult Social Services

Dear Colleague

**Subject: Developing the use of Direct Payments in Residential Care**

As part of the Care and Support White Paper published on the 11<sup>th</sup> July, we committed to *“develop, in a small number of areas, the use of direct payments for people who have chosen to live in residential care to test this approach.”* We are looking to identify which local authorities would like to become development sites through expressions of interest.

Over the summer, we are looking to identify local authorities interested in being one of the trial sites and to work with them in setting up the research. If you would like to be involved, please complete the attached form and return to us by 5th October. We hope this provides adequate time over the summer for you to consider this proposal. We will then be in contact about the next stages in the process.

Further background information is attached. We are also arranging an open meeting on Thursday 16<sup>th</sup> August at 2pm for people who have queries about the process. People will be able to attend in our offices in either London or Leeds, or phone into the meeting. We would be grateful if you could let us know if you plan on attending, and what you would like to gain from the meeting. We will provide further details in due course.

If you have any queries about the process, please feel free to contact Kevin Kitching, through [scp-personalisation@dh.gsi.gov.uk](mailto:scp-personalisation@dh.gsi.gov.uk)

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Shaun Gallagher', written in a cursive style.

Shaun Gallagher  
Acting Director General,  
Social Care, Local Government and Care Partnerships

## **Background to Direct Payments in Residential Care**

Direct payments currently only apply in community care. They are used successfully to give individuals and their carers better control over the care they receive. The Law Commission recommended expanding direct payments to residential care, and we have chosen to examine the proposal in more detail by establishing several development sites.

Through the trial sites, we will explore how direct payments for people in residential care will give them and their families control over the resources available to pay for their care. It will be their choice to decide how best to meet their needs, with the support of their local authority. In the trials, we will look at the range of uses for direct payments, either to purchase the totality of care or particular services within a residential setting.

However, we understand that this is a significant change to the way residential care services have traditionally been commissioned. Engagement with the sector has highlighted some important issues and practicalities of using direct payments in residential care. With this in mind, we will use this development period to better understand the effects on those involved, including care users and carers, local authorities and providers. This will influence our decision on how to proceed once the trials have been fully evaluated.

Local authorities will play a central role in identifying the impacts of residential care direct payments delivering as the core administrator. The participating sites will be at the forefront of developing personalisation in residential care, and improving outcomes for people. In order to assist the delivery of direct payments, the Department proposes to make funding available for a local manager for each development site. Their role will be to aid implementation locally. We envisage these people being drawn from existing local authority staff who have a good knowledge of both residential care and more personalised services.

The success of delivering direct payments will depend on the partnership between local authorities and providers. We want Direct Payments to make care more personalised, in the way it is arranged and delivered. We do not underestimate that there will be some difficult issues to resolve and success will depend on cooperation between commissioners and providers involved in the trials.

The Department will be seeking an external researcher to provide an independent assessment of the development sites. The sites selected will need to engage with them, as well as the Department, so that a full evaluation can be carried out. Tendering for the researcher will begin in autumn 2012, due for completion by spring 2013, so that the Direct Payments development sites can begin from summer 2013.

## Expressions of Interest from Local Authorities

*Please answer the following questions, providing a complete response that is no longer than three pages in length.*

Name of LA	
Director of Adult Social Services	
Lead contact for enquiries	
Contact email and telephone number	
Are you interested in trialling direct payments in residential care?	Yes/No
Are you interested in becoming a member of the working group?	Yes/No
Which providers in your area are interested in being involved (please list)?	

**Please provide a brief description of residential care services in your Local Authority. To what extent are your residential care services currently personalised?**

**How would you as a Local Authority make use of this opportunity? What do you see as the main challenges for delivering direct payments in residential care in your area?**

**Describe your relationship with local providers. Please provide evidence as to how providers might respond direct payments in residential care.**

**Any other comments or queries?**

Please return to [scp-personalisation@dh.gsi.gov.uk](mailto:scp-personalisation@dh.gsi.gov.uk), by 5<sup>th</sup> October 2012