

Direct Payments (*ref 07*)

- 1.** When a Local Authority has assessed someone's community care needs, the traditional approach has been for the authority to provide or purchase the services needed.
- 2.** Two recent pieces of legislation have made it possible for people aged 16+ to be given the cash value of the service, so that they can pay for their own arrangements. This power to make Direct Payments is discretionary and so individuals cannot insist on getting them. However, authorities cannot make blanket rules, e.g. 'we will not let clients with learning disabilities have Direct Payments'.
- 3.** Individuals have to be 'willing and able' to take on a Direct Payment. This means people cannot be forced to have a Direct Payment. If someone is receiving a Direct Payment, they can revert to a situation where the authority commissions the service again if they want to. NB Direct payments will be extended to people who lack capacity after changes in the rules which will happen in April 2008.
- 4.** Being 'able' to take on a Direct Payment means that an individual is able to make informed decisions about how they want to use the money and is in control of how it is spent. It is quite permissible (and often necessary) to turn to others for help with some aspects of using a Direct Payment, for example calculating wages and stoppages.
- 5.** The help available to people using Direct Payments varies from area to area. Some authorities have Service Brokers who can help people set up Direct Payments; other areas may have People First groups who have the experience to assist with practical problems; other areas may have Advocacy or Personal Support Services. Individuals will need to check with their local Social Services Department.
- 6.** The hourly rate provided by Direct Payments will not be more than the amount Social Services would spend when purchasing a service for you.
- 7.** All the essential expenditure: advertising, book-keeping, drawing up contracts, covering for sickness and holidays - will have to come from the hourly rate provided by the authority.
- 8.** If an individual pays support workers with their Direct Payment, that individual becomes the employer of his support workers. Full advice around the legal position will be necessary, as will an appropriate *Employment Contract*. Other expenses such as Employer's Liability Insurance will need to be covered.
- 9.** The Local Authority will ask to see records of how the Direct Payment has been spent.
- 10.** A Direct Payment is only for an individual's support or care needs, it does not affect any state benefits and is not taxable.

If you require further information or have other queries contact Housing Options.

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