

Cyfarwyddwr Cyffredinol Iechyd a Gwasanaethau Cymdeithasol/
Prif Weithredwr GIG Cymru
Grŵp Iechyd a Gwasanaethau Cymdeithasol

Director General Health and Social Services/
NHS Wales Chief Executive
Health and Social Services Group



Llywodraeth Cymru
Welsh Government

Mr Adrian Crompton
Auditor General for Wales
Audit Wales
24 Cathedral Road
Cardiff
CF11 9LJ

Our Ref: JP/DC

27 April 2022

Dear Mr Crompton

Welsh Government Response to the Report of the Auditor General for Wales “*Direct Payments for Adult Social Care*”

I am writing on behalf of the Welsh Government to thank you for your recent report “*Direct Payments for Adult Social Care*”¹. I would also like to thank you and your team again for the engagement you have undertaken throughout the period of this work.

The Welsh Government welcomes the findings of the Report of the Auditor General for Wales and offer the following response to the four recommendations contained within it.

Recommendation 7 - To ensure services are provided equitably and fairly we recommend that local authorities and the Welsh Government:

Clarify policy expectations in plain accessible language and set out:

- *what Direct Payments can pay for;*
- *how application and assessment processes, timescales and review processes work;*
- *how monitoring individual payments and the paperwork required to verify payments will work;*
- *how unused monies are to be treated and whether they can be banked; and*
- *how to administer and manage pooled budgets.*

Public information should be reviewed regularly (at least every two years) to ensure they are working effectively and remain relevant.

¹ <https://www.audit.wales/sites/default/files/2022-04/Direct-payments-Eng.pdf>

Accept – The Welsh Government accepts this recommendation and will work with local authorities to improve clarity and understanding.

Through the Part 4 Code of Practice (Meeting Needs), we have set out a clear statutory framework of rights and responsibilities to enable people to receive and manage their direct payments.

Direct payments can be provided to meet any assessed, eligible need for care and support a local authority is required to meet. Direct payments must be made available in all cases where they enable personal outcomes to be achieved.

It is important to emphasise that a local authority must be satisfied that the person's requirements and their personal outcomes can and will be met through this provision. That is because as with any other arrangements to meet assessed, eligible needs the local authority are still required to meet with people to formally review people are achieving the outcomes they have identified as personal to them.

Through the Code of Practice, we provided clear protections specifying that local authorities must ensure the value of a direct payment made is equivalent to its estimate of the reasonable cost of securing the care and support required. The value must be sufficient to enable the people to secure the care and support required to a standard the local authority considers reasonable.

The Code reinforces that a person's needs can fluctuate and that arrangements for payment and repayment, where relevant, reflect those needs and the importance of ensuring all parties have a clear understanding of how this will be managed.

Direct payments specifically support people to establish arrangements that are bespoke to them. Direct payments by their very nature promote and enable variation in how outcomes can be achieved and the resources required to achieve those outcomes. Direct payments empower person-centred and person-directed care and support which recognises that different people have different needs and require different levels of care and support as do those receiving care and support commissioned or managed by their local authority

Exhibit 1 of the Auditor General's Report provides a very useful illustration of the characteristics of a local authority that effectively encourages, manages and supports people to use direct payments. The Report also includes a number of recommendations for local authorities to improve the provision of the information to people as well as through the workforce. Taken together, we intend to explore how we can collectively reinforce rights and entitlements to improve the consistency of approach and offer around direct payments that ensures equity without diluting individual voice and control.

Recommendation 8 - Ensure that people who receive both NHS continuing healthcare and Direct Payments have greater voice, choice and control in decision making.

Accept – The Welsh Government accepts this recommendation. We have committed through our Programme for Government to improve the interface between Continuing NHS Healthcare (CHC) and direct payments.

We continue to work with stakeholders, including disabled people and people with lived experience, to co-produce additional guidance to support voice and control for people receiving CHC.

To support and enable improved experiences and outcomes, we have published the revised *Continuing NHS Healthcare (CHC) Framework 2021*² together with a revised *Decision Support Tool (DST) 2021*³, which supports CHC assessment. These became operational from 1 April 2022 and include interim measures to improve the interface between CHC and direct payments through the use of Independent User Trusts (IUTs) and adopting existing personnel previously employed via direct payments are examples of interim options, other options may well also be considered.

Alongside this we have committed to develop additional guidance to support such interim measures, to publish a public information booklet and to work with stakeholders to review the performance framework for CHC. For the longer-term, we are exploring potential legislative options with stakeholders that could enable direct payments under CHC.

Recommendations 9 and 10 - *To effectively manage performance and be able to judge the impact and value for money of Direct Payments, we recommend that local authorities and the Welsh Government:*

R9 - Work together to establish a system to fully evaluate Direct Payments that captures all elements of the process – information, promotion, assessing, managing and evaluating impact on wellbeing and independence.

R10 - Annually publish performance information for all elements of Direct Payments to enable a whole system view of delivery and impact to support improvement

Accept. The Welsh Government accepts this Recommendation.

The use and impact of direct payments form part of the formal impact evaluation we have commissioned of the Social Services and Well-being (Wales) Act 2014⁴.

The findings from the “*Expectations and Experiences, Service User and Carer Perspectives on the Social Services and Well-being (Wales) Act 2014*” report published in March 2022⁵ stated that:-

“there were a range of contrasting, and somewhat contradictory views expressed, providing little consensus on the role and impact of Direct Payments”.

The final report from the Evaluation is due in the Autumn of 2022 and will include further evaluation and recommendations in relation to direct payments.

² <https://gov.wales/national-framework-continuing-nhs-healthcare>

<https://llyw.cymru/fframwaith-cenedlaethol-ar-gyfer-gofal-iechyd-parhaus-y-gig>

³ <https://gov.wales/continuing-nhs-healthcare-decision-support-tool-dst-practitioners>

<https://llyw.cymru/gofal-iechyd-parhaus-y-gig-adnodd-cymorth-penderfynu-acp-ddefnydd-ymarferwyr>

⁴ <https://gov.wales/evaluation-social-services-and-well-being-wales-act-2014>

⁵ <https://gov.wales/sites/default/files/statistics-and-research/2022-03/expectations-and-experiences-service-user-and-carer-perspectives-on-the-social-services-and-well-being-wales-act.pdf>

Welsh Government is conscious of the opportunities to improve data about direct payments, but also data relating to adult social services. We will continue to lead and direct work with our partners across social care and health including Local Government, Social Care Wales and Digital Health and Care Wales to develop and use a range of evidence to enable and inform improvements and outcomes.

The Performance and Improvement Framework activity and performance data is a new data collection, with the first output published in December 2021⁶. This data includes items for the number of people receiving direct payments and the number and timeliness of reviews for those on direct payments. This data will be collected annually and can be broken down by local authority area.

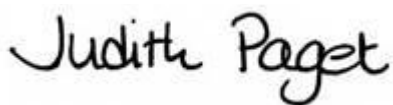
The evidence from the Auditor General's work will inform the development of our up-coming Adult Receiving Care and Support Census which will sit alongside the similar Census about children already in place. This will provide detailed data on the individuals known to local authority social services, including the services they are providing and if the individual is in receipt of direct payments. The first output from this annual collection is expected to be published in 2024/25.

Alongside this, the National Outcomes Framework shows the range of population indicators for those receiving care and support from local authorities. As the data for adult social care develops, we intend to refine and improve the reporting for the National Outcomes Framework, with the intention of providing more detailed and granular outputs.

I hope that you find this helpful and look forward to continuing to work with you and your teams.

Copies of this letter have been sent to the Chair of the Senedd Public Affairs and Public Administration Committee, the President of the Association of Directors of Social Services Cymru, the Chair of the All-Wales Direct Payments Forum and the Cabinet mailbox.

Yours sincerely

A handwritten signature in black ink that reads "Judith Paget". The signature is written in a cursive, slightly slanted style.

Judith Paget CBE

⁶ <https://statswales.gov.wales/Catalogue/Health-and-Social-Care/Social-Services/social-services-performance-and-improvement-framework>