

AUDIT & STANDARDS COMMITTEE ADDENDUM

4.00PM, TUESDAY, 9 MARCH 2021

VIRTUAL MEETING

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ADDENDUM

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53	DIRECT PAYMENTS INTERNAL REPORT (2019/20)- PROGRESS UPDATE	3 - 6

Subject:	Direct Payments Internal Report 2019/20 – Progress Update		
Date of Meeting:	9th March 2021		
Report of:	Executive Director Health and Adult Social Care		
Contact Officer:	Name:	Michelle Jenkins	Tel: 01273 296271
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Ward(s) affected:	All		

FOR GENERAL RELEASE

Note: The special circumstances for non-compliance with Council Procedure Rule 7, Access to Information Rule 5 and Section 100B (4) of the Local Government Act as amended (items not considered unless the agenda is open to inspection at least five days in advance of the meeting) were that some information relating to the report was not available at the time of publication. ’

1. PURPOSE OF REPORT AND POLICY CONTEXT

- 1.1 That the Committee receives a progress update from Health and Adult Social Care on the Direct Payment audit 2019/20.

2. RECOMMENDATIONS:

- 2.1 That the Committee notes the progress update.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 If a person’s care needs are eligible to be funded by adult social care they will in many cases, except where being placed into a care home, be offered the option of taking a direct payment. This means they received the money directly to arrange their care rather than this being arranged by the Local Authority, giving the person more control as to how the money is spent. The amount of money required to meet the person’s needs is agreed as part of the person’s social care assessment, undertaken by the relevant social work team.
- 3.2 The Direct Payments Team sits in Health & Adult Social Care (HASC) directorate, and also supports Family, Children and Learning (FCL) directorate with their direct payment arrangements for adults with a learning disability. The Direct Payments Team consists of 3.5 FTE staff and provides the support to those assessed as eligible for a direct payment in setting up and administering the direct payment arrangements. There are 558 adult direct payment users currently across HASC and FCL and these numbers have remained fairly consistent for several years.

- 3.3 There have been three audit reviews carried out in regard to Direct Payment arrangements since 2014/15. The three previous audit reviews have concluded limited assurance. A follow up audit was completed (August 20) and found an improvement to Partial Assurance. However, the audit review continues to identify shortfalls and an absence of key controls, as well as a lack of effective response by management to agreed previous actions. This report will look at the areas of improvement identified and give an update as to the progress on these actions.
- 3.4 A key area for action identified through the audit is a backlog of annual client reviews for those who receive a direct payment. An annual review would consist of a review of the individuals care and support needs and direct payment arrangements by the relevant social work service. In February 2020 HASC were increasing the number of reviews undertaken, but then had to redirect resource to support the Covid response, and whilst this has been a significant factor for the past 12 months resource has now been identified to resume reviews across the service. This cohort of clients will be included in these planned review arrangements, which will be in place by May 2021. For adults with a learning disability, the Specialist Community Disability Team are aware of the audit findings and have put systems in place since October 20 whereby all direct payment clients are identified and allocated for review through their Move On project.
- 3.5 The audit identified that a number of people have a surplus of direct payment funds within their accounts. The council allows for 8 weeks of funding in an account, as the person may use the funding flexibly. However, in the cases identified unused funds were exceeding this 8 week period and required action to reclaim them.
- 3.6 Additional resource has been found within the Direct Payment Team to identify bank accounts with excess resource subject to reclaiming, and nearly £1m has been returned to the Council so far this financial year, with £1.1m being anticipated by end March 2021. Nonetheless, the auditor noted that excess surpluses on Direct Payment accounts have risen by over £200k since they were reported in June 2020. Even if the Direct Payments Team reclaim the surplus funds they will continue to rise from new payments if the individual's original direct payment agreement is not reviewed and reduced in line with their care need. In response to this issue a social worker has been dedicated to this activity in HASC since October 2020, focussing on reviewing individuals identified by the Direct Payments Team where there are surplus funds. In the future this activity will be picked up by the review systems which have been identified in 3.4 above.
- 3.7 The audit found that monitoring of accounts was not systematic. For context, there are 3 different banking arrangements in place for those with a direct payment. 56 people have a legacy arrangement where they opened a private bank account to receive the direct payments. This option is no longer available for clients with a new direct payment as it makes scrutinising payments difficult, requiring people to send in their bank statements. 149 people receive their payments into a Pre-Paid Care account, which enables the Direct Payment Team to view the financial arrangements and enables limitations being put on how the monies are spent e.g. to what is agreed in the care and support plan. Where

people struggle to manage a bank account and have no family member or representative to support them with this, the Council funds a Supported Bank Account service. 353 people currently have an active Supported Bank Account.

3.8 There is a lack of a consistent reporting system across all 3 types of accounts, making gaining reports on spend and payment accrual very labour intensive. For example, a report can be run as to how much is in accounts, enabling the team to identify those with high amounts in their accounts. The report however cannot identify how many weeks' worth of monies are in the account, and this needs to be gathered manually. A revised spreadsheet has been put into place which captures the information from all areas to enable scrutiny and was noted as an improvement by the auditor. However, a digital solution is required to enable quick and consistent reporting across the 3 differing direct payment arrangements.

3.9 The arrangements for Pre- Paid Cards and for the Supported Bank Accounts are supplied by other organisations. The auditor has highlighted issues with the contract arrangements with these organisations which to date have not been resolved. HASC are working hard with our procurement and commissioning colleagues to resolve these issues in order to confirm contract arrangements. Once these are in place we have identified officers to monitor both contracts.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

4.1 Not required as the Committee is asked to note the report

5. COMMUNITY ENGAGEMENT & CONSULTATION

5.1 Not applicable

6. CONCLUSION

6.1 HASC acknowledge that this area of service has not had the focus it requires to resolve the issues identified in the audit. Focus over the last year has been on Covid responses, and we are pleased that despite this some improvements have been made during this time. However, previous responses to the audit have not been suitably robust, and this is now being addressed, as we plan work priorities beyond the immediate pandemic response.

6.2 This area of service is now being directly managed by the AD for Resources, Safeguarding and Performance, which now provides senior management focus on resolving the concerns highlighted in the audit report.

6.3 5 actions were restated from the original audit, covering the areas highlighted above in section 3. All actions continue to require further work to give full assurance to the auditor. Updates have been given to the auditor at the end of February and it is hoped that these will provide further assurance.

6.4 Some actions require a digital solution to resolve them, and further review as to the way direct payments are managed within HASC. HASC is therefore including direct payments as part of its Modernisation Programme, so as to devote resource and project time to service improvements in this area.

6.5 Committee members are asked to note the report and updates will be requested as necessary.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

7.1 Direct payment expenditure spans Adult Social Care and is reported within both the Health & Adult Social Care directorate and Families Children and Learning directorate (for Adults with Learning Disabilities). The net forecast care cost across both directorates for financial year 2020/21 is £8.169m.

7.2 The additional staffing requirement referenced in paragraph 3.6 were found within existing resources.

Finance Officer Consulted: Sophie Warburton

Date: 04/03/21

Legal Implications:

7.3 The Local Authority has a statutory duty (Care Act 2014) to provide Direct Payments to fund individuals' eligible care and support needs where the relevant statutory conditions are met. The Local Authority's duties in terms of expenditure and management of public funds includes Direct Payments funding.

Lawyer Consulted: Sandra O'Brien

Date: 04/03/21

Equalities Implications:

7.4 Not applicable

Sustainability Implications:

7.5 Not applicable

Brexit Implications:

7.6 Not applicable

SUPPORTING DOCUMENTATION

Appendices:

1. None

Background Documents

1. None