

Direct Payments at a Crossroads

What councils are telling us about confidence, flexibility and the future of personalised care.

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Introduction

Direct Payments are not a new concept.

For nearly 30 years, Adult Social Care has understood the difference they can make – giving people genuine choice and control over their support, and the freedom to shape it around their own lives and outcomes.

Yet despite strong policy support and years of sector focus, uptake remains stubbornly inconsistent.

In a recent Imosphere network session, Adult Social Care leaders, operational teams, improvement specialists and practitioners from councils across the country came together to discuss the current reality of Direct Payments.

The discussion was open, practical and honest.

While many described Direct Payments as one of the most powerful tools for enabling personalised, outcomes-focused support, there was also widespread recognition that the operational reality often makes those conversations harder than they should be.

Participants repeatedly returned to the same question:

Are councils unintentionally making outcomes-focused conversations harder by the way funding, process and systems currently work?

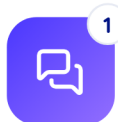
Across the session, councils explored

- ✓ Practitioner confidence and training
- ✓ Indicative budgets and funding anxiety
- ✓ Direct Payment flexibility
- ✓ Commissioning implications
- ✓ The growing role of data and insight
- ✓ Strengths-based practice
- ✓ Outcomes-led support planning
- ✓ Reporting and visibility challenges
- ✓ Workforce and process barriers

This paper captures the key themes and insights that emerged.

Executive summary

Five themes emerged consistently across the discussion.



1

The biggest barrier is often the conversation before direct payments are discussed

Practitioners are frequently balancing funding anxiety, process complexity, and operational pressure during assessment conversations.



2

Confidence is one of the sector's biggest challenges

Many councils described inconsistent practitioner confidence, ongoing training pressures and uncertainty around direct payment processes.



3

Councils want to move beyond time-and-task support models

There was strong appetite to strengthen outcomes-focused, strengths-based conversations and more creative support planning.



4

Systems and reporting structures are often struggling to support flexible practice

Councils described challenges around visibility, reporting, compliance and understanding how direct payments are being used.



5

Direct Payment transformation is becoming a strategic priority

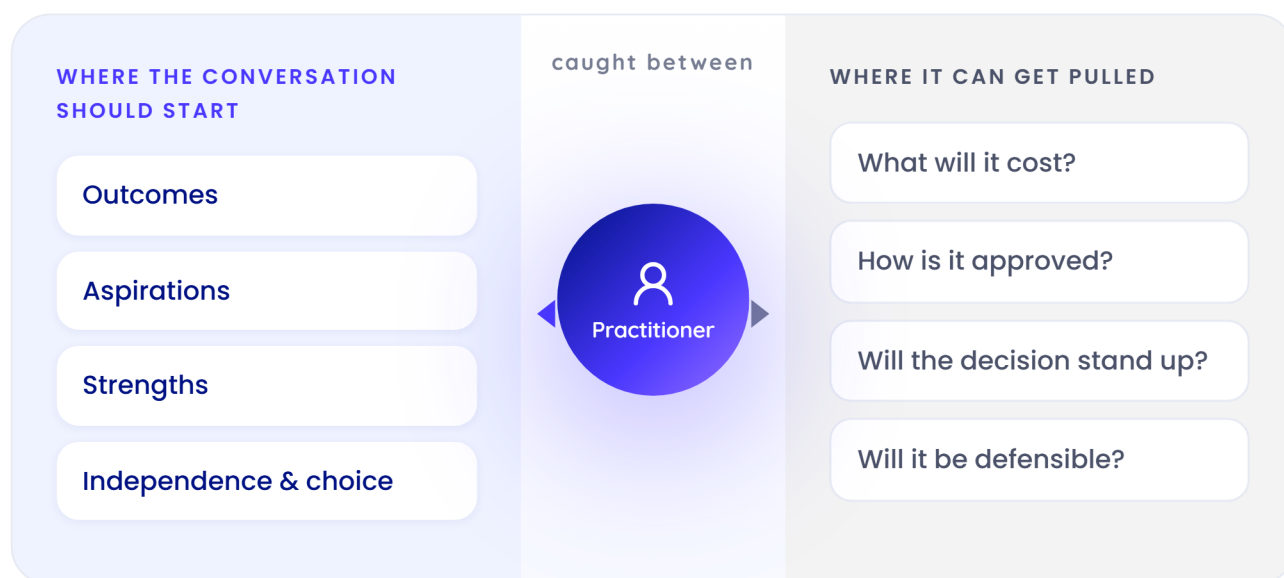
Many authorities described active transformation programmes focused on simplifying processes, improving uptake and strengthening defensible decision-making.

The real challenge starts before the Direct Payment conversation

One of the strongest themes from the session was that Direct Payments uptake is not primarily being limited by policy. It is being shaped by the conditions in which conversations happen.

Again and again, councils described practitioners trying to hold multiple pressures at once during assessment and support planning conversations. Alongside strengths-based practice and personalised support, practitioners are also carrying concerns about funding pressure, panel scrutiny, workforce instability, fragmented systems and whether decisions will stand up to challenge later.

The result is that many Direct Payment conversations begin too late — or sometimes not at all. Instead of starting with outcomes and possibilities, conversations can quickly become drawn towards operational concerns: what will this cost, how will it be approved, and will the decision feel defensible later on?



Several participants reflected that this unintentionally shifts attention away from what people actually want to achieve through support.

The way that the system is set up, it doesn't feel like it's outcomes focused. It feels like this is what your support plan says and this is what we're going to put in.

— **Direct Payments Manager**

That shift has a cost. When conversations start with cost rather than the person, they rarely find their way back. Another participant described what the starting point should look like instead.

You need to find out what the person wants to do with their life first of all.

— **Preparing for Adulthood Team Manager**

This distinction became a major thread throughout the session. The councils reporting the strongest engagement with Direct Payments were not necessarily describing simpler processes.

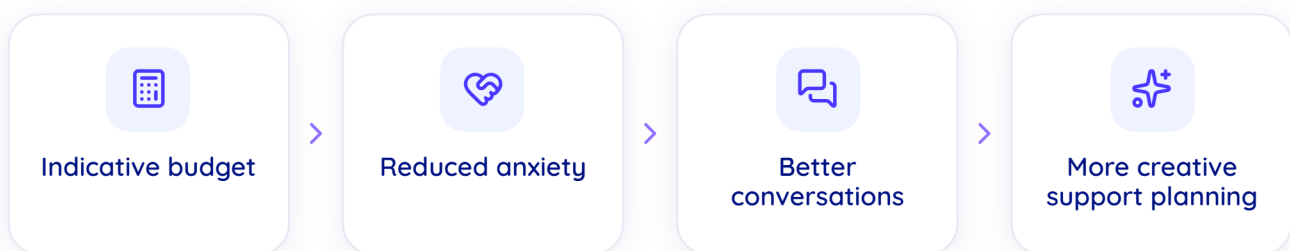
What they described instead were stronger conditions for practice: more confident practitioners, clearer funding frameworks, stronger outcomes-led conversations, and greater confidence around how budgets were understood and explained. Several participants linked this directly to reduced anxiety around funding decisions and greater flexibility in support planning.

Indicative budgets and the role of funding confidence

A major discussion point was the role of indicative budgets and Resource Allocation Systems (RAS). Several councils acknowledged that debates around Direct Payments often focus heavily on the limitations of indicative budgets — but many participants argued the bigger issue is uncertainty.

When practitioners feel uncertain about what level of support is likely to be approved, conversations can quickly narrow around what feels safest or easiest to defend. That uncertainty shapes practice. Support planning becomes more cautious and creativity reduces. And Direct Payments can start to feel risky rather than empowering.

What councils described when funding confidence was stronger:



One participant described the challenge clearly:

The problem isn't the indicative budget — it's the uncertainty about it.

— Network session participant

Several councils described how stronger indicative funding frameworks helped create the confidence needed for better conversations to happen. Rather than constraining outcomes-focused practice, participants increasingly described indicative budgets as helping practitioners move away from financial anxiety.

This allows conversations to focus on:

- ✓ What matters to the person
- ✓ The outcomes they want to achieve
- ✓ How support could help them get there
- ✓ What creative or preventative options might work

One participant described how their council is actively trying to move away from traditional time-and-task thinking.

We're on a journey here... moving away from thinking purely about time and task to outcomes.

— **Consultant**

Another described how stronger budget frameworks supported more confident practice.

When practitioners know the budget is fair and defensible, they don't feel like they're carrying the financial risk on their own.

— **Network session participant**

This confidence matters. Because when practitioners are less focused on defending cost assumptions, they are more able to focus on what Direct Payments were originally designed to support: choice, control, creativity, independence and personalised outcomes.

Practitioner confidence remains one of the biggest barriers

Across nearly every breakout discussion, practitioner confidence emerged as one of the sector's biggest operational challenges.

Participants described situations where

- ✓ Staff avoid Direct Payment conversations because processes feel too complicated
- ✓ Practitioners lack confidence explaining the options available
- ✓ Workforce turnover creates constant retraining pressure
- ✓ Workers revert to traditional commissioned services because they feel safer
- ✓ Knowledge varies significantly across teams

WHAT PARTICIPANTS DESCRIBED

confidence training consistency
support flexibility peer learning

Social workers don't feel confident in setting up Direct Payments. So they're not having those conversations earlier on with residents and families.

— Direct Payments Employment Team Manager

Several councils reflected that improvement work had been happening for some time, but its impact wasn't being felt consistently. Successes weren't being communicated across teams, and outdated perceptions of Direct Payments persisted even where practice had genuinely moved on.

People still think it's something that was actually quite bad from two years ago.

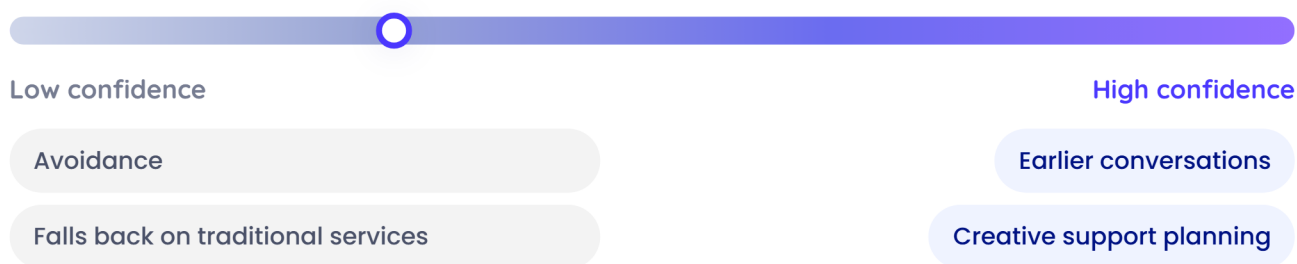
— Improvement Lead

Training is not the same as confidence

The conversation highlighted an important distinction between delivering training and building confidence. Participants repeatedly described the need for:

- ✓ Ongoing reinforcement
- ✓ Direct Payment champions
- ✓ Practical examples
- ✓ Peer support
- ✓ Embedded operational support
- ✓ Bite-sized learning
- ✓ Clearer guidance

THE PRACTITIONER CONFIDENCE SPECTRUM



One council described introducing annual mandatory Direct Payment training. The impact was measurable.

When we reran the staff survey, we've now got over 50% of our staff offering Direct Payments to people.

— Network session participant

Another participant highlighted the importance of enthusiasm and culture, noting that *"enthusiasm carries people a long way."*

The tension between flexibility and governance

A major theme throughout the discussion was the tension between personalised flexibility and organisational oversight.

Participants repeatedly described Direct Payments as outcomes-focused in principle – but often tightly controlled in practice.

Several councils reflected on finance monitoring arrangements and support planning structures that can unintentionally reduce flexibility and pull practice back towards fixed service models.

Others described ongoing debates around how creative Direct Payments should be allowed to become in practice, particularly where support planning moves beyond traditional service models.

Several councils discussed how Direct Payments can sometimes become over-policed because of financial pressures, compliance concerns, or limitations within systems.

All the guidance says that you shouldn't over-police. It should be proportionate monitoring.

— **Network session participant**

The discussion suggested councils are increasingly trying to rebalance this relationship.

The challenge is no longer simply whether Direct Payments are permitted. The bigger question is whether systems, workflows and organisational culture genuinely support flexible, outcomes-focused practice while still maintaining proportionate governance and defensible decision-making.

Direct Payments as part of wider transformation

One of the clearest findings from the session was that Direct Payment improvement work is rarely happening in isolation.

Across the discussion, councils described Direct Payment improvement work sitting alongside wider transformation activity focused on strengths-based practice, Care Act assessment redesign, commissioning reform, prevention strategies, funding transparency and CQC preparation.

Several councils described direct payments as part of broader work to rethink how Adult Social Care conversations happen.

Some councils described how newer assessment and funding frameworks were helping create stronger conditions for strengths-based and outcomes-led conversations.

Others described growing recognition that councils need better visibility of direct payment activity and outcomes.

We're trying to get a bit more in relation to reporting, being clearer, understanding the position much better.

— Network session participant

Several councils also described how reporting structures were often not originally designed around flexible, personalised support models, creating significant manual effort to understand usage and trends.

This creates wider implications beyond operational management.

Several participants also highlighted the growing importance of benchmarking, understanding demand patterns, identifying unmet need and improving visibility of direct payment uptake and variation across services.

What this means for commissioning and system learning

One of the strongest strategic themes was the growing relationship between Direct Payments, funding frameworks, and system-wide insight.

Several participants described growing demand for more consistent data, clearer visibility of spend, stronger understanding of outcomes, and greater transparency around funding decisions and variation.

This is becoming increasingly important as councils respond to financial pressure, CQC assurance expectations, prevention agendas, and wider commissioning reform.

COUNCILS USED TO ASK

“How do we administer Direct Payments?”



INCREASINGLY THEY ASK

“How do we build systems that support better outcomes-focused conversations at scale?”

Where councils are better able to connect assessment, funding, support planning, review activity, and outcomes insight together, participants described stronger visibility of demand, greater confidence in decision-making and more opportunity to support preventative approaches earlier. Several councils also linked this to reduced reliance on manual moderation processes and improved defensibility around funding decisions.

Several participants also discussed how Direct Payments could support more community-based and preventative approaches when used creatively.

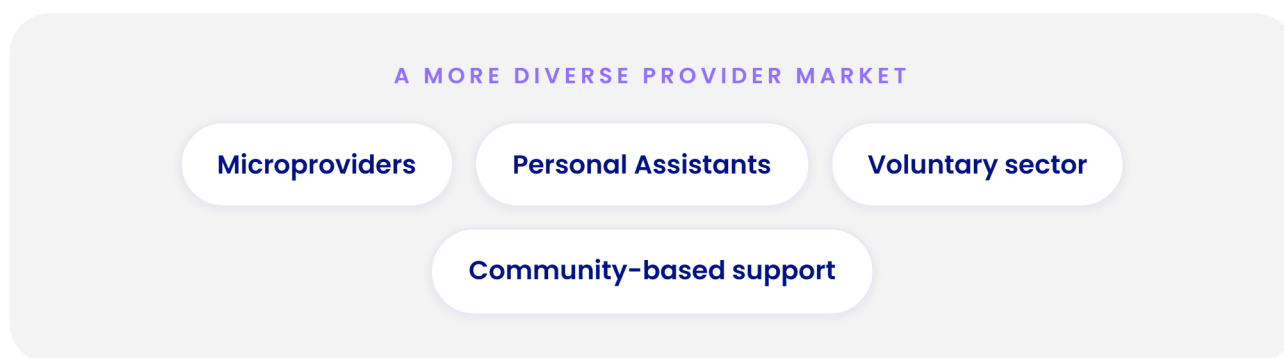
Moving away from commissioning services and towards commissioning outcomes.

— Network session participant

Direct Payments, market change and system sustainability

Several themes discussed throughout the session point towards a wider strategic shift taking place across Adult Social Care.

Across many areas, councils described provider markets becoming more diverse, with growing reliance on microproviders, Personal Assistants, voluntary sector organisations, and more flexible forms of community-based support.



Traditional commissioning approaches do not always reach those parts of the market easily. Direct Payments increasingly act as the route through which people access them.

This potentially changes the role Direct Payments play within local systems. They stop being solely an administrative mechanism for delivering personal budgets — and become part of how councils connect people to increasingly diverse forms of community support.

Alongside the network discussions, recent analysis of ASCOF and ASCFR returns also points towards an interesting emerging pattern.

EMERGING PATTERN · ASCFR & ASCOF ANALYSIS

≈ £1m lower

By 2024/25, councils within the cohort showed almost £1m lower community support spend per 100,000 adults compared with comparator authorities.

Across Community Practice Network councils using Imosphere's indicative funding and outcomes-led assessment approach, direct payment uptake remained consistently one to two percentage points above comparator authorities between 2022/23 and 2024/25.

At the same time, average community support expenditure — including direct payments, home care and other community long term care — diverged over the same period.

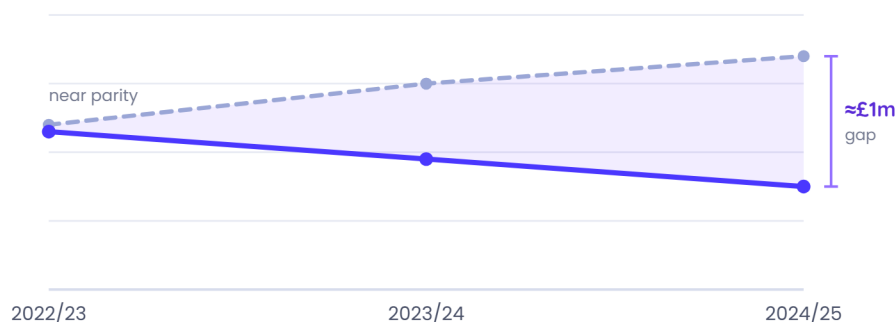
In 2022/23, the two groups sat at near parity. By 2024/25, the cohort showed almost £1m lower community support spend per 100,000 adults.

Community support spend divergence

Spend per 100,000 adults · indexed to 2022/23 parity

— Comparator authorities

— Outcomes-led cohort



Illustrative representation of the directional pattern described in ASCFR/ASCOF analysis — shown indexed to 2022/23 parity, not to absolute scale.

A note on context: These councils are disproportionately concentrated in London and the South East, where provider costs are structurally higher. Geography, deprivation, local market conditions and caseload complexity all shape spend in ways this analysis cannot fully account for. The directional pattern remains notable — particularly once residential and nursing expenditure are excluded.

Several participants linked this directly to the growing importance of local visibility and insight. Councils discussed the need to better understand:

- ✓ What outcomes people are trying to achieve
- ✓ What support is actually working
- ✓ Where demand is changing
- ✓ Who could benefit from Direct Payments
- ✓ Where gaps exist across local provision

This was closely connected to wider conversations around benchmarking, market shaping, prevention and commissioning.

A wider strategic question

As provider markets continue to evolve, councils with stronger visibility of their populations, local support ecosystems and outcomes may ultimately be better positioned to respond to future demand pressures and shape more sustainable community support models over time.

Importantly, participants did not frame sustainability purely in financial terms. Instead, it was repeatedly linked to stronger outcomes-focused conversations, earlier intervention, greater flexibility and a better understanding of local need.

Why it matters now. At a time when Adult Social Care faces workforce pressure, financial constraint and major structural reform, those capabilities are becoming increasingly important.

Conclusion: A sector trying to reconnect Direct Payments with their original purpose

Perhaps the strongest message from the session was that councils still believe deeply in the value of Direct Payments. Not as an administrative mechanism — but as a way to help people live the lives they want to live.

The conversation repeatedly returned to the same underlying principle: Direct Payments work best when practitioners are able to focus on outcomes rather than anxiety.

- ✓ When practitioners feel confident
- ✓ When funding conversations are transparent
- ✓ When systems support flexibility rather than restrict it
- ✓ When people understand their options
- ✓ And when councils can connect practice, funding and insight together

It's not about the hours. I don't want to see time and task support plans. I want to see support plans that are outcomes focused — that give the person the freedom and flexibility to choose how they meet those needs.

— Network session participant

The councils in this discussion were not describing Direct Payments as a finished model.

They were describing a system still evolving. A system trying to rebalance accountability with flexibility, governance with creativity, and operational pressure with genuinely personalised outcomes.

The challenge ahead is not simply increasing uptake. It is improving the conditions in which better conversations can happen.

About the Community Practice Network

The Community Practice Network brings together local authorities from across England to openly discuss the operational realities, challenges and opportunities shaping Adult Social Care practice today.

Created as part of Imosphere's wider collaboration with councils, the network provides a space for practitioners, operational leaders, commissioners, and transformation teams to share learning, compare approaches, and explore emerging themes across the sector.

Sessions are discussion-led rather than presentation-led — designed to encourage honest conversation about what is working, where councils are facing pressure, and how different authorities are responding.

Topics explored across the network

- ✔ Strengths-based and outcomes-focused practice
- ✔ Indicative budgets and funding confidence
- ✔ Benchmarking and system insight
- ✔ Operational pressures and workforce challenges
- ✔ Direct Payments and personalised care
- ✔ Commissioning and market shaping
- ✔ Prevention and community support
- ✔ Emerging approaches to AI and intelligent brokerage

The Community Practice Network reflects Imosphere's long-standing approach to co-production and sector collaboration. The conversations, insights and themes emerging through the network help inform ongoing learning, future discussions and the continued evolution of practice frameworks shaped alongside councils across England.

Join future Community Practice Network sessions

The network is primarily made up of local authority partners already working with Imosphere, though we periodically open selected sessions to a wider group of councils where discussions may be particularly relevant. Register your interest to hear about future sessions, insight reports, and emerging learning from across the network.

[Register your interest →](#)

About Imosphere

Built with councils. Shaped by real practice.

For more than 35 years, Imosphere has worked alongside local authorities to support more consistent, outcomes-focused decision-making across Adult Social Care and SEND funding.

35+

years working alongside local authorities

1 in 4

councils use Imosphere solutions across ASC & SEND

Co-designed

frameworks shaped with councils across England

Everything we build is shaped through partnership with councils across England — informed by national best practice, real operational pressures and the realities of frontline decision-making.

Local authorities do not simply use our solutions. They help shape them. Through co-design workshops, user groups, testing, implementation partnerships and ongoing collaboration, councils play an active role in evolving the frameworks, workflows and approaches that sit behind the Connected Toolkit. That includes the Community Practice Network itself.

The network was created to bring together local authority partners to openly share:

- ✓ Operational challenges
- ✓ Transformation priorities
- ✓ The realities councils are navigating every day
- ✓ Emerging practice
- ✓ Lessons from implementation

The conversations captured in this paper reflect a growing community of authorities actively exploring how to strengthen outcomes-focused practice, practitioner confidence, indicative funding approaches and defensible decision-making across Adult Social Care.

Everything within the Connected Toolkit is designed around how practitioners actually work.

The Connected Toolkit



Connected Practice

Supports strengths-based, outcomes-led assessment conversations.



Connected Funding

Generates transparent indicative budgets linked to assessed need and outcomes.



Connected Insights

Turns practice and funding data into benchmarking, cohort visibility and strategic learning.

Together, they help councils better connect assessment, funding, support planning and insight — reducing fragmentation and supporting more confident, consistent and defensible decision-making.

Be part of England's leading ASC best practice network

The platform continues to evolve alongside councils — designed not just for today's operational pressures, but for what comes next. That includes:

- ✓ Nationally informed best practice
- ✓ AI-ready infrastructure
- ✓ More connected decision-making across services
- ✓ Continuously evolving frameworks
- ✓ Stronger benchmarking and insight capability

The Community Practice Network continues throughout the year and remains open to councils looking to share learning, compare approaches and engage with peers across the sector.

Discuss your council's priorities

To find out more about joining future sessions, exploring the Connected Toolkit, or discussing your council's current priorities and transformation plans, speak with the Imosphere team.

[Speak with our specialists →](#)