

Appendix 4: Copy of the How we pay and monitor Direct Payments Engagement Supporting Information



How we pay and monitor Direct Payments

What is happening now?

If an adult is assessed as having social care needs and Northamptonshire County Council help towards the costs of meeting their needs, this can be done in two different ways.

The first way is that the council can organise and pay for the care and support that somebody needs. The second way is that an individual can have money from the Council and organise and pay for their support themselves. No matter which way, the support is organised and pay for, an individual may have to contribute to the costs of their support in line with the Council's Social Care Fair Contributions policy.

[Adult Social Care Fair Contributions Policy](#)

When a person has the money themselves this is called a Direct Payment. (We also call this a Personal Budget but will use the term Direct Payment within this document).

A Direct Payment enables an individual to have greater choice and control over how, when and where their support is delivered.

The amount of support that an individual needs varies a lot depending on their needs. Some people may need help with only one or two things in their life and so they may only have people to assist them for a few hours a week. Other people may need more help and have support from others every day.

People with a Direct Payment choose (with the help of others if needed) who they wish to support them. Some people buy support from companies and charities and other people employ their own staff.

Most people with a Direct Payment have to set up a separate bank account and any income or expenditure to do with the Direct Payment has to go through this bank account.

The only exception to this is if people have a small amount of Direct Payment of less than £3000 per year

Once the bank account is set up, the Council makes payments into it every 4 weeks.

The person who receives a Direct Payment may also, every 4 weeks, need to make a payment into this bank account.

This payment is called their Personal Contribution and this is worked out on an individual basis in line with the Adult Social Care Fair Contributions policy.

Any expenditure relating to meeting the persons assessed eligible needs comes out of the Direct Payment account and the person with the Direct Payment has to keep a record of how much they are spending and what they are spending it on.

These records have to be sent to the Council 3 months after the Direct Payment starts and then they are sent every 6-12 months (depending on the amount of Direct Payment a person receives).

The information that is sent to the Council so we can monitor that the Direct Payment money is being used for what it was intended is listed here:

- Bank Statements
- Details of how much money is spent and what it is spent on
- Evidence of expenditure such as payslips and receipts

For some people who have a large amount of Direct Payment or for those who are spending their money on a range of different things, the amount of paperwork they have to send to the Council is quite a lot.

What the Council does with all the information it receives?

The information is checked by to make sure that anything that has been spent from the account is legitimate and is part of the person's support plan. The Councils checks that the person is making their own financial contribution and for those people who are employers look to see if they are meeting their obligations to pay tax and national insurance to HRMC.

We write to people if there is any missing information and ask the person with the Direct Payment to send it in.

What if all of the Direct Payment has not been spent?

If the person has not spent all of their Direct Payment, the Council works out whether any of the money needs to be paid back to the Council.

They do this by working out how much money the person had when they sent in their paperwork and then they take off an amount that is equal to 8 weeks' worth of Direct Payment for that person. Then if there is any left over, the Council asks the person to pay it back.

The 8 weeks' worth of funding is there in case there are amounts owed to support organisations or workers or it is needed for things that don't get paid consistently through the year.

This is called a contingency and is there in case there are delays in the Council making payments or it is needed for things that don't get paid consistently through the year.

If the person has a particular reason why they have extra in their account they can tell the Council about this and it will be considered in working out how much the Council will claim back.

Facts and Figures for Northamptonshire

- In January 2018, Northamptonshire had 1997 customers (2100 packages of care) using a Direct Payment with a total financial commitment for full year 17/18 of £35 million
- At February 2018, 406 packages had been opened in the preceding 12 months, of which 122 were new packages that have been opened for customers who have not held a Direct Payment in the preceding 2 years.

A significant number (1051) had been open/remained stable for 2-3 years.

- In the last 3 years (up to March 2018), the Northamptonshire County Council has needed to claim back over £5 million and this has been at least £1.5 million each year with even more in 2016/7.

Some of this may have been because people stopped having a Direct Payment and some was because people were not spending all of the money they had been given as they didn't need to.

How does it work in other areas of the country?

Councils in different parts of the country have similar processes to Northamptonshire for paying and monitoring Direct Payments.

Over 100 other councils in different parts of the country have introduced a Pre-Payment Card for people with a Direct Payment who choose to have one.

Northamptonshire County Council is thinking about whether to perhaps introduce a pre-payment card and would like to know your views and comments on this.

What is a Pre-Payment Card?

A pre-payment card works like a bank card and bank account. The Council and the individual put an agreed amount of money on the card. A person can only spend the amount of money that is on the card so they cannot get into debt.

Each person with a Direct Payment, would, if they chose to do so, have their own card and can also have one for a carer if needed.

The council makes regular payments (the Direct Payment) on to each person's card/account and each individual pays in their personal contribution. In some areas this is every 4 weeks and in others it is less or more often.

The card has its own sort code and account number and works in the same way as a bank account. It can be used to make payments to other accounts using the internet so for those people who employ Personal Assistants, the employer can pay directly to their Personal Assistant's bank accounts.

The card holder (or their other nominated person) can also make payments to other bank accounts e.g. to pay a company for specialised equipment (if it is part of the support plan).

Direct debits and standing orders can also be set up on a pre-payment card by the card holder or their representative.

The card holder (or their other nominated person) can also use the card as a debit card in shops and on line (with some restrictions which are decided locally and might include that the card can't be used on gambling websites for example).

In some areas of the country, the card can also be used to withdraw cash from cashpoint machines.

Who can see information about the card and how do they do that?

Information about the card and the account can be accessed by the individual person (and, if agreed another nominated person) through the internet or through a telephone helpline and also by staff at the Council whose job it is to monitor Direct Payments

The information that these people can see includes what has been paid into the account and what has been spent and the only reason people at the Council can see this information is to be able to monitor income and expenditure which they will be able to do more frequently and as it happens.

Staff at the council can find out information more quickly about specific things so they can get reports about important things, for example, if someone has little or no money left on their card or if an individual has not paid their personal contribution.

Does paperwork still need to be sent to the Council?

People with a Direct Payment who use a pre-payment card no longer need to send any information to the Council and some people in other areas of the country have said that this is a good thing as it is saving them lots of time.

What happens if my circumstances change?

If an individual needs extra money because of exceptional circumstances, then, if it is agreed by a care manager or social worker, the extra money can be added to a person's card within 1 working day.

If somebody no longer needs their pre-payment card or their Direct Payment whether this is for a short amount of time, perhaps because they have gone into hospital, or permanently, Council staff can suspend the card so they are not making payments that are not needed at the time.

What happens if I do not spend all of my Direct Payment?

If somebody has extra money on their card, that they do not need, the Council can take this money off the card although they don't do this without first telling the person because there might be a reason why there is extra money on the card.

This means that the person with a Direct Payment does not need to pay back the council through a cheque or on line as the money can be taken off the card directly.

For some Councils, this means that they have been able to get a lot of money back more quickly and they have not had big debts.

Is a pre-payment card safe?

Because the way money is spent on a pre-payment card is monitored more quickly, other Councils have reported that they are able to find out about unusual spend and possible fraud more quickly than if they use other systems.

What does the law say about Pre-Payment Cards?

The Care Act Statutory Guidance makes mention of pre-payment cards as a means of paying a Direct Payment (section 12.58 and 12.59) and in summary this states that pre-payment cards can be a useful step from managed services to Direct Payments, but that they should not be the only option for people to access a Direct Payment. The guidance also says that the use of pre-payment cards should also ensure that an individual is still free to exercise choice and control and that blanket restrictions or limiting use of the card to an on line market place would not be advisable and if Northamptonshire County Council were to introduce the option of a pre-payment card for its adult social care Direct Payment customers at a future date, we would ensure that we follow The Care Act statutory guidance.

What do other people say about Pre-Payment Cards?

The Independent Living Strategy Group wrote a report about pre – payment cards in 2017 which did have some concerns about how some areas had introduced pre-payments cards.

You can read the report if you want to know more



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DS-report-Oct-2017.

There is also a website about pre-payment cards where you can find out more information.

<https://prepaidnetwork.org.uk/>

This guide was written in 2015 and can be found on the website



Guide-to-the-use-o
f-Prepaid-Cards-2nd

Have your say?

We want to know what you think about the way we pay and monitor Direct Payments at the moment.

We want to know about what we do now and what you like or don't like and why

We also want your thoughts about pre payments cards.

We want to know what you think would be the good things about pre-payment cards and we want to hear any concerns you many have

Please fill in our survey