**Thinking about   
Direct payments?**

## What is a direct payments?

If an assessment by the Shetland Islands Council shows that care/support services should be provided, you have a right to ask for a payment which you use to arrange your own care/support instead of having the service provided by the council. This payment is made through Self-directed Support Option 1 and is called a “Direct Payment”.

If you have not already had an assessment and you feel that you are in need of help or support, then please contact the Shetland Islands Council Social Work Department. Someone else may refer you for an assessment if you do not wish to do this yourself. For example, anyone who helps you could contact social work on your behalf.

**Can I get Direct Payment?**

You can get Direct payments if:

* you have eligible social care needs,
* you can make decisions for yourself, or you are under 18 with a parent who can manage this on your behalf,
* you can manage a direct payments alone or with help, and
* direct payments will help you meet your needs.

**Do I have to have Direct Payment?**

You do not have to get direct payments. You may want Shetland Island Council to provide your services instead. But Shetland Island Council must tell you about the different options on offer, including direct payments.

**How does a Direct Payment work?**

Once you receive direct payments funding from the Shetland Islands Council you become an employer, not the Shetland Islands Council, you can employ someone to provide the support and care that you need to meet your assessed outcomes. This means you will have responsibilities as an employer. Some people identify a person (friend, relative or paid carer), who can also help them with the administration involved. While employment responsibilities cannot be taken lightly, there is support to help you set things up. You may want to ask for support with the following:

* Advice on budgeting and managing grant finances, including rates of pay, contingency budget for covering holiday pay and whether staff qualify for sickness pay, etc.,
* Understanding your responsibilities as an employer (e.g. payroll, tax, insurance)
* Creating job contracts, descriptions and adverts tailored to fit your needs
* Providing contact details for people seeking work locally as Personal Assistants.
* Placing adverts for job vacancies and receiving completed application forms
* Providing guidance on interview process and help with drawing up questions
* Providing guidance on creating rotas,

Support can be given by:

* The local Self Directed Support Team 01595 744400
* Carers Support Worker at Voluntary Action Shetland 01595 743923
* Shetland Community Connections 745091

**I am a Carer. Can I get Direct Payment?**

Yes, if you are the main carer for an individual and you are eligible for support. A Care Manager will help you identify what you are hoping to achieve and together you will draw up a support plan.

**How will Shetland Island Council pay me?**

Shetland Island Council will pay your direct payments into your bank account every 4 months. You need to set up a separate account for this. You will be asked to send monthly monitoring sheets, bank statements and copies of payslips/receipts back to the Shetland Island Council detailing your expenditure. At the end of the financial year you will be asked to repay any money which is left.

**Opening up a separate bank account**

If you are receiving funding from Shetland Islands Council to pay for your own care needs (a direct payments) then you will be required to open up a separate bank account for these funds to be transferred into. When you are opening up the new bank account, please request to receive a monthly bank statement as you will be required to provide evidence of how the money is being spent on a monthly basis by sending these in with your completed monitoring forms. Copies of wage slips are also required, along with receipts for purchasing goods.

You will require an ordinary current account with a cheque book. It must have your name on the account but may be in joint names with your power of attorney, or the person helping you manage you money.

Please contact your local branch and ask for help with setting up an account for receiving direct payments.

**How much will I get?**

This depends what support you need. In your assessment your care manager will gather all the information they need from you and the other people involved in supporting you to determine what support you need. This information is then used to determine how much money you require to meet your needs. This is called your ‘personal budget’.

When your personal budget is decided and approved you will receive a letter advising you how much it is. Please note the hourly rate in the letter is not what you pay your direct payments staff, but includes an amount for the administration of the direct payments, i.e. holiday pay, National Insurance contributions, insurance, payroll fees etc. This letter will also contain a written agreement describing the responsibilities of both you and the Shetland Island Council.

If you would like to know what your budget might be, you can ask the Shetland Island Council for an ‘indicative budget’.

**Will I have to pay towards my Direct Payment?**

Depending on how much money you have and your income you may be asked to contribute to your budget. This is called ‘contributing to care’.

Your care manager will ask you to complete a financial assessment which will include details of your income, savings and any property you own. If you have to pay anything, Shetland Island Council can take this money from your personal budget before it goes into your account or ask you to pay them back, you can choose which you prefer.

**Will direct payments affect my benefits?**

No – direct payments will not count as income and will not affect your benefits.

**What can I spend my Direct Payment on?**

You can spend direct payments on services, equipment or activities which have been identified in your ‘Understanding You’ assessment as important to meeting your outcomes. You can buy these from organisations or individuals. You may use the budget from a direct payments to directly employ your own staff. You can choose your own care/support staff, personal assistants and in certain circumstances this can be a family member. If you feel that a direct payments is an option for you, then please discuss this with your Social Worker or Care Coordinator.

There are different things that you could spend your direct payments on. For example:

* Employing personal assistants to care for you at home,
* purchasing support from an agency or organisation for activities or services,
* transport, such as taxis, (only if not in receipt of DLA mobility and PIP mobility),
* help to go shopping or do budgeting,
* support to attend education or employment,
* support to attend an event or participate in an activity,
* purchasing items/equipment that support you to meet assessed outcomes,
* purchasing respite or taking a short break away,
* help with domestic tasks, help with childcare,
* going to the gym
* pooling your budget with others to buy services or employ people.

**Is there anything I cannot use my Direct Payment for?**

You cannot use direct payments for:

* anything that has **not** been identified and agreed in your assessment,
* paying your Power of Attorney or Guardian for help,
* any service or equipment that can be provided through health services,
* permanent residential care and support,
* personal assistants mileage to and from work,
* household expenditure such as rent, mortgage, utility bills, etc.,
* gambling, bingo, casinos, slot machines,
* tobacco products, e-cigarettes or alcohol,
* weekly food, food on holiday and in respite,
* paying off debts, anything illegal.

If the council feel that you are not using your direct payments appropriately they have a right to investigate and can stop payments if they feel you or someone else is at risk, you are not using them for agreed purposes or you are not getting your outcomes met.

**How can I pool my budget with other employers?**

You can choose to pool all or part your personal budget to acquire:

* Transport, Holidays, Equipment, Activities
* Training for personal assistants
* Starting a Business – i.e. a Social Enterprise/Community Interest Company

The benefits of pooling can be:

* To save money – individual budgets go further
* To negotiate better rates
* To share ideas and skills
* To stay in touch with others
* To try something new

There are 3 types of pooling:

1. Casual Pooling – this is where a couple of direct payments recipients decide to share resources on an informal basis - e.g. two direct payments recipients decide to go to the cinema on a regular basis, their personal assistants take it in turn to accompany them. There is no need for special arrangements for this; however personal assistant contracts may need to be adjusted.
2. Regular Pooling – this is where a group of people get together to do a regular activity on a regular basis. This may involve starting up a group, employing people or hiring venues etc. This type of pooling will require more formal agreements amongst the direct payments recipients, with decisions about who takes responsibility for being the employer or signing contracts.
3. Starting a Business – this is where a group decides to establish a social enterprise/community interest company to meet a social purpose/activity. i.e. day centre for the elderly. The group can benefit from the social aspects of making and selling things. This is more complicated and will generally need a dedicated group who are willing to set up a limited company.

Pooling budgets can be a great idea in principle, but can be difficult to organise and keep running smoothly. The most important factor in successful pooling arrangements has been where there is independent support organisation to support the setting up and running of pooling arrangements, such as Shetland Community Connections.

If possible the idea of pooling would happen at your care planning stage so that others can be identified and budget planning agreed.

For more information you can visit [www.poolingbudgets.org](file:///C:\Users\khughes\AppData\Local\Temp\PKD5E.tmp\www.poolingbudgets.org)

**What if my direct payments are not enough?**

Getting the right budget is crucial to ensuring you receive the appropriate level of support. If you feel your budget is not enough to meet your outcomes then you need to discuss this with your care manager. They will offer to review your circumstances with you and amend your assessment if necessary.

**What are my responsibilities?**

Monitoring Paperwork

You will be asked to record how you have spent your direct payments monies on monitoring sheets. You will submit these on a monthly basis, this can be done by email, you can ask someone to help you with this.

Along with the monitoring sheets, you will be required to submit any receipts/payslips/invoices and back up bank statements linking to income/spend on your direct payments account.

As stated in the [Payroll Service](#Page23) section, accountants can offer the service of completing the monitoring sheets for you at an additional fee, which would come out of your direct payments budget

Employer Duties

If you employ someone you become an employer. This means that you have certain responsibilities, such as:

* paying HMRC, i.e. tax and National Insurance, paying pensions
* taking out liability and employers indemnity insurance,
* providing appropriate training, see below
* collecting in timesheets from your employees, and
* allowing holidays

Training Information

Training should be available for your personal assistants, this could include:

* Manual handling, Food hygiene
* Health and safety
* MAPA (management of actual or potential aggression
* Adult support and protection
* Specific training for your needs

There is also training available for yourself as an employer:

* Employing people
* Difficult conversations

There are also lots of courses on Open University website [www.open.edu/openlearn](https://www.open.edu/openlearn/)

The cost for training can be negotiated with your care manager and can be added to your budget.

**What are the benefits to employing my own staff?**

When you employ personal assistants, this means you become the employer and there are many benefits to this:

* they work for you
* you decide what you want them to do
* you decide when you want them to work

**Employing a Personal Assistant:**

There are a number of key things to consider when recruiting personal assistants. However there is also lots of help out there. ACAS can offer information, advice and example documents for using in the recruitment process, there are also other good specific guides. You may want to think about getting advice on:

* writing a job description and person specification
* advertising, interviewing
* carrying out checks – requesting references & PVG (Disclosure)
* contracts of employment

Things to do before your personal assistant starts work:

* getting employers liability and indemnity insurance
* setting up payroll, providing a pension

You may also want advice on what you need to do once your personal assistant starts work and how to manage them:

* induction, training, supervision
* managing a probationary period
* valuing and retaining your personal assistant
* setting clear boundaries, managing difficulties

## ****HM Tax Inspectors - Inland Revenue****

If you have decided to take the option of a direct payments and employ your own staff then you will need to register as an employer with the Inland Revenue, through the steps on their website <https://www.gov.uk/register-employer>

You must register before the first payday. It usually takes up to 5 days to get your employer PAYE reference number. You cannot register more than 2 months before you start paying people. Once you’ve registered, you’ll get a letter containing your PAYE and Accounts Office references. You’ll need these to report and pay PAYE tax and National Insurance to HMRC. This normally arrives within 10 working days. Your payroll service will not be able to process any payroll without your unique Employers PAYE reference number. Your payroll service may register you with HMRC on your behalf.

As an employer, by law when you pay your employee(s) you must operate Pay as you Earn (PAYE) and pay the correct National Insurance contribution to HM Revenue and Customs. For further information please see [HMRC](https://www.gov.uk/topic/dealing-with-hmrc/paying-hmrc) website.

You will need to ensure that you make regular payments of National Insurance and Tax to the HMRC. Your payroll provider can calculate how much you need to pay HMRC.

**Contact details:**

**HM Revenue and Customs** Phone Number: 0300 200 3401

Opening hours:

8.00 am to 8.00 pm, Monday to Friday  
8.00 am to 4.00 pm, Saturday  
Closed Sunday’s and bank holidays

**What to include in Recruitment documents;**

**Job Advert:**

* Job title, hours of work, type of work and main duties,
* Rate of pay, general location,
* What experience and qualifications you want them to have,
* How to apply, i.e. by CV (Curriculum Vitae) or application form,
* Disclosure requirements, closing date

**Job Description and person specification:**

Same as job advert plus more details on:

* List the skills you would like the personal assistant to have,
* What qualities would you like your personal assistant to have, i.e. patience, sense of humour etc.,
* List the jobs you would like your personal assistant to do, personal, domestic or social duties.

**Personal Assistant contract of employment (this is mandatory from April 2020):**

* Your name and name of the personal assistant,
* The job title (i.e. Personal Assistant) and any duties,
* The place of work (Your home address),
* Start date and type of contract,
* What the probationary period is,
* Notice period for both you and the personal assistant,
* Salary and when it is paid, working times, hours and breaks
* Holiday entitlement, sick pay and sick pay arrangements,
* Pension arrangements,
* Reference to grievance and disciplinary policies,
* What happens when you are away or in hospital,
* Confidentiality and redundancy

**How can I deal with problems with Direct Payment?**

If you take on direct payments and employ staff you will have responsibility to deal with any issues relating to employment, including addressing any problems with duties not being carried out, issues with rotas, training, grievances etc. Some people do not want to think about things going wrong, but sometimes they can and it’s best to have a plan in place to deal with problems that might arise. You may wish to think about the following in advance:

* have a backup plan to cover sickness and holiday,
* record poor timekeeping and absences,
* have a disciplinary & a grievance policy (ACAS: Advisory, Conciliation and Arbitration Service, can help with this),
* have a reasonable notice period in your contract to allow you time to recruit a replacement.

If you are having problems with your direct payments staff there are a number of people you may wish to turn to for support:

* Discuss with your Care Manager if you feel at risk or you are not getting your needs met.
* ACAS provide information, advice, training, conciliation and other services for employers and employees to help prevent or resolve workplace problems.
* Shetland Citizens Advice Bureau can offer general employment advice.
* Consider Advocacy or Mediation.

If you are being abused, feel intimidated or scared by your personal assistant you should tell someone immediately, i.e. the police, the social work team, trusted family members or friends.

Your personal assistants have responsibilities to keep you safe too. Your personal assistant should:

* be aware of and understand local child and adult safeguarding procedures,
* call for help in emergency situations where you are at immediate risk of serious harm or in need of medical treatment.

Record keeping can be crucial to evidencing how you have dealt with difficulties.

**Employee Drivers**

If you will require your workers to use their own vehicle in the course of their work for you, then you should ensure that their own personal car insurance includes “Business Cover.” This is sometimes already written into the small print of their insurance policy. Occasionally an insurance company will charge a small administration fee to add “Business Cover” and this fee can be refunded to your worker from the direct payments funds.

If you require your worker/s to drive your vehicle whilst working for you, please do ensure that their details are added to your Insurance Policy.

Whilst doing all of this, it would also be advisable to ask your worker/s for a copy of their driving licence (photo card plus the paper copy.) This will give you proof of identity whilst also giving you information regarding any penalties/endorsements they may have acquired on their Licence. With that knowledge you can make choices which are safe and best for you.

**Can someone else manage my Direct Payment for me?**

If you do not have the ability to manage your own direct payments, someone else can support you and get the direct payments for you. They can help you manage the money, help employ staff and buy services, but you will still need to decide how to spend it.

If you feel you need help but have nobody to support you with a direct payments then there are independent services than can assist.

**When will my Direct Payment end?**

Direct payments can last as long as you need/want them to. If for any reason you no longer feel direct payments are right for you, then you need to discuss this with your care manager. If you want to end your direct payments then you need to give your care manager 28 day’s notice to enable them to help you find alternative support. You will also need to ensure you give your personal assistants the notice detailed in their contracts.

The local authority may stop your direct payments if:

* They feel your outcomes are not being met,
* If you are at risk due to your direct payments
* You use your budget illegally or for activities/services not agreed with your care manager
* You do not complete the necessary monitoring information

**PVG (Protection of Vulnerable Groups) Checks**

**PVG checks are mandatory for all personal assistants they will inform you if your worker has a criminal record and, if so, which offences they have been charged with. This information could provide you with peace of mind and help protect you from any potential abusive practices. The cost of this can come out of your** direct payments**. You can contact Shetland Community Connections to assist process a PVG check for your workers.**

**You can apply for this on line** <https://www.mygov.scot/apply-disclosure-by-email/>

### ****Contact details:****

Shetland Community Connections

Market House

Lerwick

Shetland Phone Number: 01595 745091

## ****Insurance Services****

As an Employer you will be responsible for the welfare of your staff. To ensure that you are covered should anything go wrong, you need to have Employers Liability and Indemnity Insurance. This will need to be in place before your direct payments begins.

The following agencies provide cover for home care packages and can take payment by card over the phone, by cheque or postal order. You can use the direct payments funding to pay for the insurance cover.

Please make sure that your Insurance cover is in place before any paid workers start working for you.

***Fish Insurance Ltd***

12 Sceptre Court

Sceptre Way

Bamber Bridge

Preston Phone number: 0333 331 3770

PR2 2 YP [www.fishinsurance.co.uk](http://www.fishinsurance.co.uk)

***Premier Care Home Employment Insurance***

Mark Bates Ltd

Premier House

Londonthorpe Road

Grantham

Linconshire Phone number: 01476 512190

NG31 9SN [www.markbatesltd.com](http://www.markbatesltd.com)

***Direct Care Insurance***

1st Floor

3150 Century Way

Thorpe Park

Leeds Phone number: 0113 350 8712

LS15 8ZB www.directcareinsurance.co.uk

**Advertising**

If you have not already identified people who you would wish to work for you and provide the support you require, then you may wish to advertise in order to generate interest in your care package. You can use the direct payments funding to pay for these Advertisements.

**Personal Assistant Network – Shetland Isles**

Facebook page

**The Shetland Times Ltd.**

Gremista

Lerwick

ZE1 0PX Phone number: 01595 742000

(Adverts can also be taken into The Shetland Times Bookshop)

**Shetland Islands Broadcasting Corporation (SIBC)**

Market Street

Lerwick

ZE1 0JN Phone number: 01595 695299

**Shetlink** charge a small fee per fortnight to advertise Situations Vacant on their webpages.

Local Community Centres, GP Surgeries and Shops are often happy to display adverts for people seeking staff. This is free of charge.

It can also be arranged for a job advert to be placed on Shetland Islands Council Intranet. This is free.

**Please note: You will be responsible for deciding who you should take on to work for you.**

**Useful Contacts & Additional Information**

**Support through the process**

* Are you looking for plain language and clear advice on self directed support?
* Are you confused as to your next steps?
* Do you have very clear aims and are looking for some local community knowledge?

Then please contact us – Shetland Community Connections, phone number 01595 745091. We are a registered charity working independently across Shetland. We can offer free independent information and support whatever stage of social work assessment or outcome you have received, including self directed support.

We are not an employment agency so do not have access to workers, however we are able to advise you on the steps to becoming an employer if that is what you need.

We have extensive experience with children and adults using direct payments to get on with their lives in the ways they wish.

**Local Payroll Services**

Most people in receipt of direct payments funding pays for a payroll service. This can be paid for out of the budget you receive. A payroll service can process your employees’ wages i.e. set up employees on payroll and with HMRC, deducting National Insurance and Income Tax, issuing payslips, processing wage payments, calculating pension contributions, etc. For an additional charge, some can provide assistance with the monthly monitoring sheets which are required by the local authority to monitor how funds are spent.

If you require the support that a payroll service can offer then you can contact one of the organisations below. You can use the direct payments funding to pay for their services.

|  |
| --- |
| ***Voluntary Action Shetland***  01595 743912  [ellen.hughson@shetland.org](mailto:ellen.hughson@shetland.org) |
| ***RSM UK***  01595 743520  [irene.hambleton@rsmuk.com](mailto:irene.hambleton@rsmuk.com) |
| ***9 Accountancy***  01595 696424  [susanj@a9partnership.co.uk](mailto:susanj@a9partnership.co.uk) |
| ***JB Accountancy Services***  01950 477820  [jim@jbaccountancyservices.co.uk](mailto:jim@jbaccountancyservices.co.uk) |
| ***Martin Tregonning***  01950 461 814  martin@tregonning.co.uk |
| ***NCR Accountancy***  07557 657217  [neil@ngraccountancy.co.uk](mailto:neil@ngraccountancy.co.uk)  www.ngraccountancy.co.uk |
| ***Paypacket***  0800 848 8998  info@paypacket.co.uk |

## You may find the following websites helpful:

* Self-Directed Support Scotland:

[www.selfdirectedsupportscotland.org.uk/](http://www.selfdirectedsupportscotland.org.uk/)

* Shetland Islands Council - Community Care

[www.shetland.gov.uk/community\_care](http://www.shetland.gov.uk/community_care)

* Directing Your Own Support User Guide

(Audio also available)

<http://www.scotland.gov.uk/Resource/Doc/217721/0058313.pdf>

* Business Gateway (information about being an employer):

<http://www.bgateway.com/business-guides/employing-people>

* Skills for Care have a number of resources that support individual employers.

<http://www.skillsforcare.org.uk/employing-your-own-care-and-support>

* ACAS; Advisory, Conciliation and Arbitration Service. A publicly funded independent organisation that aims to promote better employment relations. They can offer information and advice on employment law.

<http://www.acas.org.uk/index.aspx?articleid=1949>

**If you have any difficulty in reading this document or understanding it please get in touch with the relevant team below who would be happy to answer any of your questions.**

**Community Care Social Work Team  
Grantfield  
Lerwick  
ZE1 0NT  
01595 744400**

**Children’s Social Work**

**Hayfield House**

**Lerwick**

**ZE1 0QD**

**01595 744000**

**Direct Payment Set Up Checklist:**

**Sign and return your Grant Offer Letter**

**Open Bank Account –** [**Page3**](#Page3)

**Get Employers Liability & Indemnity Insurance –** [Page 19](#Page19)

**Register with HMRC-** [**Page 13**](#Page13)

**Advertising –** [**Page 21**](#Page21)

**Recruit personal assistants –** [**Page 14**](#Page14)

**Have Job Description, Contracts and other documents ready -** [**Page 15**](#Page15)

**Issue Contract –** [**Page 15**](#Contract)

**Training & Induction –** [**Page 12**](#Page12)

**Find help with Payroll –** [**Page 24**](#Page24)



