

Self-directed support

Factsheet 3



How to manage a direct payment

Once you have your support plan finalised and agreed, and you have decided to have a direct payment to achieve the things that are important to you, you can organise your own care.

Do's and Don't's

Here's a list of do's and don't's to give you an idea of how you can spend the money.

Do use the money to	Don't use the money to
Help you with personal care, such as bathing and getting dressed	Pay for anything illegal
Help you with day-to-day tasks at home	Gamble
Help you get out and about	Buy food or alcohol
Help you to find and pay for activities during the day, such as a course or a club	Pay a family member who lives with you to care for you
Get help to find work	Pay for anything that the NHS pays for
Pay for equipment such as a computer, which may help you to be more independent	Pay any household bills
Buy anything else that helps you achieve what is expected in your support plan	Pay for major house adaptations

Managing the money – how the money gets paid to you

Your personal budget is the total amount that we have agreed is needed to ensure you have a safe and independent life in the community. It's made up of two parts:

- what we pay as a 'direct payment' to you
- your financial contribution

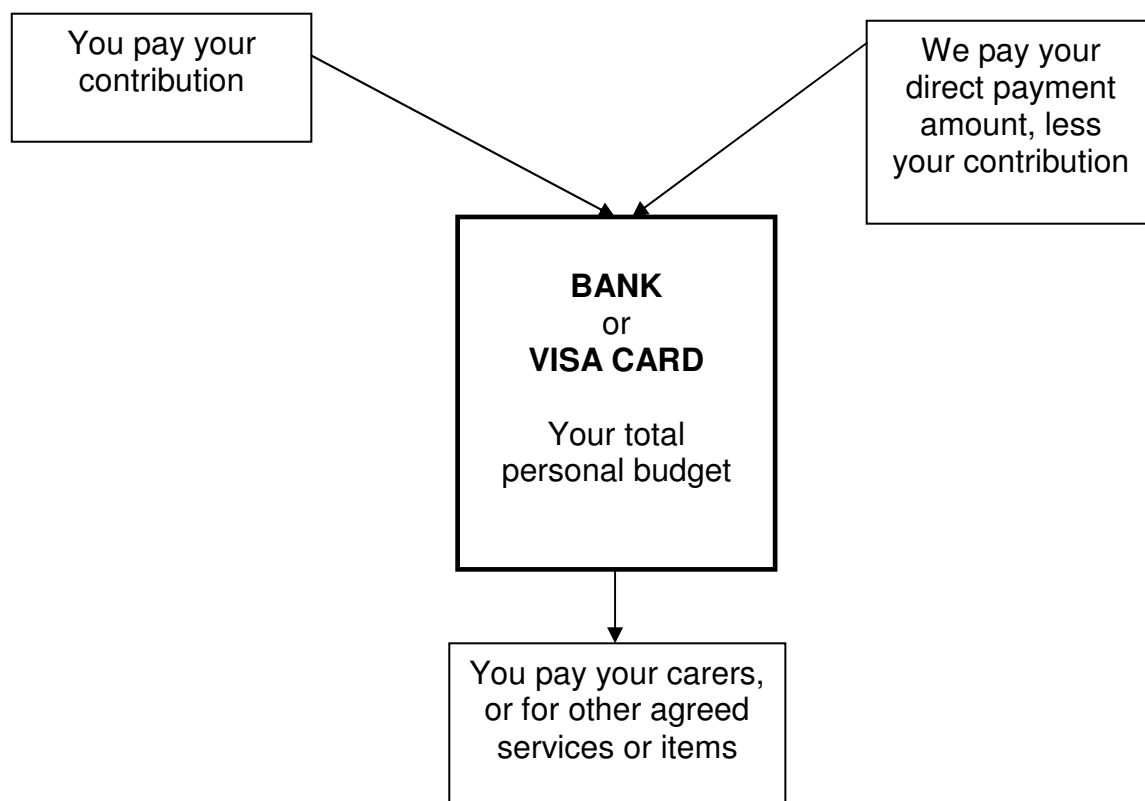
We will organise to pay your direct payment through either your bank account or by using a direct payment Visa card.

Your financial contribution

You may be required to contribute to the cost of your personal budget. We will carry out a financial assessment to see if you are able to make a contribution to your care. We will then work out how much, if anything, you may need to contribute. If at any time you disagree with your financial assessment, you can ask for a re-assessment.

If you do need to make a contribution, we will need you to make it to either your bank account or direct payment Visa account. We will then pay into that account the balance of your direct payment. We do it this way to ensure the full amount of money is available to pay for the care specified in your support plan.

This happens every four weeks. Here's a diagram of how it works:



Managing the money- a direct payment Visa card

If you've received a direct payment since November 2010, you should be getting the money through the new direct payment Visa card. The process is designed so you have easy access to your funds and it's very manageable.

The Visa card is a plastic card which can be used as a payment method when making purchases. The card has an amount of money electronically allocated to it (your personal budget, less your contribution, if assessed to make one). When you use the Visa card, funds are withdrawn directly from the remaining balance on the card. Agreed expenditure such as travel expenses or training course fees can be purchased using the card as well as any regular payments you make for services.

The card is a simple, safe and effective means of handling money as it avoids both the need for cash and writing cheques. Because it is electronic, the Council can easily ensure that funds are being spent in the appropriate agreed manner.

Factsheet 4 explains the Visa card in more detail.

Managing the money - bank accounts

If we have agreed it, it is possible for you to use a bank account to manage your budget.

Which type of account is appropriate for the direct payment?

You may already have a bank account, but if not, here is some advice on different types of account.

There are two types of bank account for managing everyday money: a **basic** bank account and a **current** account.

Basic bank accounts

Basic bank accounts offer a convenient place to keep money you need for everyday use. You can arrange to have benefits paid into one. You can also pay in cheques that you receive from other people, or cash, free of charge, and set up 'direct debits' which pay regular bills automatically from your account.

You get a cash card which you can use at a bank machine to withdraw cash. Some also offer a 'debit card' that you can pay for items with, and get 'cashback'; but with a basic account these will only work if there's enough money in your account.

You don't get a cheque book with a basic bank account, and you can't take out more money than is in the account ('go overdrawn'). For this reason basic bank accounts are useful for anyone worried about overspending.

Current account

A current account has the advantages of the basic account but you are issued with a cheque book and you are also allowed, with agreement, to have an overdraft, as long as this is managed appropriately. It's good for those people who are good money managers and want flexibility, but can take responsibility for their financial affairs.

What do you need to open an account?

Firstly you need to choose a bank. You could ask family, friends or an independent support broker for advice (See Factsheet 6 for more on support brokers). You then complete an application form from the bank and provide certain personal information. For some accounts you'll also need to pay money in and the bank may want to check your credit history. Once the account's open you can start managing your money.

Please remember if you can't get to the bank you may need to arrange support from your care manager or support broker (See Factsheet 6 for more information on support brokers).

Opening a bank account

For accounts that allow you to borrow or go overdrawn, the bank may want to run a 'credit check'; in other words to get references from previous banks or lenders that you are a reliable customer before opening the account.

Avoiding fees and charges - what happens if you go overdrawn

Some accounts let you overdraw by a small amount (for example, £50) without charging. But if you go overdrawn without agreement you'll normally be charged interest on the amount - and a fee on top. Also, the bank may refuse to pay your cheques or direct debits and will probably charge you for 'bouncing' (refusing) them. The fees can be very high, and you may have to pay an administration fee on top. You may have to pay an arrangement fee for an overdraft agreement, but this is probably cheaper than regularly going overdrawn without an agreement. If you're worried about going overdrawn, a basic bank account, which won't allow this, may be right for you.

Managing your money - suspending payments

We may need to suspend your direct payments if you are not spending the money as outlined in your support plan – even if this may be for good and understandable reasons.

For example:

- if you are, unfortunately, admitted to hospital for a long period of time
- you have a long-term holiday abroad
- you are using the personal budget for something that has not been agreed in your support plan

If at any time you need to have a break in your care package or your circumstances have changed from that outlined in your support plan, please contact either your social worker or the Self Directed Support Team on 020 7361 3760 as soon as possible.

Record keeping and reviewing things

We'll regularly review how your direct payment is working to achieve the things you want.

On a day-to-day basis we will ask you to keep any receipts, invoices and copies of bank statements relating to your personal budget expenditure. We will need to see these regularly. If you have a direct payment Visa card, we'll have the financial details of your card transactions available at the review meetings. This will enable you to discuss any concerns you have. It also helps us to identify any support or help you may need to manage your direct payment comfortably.

Our Finance Team can create reports that show any erratic spending patterns, or a build-up of direct payment funds. The reports help ensure we can help anybody who is experiencing problems managing their budget as soon as possible.

The Visa card is also important for the Council to show that public money is being spent wisely and as agreed with you.

Safely keeping records

You will need to ensure you are keeping good records of your expenditure. You will need to keep:

- receipts
- payslips for anyone you employ
- invoices
- bank statements
- quotations for equipment, etc
- debit card statements

These should be stored separately from your other financial affairs, preferably in a separate folder so that they can be accessed easily at short notice.

What happens if your account doesn't balance?

If you notice you don't seem to have enough money in your account to pay for your care, you should carefully check a number of things:

- the support plan indicates how your funds are to be spent - check that you are paying the right amount for the right things
- ensure that, when necessary, you are making your contribution towards your direct payment
- using your bank statements, invoices and receipts, check the details of your income and expenses
- check whether you have been invoiced for the correct period by your agency
- check to see if you have accrued any charges on your account

Please remember if you have been assessed to make a contribution you must put this into the account so it adds up to the full amount.

Keeping track of your costs

Checking receipts and invoices

It is important that when you receive a receipt, or invoices for services provided to you, that you carefully check that they are accurate. If they are not accurate check these things out directly with the care provider, family, or friends. If there are things that appear to be wrong or you don't understand, contact the agency or care worker to resolve them. The agency should be happy to help.

Questions to ask yourself:

- do the invoices sent by the company or person 'tally' with the timesheets of the care you have received?
- are the invoices for the periods and times agreed by you, and are they accurate?
- are there any points that you feel are unclear or require explaining, before you pay?

If in doubt – always ask! Either the company or person, or friends and family, or an independent support broker (for more information on support brokers see Factsheet 6) should be able to help. It's much better these problems are sorted out 'sooner' rather than 'later'.

Cash balances on direct payment accounts

Below is some guidance and rules about how your account should be maintained.

If you need help with anything mentioned in this section please contact the Self Directed Support Team at the Town Hall on 020 7361 2151.

Your support plan should detail how your personal budget is going to be used. This includes:

- 1) Regular payments to a care worker or care agency.
- 2) "Purchase funds", which are funds being saved for a specific purchase such as a computer or a training event. This amount should be specified.
- 3) "Contingency funds", which is money you save to prepare for unplanned but probable events, such as needing to pay for a replacement care worker if your employed care worker is sick. You should think about what these unplanned but probable events could be and specify the amount of money you are then going to save each week in the contingency fund to cover them.

There should be no left over funds in the account other than that earmarked for carer/agency payments, "purchase fund" or "contingency fund".

Excess balances

If there is extra cash left over as described in the circumstances we mentioned above, we'll need to discuss with you how to resolve the situation. If we need to reclaim money from you, we will either:

- send you an invoice for the agreed surplus amount
or
- reduce or suspend our direct payments to you until the surplus has been used up.

If your direct payment is helping as planned to keep you independent, but funds have built up, we may need to ask you to do a re-assessment and we may need to re-calculate the amount of your personal budget and direct payment.