



**From Assessment to Direct Payments:
Payroll and Budget Management**

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We have tried to make the information in this document as clear as possible. Unfortunately the regulations are sometimes difficult to understand. If you need further explanation please contact us, details on page 8.



Assessing your care and support needs

If you (or a member of your family) have care and support needs where you find it difficult to look after yourself, your local authority (your town or city council) should be able to advise you and provide you with some help.

The best way to get help from your local authority is to ask for a care and support needs assessment. You can do this by contacting the local authority adult social services department.

Once you are assessed by the local authority, as a minimum you may be given useful information and signposted to other services, and perhaps helped with ways that you might find funding to pay for them. However, if your needs meet the national eligibility criteria, your local authority should meet these needs.

The local authority should involve you throughout the assessment to identify what your needs are and how these impact on your wellbeing. They will also discuss with you how you wish to live your life and whether there are certain aims you would like to achieve but are unable to do so because of your need for care and support. Moreover the assessment should be carried out in a way that ensures your involvement and that the right amount of time is taken to ensure that all of your needs are thoroughly considered.

The assessment will consider how your care needs might be met. This could include identifying how you are able to manage access in your home. For example, services like simple aids, and some adaptations to your home or any other information about support that may be available in the community which might also meet your needs.

If you have a friend or family member looking after you as an unpaid carer, they can have a carer's assessment to see if they need support to carry on their caring role.

The local authority must give you a copy of your needs assessment or carer's assessment.



Direct Payments

If you or someone you care for receives help from social services, you can apply for direct payments. This lets you choose to buy the services you need yourself, instead of getting them from your local authority. This could be employing a PA or paying for respite.

Why choose a direct payment?

If you needed care and support in the past this was provided directly from your local authority. This is not so today; direct payments were introduced to give people more choice and control over how their care and support was arranged, in order to help them live more independently.

The direct payment is paid to you by the local authority so that you can decide how you want to meet your care and support needs. Often people choose to employ their own personal assistant, although there are many other ways direct payments can be used.

The majority of those already receiving, or those assessed as needing, social services have a right to direct payments. These include:

- older people who have been assessed as needing community care services
- disabled people aged 16 and over, including those with short as well as long term needs
- carers, in place of receiving carers' services
- families with disabled children
- disabled parents

The full control over care and support that direct payments enables is an attractive option for many people.



Payroll and Budget Management

If you have a Direct Payment or Personal Budget and employ one or more Personal Assistants (carers), you can either manage your own payroll or appoint an agency to do it for you.

If you are employing Personal Assistants, even if you do not think they earn enough to pay tax or if they are retired, it is important for your payroll to be properly processed for HMRC (the tax authority). In many cases Personal Assistants have more than one job and it is vital that their tax code is in order. Whatever their circumstances, your Personal Assistant needs an appropriate tax code and it is your responsibility to submit the appropriate information to HMRC each month.

The difference between someone doing your payroll or managing your budget is that, when an agency is managing your budget the money from the local authority will go straight to the agency. Having someone manage your budget means they are responsible for keeping accounts, paying bills, processing payroll and sending monitoring reports to the local authority on your behalf.

As with payroll, the costs vary according to the agency, but if you are being funded by the local authority they will usually pay these fees for you.

Payroll: If you do it yourself

- You need to register with HMRC
- You need to take out Employers Liability Insurance
- You need to prepare timesheet: hours worked entered onto timesheet by employee, any overtime or expenses need to be agreed and entered onto timesheet
- The timesheet needs to be signed by both employer & employee
- Statutory calculations such as tax allowance, NI, P45, P60, sick leave, maternity leave etc. need to be completed
- A monthly payslip is issued & payment made to Personal Assistant (by cheque, standing order, BACS payment)



- HMRC need to be informed about tax & NI due. If necessary, payments need to be made to HMRC
- You also need to send quarterly returns to the local authority
- At the end of the financial year you need to give out P60s to your employees

Advantages of doing it yourself

You are in control and it is free

Disadvantages of doing it yourself

It can be time consuming. There are a significant number of tasks you have to do: learn, maintain & keep records; keep updated on all annual PAYE/statutory changes; remember to do all monthly and annual returns; send regular information to the local authority about how you are using your Direct Payment or Personal Budget

Payroll: If you employ an agent

- First choose your agency. (Social workers have lists of payroll & budget management agencies) Let your social worker know who you have chosen and the fee you have agreed to pay, so they can add the fee to your support plan.
- Some agencies (including Parkside Payroll) will register you with HMRC and organise your Employers Liability Insurance
- The agency will send you a monthly timesheet to use
- Hours worked are entered onto timesheet by employee, any overtime or expenses need to be agreed and entered onto timesheet
- Timesheet needs to be signed by both employer & employee
- Send off timesheet to the agency by agreed date
- Agency will issue payslips & complete all submissions to HMRC
- On receipt of the payslip you make payment to your Personal Assistant (by cheque, standing order, BACS payment)



- At the end of the financial year the agency will send out P60s to your employees
- You will still need to send monitoring reports to the local authority

Advantages of an agent managing your payroll

Your time is not spent on paperwork

The responsibility is passed to the agent

No need to learn to deal with all the statutory obligations

Disadvantages of an agent managing your payroll

There is a cost attached to the service, although in most cases this is paid by the local Authority in addition to the amount you receive as a Personal Budget or Direct Payment

Budget Management

When an agent is managing your budget, the money from the local authority will go straight to that agent. Having someone manage your budget means they are responsible for keeping accounts, paying bills (relevant to your care package), processing payroll and sending monitoring reports to the local authority on your behalf.

If an agent is managing your budget as well as processing your payroll, they will send quarterly reports of how the money is being spent to your local authority.

The advantages and disadvantages are much the same as with payroll, with the added advantage that the agency is responsible for paying additional bills on time and is also responsible for submitting monitoring/auditing reports to the local authority. This means that aside from sending in the monthly hours, there is nothing for you to do!



Contributions

Everyone over the age of 18 who is receiving a Personal Budget is assessed to see how much of their care is to be paid by their local authority. (NB. This does **not** apply to children & young people under 18.)

The local authority looks at the income of the person receiving the Personal Budget (this is usually benefits) and assesses how much they can afford to pay for themselves. The local authority will then top this amount up to cover the amount needed for your support package.

“Contributions” are a vital part of a support package. It is essential that contribution payments are made regularly into your payroll bank account. When contributions are not paid, it means there will not be enough money in your account to pay your Personal Assistants and other bills.

In order for things to run smoothly, we recommend you set up a standing order to pay the contributions every week/4 weeks.

Monitoring (also known as Auditing)

Payroll

If you have your own bank account, you need to send quarterly reports of how the money is being spent to your local authority. This is the case whether you do your own payroll or use an agency.

Budget Management

If an agent is managing your budget as well as processing your payroll, they will send quarterly reports of how the money is being spent to your local authority.



Parkside Payroll

About Us

Parkside Payroll is a fully registered and regulated family run agency offering both Payroll and Budget Management services.

We will always offer to register you with HMRC and take out Employers Liability Insurance for you whichever service you choose.

Although we only do the full monitoring service if you have Budget Management, we are more than happy to give advice if you have a payroll service.

We take a pride in offering a personal and friendly service tailored to your family's individual needs which frees you up to do what you need to do most, which is spend time with your loved ones and not get swamped by paperwork.

If you have any further questions please don't hesitate to get in touch and we will do our best to answer your questions.

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