

CABINET - INFORMATION REPORT

Date Written	March 2021
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Service Area	Social Services
Exempt/Non Exempt	Non Exempt
Committee Date	24 th March 2021

To: *Chair, Ladies and Gentlemen*

Direct Payments Scheme

1.0 SUMMARY OF THE REPORT

- 1.1 To inform Cabinet of the development of the Direct Payments Scheme and to advise cabinet of the hourly rate to be paid for the service provided for the financial year 2021-22.

2.0 INTRODUCTION AND BACKGROUND

- 2.1 Cabinet will be aware that the Community Care (Direct Payments) Act 1996 gave the Local Authority the power to make cash payments for Community Care directly to individuals who have been assessed as needing Community Care Services.
- 2.2 From 1st November 2004, Local Authorities have had a duty to offer direct payments to all who are potentially eligible to receive them. On 1st March 2005 this was extended to include all customers over 65.
- 2.3 The legislation governing the use of Direct payments was incorporated into the Social Services & Wellbeing Act 2014 under part 4 of the act supported by the Care and Support (Direct Payments) (Wales) Regulations 2015
- 2.4 Cabinet will be aware that as of 6th April 2019 the Workplace pension minimum employer contributions increased to 3%. The rate for Direct Payments had to be increased to ensure compliance with this legislation.
- 2.5 Cabinet will be aware that as of April 2020 People Plus is the voluntary organisation who will provide a Direct Payment Support Service to the customers of Merthyr Tydfil County Borough.

2.6 From 1st April 2020 to 31st March 2021, the cost of 1 hour of Direct Payment Service was £12.94.

2.7 Cabinet will be aware that as of 1st April 2021 the National Living Wage will be increased to £8.91 per hour. The rate for Direct Payments will have to be increased to ensure that the basic salary rate is compliant with this legislation.

3.0 COST OF 1 HOUR OF DIRECT PAYMENT SERVICE

Direct Payment Service (Adults & Children)

	Cost of Element	Cumulative Cost
Basic Salary @ National Living Wage	8.91	8.91
Direct Replacement Costs		
Sickness (3%)	0.27	9.18
Insurance (3%)	0.27	9.44
Holidays @ 5 weeks per annum	0.86	10.30
Bank Holidays @ 8 days paid at time and a half	0.29	10.59
Enhancement for Weekend Working	1.27	11.87
Pension	0.36	12.22
National Insurance	1.00	13.22
Total Hourly Direct Payment Rate	£13.22	
Start Up Cost (one-off Payment)	£75.00	

4.0 FINANCIAL IMPLICATIONS

4.1 The cost of the Direct Payments increased hourly rate has already been included in the Authority's Medium Term Financial Plan and the Directorate's approved budget for this service area.

5.0 INTEGRATED IMPACT ASSESSMENT

5.1	Positive Impacts	Negative Impacts	Not Applicable
1. Merthyr Tydfil Well-being Objectives	1 of 4	0 of 4	3 of 4
2. Sustainable Development Principles - How have you considered the five ways of working: <ul style="list-style-type: none"> • Long term • Prevention • Integration • Collaboration • Involvement 	1 of 5	0 of 5	4 of 5

3. Protected Characteristics <i>(including Welsh Language)</i>	2 of 10	0 of 10	8 of 10
4. Biodiversity	0 of 1	0 of 1	1 of 1
Summary:			
The main positive impacts are the use of Direct Payments provides citizens with more choice and control.			
No negative impacts have been identified.			

LISA CURTIS JONES
CHIEF OFFICER (SOCIAL SERVICES)

COUNCILLOR CHRIS DAVIES
DEPUTY LEADER AND CABINET
MEMBER FOR SOCIAL SERVICES

BACKGROUND PAPERS		
Title of Document(s)	Document(s) Date	Document Location
Community Care Direct Payments Act	1996	Adult Services
Does the report contain any issue that may impact the Council's Constitution?		No

Consultation has been undertaken with the Corporate Management Team in respect of each proposal(s) and recommendation(s) set out in this report.