Understanding Direct Payments

A guide to Direct Payments in Croydon

kcil

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Contents

1. What is a Direct Payment?

A Direct Payment is money from Croydon Council to help pay for your care and support. Instead of the council arranging support for you, a Direct Payment allows you to choose and arrange support in a way that works for you.

Direct Payments are based on your individual care and support needs, agreed through a Care Act assessment with a social worker.

Your social worker can talk through the options with you and help you decide whether a Direct Payment is right for you. You will have a financial assessment to see if you need to contribute towards the cost of your care.

Croydon Council will agree with you how your Direct Payment can be used, and this will be recorded in your care and support plan. You will also sign a Direct Payment Agreement.

Your Direct Payment must be used to meet the needs agreed in your support plan and will be reviewed regularly by the council.

A Direct Payment can give you more flexibility, choice and control over:

- who supports you
- when support is provided
- how your support is arranged.

You can use a Direct Payment in different ways, including:

- employing a Personal Assistant (PA) – someone you choose to provide your support
- using a care agency
- accessing community support to help with daily life, work, or activities.

You do not have to manage everything on your own. KCIL is available to help you understand your responsibilities, manage your Direct Payment, and recruit Personal Assistants if needed.

Quick Guide

A Direct Payment gives you more flexibility, choice and control over your care and support. Instead of the council arranging support for you, you can choose how your support is provided and who provides it. Help is available if you need support managing your Direct Payment.

2. What are the benefits of Direct Payments?

Direct Payments can give you more flexibility, choice and control over how your care and support is arranged. Instead of the council arranging services for you, you can choose support that fits your needs, routine, and lifestyle. Some of the benefits include:

More choice

You can choose who supports you, including a Personal Assistant (PA) or care provider who understands and respects your needs, preferences, culture and identity.

More flexibility

You can arrange support at times that work for you, rather than fitting around set agency schedules.

More control

You have more say over how your support is provided, as long as it meets the needs agreed in your support plan. If you employ your own PA, you can have regular support from the same person, helping to build trust and routine.

Who is using Direct Payments and how is it helping them?

Direct Payments are used by thousands of people across England to arrange their own care and support.

Around 118,000 people in England use Direct Payments to organise their support. This is roughly 1 in 4 people receiving long-term community-based social care.

Direct Payments are used by a wide range of people, including older people, people with physical or learning disabilities, people with mental health needs and carers receiving support.

3. Is a Direct Payment right for you?

A Direct Payment may be a good option if you:

- want more choice, flexibility and control over your support
- want to be involved in choosing who supports you and how your support is arranged
- are willing to take on some responsibility, with help available when you need it

Depending on how your Direct Payment is managed, your responsibilities may include managing the money, keeping records and acting as an employer if you recruit a Personal Assistant (PA).

You do not have to manage everything alone. KCIL can help you understand your responsibilities, set up and manage your Direct Payment, and recruit and employ PAs.

You may prefer Croydon Council to arrange your care and support for you. In some cases, a combination of council-arranged support and a Direct Payment may be possible. Croydon Council may also decide that a Direct Payment is not appropriate if there are concerns about whether it can be managed safely. This will be discussed with you.

How to find out more

If you already receive care and support from Croydon Council, contact the social care team supporting you to discuss whether your needs could be met through a Direct Payment.

If you do not currently receive care and support, contact Croydon Adult Social Care to ask for a Care Act assessment.

Quick Guide

A Direct Payment can give you more choice, flexibility and control over your support. It comes with some responsibilities, but KCIL can help you set up and manage it. Contact the social care team supporting you—or Croydon Adult Social Care if you do not currently receive support—to discuss your options.

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4. How do I get a Direct Payment?

If you already receive care and support from Croydon Council, contact the social care team supporting you to discuss whether a Direct Payment could meet your needs.

If you do not currently receive care and support, contact Croydon Adult Social Care to ask for a Care Act assessment.

Steps to getting a Direct Payment

1. Have a Care Act assessment

A social care practitioner will talk to you about your needs, your daily life and what support would help you.

2. Develop and agree your support plan

If your social worker assesses that you have eligible care and support needs under the Care Act 2014, they will work with you to develop a support plan. This will explain how your eligible needs will be met and the outcomes you want to achieve. The proposed support may need further approval and could change during this process.

You will also have a financial assessment to find out whether you need to contribute towards the cost of your care and support.

3. Choose how your support is arranged

Your social care team will explain the available options. You can ask for some or all of your agreed support to be arranged through a Direct Payment.

4. Sign a Direct Payment Agreement

This explains how much funding you will receive, how it can be used and your responsibilities when managing it.

5. Set up your Direct Payment

Croydon Council will refer you to KCIL. We will help you understand how your Direct Payment works and set up the account. KCIL can also support you to find services or recruit a Personal Assistant.

Important to know

You can ask about Direct Payments at any point during an assessment or review. Croydon Council will discuss with you whether a Direct Payment is a suitable and safe way to meet your needs.

Quick Guide

Contact the social care team supporting you—or Croydon Adult Social Care if you do not currently receive support. If a Direct Payment is agreed, you will sign an agreement and KCIL will help you set it up and understand how to use it.

5. How Direct Payments have helped people

These are real examples of people supported by KCIL. Their names and some identifying details have been changed to protect their privacy.

Helping Margaret stay safely at home

Margaret lives with dementia and needs support with preparing meals, personal care and moving around safely. Her daughter had arranged support from a care agency but was worried about the cost and found the Direct Payment process difficult to manage.

KCIL worked with Margaret's daughter, her social care team and the Direct Payments Team to help put the right funding and practical arrangements in place. This included helping to resolve payment for eligible care that had already been provided and supporting her daughter to set up and use the Direct Payment account.

Margaret continues to receive the support she needs to live safely at home. Her daughter now feels more confident managing the Direct Payment and has ongoing support from KCIL.

Helping Amina return home from hospital

Amina was in hospital and needed a suitable care package before she could return home safely. Her son wanted to arrange support for her but was unsure how Direct Payments worked and what responsibilities he would have.

KCIL explained the process, answered his questions and guided him through each stage of setting up and managing the Direct Payment. The family had already paid privately for some care and their savings were running low, so KCIL also worked with the council to help resolve payment for eligible care costs.

With the right care package in place, Amina was able to leave hospital and return to her own home. She now receives consistent support that meets her needs, and her son feels more confident managing the arrangements.

6. Using your Direct Payment

You must use your Direct Payment for care and support that meets the needs and outcomes agreed in your support plan.

What you can pay for

You can usually use your Direct Payment for things like:
- employing a Personal Assistant (PA)
- using a care agency
- support to access the community, work, education, or activities
- short breaks or respite, where agreed.

All spending must be agreed in advance as part of your care and support plan.

What you cannot pay for

Direct Payments cannot be used for:
- anything that is not related to your assessed care and support needs
- everyday living costs such as rent, food, or utility bills
- services that should be provided by another organisation, for example the NHS
- illegal or activities that risk harming yourself or other people.

In most cases, Direct Payments cannot be used to pay a close family member who lives with you, unless this has been agreed in exceptional circumstances.

Important to know

Your spending may be monitored and reviewed to make sure the Direct Payment is being used appropriately and continues to meet your needs.

If you are unsure whether something can be paid for, you should check with your social worker or support service before spending the money.

Quick Guide

Direct Payments must be used to meet the needs agreed in your support plan.

You may be able to use them to pay for care, support, a Personal Assistant, equipment or agreed activities that help you live more independently.

You cannot use Direct Payments for everyday living costs, things that are not related to your care and support needs, or services that should be provided by another organisation.

If you are not sure whether something can be paid for, check before spending the money.

7. How can I find and use local services with a Direct Payment?

If you receive a Direct Payment, you have flexibility in how you arrange your support, including using local services and providers that meet your needs.

Finding a Personal Assistant (PA)

Kingston Centre for Independent Living (KCIL) can support you to find and recruit a Personal Assistant, or to find local community activities, specialist support providers or small, local care services.

Small Good Stuff

smallgoodstuff by communitycatalysts®

Small Good Stuff is a Croydon Directory, which helps you find local, independent providers who have been supported through a Croydon programme. This can be a useful way to explore options that are more flexible and based in your community.

www.communitycatalysts.co.uk/smallgoodstuff/subsite/croydon/

You can use the Small Good Stuff directory to find Community Micro-Enterprises in Croydon. Search for the type of support you need, then contact the provider to discuss your requirements. When you use a Community Micro-Enterprise, you are buying a service rather than employing a member of staff, so you do not take on employer responsibilities. The provider will invoice you for the agreed service, and you should keep copies of the invoices as part of your Direct Payment records.

Using services safely

Any service you pay for with your Direct Payment must help meet the needs and outcomes agreed in your support plan. Before making an arrangement, make sure you understand what the provider will offer, how much it will cost and how it can be ended. If you are unsure whether a service can be paid for, check with the social care team supporting you. KCIL can help you understand your options and make suitable arrangements.

Support is available

KCIL can help you explore your options and find services that work for you, whether that is employing a PA or using local providers.

Quick Guide

You can use a Direct Payment to arrange support that meets your agreed needs, including local services and providers.

KCIL can help you find and recruit a Personal Assistant.

You can also explore local community-based options, including independent providers.

Check with your social worker or KCIL before using your Direct Payment if you are unsure.

8. Are Direct Payments a benefit or an income?

Direct Payments are not a benefit and not a personal income. They are funding provided by Croydon Council specifically to pay for your care and support needs, as agreed in your support plan.

What this means in practice

- It must only be used for agreed care and support
- It must be kept in a dedicated, separate bank account, which can be monitored.

Benefits and tax

- Direct Payments do not count as income for tax purposes
- Direct Payments do not affect your benefits

Important to know

You may still need to contribute towards the cost of your care following a financial assessment.

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9. How are Direct Payments managed?

Direct Payments are set up with clear arrangements to help you manage them safely and confidently.

You will have a support plan that explains how the money should be used, and you will be given information and support to help you manage your Direct Payment.

How Direct Payments are managed

- The money is paid into a separate bank account
- You will need to keep records of how the money is spent
- You will have regular reviews with your social worker
- You can get support with managing the Direct Payment if you need it

Croydon Council may also carry out checks, sometimes called audits, to make sure the Direct Payment is being used in line with your support plan.

Paying your contribution

Following a financial assessment, you may need to contribute towards the cost of your care. You must pay this contribution into your Direct Payment account regularly so that there is enough money to pay for your agreed support.

Croydon Council will tell you how much you need to pay and let you know if the amount changes. If you are struggling to make the payments or think your contribution is incorrect, contact Croydon Council as soon as possible. Do not stop making payments without discussing it with the council.

Plan ahead

Think about regular costs, such as wages or services, and make sure there is enough funding to cover them.

What happens if something goes wrong?

If there are any issues, the aim is to work with you to resolve them, including:

- helping you understand what needs to change
- putting additional support in place
- reviewing your support plan.

In most cases, problems can be sorted out with the right support.

When more action may be needed

In some situations, the council may need to take further action. For example, if:

- the Direct Payment is not being used for agreed purposes
- there are concerns about safety or wellbeing
- the arrangement is no longer meeting your needs.

This could include changing how the Direct Payment is managed or arranging services in a different way.

Important to know

You should always speak to your social worker or support service as soon as possible if you are unsure about anything or if something is not working.

Support is there to help you succeed with your Direct Payment.

Quick Guide

Direct Payments are paid into a separate account and must be used in line with your support plan.

If you have been assessed as needing to contribute towards your care, you must pay this regularly into your Direct Payment account and contact Croydon Council if you have any problems.

You will need to keep records and take part in regular reviews.

If something goes wrong, the aim is to work with you to sort it out and put the right support in place.

Speak to your social worker or support service early if something is not working.

10. Managed and self-managed accounts

Self-managed account

You manage the Direct Payment account yourself. This includes making payments to your PA or providers, ensuring invoices and wages are paid, and keeping the necessary financial records. KCIL can provide advice and support.

Managed account

KCIL manages the financial administration for you. We can make approved payments to your PA or providers, arrange payroll payments and keep financial records.

What remains your responsibility

Whichever option you use, you remain involved in decisions about your support. If you employ a PA, you—or the person managing your Direct Payment—will usually remain the employer. A managed account does not transfer the employer role to KCIL.

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11. Making Payments from your Direct Payment account

Direct Payments are public funds provided by Croydon Council and must be managed in a way that is safe, transparent, and accountable.

For this reason, Direct Payments are paid into a bank account, and spending needs to be clearly recorded.

Why there is no payment card

Costs agreed in your Direct Payment Agreement are paid by bank transfer, as this provides a clear record of all transactions, makes it easier to monitor and review spending and helps protect you and the council from misuse or errors.

Can I withdraw cash or pay in cash?

Direct Payments are not usually intended to be withdrawn as cash or used for cash payments.

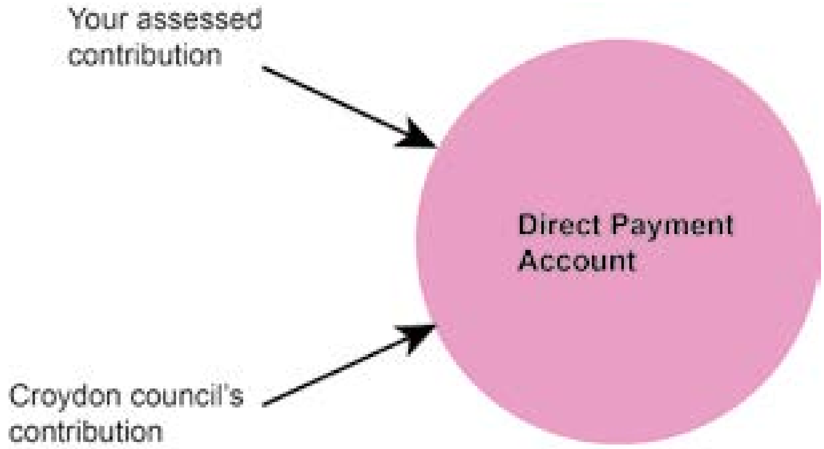
This is because:
- cash is difficult to track and verify
- there is a higher risk of mistakes or misuse
- it may not meet employment and legal requirements, for example paying wages correctly.

If you employ a Personal Assistant (PA), they should be paid through payroll or bank transfer, so that everything is recorded properly.

Support is available

Kingston Centre for Independent Living (KCIL) can help you set up simple and safe ways to manage payments, including payroll support.

12. Where does the Direct Payment money go?



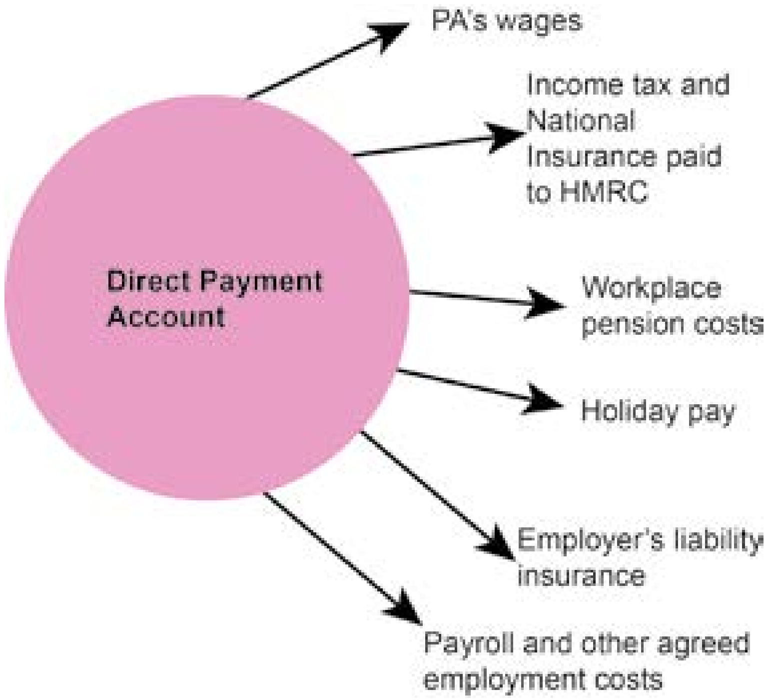
Money coming into your account

Croydon Council will carry out a financial assessment to decide whether you need to contribute towards the cost of your care and support.

You may be assessed as not needing to pay a contribution. If you do need to contribute, you must pay this into your Direct Payment account. Croydon Council pays the remaining agreed amount into the account.

Together, these payments make up the money available to meet the needs in your support plan.

If you pay a contribution, your contribution is treated as being used first. If money remains unspent, it will usually be Croydon Council's money and may be reclaimed by the council.

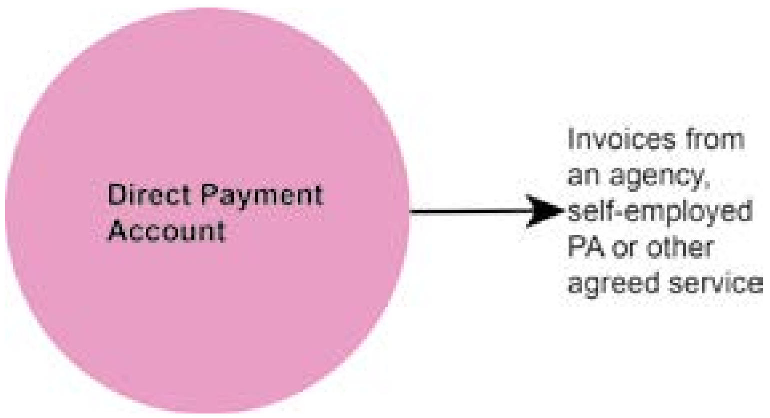


The hourly rate paid to your PA is not the full cost of employing them. Some of the Direct Payment must be kept available for tax, National Insurance, holiday pay and other employment costs. Your payroll service will tell you what needs to be paid and when.

KCIL is there to support you with your employer responsibilities.

If you buy support from a service

This can be much simpler:



You must still pay your assessed contribution into the Direct Payment account. The combined money is then used to pay for support agreed in your support plan.

13. What support can KCIL provide?

Kingston Centre for Independent Living (KCIL) provides independent support to help you set up and manage your Direct Payment with confidence.

KCIL's aim is to make Direct Payments as simple, safe, and manageable as possible.

How KCIL can support you

Understanding Direct Payments

KCIL can explain how Direct Payments work and what your responsibilities are, in a clear and practical way.

Setting up your Direct Payment

We can support you to get everything in place, including understanding your support plan and next steps.

Recruiting a Personal Assistant (PA)

If you decide to employ a PA, KCIL can help you:

- write and advertise a job
- shortlist applications
- prepare for and carry out interviews
- understand safer recruitment and the checks that may be needed.

If you choose to use a self-employed PA, KCIL can help you find one and use HMRC guidance to check whether they are genuinely self-employed.

Being an employer

If you employ a PA, you will be their employer. KCIL can help you:
- understand your responsibilities as an employer
- understand contracts and access basic employment guidance
- arrange payroll support
- deal with questions or issues that arise

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14. Will KCIL provide my care or employ my PA?

No. KCIL is an independent organisation that works alongside Croydon Council to support people using Direct Payments. KCIL is not a care agency, do not provide care staff and do not send workers to your home.

If you employ a Personal Assistant

If you choose to employ a Personal Assistant (PA), you—or the person managing your Direct Payment—will usually be the employer. The PA works for you, not for KCIL or Croydon Council.

As the employer, you are responsible for:

- choosing who you employ
- agreeing their duties and working hours
- making sure they are paid correctly
- meeting your legal responsibilities as an employer.

KCIL can help you recruit and interview PAs, understand contracts and employer responsibilities, arrange payroll support, and deal with questions or problems that arise.

If KCIL manages the financial side of your Direct Payment, we can pay approved wages and invoices from your account. This does not make KCIL the PA's employer.

Other ways to arrange your support

You do not have to employ a PA. Depending on what is agreed in your support plan, you may be able to:

- use a care agency, which employs and manages its own care staff
- use the services of a genuinely self-employed PA
- pay for other suitable services that meet your agreed needs.

KCIL can help you understand these options, but we do not recommend or choose a particular PA, agency or provider for you.

Quick Guide

KCIL is not a care agency and does not employ or provide care staff. If you employ a PA, you will usually be their employer, but KCIL can help you understand and manage your responsibilities. You may also be able to use a care agency, a self-employed PA or other agreed services.

15. How can I build my skills as an employer?

If you choose to employ a Personal Assistant (PA), there is support available to help you feel confident in your role as an employer. You are not expected to know everything from the start.

Support available from KCIL

Kingston Centre for Independent Living (KCIL) offers guidance and support to help you develop your skills, including:

- understanding your responsibilities as an employer
- safer recruitment and interviewing
- managing working relationships
- handling day-to-day issues.

We also offer training sessions and workshops when available. These are designed to give practical, straightforward advice for people employing PAs
.

Learning in your own time

- accessing online guidance and resources
- speaking to KCIL for one-to-one advice
- learning as you go, with support in place.

Important to know

You do not need to be an expert to employ a PA. Many people learn over time with the right support.

If training is not currently scheduled, KCIL can still provide advice and let you know when future sessions become available.

Quick Guide

You do not need to be an expert to employ a Personal Assistant.
KCIL can help you understand your responsibilities, recruit safely, and manage day-to-day issues.

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16. What are my rights if I receive a Direct Payment?

If you receive a Direct Payment, you have rights about how your care and support is arranged.

Direct Payments are designed to give you more flexibility, choice and control, and you should be involved in all decisions about your support.

Your key rights include:

Being at the centre of decisions

You have the right to be at the centre of decisions about your care and support. Your views, wishes and goals should guide your assessment, support plan and reviews. You can ask someone you trust, such as a family member, friend or advocate, to support you and be involved.

Choice and control over your support

You can choose how your support is arranged, as long as it meets your agreed needs and outcomes.

Changing your support

If your needs or circumstances change, you can ask Croydon Council to review your support plan. You can discuss changing how your Direct Payment is used or choosing a different Personal Assistant, provider or support arrangement.

Regular reviews

Your support will be reviewed regularly to make sure it is still meeting your needs.

Support to manage your Direct Payment

You have the right to receive information and support to help you manage your Direct Payment.

Choosing a different option

You can decide that Direct Payments are not right for you and ask Croydon Council to arrange your care instead.

Important to know

Your rights come alongside responsibilities. Your Direct Payment must be used in line with your support plan, and any changes should be agreed with your social worker.

Quick Guide

You and what matters to you should be at the centre of decisions about your care and support. You can involve someone you trust and have choice and control over how your support is arranged. If your needs or circumstances change, you can ask for a review. You can also choose to stop receiving Direct Payments and ask Croydon Council to arrange your support instead.

17. Find out more

Further information about Managed Accounts
kcil.org.uk/croydon/managed-accounts/

Further information about Self-Managed Accounts
kcil.org.uk/croydon/self-managed-accounts/

Being an employer
kcil.org.uk/being-an-employer/

Paying for adult social care
www.croydon.gov.uk/adult-health-and-social-care/paying-adult-social-care/direct-payments-adults

18. Glossary

Care Act assessment – A conversation with a social care worker about your needs, daily life and the support that could help you.

Care agency – An organisation that employs and manages care workers who provide support to people.

Client contribution – The amount you have been assessed as needing to pay towards the cost of your care.

Community Micro-Enterprise (CME) – A small, local organisation or self-employed person providing care or support services in the community.

Direct Payment Agreement (DPA) – The agreement explaining how much funding you will receive, how it can be used and your responsibilities.

Financial assessment – An assessment carried out by Croydon Council to decide whether you need to contribute towards the cost of your care.

HM Revenue and Customs (HMRC) – The government department responsible for tax and employment status.

Managed account – An account where KCIL carries out the financial administration, including making approved payments and keeping financial records.

Payroll – The system used to calculate and record an employee's wages, tax, National Insurance and other deductions.

Personal Assistant (PA) – Someone you choose to employ or use to provide your care and support.

> **Employed PA** - A PA who works for you under an employment contract. You—or the person managing your Direct Payment—will usually be the employer and will have responsibilities including payroll, tax, National Insurance, holiday pay, pensions and employer's liability insurance.
>
> **Self-employed Personal Assistant (PA)** – A PA who runs their own business and is responsible for their own tax and National Insurance. They will normally invoice you for the support they provide. A PA cannot

be treated as self-employed simply because you both prefer that arrangement; their working relationship must meet HMRC's rules. KCIL can help you check their employment status.

Provider – A person or organisation paid to provide an agreed care or support service.

Review – A meeting or conversation to check whether your support and Direct Payment still meet your needs.

Self-managed account – An account where you, or someone managing the Direct Payment for you, make payments and keep the financial records.

Support plan – The document agreed with Croydon Council that records your eligible needs, the outcomes you want to achieve and how your support will be arranged.