

### **Appendix 3 – Supporting Information re Alternative options**

#### **1.1 Proposal 1 - How the Direct Payment Personal Assistant rate is calculated**

**a) A sliding scale banded calculator that works out an individual hourly rate depending on the number of hours support an individual has and how many personal assistants are being employed. (Proposed option)**

We are recommending this option as it enables individual rates to be calculated based on the actual on costs individuals will need. This stops individuals receiving more money than they need to meet the on costs associated with employing their personal assistants, so is more cost effective and reduces the amount of money that needs to be re-claimed by the council.

The rate provided is calculated based on the level of support and is therefore proportionate and fairly calculated rather than a set rate for everyone.

The calculation is transparent and evidence based. It can also be easily refreshed in the future to take in account national changes in legislation, including increases to National Living Wage/Pensions contribution etc.

Following familiarisation for customers and staff this option is easy to implement.

Individuals during the consultation that disliked the idea felt the calculator would negatively affect those with complex needs, this would not be the case as there would still be incidences where individuals would be given exceptional rates if their needs identified this.

**b) No change is made and the gross rate remains at £9.89 per hour (except in exceptional circumstances)**

The current flat rate in place does not allow for the significant variation in on costs that occur for difference individuals, which are dependent on the level of support in place and the number of personal assistants they employ. As a result there is the potential for overpayments to be made to individuals, which then need to be reclaimed. This results in additional work for the individual and the council. For individuals that have higher on costs within the current gross rate it only provides the ability to pay personal assistants the National Living Wage rate for 2018/19 so will not be sustainable going forward.

**c) Two different rates are introduced which would be decided on based on the complexity of individual's needs.**

This would still result in some individuals receiving more money within their hourly rate (as with 1.1b) than is required to meet their on costs. The rates calculated would not be proportionate or fair.

Having only two rates does not allow for unique circumstances of individuals to be considered.

- d) A calculator is used that takes into consideration the exact circumstances for each individual (including number of hours each PA works) and calculates exactly how much their on-costs are going to be.**

This would be more complicated and time intensive to calculate for each individual. In addition it may mean that the rate for individuals needs to be recalculated every time an individual's circumstances change. This calculator would be harder to administer and not a cost effective method.

## **1.2 Proposal 2 - Whether on costs are paid to individuals (included in direct payment rate) or paid by the council**

- a) The County Council pay certain costs relating to employing personal assistants centrally, to include: Advertising, police checks, payroll charges if using PBSS, employer pension contributions for those using PBSS, redundancy costs, payments in lieu of notice. (Proposed Option)**

The above on-costs are currently included in the individual rate that employees receive, however many of them do not happen on a regular basis which means individuals are given money within their direct payments that they might not need.

If the money is not used this is identified when their direct payment is monitored and then needs to be paid back which creates work for the individual and the county council.

The majority of people who receive direct payments to employ personal assistants use the Personal Budget Support Service within the Council to support them so it is logical and would be more straightforward for PBSS to administer and pay for these things when they are needed. Rather than at present the individual pay PBSS back when they use the service.

If an individual does not want to use PBSS for recruitment and payroll there would still be the option for them to be paid the on costs required.

This option will represent a saving moving forward for new personal assistant direct payment packages as money for on-costs will only be spent when needed and not included as standard in all payments.

- b) No change is made and all on costs (except pension contributions) continue to be included in direct payment rate for employees and employees continue to pay.**

At present on-costs are accounted for and paid within the hourly gross rate however not all on-costs provided may be required. If this money is not needed it is then reclaimed by the council, which creates work for the individual receiving the direct payment and for the Council. It also means that the Council can at times have money owed to them.

The majority of direct payment users currently pay PBSS to support them which means the County Council pays the money to the individual within their on-costs and then the individual pays it to PBSS. As PBSS is now part of the county council this in effect means that the County Council is paying money out that is then paid back to themselves, which involves time and administration costs.

### **1.3 Proposal 3 - The minimum amount that personal assistants will be paid**

#### **a) Introduce the banded calculator (1.1a) and set the rate for personal assistants at £8.10 per hour. (Proposed option)**

This will mean that for the majority of personal assistants the rate that they are paid will increase, as within the current rate due to the inclusion of on costs, the majority of PAs are paid £7.83ph (National Living Wage) at present.

By increasing the rate paid to personal assistants this will improve retention and should relieve some of the current recruitment difficulties faced by individuals trying to recruit personal assistant. If this is implemented at the same time as the other preferred proposals, any increased costs incurred will be offset by the savings made by the other proposals.

By introducing the banded calculator to ensure the gross rate paid only includes the on-costs individuals require, this will enable the net rate paid to personal assistants to be set. This will mean that it is fairer as all personal assistants would be receiving the same hourly rate, which is currently higher than the rate paid at present.

It is proposed that there will still be exceptional circumstances where an individual receives a higher rate for their direct payment if they have complex needs and there is evidence that they need to pay their personal assistant/s a higher rate.

#### **b) No change is made and the gross rate remains at £9.89 per hour (including on-costs)**

As this rate includes the on-costs, the actual rate paid to personal assistants varies but is normally in the region of £7.83 per hours (current National Living Wage), which is less than the proposal being recommended.

This rate has not been reviewed for many years and there is no flexibility within the rate to increase the amount personal assistants receive meaning in the future it will not meet the National Living Wage rates that are set.

The current rate also causes difficulties with recruitment, which can sometimes mean individuals are not able to employ personal assistants and have to use agency care providers to meet their needs which is more costly.

#### **c) Remove certain on-costs from the direct payment rate (1.2 a) and reduce the gross rate to a set rate of £9.56 per hour.**

This rate would mean that the actual rate paid to personal assistants would be £7.83 per hours. As with 1.3b, there would be no flexibility within the rate to increase the rate personal assistants are paid and would not solve recruitment issues that are currently faced.

#### **d) Introduce the banded calculator (1.1a) and set the rate for personal assistants at £8.20 per hour.**

This would be fairer as all personal assistants will be paid the same hourly rate and would support with the recruitment and retention of personal assistants.

The benefits of this rate are no different from the recommended option (1.1a) however this option would be more costly to the County Council.

**e) Introduce two gross rates (1.1c) with the rate being paid to personal assistants being £7.83 for standard and £8.20 for complex.**

These rates would still mean that individuals receiving the standard rate will face difficulties recruiting personal assistants. It may also be subjective and cause difficulties in identifying whether individuals should be classed as standard or complex.

**1.4 Proposal 4 - How will changes be implemented**

**a) Changes take effect from 1<sup>st</sup> October for new direct payments. No immediate changes are made to existing direct payment customers but are discussed at their next review. (Proposed option)**

Allows for immediate change for new customers which will allow for uniqueness of individual arrangements and circumstances to be acknowledged.

This would avoid potential disruption to existing customers and ensure that no changes are made without individual's understanding them and will ensure that everyone is given the opportunity to discuss the changes and how they would impact them. .

**b) Proposed changes are implemented to all direct payment users**

This would not be fair as it wouldn't enable individual's preferences and/or circumstances to be taken into consideration. Any changes to existing direct payment users should be discussed at their scheduled review, with this proposal that would require all of those individuals to be reviewed imminently for which there is not currently capacity to undertake.