



Cyngor Castell-nedd Port Talbot  
Neath Port Talbot Council

**NEATH PORT TALBOT COUNCIL  
SOCIAL SERVICES, HOUSING AND COMMUNITY SAFETY  
CABINET BOARD**

**10<sup>th</sup> November 2022**

**Report of the Head of Adult Services – A. Thomas**

**Matter for Decision**

**Wards Affected - All wards**

**ESTABLISHING A MANAGED ACCOUNT AND PAYROLL  
SUPPORT FRAMEWORK**

**Purpose of the Report**

To obtain Member approval to undertake a process to establish a Framework of approved providers who are able to appropriately support Direct Payment recipients with Managed Account and Payroll activity.

**Executive Summary**

This report sets out a proposal to undertake an exercise in order to identify a range of providers who are approved by Neath Port Talbot Council (“the Council”) to offer Managed Accounts and Payroll Support services to people in receipt of Direct Payments. These providers may be used when Direct Payment recipients elect to have support in these areas.

There is an existing arrangement in place that is similar to this proposed new arrangement, however there is now a need to refresh these arrangements.

## **Background**

Direct Payments are a payment made by the Council directly to people assessed by Social Services as requiring care and support, so that the person can purchase the interventions they need themselves, rather than the Council arranging services for them. Typically this means that the Direct Payment recipient will either commission services from a care provider or employ a Personal Assistant, who is trained to deliver support.

Direct Payments are flexible and aim to give people maximum choice and control over the way in which their care needs and outcomes are met. Recipients can choose the services they want, as long as they are able to show how they meet their assessed needs.

For the purpose of context, the Council administers approximately £3.5 million of direct payments to some 400 people who, in turn, employ over 500 Personal Assistants.

Some people would like to receive a Direct Payment but are unable to undertake all the necessary obligations and responsibilities that are required when receiving a Direct Payment. In these situations the Council will provide funding for the person requiring a Direct Payment to purchase a Managed Account service or a Payroll Support service.

A Managed Account is where a third party provider will manage the financial side of a Direct Payment. The Council will make the Direct Payment directly to the Managed Account provider and they will receive payslips so they may pay Personal Assistants on behalf of the person requiring support. Payroll Support is where a third party provider will manage the payroll elements of the Direct Payment arrangement, so that the recipient receives payslips so they can pay their Personal Assistants.

Currently, Direct Payment recipients are able to spot purchase Managed Account and Payroll Support services from an Approved Provider List, which has been in place since 2016. However, it has been recognised that there's a need to update the List and the

associated documentation, including the development of a Quality Assurance Mechanism to ensure that providers deliver support to a consistently high standard.

Approved Provider List activity 2021/22 (as of 12.07.22)

	Managed Accounts	Payroll Services
Number of Approved Providers:	5	5
Number of spot purchases made	127	151
Value of spot purchases made	£91,597.00	£63,576.00

It is proposed that Officers undertake an exercise to establish a Framework of providers who are able to undertake the Managed Account and Payroll Support elements of the Direct Payment arrangement, so that Direct Payment recipients may spot purchase the services by appointing a provider from this Framework.

The Framework will be for a period of four years with provision to extend this arrangement by up to a further four years. The Framework documentation will include:

- Updated documentation between the provider and the Direct Payment recipient setting out the terms of engagement.
- New documentation underpinning the terms of relationship and governance for use by the Council, Direct Payment recipients and providers on the Framework.
- A New Quality Assurance Mechanism that will strengthen standards of service delivery and make providers more accountable to updated standards of practice.
- An updated range of providers.

Providers wishing to have a place on this Framework will be considered through a two stage process – a Pre-Qualifying Stage to establish whether, broadly, it's appropriate for the bidder to have a place on the Framework, and a Quality Stage which will be scored on a Pass/Fail basis, which aims to understand how well the bidder can deliver Managed Account or Payroll Support. Success in both elements will result in a place on the Framework.

### **Financial Impacts**

As the Council gives the Direct Payment recipient an amount of money to fund their Payroll Support or Managed Account requirements, the volume of work correlates with the numbers of Direct Payment arrangements in place.

It is estimated that for the first full year of the Framework (2023/24), the value of spot purchase arrangements made will be around £150,000.00, making the value of the Framework over the four year period and the extension period to be £1,200,000.

### **Integrated Impact Assessment**

A first stage impact assessment has been undertaken to assist the Council in discharging its legislative duties (under the Equality Act 2010, the Welsh Language Standards (No.1) Regulations 2015, the Well-being of Future Generations (Wales) Act 2015 and the Environment (Wales) Act 2016). The first stage impact assessment has indicated that a more in-depth assessment was required.

An overview of the Integrated Impact Assessment has been included below in summary form only and it is essential that Members read the Integrated Impact Assessment, which is attached to the report at Appendix 1, for the purposes of the meeting.

- Overall this proposal will have a positive impact and processes are in place to monitor the impact for any unintended negative consequences.

- The intention is to establish an approved list of providers that can offer a Managed Account or Payroll Support service to people that would like to receive a Direct Payment, but are unable to oversee the management of those areas. As such, this proposal opens up Direct Payments to all eligible people that would like to have their needs met in this way.
- The proposal does not create a change that will disadvantage a particular group and does not impact on available resources that can be deployed to support people that require support for which this service may not be appropriate for.

### **Valleys Communities Impacts**

These services will be delivered across Neath Port Talbot and people living with Valley communities will have equal access.

### **Workforce Impacts**

No implications.

### **Legal Impacts**

The Council will not in fact be purchasing any services from the organisations being appointed to the proposed Framework therefore the Public Contract Regulations 2015 and the Council's Contract Procedure Rules does not apply to the exercise. Nevertheless the Council does propose advertising the opportunity to ensure opportunities for all organisations, provided they satisfy the requirements of the Council to apply to the Framework thus ensuring a robust process. The arrangements will assist the Council in complying with its legal duties under the Social Services and Well-being (Wales) Act 2014.

Given its duties under the Social Services and Well-being (Wales) Act 2014, the Council wishes to undertake an open and robust process for establishing the Framework of providers in a way consistent with best practice. The process will also assist the Council in ensuring it is acting in accordance with the general principles of non-discrimination, equal

treatment, transparency, mutual recognition and proportionality. Terms will be developed to govern the Framework, establishing the standards expected, and to incorporate updated documentation for use between the provider and a recipient of the Direct Payment.

### **Risk Management Impacts**

#### Risks associated with not implementing the proposal:

The risks associated not updating this Framework and the terms of the relationship between the Council, the Direct Payment recipient and the providers would be the following:

- Terms of the contract between the provider and the Direct Payment recipient will be old terms and not consistent with current best practice around supporting people who have Direct Payments.
- Without an updated Quality Assurance Mechanism there is limited ability for the Council to impose the standards expected from the provider in line with current best practice.
- Keeping to the existing range of providers and not updating and refreshing the list could result in Direct Payment recipients having a more limited choice of providers.

#### Risks associated with implementing the proposal:

The risks associated updating this Framework would be the following:

- There may be a risk that there will be less providers on the new Framework than the old. This is a relatively small risk as existing providers will be on the existing arrangement from choice, so it would be fair to assume they would also wish to have a place on any new arrangement.

### **Consultation**

There is no requirement for external consultation on this item.

As part of the procurement process, Officers will engage with people that are, or have, used the services in order to inform the proposed exercise.

As part of the procurement process, there will also be a Market Engagement Event so that potential providers may be advised of the exercise in relation to the Managed Account and Payroll Support service models and the Quality Assurance Mechanism. The purpose of the event would be to help potential provider's further inform the model and aspects of the process so it has the best chance for success.

### **Recommendations**

Having had due regard to the integrated impact assessment it is recommended that Members approve:

- a) The undertaking of an exercise, including all necessary consultation, so that a Framework may be established for providers who are able to offer Managed Accounts and Payroll Support services to people that receive a Direct Payment.
- b) Following the process, for the Head Adult Services to be granted Delegated Authority to add providers that meet our requirements to the Framework. The length of the Framework being four years with the option of extending by period up to a further four years.

### **Reasons for Proposed Decision**

Establishing a Framework will ensure that the Council is best placed to execute its statutory duties to support Direct Payment recipients in a way consistent with best practice.

### **Implementation of Decision**

The decision is proposed for implementation after the three day call in period.

### **Appendices**

Appendix 1 – Integrated Impact Assessment.

## List of Background Papers

None.

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