

Merthyr Tydfil County Borough Council  
**People and Performance Directorate Social  
Services Department**



Cyngor Bwrdeistref Sirol  
**MERTHYR TUDFUL**  

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**MERTHYR TYDFIL**  
County Borough Council

**A Guide to Direct Payment Financial Review**

Revised April 2020

This guidance is designed to assist you with keeping and providing the correct paperwork for the Local Authority, relating to your Direct Payment; we call this the Financial Review.

This guidance also applies to someone – a ‘suitable person’ – who manages the Direct Payments on behalf of somebody who does not have mental capacity to do it for themselves.

It is important to know that by agreeing to have a Direct Payment, you have a responsibility to provide us with the documents we mention in this guidance. Not many people really enjoy doing paperwork so we have tried to make our approach as simple as possible. However, we cannot remove all the paperwork that has to be retained. We hope that by providing you with this information, you will understand the process, and will enable you to provide the necessary documentation.

If you need any further help, please do not hesitate to contact us on 01685 725000 or email us at [Fact@merthyr.gov.uk](mailto:Fact@merthyr.gov.uk)

Here are some frequently asked questions and answers to help you.

### **1. Why do I need to open a separate bank account for Direct Payments?**

Direct Payments must be paid into a bank account that is only used for Direct Payments.

Having a separate account allows you to send us your bank statements showing how the monies are being used. We do not want to see how you spend your own money and therefore ask that they are kept separate.

Please ensure that the bank account you open has the option to receive regular statements, or the option to download and print the statements, as we will be requesting copies of them on a regular basis.

### **2. What paperwork do I need to keep in relation to my Direct Payment?**

The paperwork that you will need to keep in relation to your Direct Payment is fairly simple. You must keep all of the following:

- All Bank Statements.
- Direct Payment agreement between you and MTCBC.
- Copy of employee(s) contract.
- Quarterly Summaries relating to Tax and National Insurance.
- Remittance advice from the Local Authority of the direct payments made to you. (However if these are provided electronically to you and you are unable to print them, we can access this information directly.)
- Copies of all employee payslips.
- Personnel correspondence (mileage, holidays, sickness).
- All receipts/invoices for additional payments made.
- Cheque books and Paying in books, and/ or remittance slips.

All of the above paperwork is kept by you so that the Local Authority can see that the money is being spent properly.

MTCBC Direct Payment Support Provider will provide you with a file, so you can keep all this paperwork in one place.

It is a good idea to get into the routine of regularly putting your documents into this file, and checking off your bank statement against the documents you keep. This way, you can account for any unidentified payments from the Direct Payment account and then find out what they were for.

For any payments you need to make, **it is not advisable to use cash**. It is recommended that you use your cheque book or arrange bank transfers through online banking or telephone banking when paying for support. This reduces the risk of people claiming they have not received payment; Using cheques and bank Transfers allow you to track the payments out of your account.

If you do need to use cash, these amounts must be clearly accounted for on your Bank statement.  
*(Please see appendix 1 for an example bank statement which shows how transactions can be noted)*

### **3. Who will look at my paperwork records and how often?**

Someone from the Financial Assessment and Charging Team will look at your paperwork. The Financial Assessment and Charging Team will write to you periodically, requesting you provide Bank Statements and complete a DP1 form.

This is in line with the Local Authority's audit process to ensure public monies are being spent properly and in accordance with your agreed Support Plan.

### **4. What will be looked at during the financial review?**

The Financial Assessment and Charging Team will look at your Bank Statements, to check the income and expenditure is correct. They will check that you have paid your Tax and National Insurance, Employers Liability Insurance is purchased, payroll has been paid, and will ensure the care being purchased is in line with your support plan.

They will also check to make sure there are no unauthorised transactions from your account.

### **5. Where do I need to provide my Direct Payment documents and DP1 Form?**

Please provide your documents to the following address;

Merthyr Tydfil County Borough Local Authority  
Financial Assessment and Charging Team  
Civic Centre  
Castle Street  
Merthyr Tydfil  
CF47 8YT

If you experience difficulty in completing the DP1 form, please contact the Financial Assessment and Charging Team, and we can arrange to assist you.

### **6. What if I employ a care agency?**

When you use an agency they must give you an invoice when they ask for payment for their services. Check that they are charging you only for the time that they sent staff to work with you. You should keep a copy of the invoice on file, and note the invoice number against any transactions on your Bank Statement, for us to inspect during your financial review. You can make arrangements to pay the agency by cheque or bank transfer.

### **7. What records should I complete if I employ my own staff or personal assistant?**

If you employ your own staff or personal assistant, the Direct Payment Support Provider will provide you with blank timesheets for you to complete. They can also support you with any payroll related queries.

#### **8. What if I need support?**

If you are finding any part of managing a Direct Payment difficult, or are worried about the financial review, please contact the Financial Assessment and Charging Team on 01685 725000 or email [Fact@merthyr.gov.uk](mailto:Fact@merthyr.gov.uk).

We will be able to advise you where to go to get support.

**Appendix 1**  
Figure 1.

# EXAMPLE



**BANK OF UK**

Anna Other 654321

30 September 2016

<b>Account Type:</b>	Current Account
<b>Account Name:</b>	Mrs A N Other
<b>Account Number:</b>	12345678
<b>International Bank Account number:</b>	GB12EXAMPLE123456
<b>Branch Identifier code:</b>	EXAMPLEGB123456

		<i>Balance brought forward (£)</i>			<i>200.00</i>
<u>Date</u>	<u>Type</u>	<u>Description</u>	<u>In (£)</u>	<u>Out (£)</u>	<u>Balance (£)</u>
01-Sep-18	DEB	HMRC PAYE CD HMRC Quarter 2		55.05	144.95
01-Sep-18	BGC	MERTHYR TYDFIL CR	1,000.00		1,144.95
02-Oct-18	TFR	E JONES Payroll Month 5		500.00	644.95
08-Oct-18	DEB	MARK BATES LTD Insurance		77.00	567.95
15-Oct-18	TFR	A DAVIES Payroll Month 5		100.00	467.95
15-Nov-18	CHQ	10001 Underpayment to PA A Davies		20.00	447.95
16-Nov-18	BAC	CARE SERVICES UK LTD Invoice CS123456		230.00	217.95
		<i>Balance to be carried forward (£)</i>			<i>217.95</i>

DEB – DEBIT CARD  
BGC – BACS PAYMENT  
TFR- BANK TRANSFER  
CHQ- CHEQUE  
DEP- DEPOSIT