

Advice Sheet 1: Managing your Direct Payments Budget

Key Points

1. The money you receive from Direct Payments has to cover all the costs of arranging your support.
2. If you are employing your own Personal Assistant (P.A.) or 'Carer' you should allow as a general guide a minimum of twenty percent (1/5) of the money you have available to meet expenses such as:
 - Employers Liability Insurance
 - Where applicable Employers National Insurance contributions
 - A Payroll Service
 - Holiday Pay
 - Stationery
3. Where possible it is advisable to build up a very small surplus to accommodate unforeseen events. (Note: **A change of ruling means you are now allowed** to have the **equivalent of one months** worth of **Direct Payments** funding **in the bank** at any one time)
4. It is important to keep records (refer to Advice Sheet 2) as this will assist you when completing the six monthly Financial Statement (an obligation of the Direct Payments Scheme) if you are selected at random by the Southampton City Council's finance team. Should you require assistance with this, please contact SPECTRUM's Independent Living Team on 02380 202931 or email help@spectrumcil.co.uk
5. If you are employing a P.A. or 'Carer' you will need to calculate how much to pay as an hourly rate, working out a budget will help determine what you can afford. There is a very useful set of factsheets available at www.directpaymentsouthampton.info that cover this subject. However, should you require more assistance with this, please contact SPECTRUM's Independent Living Team on 02380 202931 or email help@spectrumcil.co.uk

Two examples are included as a guide in this advice sheet. Your Direct Payments Support Worker can help you work out a budget.

Simple Budget Sheet

Income

Personal Budget paid as a Direct Payment of £110.00 per week

Or
£110.00 per week (Wk) = £15.71/ day

Or
£110 X 52 Wks ÷ 12 months = £476/ month

52 wks at £110.00 = £5720.00

Outgoings

Wages 10 hours @ £8.00/hour = £80.00 per week

Or
52 weeks x £80 = **£4160 per Year**

Holiday Pay 5.6 weeks @ £75 = £448 per year

Or
£448 ÷ 52 (wks) = £8.62 per week

Employers Liability Insurance = £135 per year

Or
£135 ÷ 52 (wks) = £2.60 per week

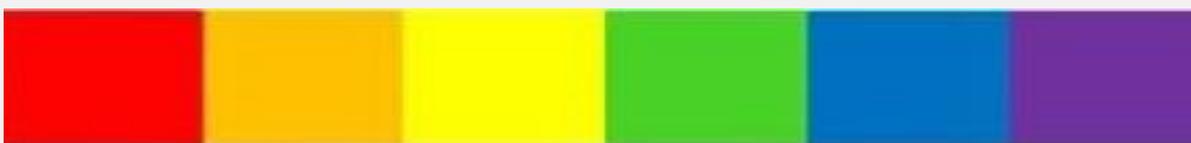
Payroll Service for one PA =£150 per year

Or
£150 ÷ 52 (Wks) =£2.84 per week

Total expenditure = £4445.00 per year

Or
=£85.48 per week

Therefore total income per year of £5720.00 less the outgoings of **£4445** for employing a P.A. leaves £1275 a year or £24.52 to spend on other types of support



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