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| Direct Payment Payroll Service Specification**Managed accounts****Service Specification** |  |

Introduction

1. Local Authorities and Clinical Commissioning Groups (CCGs) are required to provide an adequate support service to support those who need help in managing their Direct Payments and Personal Health Budgets. A suitable payroll Service forms part of this support Service.
2. The new service will commence from 1st April 2021.

2. Purpose

1. The purpose of the Service is to provide a comprehensive personalised payroll. The Service is designed for people who are in receipt of a Direct Payment from London Borough of Hackney or Personal Health Budget from City & Hackney CCG clients who are eligible for NHS funding registered with a City & Hackney practice and who employ Personal Assistant(s).
2. The Service includes all payroll functions including monthly payment to Employees and to Her Majesty’s Revenue & Customs (HMRC) and all payroll associated costs.

**3. Service Description**

1. **3.1 KEY ACTIVITY**

The Service will provide payroll Services for Direct Payment or Personal Health Budget recipients who employ Personal Assistants, with key activities including:

* Processing payroll for staff employed by Direct Payment or Personal Health Budget recipients or their third parties.
* Registering users as Employers with HMRC, requesting that all future correspondence and paperwork is then sent to the Direct Payment Payroll Service.
* Keeping complete payroll records on users’ behalf.
* Providing users with monthly payslips for staff showing tax, pension and National Insurance deductions made on their behalf.
* Processing a P45 every time a staff member joins or leaves employment with the Employer.
* Sending users a quarterly summary of tax, pension and National Insurance due to HMRC.
* Working with The Pension Regulator and the Direct Payment Support Services to support Employers with Auto-Enrolment for pensions.
* Acting as the contact for the Pension Regulator for Direct Payments/Personal Health Budget recipients using the Direct Payment Payroll Service.
* Processing of occupational pensions including providing timely information on set ups and allocations
* Provision of appropriate IT hardware and software to:
* Electronically file an Employer’s annual return (P35) and employee’s pay and deductions summary (P14) with HMRC at the end of each tax year and providing users with a summary (P60) for staff members.
* Submit Real Time Information (RTI) to HMRC on behalf of the Employer on a monthly basis.
* Guiding users through any pay-related issues that may arise.
* Keeping users up to date with tax rates and other changes that may affect their employment responsibilities, and implementing these on their behalf where appropriate.
* Automatically enrolling all Direct Payment/Personal Health Budget eligible Employers to claim the annual Employment Allowance.
* Provide annual end of year statement of Employment Allowance to be recouped by Council, CCG and DP recipient, where applicable.
* Calculating any SSP (Statutory Sick Pay), SMP (Statutory Maternity Pay), SAP and SPP (Statutory Adoption and Paternity Pay).
* Facilitating any redundancy payments to Personal Assistants.
* Working with all key partners in the delivery and development of the service, including to ensure that their client contributions are in place.
* Supplier will need to make Employers aware of their personal liability relating to payroll fines.

In addition to the above key activities, the supplier will either be able to deliver, or are working towards being able to deliver, the following activities:

* Make available the balance of annual leave accrued for Personal Assistants (e.g. outlined on payslips or similar).
1. Supplier will also provide support and training to London Borough of Hackney and City & Hackney CCG Suppliers on the use of any web based services or other systems that they will need to interact with, as required.
2. The Service will work with commissioners to implement any new government Direct Payment and Personal Health Budget initiatives and legislation introduced relating to payroll services and to analyse impact as appropriate

The Direct Payment Payroll Service will be required to work with key partners to deliver the service. (Key partners include and not limited to London Borough of Hackney staff, Direct Payment client and their staff)

1. 3.1.1 Ending the Service
2. Supplier will end the payroll Service provided to an individual on notification from the Employer, Adult Social Care (London Borough of Hackney), or City & Hackney CCG.
3. Facilitate redundancy payments (where applicable) and process the P45s at the end of employment.
4. 3.1.2 Access to the Service
5. The service should offer a fully functional, secure, web-based service with a website suitable for use on phones, tablets and PCs which meets accessible information standards. Wherever possible the service should encourage users to use the web based service. The web-based service should also have accessible features for those who have accessibility needs. The Supplier will also need to provide a telephone support line and an email mailbox during office hours of 9am to 5pm from Monday to Friday, with a response time of answering phone within 5 rings or replying to email with an automated response and a detailed response by the next working day.
6. The Service will be provided for 52 weeks of the year on Business Days only.
7. Information should be available in a variety of formats to support communication including different languages and easy read as well as being in line with the plain english campaign.
8. **3.2 ELIGIBILITY CRITERIA**
9. The payroll Service will be available for:
* Employers who receive a Direct Payment from London Borough of Hackney.
* Employers who receive a Personal Health Budget from City & Hackney CCG and are registered with a GP practice in Hackney.
* Parents or guardians who receive Direct Payments or Personal Health Budgets on behalf of their children
* Young people transitioning from Hackney Council’s Children Social Care to Adults Social Care or Adults Health Services
* Third parties who manage the Direct Payment or Personal Health Budgets on the client’s behalf

The payroll Service covered within this contract will not be available for individuals who self-fund their own services.

1. **3.3 REFERRAL ROUTES**
2. Referral routes to the Service:
* Adult Social Care and Council’s Children’s Service
* Self-Referral
* Hackney Direct Payment Support Service
* City & Hackney CCG & NHS Providers

3.4. STAFF

1. The Supplier will at all times make available sufficient numbers of staff to deliver the Service throughout the year.
2. Where staff require training to carry out their role effectively then the Service should provide training and supervision to develop the necessary skills.
3. The Supplier will ensure that all staff be suitably trained and qualified personnel to deliver the services.additional specialist training where a specialist need is identified such as IT applications.
4. Details of all training must be recorded, regularly monitored and actioned to ensure that training remains current and appropriate to changing needs.
5. The Supplier will be required to provide qualified professional management and supervision of the Service – to include back up during periods of sickness and holidays. Staff appraisals will be at least annually and one to one supervision of staff will be at least quarterly.

4. Service Volumes

An Employer is a person who employs a Personal Assistant and pays their salary through a Direct Payment or Personal Health Budget. We estimate the numbers as 130 Employers requiring the Service per annum. Some Employers may employ more than one Personal Assistant. These figures are given for quotation purposes and are not guaranteed during the life of the contract.

The payroll for Employers will be processed regularly on a monthly basis. Each Employer will employ one or more Personal Assistants. Where multiple Personal Assistants are employed, the payroll Supplier will efficiently manage the payrolls on behalf of the Employer to minimise duplication of resources.

We are anticipating a 3% year on year increase in activity.

5. Performance

**5.1 Key Performance Indicators**

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| **ID** | **Key Performance Indicator**  | **Measure** | **Annual****Target** | **Evidence Source** | **Reporting mechanism** |
| 1 | Ending Service promptly | % of payrolls ended within 1 week of receiving notification to end | 100% | Payroll details | Monthly Return |
| 2 | HMRC fines - Employers  | Number of Employers fined by HMRC | 0 | Payroll details  | Monthly Return |
| 3 | The Pension Regulator fines - Employers  | Number of Employers receiving penalty notices by The Pension Regulator | 0 | Payroll details  | Monthly Return |
| 4 | Auto-Enrolment - Employers | % of Employers who have registered for Auto-Enrolment for pensions by staging date | 100% | Payroll details | Monthly Return |
| 5 | Employment Allowance - Employers | Number of eligible Employers claiming the Employment Allowance | 100% | Payroll details  | Annual Return |

1. **5.2 For information only**

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| **ID** | **Performance Description** | **Measure** | **Evidence Source** | **Reporting mechanism** |
| 6 | Pensions - Employers | Number of Employers paying pensions for their Personal Assistant and total pension amount paid per employer | Payroll details | Monthly Return |
| 7 | Pensions - Personal Assistants | Number of Personal Assistants receiving pensions in their payroll and the total pension amount paid per employee | Payroll details  | Monthly Return |
| 8 | Employment Allowance Claimants - Employers | Number of eligible Employers claiming the Employment Allowance and the total amount received in Employment Allowance by Employer  | Payroll details  | Annual Return |
| 9 | Utilisation - Personal Assistants (monthly) | Number of Personal Assistants receiving salaries through payroll Service – in total and by Employer | Payroll details | Monthly Return |

1. **5.3 Outcomes**

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| **ID** | **Outcome**  | **Measure** | **Annual Target** | **Evidence Source** | **Reporting mechanism** |
| 10 | People have greater choice and control  | % of Employers who report an increase in knowledge about their rights and responsibilities as a result of the Service | 100% | Annual Consultation Survey | Annual Consultation Report |
| 11 | People stay safe | Number of safeguarding alerts raised by the Supplier | N/A | Annual Consultation Survey | Annual Consultation Report |
| 12 | People are more confident in dealing with any problems in the future | % of Employers who report an increase in confidence about dealing with future problems as a result of the Service | 100% | Annual Consultation Survey | Annual Consultation Report |
| 13 | People are helped to maximise their income  | Number of Employers who report receiving fines relating to payroll  | 0 | Annual Consultation Survey | Annual Consultation Report |
| 14 | People are helped to enjoy and achieve  | % of people who report a seamless Service with payroll Service | 100% | Annual Consultation Survey | Annual Consultation Report |
| 15 | Employers rate the Service as good or better | % of Employers who rated the payroll Service as good or better  | 100% | Annual Consultation Survey | Annual Consultation Report |

6. Quality Requirements

The quality levels applicable to this Contract are as follows:

1. The Supplier will be required to undertake an annual quality audit in a format to be agreed with the Council and create an evaluation report to evidence that action has been taken to positively address issues arising from this. This should include positively addressing issues raised from the Annual Consultation Survey.
2. The Supplier will be required to comply with all current legislation such as The Care Act 2014 and all future legislation and HMRC guidance.
3. If trends are identified in relation to gaps in Service provision, the Supplier is required to feedback such information to the Council.
4. The Supplier will be expected to develop a Service development plan to improve Service delivery, appoint staff and contribute to the continuous improvement plan for the Service.

7. Management Information

1. The Supplier may be required to provide the following monitoring information in a format agreed with Council:
* Payroll information
* Pension information
* List of clients and a breakdown of whether they are funded through Children’s services, Adult Social Care or CCG
* List of Personal Assistants employed by each individual accessing the Service
* Provide annual end of year statement of Employment Allowance to be recouped by Council, CCG and DP recipient, where applicable.

8. Contract Management

1. The frequency of the Contract Review meetings will be determined by performance and risk measures and will be attended by representatives of the Council and the supplier. The Management Information Workbook will be submitted quarterly to the contract manager and will include:
* Key Performance Information
* Outcomes data
* Management Information
* Number and nature of compliments/complaints
* Number of safeguarding alerts raised
* Any other information required

**The frequency of contract monitoring will depend on assessed level of risk and may include:**

* Quality Review (360o Review) of the Service which will include feedback from relevant stakeholders
* Review of Management Information collated in the Management Information Workbook
* Staff numbers and changes, and skills, induction and training provided to staff
* Examination of Service User records
* Examination of staff files – supervision appraisal, training and development etc.
* Information about Quality Marks being pursued or achieved
* Review of policies and procedures
* Example of literature issued about the Service
* Training information provided to Employers, staff and partners
* Consultation material that is being proposed

9. Business Continuity

1. Business Continuity Plans must be in place for the general continuation of the Service in the event of serious disruption or emergency. As a minimum, contingency plans will cover major staff shortages, IT failure and office / working environment disruption.
2. A transition plan will need to be implemented (agreed with commissioners) between the contract award date and service start date to ensure a smooth transition for Employers.