

APPENDIX 2

DIRECT DEBIT DISCOUNT SCHEME – FACT SHEET

We currently offer a 5% discount to adult social care customers if they pay for their care by Direct Debit. The scheme was introduced in 2016 to try to incentivise take up of Direct Debits. At that time the council wanted more people to pay by direct debit as it was considered the most economic way of collecting contributions and of enabling the council to spend more on care itself rather than administration costs. It was also considered to be the most convenient payment method for most people, and the Council felt that offering the discount would increase take up. The Council is proposing to remove the discount scheme and would like your views. This factsheet will provide you with background information so that you know the reasons for the proposal.

What is being proposed?

We propose to end the Direct Debit discount scheme in April 2021.

Why are you proposing this change?

There are a number of reasons why we feel that the scheme is not working. Some of the more important reasons are listed below.

1. It has proved costly to administer the scheme. A lot of the process to apply the discount is manual, and requires input from three teams in the council.
2. The discount currently costs the council over £40,000 in lost income.
3. It is subject to error. Because the process is a manual one, we are reliant on team members to be 100% accurate. Where mistakes are made, these are costly to resolve.
4. The scheme has not done what it was intended to do. It was introduced to incentivise the take up of Direct Debits. This has not happened and less than 2% of service users have taken up the option to pay by Direct Debit.
5. No other section of the council offers anything similar.
6. We have contacted other authorities, and they do not offer any incentive to take up Direct Debits, but also have more people paying their bills this way.
7. The council needs to continue to align its working practices to ensure that charges for care are fair and equitable.

Will my Direct Debits stop when this change is introduced?

If this proposal is implemented you will still be able to pay by direct debit, and we hope that you will. Only the amount will change. This is because we recognise that for many people this remains the most convenient method of payment and we will work to improve our direct debit systems and the provision of information about payment by direct debit.

What difference will this make to how much I pay?

We have calculated that the average financial impact of this proposal on those who currently benefit from the discount would be £7.07 per week. This is an average figure. Your individual charges will be calculated by reference to how much you can afford to pay in accordance with the council's charging policy. We will contact you before this change is made to confirm your new contribution.

What do you need from me?

We would like your views on our proposal and the impact that this will have before we decide whether to make this change. If, after consultation, the proposal is agreed, we will write to you confirming your new payment from April 2021, any actions you need to take and how your Direct Debits will change.

How do I respond to this consultation?

Post

Direct Debit consultation
Adult Social Care
4th Floor – Hub3
PO BOX 64529
London SE1P 5LX

Email

ChargingTeam.AdultSocialCare@southwark.gov.uk

Phone

0800 358 0228 Please call this number if you require further information or assistance to participate in this consultation.

You can also submit your response via the council's consultation hub which can be found here [link to be confirmed].

Is there a deadline for me to provide my views?

Yes, you will have three months to provide a response. The deadline is **DDMMYYYY**. You can do this in writing, by email or by calling us, as outlined above.