

	<h2>CHIEF OFFICER IN CONSULTATION WITH COMMITTEE CHAIRMAN DELEGATED POWERS REPORT</h2>
<p style="text-align: right;"><b>Title</b></p>	<p><b>Approval to extend the contract for a prepaid cards service to be used by clients receiving services arranged or managed by Adults &amp; Health and Family Services</b></p>
<p style="text-align: right;"><b>Report of</b></p>	<p>Dawn Wakeling (Executive Director for Adults and Health)</p>
<p style="text-align: right;"><b>Wards</b></p>	<p>All</p>
<p style="text-align: right;"><b>Status</b></p>	<p>Public</p>
<p style="text-align: right;"><b>Enclosures</b></p>	<p>None</p>
<p style="text-align: right;"><b>Officer Contact Details</b></p>	<p>Sam Raffell Head of Care Quality and Customer Finance 020 8359 5714 sam.raffell@barnet.gov.uk</p>

## Summary

This report provides approval for the extension of the prepaid cards contract with Prepaid Financial Services Ltd (PFS) to provide prepaid cards to the Council following a successful 3-month pilot.

The Council will use PFS (Prepaid Financial Services) to provide prepaid cards to enable payments for five services, as set out in the previous DPR to procure, for a total of around two thousand clients. Other services, including Barnet Clinical Commissioning Group (CCG), have expressed an interest in using prepaid cards.

The extension of this contract is needed to realise the benefits listed in the previous DPR (Procurement of a prepaid card service for clients receiving services arranged or managed by Adults & Health and Children's & Family Services).

## **Decisions**

- 1. To extend the contract with Prepaid Financial Services for a further 4 years and 9 months with a total spend of up to £490,000, following a successful pilot.**

### **1. WHY THIS REPORT IS NEEDED**

- 1.1 This report is required for the formal agreement and permission to extend the contract with PFS for a further 4 years and 9 months, to allow the roll out of Pre-Paid Cards in Adults and Health and Family Services.

### **2. REASONS FOR RECOMMENDATIONS**

- 2.1 Having now completed a successful 3-month pilot using Prepaid Financial Services (PFS) following a compliant procurement process, the recommendation outlined above represents the best value for money option for the Council.
- 2.2 Following approval for a 3-month pilot period using Prepaid Financial Services, a test phase was undertaken in July and August 2019 involving 18 Direct Payment Users. The group was a mixed service user group to make sure it tested the card could be used to support different individuals with different needs.
- 2.3 An initial workshop was arranged on 27<sup>th</sup> July 2019 to introduce the Pre-Paid Card to members of the test phase, with 2 monthly payments made to individuals once their card had been activated.
- 2.4 17 of the 18 Direct Payment Users who took part completed the test phase with the feedback broadly positive. Some of the following comments were made;
  - “payments were easy to make and likes being able to scan/send photos of monitoring docs rather than having to post them. I hope the prepaid card system will continue.”
  - “Youtube video guidance or FAQ would be helpful.”
  - “I had issues activating the card due to issue with DOB. The provider was helpfully resolving.”
- 2.5 The test phase also allowed Adults and Health to test the Prepaid Financial Services BAC Payments process, PFS Financial system, User Access and reporting process. There were no issues with the BAC Payments, PFS Financial System or User Access. There were some issues with reporting, which have been worked on a developed by PFS following the outcome of the test phase.
- 2.6 Adults and Health are happy with the quality of service offered by PFS through the test phase and therefore are making a recommendation to extend the contract for 4 years and 9 months.

### **3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED**

3.1 There were two alternative options that were considered and not recommended as follows:

3.1.1 Make no changes and continue with existing processes for cash based systems.

3.1.2 Use other frameworks or providers for the solution.

3.2 The cost analysis evidenced that PFS are able to provide the service specified by the Council. Given the benefits of having the service, we are therefore not recommending that we continue with existing processes for cash based systems.

3.3 The same analysis also showed that the cost of using other frameworks or providers exceeded the cost of our preferred option. A summary of the cost analysis is shown in the summary cost sheet, attached as an enclosure.

3.4 PFS were identified as the best value for money provider on the North East Procurement Organisation (NEPO) Framework and were therefore the preferred provider. The success of the pilot means that this remains the case.

### **4. POST DECISION IMPLEMENTATION**

4.1 The Council will fully implement Pre-Paid Cards for Direct Payments in Adults and Health and work to implement in Family Services.

### **5. IMPLICATIONS OF DECISION**

#### **5.1 Corporate Priorities and Performance**

5.1.1 This procurement supports:

5.1.1.1 The vision that the health and social care service will be personalised and integrated, with more people supported to live longer and independently in their own homes using Direct Payment and other services.

5.1.1.2 The four main themes of the Joint Barnet Health and Wellbeing Strategy.

5.1.1.3 The “Wellbeing Principle” which underpins the Care Act 2014 and the Council’s aim that all adults will be given the opportunity to live well, age well and stay well.

5.1.1.4 Choice and independence by supporting people to live longer in their own homes.

#### **5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)**

5.2.1 The funding for this project comes from the Adults & Health and Family Services budget and from savings identified within the detailed cost benefits analysis which is summarised below. The minimum level of recouping (£320,000 per annum) covers the annual costs for the contract with PFS, hence there is no requirement for additional budget from the Adults and Health budget.

#### Cost Benefit Analysis

- 5.2.1.1 Projected costs for the Adults and Health Direct Payment service over a 5-year period (2019/20- 2023/24). These costs are net of client contributions, Clinical Commissioning Group payments and grants. All savings outlined below are cashable.
- 5.2.1.2 A baseline recouping figure of around 2.4% or £320,000 per year for each of the 5 years (£1.6m over 5 years) based on historical recouping values and benchmarking other local authority recouping performance. Going forward, £320K will represent the minimum amount than can be potentially recouped each year. There is good evidence to suggest that the Council will be able to fund the annual contract costs (£77K) through the anticipated minimum recouped funds.
- 5.2.1.3 A medium, and most likely, recouping figure is estimated at £759,848 per annum, with a high, less likely, recouping assumption of £1,439,712 for Adults and Health Direct Payments.

### Contract Value

- 5.2.1.4 Based on the preferred option, the total contract cost over a 5-year period is £386,521 (approximately £77K annualised). This is based on an estimate of 2,000 clients (across Adults & Health and Family Services) using the service.
- 5.2.1.5 The total budget requested in the previous approved DPR was £490,000. This is £103,000 above the contract cost of £386,521. The additional flexibility in the budget will allow for the likely increase in the numbers of clients above the estimated 2000 figure quoted in paragraph 5.2.6 above.
- 5.2.1.6 The contract covers the cost of prepaid card services from the relevant go live date of each prepaid card programme. The cost of resources for the implementation of the project have been funded from savings identified within the cost benefits analysis shown above.

### **5.3 Social Value**

- 5.3.1 The procurement of the Pre-Paid Card contract has an inherent social value in that support is commissioned to enable customers to exert choice and control and maintain independence within their communities.

### **5.4 Legal and Constitutional References**

- 5.4.1 The Council entered into a Contract with Prepaid Financial Services Ltd (PFS) dated 18<sup>th</sup> April 2019 via the NEPO Framework Agreement (NEPO505) for the Provision of Prepaid Card Accounts for an initial period of 3 months with an option to extend the contract for a further period of 4 years and 9 months by giving 4 weeks' written notice to PFS. The Council called off the service by using the direct award option. The total duration of the contract, including the extension, is 5 years with a total value of £490, 000. It is understood that the proposed extension does not change the total value or scope of the Contract. Under Clause B1.2 of the Call-Off Terms and Conditions, the Council is entitled to extend the Contract providing it has served written notice on PFS of its intention to take up the extension option 4 weeks prior to the expiry of the initial period.

5.4.2 The Council's Contract Procedure Rules require acceptance of a contract extension to be in accordance with Article 10 of the Constitution, Table B. Under the Constitution, the approval of the proposed extension needs to be in the form of a full (Chief Officer) DPR if the proposed extension is within budget or if not within budget by the Relevant Thematic Committee.

## 5.5 Risk Management

5.5.1 A detailed risk log has been completed for this project and a number of risks have been identified, monitored and mitigating actions taken when appropriate.

## 5.6 Equalities and Diversity

5.6.1 An Equalities Impact Assessment has been undertaken as part of this project and the assessment is included as part of the enclosures for this report. The conclusion of this assessment was that the expansion of the pre-paid card solution would have an overall 'minimal, positive impact' on protected groups.

5.6.2 The summary EIA report for Pre-Paid Card can be found here: <https://barnet.moderngov.co.uk/documents/s51235/Appendix%20J%20Cumulative%20Equalities%20Impact%20Analysis%20CEIA.pdf>.

## 5.7 Corporate Parenting

5.7.1 This contract will support Barnet Council to undertake its role as Corporate Parent by enabling us to have a secure mechanism for children and young people in care to access their allowances. Future service users will have quicker access to services and a reduced burden of administration.

## 5.8 Consultation and Engagement

5.8.1 There has been a pilot undertaken with 18 service users to test the Prepaid Card solution and ensure that Direct Payment Users have fed into the process and are satisfied with the new approach being rolled out.

5.8.2 When the Pre-Paid Card solution is being rolled out to Direct Payment Users, each individual is receiving detailed and clear information on the change, with the option to speak to the Direct Payments Team either by email, phone, drop in at the Councils Officers or a home visit to explain the changes and ensure it meets Direct Payment Users Strength Based Support Plan.

5.8.3 We have engaged with the incumbent provider and with the National Prepaid Card network forum on the different options regarding prepaid card services. This engagement has assisted us in putting together our own baseline service specification for prepaid cards by learning from best practice around the country.

## 5.9 Insight

5.9.1 N/A

## 6. BACKGROUND PAPERS

6.1 DPR - Procurement of a Prepaid Card Service for clients receiving services arranged or managed by Adults & Health and Children's & Family Service 19 March 2019.

Chairman:

Has been consulted

Signed

*Councillor Sachin Rajput*

Date: 20/02/2020

Chief Officer:

Decision maker having taken into account the views of the Chairman

Signed

*Dawn Wakeling*

Date: 20/02/2020