



Adult and Safeguarding Committee

17 September 2020

Title Pre-Paid Cards

Report of Chairman of the Adults and Safeguarding Committee

Wards All

Status Public

Urgent No

Key No

Enclosures None

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Summary

This report provides an update on the implementation of Pre-Paid Cards for people who use Direct Payments in Barnet.

The Council introduced Pre-Paid Cards in July 2019. The change was designed to improve the experience for people with care and support needs as well as making it easier for the Council to monitor the use of Direct Payment funds.

Pre-Paid Cards are now in place for 98% (excluding people who use payroll services) of direct payment users and are offered as the default option for all new users of direct payments. The main benefits of the introduction of Pre-Paid Cards have been a simpler process and reduced administration burden for people who use direct payments and a more efficient and effective monitoring process for the council.

Adults and Health delivered £450,000 savings in 2019/20 through this initiative and is on-track to deliver £250,000 savings in the current financial year.

Officers Recommendations

1. The Adults and Safeguarding Committee is asked to note the contents of the report.

1. WHY THIS REPORT IS NEEDED

- 1.1 A report was brought to the Committee on 5 June 2019 recommending the implementation of a Pre-paid card solution in Barnet adult social care services. This report provides the Committee with an update on the implementation and outcomes of the Pre-paid card project.
- 1.2 Direct payments provide a way for people with care and support needs to meet those needs by arranging and managing their own support. The payments are made directly to the person with care and support needs, as opposed to a care provider. This means people can arrange their own services or support, giving them more choice and control, as they decide how their needs are met.
- 1.3 Prior to the introduction of Pre-paid cards individuals either received their direct payment into their personal bank account or through a managed payroll company. The project was designed to move those who used a personal bank account to a Pre-paid card to improve the quality of service offered, reduce the need for individuals to submit monitoring information and improve the efficiency of monitoring direct payments. Direct payment users can still request to have a direct payment managed by a payroll company if they want support in paying agency invoices, pay personal assistants/carers and ensure that tax and national insurance regulations are complied with.
- 1.4 Pre-Paid Cards operate in the same way as a debit card for a current account (with no overdraft facility). Direct payments are made straight onto the card by the Council. The card allows people to:
 - Use the card to pay for services by 'chip and pin', standing order, direct debit, bank transfer, telephone or the Internet
 - Make purchases if there are sufficient funds on the cards
 - View and monitor all spend activity online
- 1.5 In 2019/20 there were 1003 people who received a Direct Payment with a net spend of £11,524,583. The table below shows the breakdown of direct payment spend.

Care Group	Number of service users	2019/20 Spend
Older Adults	372	£3,890,475
People with Learning Disabilities	252	£3,381,747
People with Dementia	38	£653,363
People with Mental Health needs	58	£298,769
People with Physical Disabilities	283	£3,300,229
Total	1003	£11,524,583

2. REASONS FOR RECOMMENDATIONS

Rationale for Implementing Pre-paid cards

- 2.1 The main reason for introducing Pre-paid cards was the range of benefits they bring to residents and the council. It was envisaged that people would have a better customer experience, because they have a reduced administrative burden and do not need to regularly send the Council bank statements and records of expenditure. The use of the cards will also assist some people to develop their life skills, promoting independence and self-sufficiency.
- 2.2 The introduction of Pre-paid Cards has improved the Council's financial monitoring and auditing capabilities, making it easier to identify and recoup surplus or misused funds, combat fraudulent activities and identify when people are not making their assessed financial contribution

Implementing Pre-Paid Cards

- 2.3 The implementation of Pre-Paid Cards was first tested with 24 people who use direct payments in July and August 2019 to ensure that the process worked effectively and that the use of Pre-paid cards met people's needs. The test phase was successful and the feedback from people was generally positive. The test did highlight a small number of technical changes required to the process, which were implemented prior to phase 1 of the project going live.
- 2.4 The Council agreed an initial 3-month contract with Prepaid Financial Solutions (PFS) with the option for an extension of 4 year and 9 months, to give a total term of 5 years. After the success of the pilot the contract was reviewed and a contract extension with PFS agreed until 30 June 2024. This extension has now been agreed through a Chief Officer Decision in consultation with the Adults and Safeguarding Committee Chairman, Councillor Sachin Rajput.

- 2.5 Following the test phase, the roll out of Pre-paid cards was managed in 3 phases to ensure a smooth transition with enough staff available to support people through the process. Adults and Health offered telephone support in working hours, a weekly drop-in service at Colindale and home visits, allowing people to be advised and supported in a way that suited them.
- 2.6 The table below details the phases of the project and the number of people transferred to Pre-paid cards as part of each phase.

Phase	Dates	Service Users
Test	July / August 2019	24
1	November 2019	237
2	December 2019	275
3	March 2020	137
Total		673

- 2.7 As part of Phase 1 all new people with direct payments started to receive a Pre-paid card as default. There are on average 10 new direct payments per month.
- 2.8 The total number of people with a Direct Payment is currently 929 with 745 on Pre-paid cards. The table below provides figures as of 28 August 2020.

Type of Direct Payment	Number of Service Users
Pre-Paid Cards	745
Payroll Managed Service	184
Personal Bank Account	16
Total	929

- 2.9 Excluding those who receive Payroll Managed Services, 98 per cent of those using direct payments have transferred to Pre-paid cards.

Benefits and issues

Service User Feedback

- 2.10 Feedback from people using direct payments and their families has generally been positive. There were initially a number of concerns raised when the change was implemented as individuals and families felt comfortable with the bank account they had used for a number of years. However, once they were supported to transfer to the new Pre-paid card the majority of individuals and families have fed back that the experience is better. There has been particularly positive feedback from family members who manage their relative's direct payment remotely as the Pre-paid card allows them to go online to manage the account, without the need to submit monitoring information or bank statements to the Council.
- 2.11 There have been a few negative responses, primarily around concern that the Council can view spending remotely to scrutinise spend and recouping unspent funding.

2.12 Feedback has also included;

- People felt relieved from the burden of keeping on top of their Direct Payments expenditure, invoices and regular submission of bank statements.
- People found making payment easier.
- People found the ability to upload invoices into the prepaid card system extremely helpful.
- Most people said that they would be happy to recommend prepaid cards to others.
- Some people expressed the need to have more information available about prepaid cards and future Direct Payments auditing process.

Service Delivery and Efficiency

- 2.13 The Pre-paid card solution has significantly increased the Council's ability to effectively monitor direct payment accounts. Prior to implementation direct payment users were monitored on average every 6 months. Since the introduction of Pre-paid cards, the service has been able to monitor all accounts on a quarterly basis. This allows for more regularly scrutiny of direct payment spending as well as allowing the council to identify changing needs or any unusual activity more quickly, enabling the council to provide a timely response to potential safeguarding issues.
- 2.14 People now only need to provide monitoring information if there are irregularities spotted in spend on the online system. If no issues are spotted then there is no longer a need for direct payment users or their nominated individual to submit regular reporting.
- 2.15 The process of ordering and setting up new Pre-paid cards is simple, and cards are despatched quickly.
- 2.16 We are continuing to work with PFS to optimise the regular information reports to direct payment officers, allowing them to target direct payment accounts where there is irregular spend.

Financial savings

- 2.17 The Committee paper on the 5 June 2019 outlined that there was a £250,000 savings target attached to Pre-paid cards on top of £660,000 recouped direct payment funds already planned as part of the 2019/20 adult social care budget, £910,000 in total. The project in fact delivered £1,236,000, over-achieving the target of £910,000 by £326,000.
- 2.18 For 2020/21 there is a total target of £1,100,000. By late August, £500,000 has been recouped, meaning the savings are on target to deliver in 2020/21 despite the impact of COVID-19.
- 2.19 The cost benefit analysis as part of the Committee Paper on 5 June 2019 outlined that the expected income from recouping by using Pre-paid cards would be between £759,848 and £1,439,712. Savings in 2019/20 were £1,236,000 and the projected saving for 2020/21 is £1,100,000. This demonstrates that improved monitoring through the use of Pre-paid cards has delivered towards the higher end of the projected recouping assumptions.

Audit Report

2.20 An internal audit data analysis review was carried out in May and June 2020 into the new Pre-paid card process. The review was targeted at identifying surpluses, potential anomalous expenditure and irregular payments. The review was incredibly useful in supporting the team to target and review any surpluses and spend that may require further investigation. This type of audit approach and regular review of spending is only possible due to the implementation of Pre-paid cards. The review found high levels of compliance with requirements by people who use direct payments.

Opting Out of pre-paid cards

2.21 Where a Pre-Paid Card is not appropriate to meet an individual's needs then other options are available. The alternative options are use of a payroll company or a traditional bank account. Traditional bank accounts have been used in situations where doing so has enabled the person to retain their independence and there have been issues which have rendered use of Pre-paid cards impractical.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

3.1 Continuing with the old approach to administration and monitoring was not recommended as an alternative at 5 June 2019 Committee due to the benefits of adopting Pre-Paid Cards.

4. POST DECISION IMPLEMENTATION

4.1 The Pre-Paid Card Project has now been implemented in Adults and Health. All new Direct Payment users are now given Pre-Paid Cards as default (with the option to opt out if required to meet their needs).

4.2 Adults and Health's framework contract with PFS, the provider of Pre-Paid Cards, can also be accessed by other areas of the Council and North Central London Clinical Commissioning Group (NCL CCG). Following a pause due to Covid-19, Family Services are currently in the process of transferring individuals from their existing supplier to PFS. NCL CCG have the option to use the contract to have Pre-Paid Cards to support Personal Health Budgets.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

5.1.1 The implementation of Pre-Paid Cards has supported the Council to deliver the Adult and Safeguarding Committee priority 'Supporting those with disabilities, older, and vulnerable residents to remain independent and have a good quality of life'

5.1.2 As it will enable more people to benefit from direct payments, it also is in line with the principles of choice and control which underpin 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.

5.1.3 It supports individuals to have choice and control over how their Direct Payment is used and ensuring they have easy access to the funds they need to provide their own care.

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

5.2.1 The majority of the work delivering Pre-Paid cards was managed within the Adults and Health Customer Finance Team. In order to deliver the project a Project Manager and 3 additional Direct Payment Monitoring Officers were recruited for a 6-month period. Due to the success of the project in identifying unused Direct Payment spend the £126,000 cost of the additional resource did not need to be funded through transformation reserves as planned and was funded from the additional recouped funds.

5.2.2 Moving forward the management of Direct Payments will be managed within the Customer Finance Team existing resource.

5.3 **Social Value**

5.3.1 The Public Services (Social Value) Act 2013 requires people who commission public services to think about how they can also secure wider social, economic and environmental benefits. Before commencing a procurement process, commissioners should think about whether the services they are going to buy, or the way they are going to buy them, could secure these benefits for their area or stakeholders.

5.4 **Legal and Constitutional References**

5.4.1 The Terms of Reference for the Adults and Safeguarding Committee are set out in the Council's Constitution (Article 7). The Adults and Safeguarding Committee has the following responsibilities:

5.4.1.1 Responsibility for all matters relating to vulnerable adults, adult social care and leisure services.

5.4.1.2 Work with partners on the Health and Well Being Board to ensure that social care, interventions are effectively and seamlessly joined up with public health and healthcare and promote the Health and Well Being Strategy and its associated sub strategies.

5.4.1.3 To submit to the Policy and Resources Committee proposals relating to the Committee's budget for the following year in accordance with the budget timetable.

5.4.1.4 To make recommendations to Policy and Resources Committee on issues relating to the budget for the Committee, including virements or underspends and overspends on the budget. No decisions which result in amendments to the agreed budget may be made by the Committee unless and until the amendment has been agreed by Policy and Resources Committee.

5.4.1.5 To receive reports on relevant performance information and risk on the services under the remit of the Committee.

5.4.1.6 To recommend for approval fees and charges for those areas under the remit of the Committee.

5.4.2 The Care and Support Statutory Guidance provides that in respect of direct payments in the form of Pre-paid or pre-payment cards provision, Pre-paid cards must not be the only option available and that where payments into a bank account are appropriate to meet needs and offer benefits that outweigh the use of a Pre-paid card, this option should be considered.

5.5 Risk Management

5.5.1 There was a robust risk management and governance process in place to manage project risks.

5.6 Equalities and Diversity

5.6.1 A Pre-Paid Card solution has had a positive impact on people with protected characteristics by supporting people with disabilities or age-related frailty to have choice and control over the services and support they need to meet their needs. As Pre-paid cards simplify the administrative process for the person, it is hoped that they will enable more people with care and support needs to consider taking a direct payment.

5.7 Consultation and Engagement

5.7.1 The proposal to implement Pre-paid cards was consulted on as part of the council's budget consultation.

5.7.2 As part of the test phase there was a range of workshops for individuals with a range of care and support services. Feedback from the test phase was used to inform the full implementation of the Pre-paid card project.

5.9 Insight

5.9.1 This proposal has used a review of data from Barnet's Adult Social Care Systems and Direct Payment Monitoring Records to develop the proposals and plan the project.

6. BACKGROUND PAPERS

6.1 None

