

PREPAID CARDS

Responsible Cabinet Member: Councillor Long (Cabinet member for Adult Care and Housing)

Report Sponsor: Michael Bracey (Corporate Director – People)

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Executive Summary:

This report is seeking approval to call off and award a contract for the provision of Prepaid Cards for:

- Direct Payment recipients of Adult and Childrens / Families social care.
- Family Led Travel Budget Recipients.

The Council is committed to empowering service users through personal budgets and believe prepaid cards would help achieve this whilst ensuring effective oversight of funds provided.

The contract will be for 3 years with the option to extend for a further 1 year.

The cost of the contract is estimated at £0.9m over the contract term.

Councillor Nigel Long

1. Recommendation

1.1 That an authorisation to call off and award under the North East Procurement Organisation Framework Contract be made for the provision of Prepaid Cards.

2. Issues

2.1 Following the submission of a Business Case to the People Directorate's Senior Leadership Team the decision was taken to implement prepaid cards during 2017 in consultation with respective portfolio leads.

2.2 Prepaid cards have been shown to increase the number of people who are able to have and retain a Direct Payment, increasing the choice and control they have over their daily lives.

2.3 A call off permits direct contract allocation and is proposed to promptly deliver improved services to personal budget holders in accordance with Council policy.

2.4 To effectively implement prepaid cards for both the Council and its clients, there will be an initial period whereby the cards will be issued to new clients only, to enable appropriate learning prior to existing Direct Payment and Family Led Travel Budget clients being migrated onto the cards.

3. Options

(a) An Open Tender

Following a benchmarking exercise, and consultation with other councils operating this service, there is a strong belief that there are only 2 viable providers nationally. Both submitted bids recently through the North East Procurement Organisation (NEPO) Contract Framework Tender. Running a tender exercise takes time and resource for the Council and will not deliver a result that justifies this approach as call off and award under the NEPO framework is cheaper and faster.

(b) An LGSS Partner Shared Procurement

This option has been discussed between this Council, Northamptonshire County Council, Cambridgeshire County Council and Local Government Shared Services. Neither Cambridgeshire nor Northamptonshire County Councils are yet in a position to procure prepaid cards. Additionally there are no reduced unit cost savings under the NEPO Framework Contract that would warrant this approach.

(c) Utilisation of an Alternate framework Agreement

Surrey County Council also has a Framework Agreement for prepaid cards, which Milton Keynes Council could utilise. The framework is older than the NEPO version and therefore does not reflect the most up to date market position.

(d) Mini Tender via the NEPO Framework Contract

The NEPO Framework Contract permits Local Authorities to bespoke their requirements and run a mini tender between the 2 providers that met the framework's requirements.

This would be the second best option if direct award was not possible under the framework.

(e) Direct Award of Contract via the NEPO Framework Contract

Due to the significant benefits both to the Council and to its clients that prepaid cards will deliver, as detailed in the Business Case, a prompt award of contract is the most critical factor regarding the procurement options available. The direct allocation to the successful bidder of the NEPO Framework Contract best achieves this.

This is the preferred option.

4. Implications

4.1 Policy

The procurement is needed in order to:

- (a) Meet the statutory obligations within the Care Act 2014; National Health Service (Direct Payments) Regulations 2013, as amended by the National Health Service (Direct Payments) (Amendment) Regulations 2013; and the Children and Families Act 2014 in a manner that delivers best value to the public purse.

- (b) Improve the delivery of the essential services that people need to live as independently as possible, in particular to plan how to best meet their assessed eligible needs in a way that is personalised to them.

4.2 Resources and Risk

N	Capital	Y	Revenue	N	Accommodation
Y	IT	N	Medium Term Plan	N	Asset Management

- (a) The annual cost of the contract once all clients are migrated onto the cards is estimated to be c£0.030m per annum, across the Council's Adult Social Care, Children's Social Care and Family Led Travel services. This is the estimated cost based on the current number of service users (566 in total), although it may take many months to achieve this level of take up. Due to the phased nature of the implementation, the contract term cost is estimated to be less than £0.1m. The costs include an annual service fee and transaction based charges. There is also a one-off set up cost of £0.002m.

The cost of the contract will be met from existing budgets as improved and streamlined processes providing real time information will improve the management of funds, including more timely clawback of funds that are no longer needed.

- (b) Any information governance implications that may arise will be dealt with as part of the project implementation.

Risk	Likelihood / Impact	Mitigation	Likelihood / Impact after mitigation
Potential to misuse cards / fraud	Medium	The detection of misuse / fraud of the direct payment is reduced by the card compared to the current processes. Eg Companion cards will cut down on the fraud risk as service users can give their carers companion cards which they can load small amounts of money onto, so they are not giving their carer access to all their money.	Low

4.3 Carbon and Energy Management

There are no Carbon and Energy Management considerations relevant to this contract.

4.4 Legal

This procurement will enable the Council to meet its responsibilities, both statutorily and non-statutorily to support individuals to meet their needs and contribute to the wider benefit of the community.

- The statutory law relevant to the subject matter of the report is:
 - The Care Act 2014.
 - National Health Service (Direct Payments) Regulations 2013, as amended by the National Health Service (Direct Payments) (Amendment) Regulations 2013.
 - The Childrens and Families Act 2014.
 - The Public Services (Social Value) Act 2012.
- The proposal seeks to award the contract under a framework, the NEPO Framework. Awarding a contract under a framework is recognised under procurement law as legal route to market. The framework must be open for the Council to use and should include the scope of the services which the Council requires. The estimated value of the contract is below the threshold for advertising to the European market. However, the Council's contract procedure rules and the constitutional scheme of delegation are still applicable.
- This procurement will be undertaken in compliance with the Public Contracts Regulations 2015, and the Council's Constitution.
- Transition and storage of personal information between the Council & the Provider will comply with the Council's Information Sharing Policy and the requirements of the Data Protection Act 1998.

4.5 Other Implications

Y	Equalities/Diversity	N	Sustainability	N	Human Rights
N	E-Government	Y	Stakeholders	N	Crime and Disorder

It is recommended to continue with the decision as it promotes equality of opportunity to people who require personalisation support services; and increases the number of people in Milton Keynes who will have greater control over decisions about their own care.

Through the initial period and beyond issues will be captured and responded to via a frequently asked questions communication.

Background Papers: Prepaid direct payment cards – business case