

PUBLIC

Agenda Item No.7 (g)

DERBYSHIRE COUNTY COUNCIL

CABINET

15 December 2015

Report of the Strategic Director for Adult Care

PRE-PAID ACCOUNT SERVICE FOR DIRECT PAYMENT USERS

ADULT SOCIAL CARE

1. Purpose of Report

To seek cabinet approval:

To undertake a procurement exercise for the provision of a pre-paid accounts service for clients in receipt of Direct Payments, by utilising the Surrey County Council's Framework Agreement.

2. Information and Analysis

The aim is to develop a new pre-paid account system for Direct Payment users which will improve and streamline the provision of this service to users. This system will allow Adult Care to issue a card to users and transfer money into separate bank accounts for their use, rather than expecting users to open an account in their own name.

Currently all clients must open a bank account specifically and solely for the management of their Direct Payment. In some instances this can be both time consuming and problematic where a client has a poor credit rating, has had financial difficulties historically or is limited in either physical or mental capacity.

As these bank accounts are in the name of the Direct Payment recipient the County Council requires the client to submit evidence of their expenditure along with copies of bank statements to monitor and support the package. This is administrative monitoring requirement is time both time consuming and a financial burden for both the client and the local authority.

When a client leaves the service or have accrued excessive balances in their account, the money can only be recovered by issuing an account. In some cases the account is not paid and this creates an unrecoverable debt.

With a focus on personalisation, the Care Act requires the Council to ensure that services are more flexible, offer choice and control and are easily available to personal budget holders to choose.

The use of pre-paid accounts for Direct Payment recipients, as an alternative to traditional bank accounts, has the potential to offer significant benefits to both clients and Adult Care. Pre-paid account can be made available to everyone regardless of their credit rating, income or whether or not they already hold a UK bank account. The functionality of pre-paid accounts will allow greater client empowerment in how they purchase their care and support but will also allow the authority to remotely oversee the account activity to proactively support clients and also reduce the potential of inappropriately used funds.

As the pre-paid accounts, though in the name of the client, belong to the authority this allows for remote monitoring without the need for clients to have to continually maintain and provide details of their expenditure and bank balances. Also, it will allow the authority to directly recover monies where a client has left the service or where there is an excessive build-up of funds.

It is proposed to use the Framework agreement created by Surrey County Council which has established a list of four potential suppliers for the provision of pre-paid accounts.

3. Financial Considerations

A one-fee of £350 is payable to Surrey County Council for the use of their framework agreement to support the procurement exercise.

Following procurement, it is estimated that the pre-paid card accounts service will cost approximately £60,000 per annum, but is expect to save £0.130m per annum, or 50% of the current running costs of the Direct Payment scheme. It is intended that the contract will be for 5 years, with an option to extend for a further year.

As the authority will be able to directly recover monies from these accounts it should remove the risk of non-repayment from clients who have left the scheme.

4. Legal Considerations

The Framework Agreement for pre-paid accounts and associated services was procured by Surrey County Council on behalf of itself and other contracting authorities via an OJEU compliant procedure. Call off of contracts under the framework agreement will be by way of a mini tender.

5. Equal Opportunities Considerations

The provision of pre-paid accounts for clients in receipt of Direct Payments will promote respect and inclusion.

6. Other Considerations

In preparing this report the relevance of the following factors has been considered: Human Rights, human resources, equality of opportunity, health, environmental, transport, and crime and disorder considerations.

7. Key Decision

No

8. Call-in

Is it required that call-in be waived in respect of the decisions proposed in the report?

No

9. Officer's Recommendation

That approval be given:

To undertake a procurement exercise for the provision of a pre-paid accounts service for clients in receipt of Direct Payments by utilising the Surrey County Council's Framework Agreement.

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MATLOCK**