

7th December 2020

Agenda Item: 7

REPORT OF THE CORPORATE DIRECTOR, ADULT SOCIAL CARE AND HEALTH

ISSUE OF A CONTRACT USING AN ESTABLISHED NATIONAL PROCUREMENT FRAMEWORK AGREEMENT FOR A PRE-PAID DEBIT CARD PROVIDER

Purpose of the Report

1. To seek permission to issue a contract using an established national procurement framework for a Pre-paid Debit Card provider on behalf of Adult Social Care and Health and Children and Families Services departments, for an initial period of two years, with the option to extend for a further year on two separate occasions, taking the maximum contract length to four years.

Information

2. The Council issued a contract through the North Eastern Procurement Organisation Procurement Framework in April 2017 to Prepaid Financial Service Ltd. The contract is due to expire on 18th April 2021, therefore a new contract is required.
3. Pre-paid Debit Cards are the Council's preferred method of managing a Direct Payment in line with the Direct Payment Policy, agreed at Policy Committee on 13th February 2019.
4. The contract is a partnership between the Council's Adult Social Care and Health (ASCH) and Children and Families Services (CFS) departments, with ASCH having 799 active Direct Payment cards (September 2020) at an average monthly cost of £2,398. CFS have 618 (September 2020) active cards and the Client Finance Team have 716 active cards (May 2020). CFS are liable for their cards and Client Finance card costs are passed on to the card owner.
5. Pre-paid Debit Cards make Direct Payment account management easier for Direct Payment recipients as it is unnecessary for the resident to provide bank statements to Adult Care Financial Services for audit purposes as compared to Direct Payment recipients using a separate bank account. It is also better for Adult Care Financial Services as they can access live account data centrally, enabling a more streamlined auditing process.

6. All partners (ASCH & CFS departments and the Client Finance Team) have confirmed during pre-tender preparation meetings their satisfaction with the quality of service previously received from Prepaid Financial Service Ltd, the current Pre-paid Debit Card provider.
7. Research of the wider market indicates that there are only three providers nationally of Pre-paid Debit Cards of which the Council's current provider is one and the pricing models of each provider are very similar but the other providers programme costs and some transaction costs are slightly higher. The pricing structures are different so it is difficult to determine overall costs precisely, but it is clear that the programme costs are slightly higher with the new providers.

Other Options Considered

8. A full competitive tender exercise could be undertaken. This would have resource implications for the Council and could end up with same provider due to a limited provider market. In addition, the Council would incur the additional costs associated with running a full tender exercise rather than calling off the current framework. This has been estimated by Procurement to be approximately £40,000, largely made up of staff resource costs. Moreover, a full tender cycle takes approximately six months, but the call off process will take less than one week to complete.
9. The Council calls off from an alternative national Procurement Framework with more providers listed. This would involve a secondary competitive stage based on quality and cost. Due to the additional competitive stage involving a cost element, where the providers state their required costs, the same provider could still be awarded the contract at a higher cost than through the North Eastern Procurement Organisation framework.
10. The Council does not look to renew the Pre-paid Debit Card contract and no longer offers this option as a means of managing the Direct Payment, but this would go against ASCH departmental priorities.
11. Alternative technology solutions are considered as a payment method rather than Pre-paid Debit Cards. This model would take time to be fully developed and be a viable alternative service. As the Pre-paid Debit Card Contract through the framework does not guarantee that a set number of cards will be purchased through the card provider, exploration work around other digital platforms could be done alongside any framework agreement.

Reason/s for Recommendation/s

12. All partners and Direct Payment recipients report satisfaction with the quality of service offered by the current provider.
13. Pre-paid Debit Cards enable more autonomy to Direct Payment recipients over payments than a more expensive third party managed account option for a Direct Payment in line with a strength-based approach.
14. Pre-paid Debit Cards streamline the auditing process for the Adult Care Financial Services Direct Payment team without the need to request bank statements which enables more

unused budget to be recouped. This is also the case for recovering Direct Payment surplus funds when a Direct Payment ceases.

15. As it is a partnership across ASCH & CFS departments and the Client Finance Team, savings are made on set-up costs as when three areas of the Council are considered as a single contract by the provider, saving the Council £4,000 in two sets of £2,000 duplicated contract set-up costs. Nottingham City Council and Nottingham and Nottinghamshire Clinical Commissioning Group also use the same provider through the North Eastern Procurement Organisation framework which means a smooth transition process for Direct Payment recipients if they move between Personal Budgets and Personal Health Budgets.
16. Calling off the Council's existing provider from the North Eastern Procurement Organisation framework agreement would prevent the need to disrupt the service offered to existing Pre-paid Debit Card recipients and the training and costs involved for setting up with a new card provider.

Statutory and Policy Implications

17. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance, finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Financial Implications

18. The costs would remain at the current North Eastern Procurement Organisation framework rates so there would be no extra costs for the Council. All costs though are easily covered by the money recouped through a Pre-paid Debit Card that would take additional resources to audit a separate bank account and, in some cases, money is not recouped at a loss to the Council.

Implications for Service Users

19. There would be no disruption to people who have a Direct Payment as they would be able to remain with the current Pre-paid Debit Card provider with no change to service offered.

RECOMMENDATION/S

- 1) That Committee agrees to issue a contract using an established national procurement framework for a Pre-paid Debit Card provider on behalf of Adult Social Care and Health and Children and Families Services departments, for an initial period of two years, with the option to extend for a further year on two separate occasions taking the maximum contract length to four years.

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Constitutional Comments (AK 23/11/20)

20. This report falls within the remit of Adult Social Care and Public Health Committee by virtue of its terms of reference.

Financial Comments (DG 24/11/20)

21. The budget for Direct Payments is £41.1m. The cost of this contract would continue to be met from this budget.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

[Direct Payments Policy: update to the Disclosure and Barring Service section - report to Policy Committee on 13th February 2019](#)

Electoral Division(s) and Member(s) Affected

All.

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