REPORT TO Programme Management Group	DATE 17th February 2010
TITLE: **Proposal to establish a Pre-loaded Payment Card scheme for Direct Payment customers**	**AUTHOR** **John Stansfield** **ext 1412**

PURPOSE OF REPORT

The purpose of the report is to seek approval from PMG to proceed with a Pre-loaded Payment Card scheme for Direct Payment customers. The scheme will initially be trialled in a test-bed environment in 2010/11 before being made available to all customers in 2011/12. In order to implement the test-bed scheme a budget of £15k is requested from the 2010/11 Social Care Reform Grant. The use of the funding is set out on pages 4 and 5. The costs of the scheme post test-bed will be met within existing base budgets.

RECOMMENDATIONS

To approve the scheme and the project structure as set out in this report, and to approve an implementation budget of £15k to be funded from the 2011/12 Social Care Reform Grant.

Background

Camden currently has c480 adult social care customers who organise and purchase their own services by means of a Direct Payment. A Direct Payments review has been commissioned in order to identify ways of increasing these numbers. Numbers are also expected to increase as Better Care Choices is rolled out to all customers over the next year.

Currently Direct Payments are paid monthly into a bank account that is set up by the customer specifically for this purpose. Customers make payments from their account by means of cheque-book. Each quarter the Direct Payments team write to the customer with a paper form to be completed which accounts for how the money has been spent.

The system of recording and monitoring Direct Payment expenditure is a significant call on customer time and on Council and independent sector support (DISC and Age Concern). It has resulted in a monitoring backlog and the need for extra resources to deal with the administration. It also means that information received by the Council is often incomplete, and that there is no means of quickly identifying if the customer needs additional support either in managing the service provision or in managing the finances.

A number of authorities now offer the option, or are trialling the option, of providing the Direct Payment by means of a pre-loaded payment card. This provides the customer with a more convenient option for making payments, and also means that statements of expenditure and accounting returns to the Council are provided automatically by the card provider. The pre-loaded card system thus has the potential to significantly reduce administration for customers – a consideration which might encourage more customers to take up the Direct Payment option. It also has the potential to reduce administration both for the Council and for the independent sector, which will be an important factor in ensuring that the anticipated growth in Direct Payments can be properly supported and managed in the future.

Corporate Finance are currently considering corporate payment card requirements falling out of the Finance review and are planning presentations from both banks and technology providers within the Office of Government Commerce (OGC) procurement framework. Adult Social Care will be invited to these presentations with a view to assessing the suitability of what is offered and progressing the procurement of a pre-loaded card service for Direct Payments through this route. This process has the potential to significantly reduce the length of the procurement phase of the project.

The introduction of a pre-loaded payment card scheme has significant implications for customers, for service providers and for Council procedures. It is therefore proposed that prior to making the scheme available to all customers, there should be a “test bed” involving around 30 customers in order to ensure that the scheme is working satisfactorily for all concerned. Further details of the proposed project are given below.

Project Deliverables

The project will deliver the following:

- Development of a specification in order to select a suitable card provider. An initial draft is attached which will be further consulted on in the early phases of the project.
- Selection of a card provider – in line with the Council's procurement procedures
- Establishment of end to end business processes including customers, service providers, Council assessment and care management staff and support service staff. The business processes to be developed are further outlined in paragraph 2 of the draft specification – attached.
- Establishment of process and interface to enable regular, timely and accurate loading of Direct Payments onto cards.
- Establishment of clear and accessible information and support for customers, service providers and staff
- A test-bed trial run of the cards involving c30 customers over a three month period
- An evaluation of the test-bed in order to assess both the technical aspects of the project and also customer, service provider and staff satisfaction
- A review of costs of using a payment card system compared with the current approach
- In view of the test-bed and the evaluation a proposal to make the roll-out of the cards to all Direct Payment customers sustainable in terms of administration and funding.
- A full scheme ready to roll out to all Direct Payment customers by April 2011.

Project Structure and Resources

The project has significant implications for a wide range of interested parties including Direct Payment customers, service providers, the Direct Payments support team, Assessment and Care Management services, and Council Finance and Procurement teams. It is therefore proposed to set up a project working group that will meet at intervals throughout 2010/11 and be responsible for:

- Signing off the detailed card provider specification
- Signing off the end-to end business process
- Approving the information for customers, staff and service providers
- Agreeing the framework and process for the evaluation of the test-bed
- Signing off any amendments to the detailed process that arise from the evaluation

The working group will be chaired by the Project Lead who will be a senior manager of the Council appointed by PMG and will be responsible for reporting back to PMG on a regular basis and also consulting the BCC workstreams as required.

The working group will be supported by a Project Support officer who will be responsible for producing the specification, business processes and information and for day to day liaison with the card provider and stakeholders. The Project Support officer will also provide “help-line” support while the test-bed is in operation. The role is anticipated to be one to two days per week for twelve months from April 2010. Given that much of the project support role is financial and technical in nature, it is proposed that the project support officer should be funded from within the Finance element of the Transforming Social Care grant budget.

Given that the Project Support is proposed to be based in the Finance team, PMG may want to consider a non-finance project lead in order to ensure that the social care business aspects of the project are properly covered.

The pre-loaded card scheme will need to link in with the DP Review which will be making recommendations on the future shape of the DP team, its location within the service and its procedures.

The Direct Payments support team will also need to be closely involved in the project for the same reason.

The working group will also include a representative from each of the following:

- Direct payment customers
- Service providers
- The card provider
- Assessment and Care Management
- Finance
- IT
- Performance
- Corporate procurement (for the procurement phase of the project)

A budget will be required for the production of information for customers, service providers and Council staff and also for initial training. £5k - £10k is proposed initially to be funded from the Social Care Reform Grant.

Fees will be payable to the card provider by the Council and/or customers and/or service providers depending on the card provider that is selected and the funding model that is adopted. Typical costs are likely to be in the region of £50 set up costs and annual fee per customer plus 1% transaction charges. For a test-bed involving 30 customers the total transaction fees will amount to around £5k. In the longer-term it will be self-defeating to proceed with a scheme that costs more in total per customer than the existing process. It is therefore proposed that a principle is established that fees should be funded within existing budgets and that one of the criteria for proceeding with the full roll-out is that fees to the card provider are met from savings in existing processes.

In summary the project will require the following from the Social Care Reform Grant in 2011/12. These amounts have been included within the Finance bid for BCC funding.

Project Lead	To be appointed by PMG
Project Support Officer	To be funded within the Finance allocation of the Transforming Social Care Grant
Transaction fees (test-bed only)	£5k
Information and training	£10k
TOTAL	**£15k**

It is anticipated that the project and its deliverables will be fully completed by March 2011, and an outline plan with timeframes is attached. Timeframes are dependent on various contingencies – not least successful completion of the procurement stage. However where one element takes longer than planned efforts will be made to reduce the time on the remaining elements.

DRAFT SPECIFICATION FOR PRE-LOADED DIRECT PAYMENT CARD PROVIDER

1. Demonstrates an understanding of the needs of disabled customers and ability to respond appropriately to customer needs.

2. Ability to demonstrate technical solutions for:

   a. Dealing with card applications and issue of cards and replacement of cards promptly and securely
   b. Demonstration of robust data protection and security measures
   c. Loading correct monthly amounts onto cards using information provided by the Council
   d. Enabling customers to add top-up funds to their cards
   e. Ensuring prompt and accurate payment to service providers
   f. Enabling payment to the full range of potential service providers, including those that have not traditionally accepted card payments
   g. Ability of customers to use the card to withdraw cash, where approved by the Council
   h. Ability to block certain payments either by commodity type or by provider type at the request of the Council or the customer
   i. Provision of a second card linked to the same account for use by the customer's representative or carer
   j. Provision of regular statements of income and expenditure for the customer both in paper and electronic format
   k. Provision of regular statements of income and expenditure for the Council in electronic format
   l. Flexible reporting facilities e.g. enabling the Council to run reports on exceptional items of expenditure
   m. Ability to download data into Council systems e.g. frameworki as required.

3. Affordable and competitive charges for the Council, customers and service providers

4. Commitment to engage with the Council, and with customers and service providers in the implementation and test-bed phases of the project.

5. Commitment to regularly review the service with the Council and implement continuing improvements

6. Provision of a help and support line for both customers and Council staff