

Pre-Paid Card  
Solutions

Date of Issue:	7 January 2025	
Date of Decision:	15 January 2025	
Report to:	Cabinet Member - Adult Social Care and Health and Deputy Leader Cabinet Member - Children's Schools & Families	
Report of:	Executive Director - Adult Social Care, Health and Wellbeing / Cheshire & Merseyside ICB Place Director	
Portfolio:	Adult Social Care Children's Schools & Families	
Wards affected:	ALL	
Is this a key decision:	NO	NO
Included in Forward Plan:		
Exempt/confidential report:	NO	

**Summary:**

To seek approval to direct award a contract for a Pre-Paid Card Solution.

**Recommendation(s):**

The Cabinet Members are recommended to note the contents of the report and having given full consideration to all of the information provided to:

- (1) Approve use of the Eastern Shires Purchasing Organisation (ESPO) to undertake a Direct Award contract for the provision of Pre-Paid Cards to EML Payments Ltd. The contract will be for an initial three-year period, with the option to extend for a further two years, via two separate twelve-month extensions, subject to satisfactory performance of the contractor and demonstration of value for money of the successful supplier/s and the required budget being available.
- (2) Approve delegation of decisions with regards to awarding future extensions of the contract to the Executive Director Adult Social Care, Health and Wellbeing / Cheshire & Merseyside ICB Place Director, in consultation with the Director of Children's Services and the Cabinet Members for Adult Social Care and Children's Schools & Families.

## 1. The Rationale and Evidence for the Recommendations

- 1.1 Pre-Paid Cards operate in a similar way to normal 'credit' and 'debit' cards except that funds are preloaded onto the cards by the Local Authority and then spent by the card holder as recorded in their Social Work assessment. As they do not incorporate a credit facility the cards cannot become overdrawn and are not linked to a bank account. Funds can be loaded onto the cards by the Local Authority. As all transactions are recorded automatically it is possible to track when uploads and subsequent spend take place and monitor how the funds are spent.
- 1.2 The current system in place is predominately utilised to support the management of Adult Social Care Direct Payment accounts. The Care Act Statutory Guidance 2014 states that Direct Payments, along with Personal Budgets and personalised care planning provide a platform with which to deliver a modern care and support system. In order for Direct Payments to have the maximum impact, the processes involved in administering and monitoring the payment should incorporate the minimal elements to allow Local Authorities to fulfil their statutory responsibilities. The Care Act Statutory Guidance 2014 identifies that Pre-Paid Cards can be a mechanism that is used to allow Direct Payments without the need for a separate bank account and to also ease the financial management of payments.
- 1.3 The cards are also utilised by other Council departments, those being Children's Social Care and Education, which includes Home to School Transport where this method has provided a successful solution for many parents to purchase personalised transport arrangements for eligible children.
- 1.4 The current contract to provide a pre-paid card solution is with EML Payments Ltd and was awarded via the utilisation of the NEPO Pre-paid Cards Framework 1st March 2021.
- 1.5 The contract with EML Ltd Payments has been extended until 28th February 2025 (under permitted extension periods), however it cannot be subject to any further extensions beyond this date, resulting in a procurement exercise being required to secure an ongoing Pre-Paid Card Solution to commence 1st March 2025.
- 1.6 The current annual contract value is in the region of £52,458 for Sefton which includes 1,249 cards for Children's personal travel budgets, Adult Social Care and Children's direct payments, Appointeeships and Special Educational Needs personal budgets.
- 1.7 However, the current contract value is based on a monthly cost per card as agreed within the existing framework arrangements which are no longer available, resulting in new costs being implemented within the new procurement framework.
- 1.8 Since the introduction of the Pre-Paid Cards solution, Sefton's Direct Payment provision continues to gain a number of benefits;

**Better Monitoring & Auditing** – Pre-Paid Cards continue to support a more effective monitoring of what money is being spent on as all transactions are recorded electronically and details are immediately available for analysis. This in turn has supported more effective and timely auditing of accounts thereby allowing for surpluses to be recovered from accounts more effectively.

**More Effective Use of Staff Time** – Staff are able to have oversight of account information in real time which reduces exercises which typically include staff requesting hard copies of information and then conducting manual checks of the information submitted.

**Assisted with Implementation of the Personalisation Agenda** – Pre-Paid Cards have provided card holders with greater control with respect to whom and what their money is spent on.

**Assisted with the identification of Safeguarding issues** – The robust and regular monitoring mechanism afforded by the cards, has helped in the more timely identification of issues such as misappropriation of funding.

- 1.9 With respect to the improved better monitoring and auditing, since the introduction of the Pre-Paid Card Service, the use of the card solution continues to enable the recovery of unused surpluses and reduce the risk of dormant accounts.

### **The New Procurement Exercise**

- 1.10 Market research has taken place, and it has been identified that there are frameworks in place that can be utilised to conduct a procurement exercise. The Council's Procurement team have advised we can use the Eastern Shires Purchasing Organisation (ESPO) Framework who have launched a collaborative partnership to meet the UK public sector's financial service requirements with Northeast Purchasing Organisation (NEPO) and Yorkshire Purchasing Organisation (YPO).

- 1.11 As part of the above research, Procurement have identified the best approach and advised we can direct award to EML Payments Ltd to continue to deliver this solution, via this framework, thus ensuring that Sefton would not have to implement contract exit management activities which would mean that;

- A new Pre-Paid card system would not have to be implemented in Sefton;
- Card users would not have to be issued with a new card and receive training / support on the use of the new system
- ASC would not need to produce and distribute updated information to card users on the new supplier system.

- 1.12 It is therefore recommended that in order to continue to realise the benefits of having a Pre-Paid Cards service in place, that a procurement exercise consisting of implementing a direct contract award is conducted in order to secure an ongoing service, post the expiry of the current contract in February 2025.

- 1.13 In addition, once the main contract is agreed, access to the provision is afforded under this agreement and so can be considered for other service areas, who will not therefore need to undertake separate procurement exercises.

- 1.14 The direct award will encompass use of the ESPO framework to issue the supplier with a new direct call off contract. This contract will be from 1<sup>st</sup> March 2025. The contract will be for an initial three-year period, with the option to extend for a further two years, via two separate twelve-month extensions, subject to satisfactory performance of the contractor and demonstration of value for money of the successful supplier/s and the required budget being available.

- 1.15 It is also recommended to approve the delegation of decisions with regards to awarding future extensions of the contract to the Executive Director Adult Social Care, Health and Wellbeing / Cheshire & Merseyside ICB Place Director, in consultation with the Director of Children's Services and the Cabinet Members for Adult Social Care and Children's Schools & Families.

## **2. Financial Implications**

- 2.1 The annual contract value will be in the region of £55,455.60 and will be met from existing Adult Social Care, Children's Schools & Families and Dedicated Schools Grants budgets.
- 2.2 Due to the associated charges within the combined framework and the number of cards in use, the above represents an increase in contract value, however benchmarking has taken place, and the new contract still represents value for money.
- 2.3 It is anticipated that card use over the next 12 months is expected to increase by at least 17% to reflect the increased use of cards and the costs associated with replacing lost cards.
- 2.4 As part of consultation with other Council Departments regarding this direct contract award, those Departments have committed to meeting their own increased costs, both in terms of increases to charges and increases of the use of cards. Such additional costs will need to be met from existing budgets which may need to increase at the point of contract award. This may therefore represent further budgetary pressures, however use of pre-paid cards supports with the timely recovery of surpluses from direct payment accounts.

## **3. Legal Implications**

Care Act 2014

## **4. Corporate Risk Implications**

There is a risk that not conducting a procurement exercise would result in the ceasing of contractual arrangements for a pre-paid card solution. The procurement exercise is being recommended to ensure continuation of the delivery of the solution and to ensure that systems remain in place for the management of direct payment accounts.

## **5. Staffing HR Implications**

None.

## **6. Conclusion**

The Cabinet Members are asked to note the ongoing benefits of the Pre-Paid Card Solution, particularly for individual card users, and as such to approve the recommendation to direct award to EML Ltd via the ESPO Framework with the new agreed pricing structure to ensure continuation of the service and minimise disruption to individual card users.

## 7. Alternative Options Considered and Rejected

**Cease with the use of a Pre-Paid Card Solution** – this option was considered and rejected as having in place a Pre-Paid Card solution ensures that the Council has in place a system which supports the timely management of Direct Payment accounts and supports the effective recovery of surpluses from accounts and a more robust mechanism to monitor accounts. It also gives individuals an effective and less burdensome system to manage their accounts and meet their obligations.

**Undertake a full procurement exercise via The CHEST (North West Local Authority Procurement Portal)** - This was rejected due to the limited number of providers in the market place and that the primary suppliers are named on a compliant framework hosted via ESPO framework which can be accessed by the Council.

**Undertake a mini competition using the ESPO framework** - This was rejected following an assessment and options appraisal of the risks, benefits and associated costs incurred with the potential change of supplier.

<b>Equality Implications:</b>
There are no equality implications.
<b>Impact on Children and Young People:</b>
Pre-Paid Cards are being utilised for Children and Young People for home to School transport and Personal Budgets under Educational Health and Care Plans and provides a mechanism for timely payments and management of these personal accounts.
<b>Climate Emergency Implications:</b>
The recommendations within this report will have a Positive impact.  Use of a Pre-Paid Card electronic solution reduces the requirement for people to maintain and submit paper-based evidence of expenditure.

### What consultations have taken place on the proposals and when?

#### (A) Internal Consultations

The Executive Director of Corporate Services and Commercial (FD7863/24.) and the Chief Legal and Democratic Officer (LD5963/24) have been consulted and any comments have been incorporated into the report.

Consultation has also taken place with the Council's Procurement Team and with other Council Departments who currently utilise Pre-Paid Cards and these Departments have committed to meeting their associated current and future costs associated with the recommendation to implement a new contract.

#### (B) External Consultations

Engagement with people who use a pre-paid card will be part of ongoing development and expansion of the use of pre-paid cards in delivering more personalised approaches to provision.

**Implementation Date for the Decision :**

Following the expiry of the “call-in” period for the Cabinet Member decision.

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**Appendices:**

None

**Background Papers:**

None.