

Report to: Cabinet **Date of Meeting:** 26th May 2016
Subject: Pre-Paid Cards **Wards Affected:** All Wards
Service

Report of: Head of Commissioning Support & Business Intelligence

Is this a Key Decision? Yes **Is it included in the Forward Plan?** Yes

Exempt/Confidential No

Purpose/Summary

The purpose of this report is to seek approval to commence a procurement exercise for the provision of a Pre-Paid Card service.

The report also includes details on the outcome of the Pre-Paid Card pilot and recommendations regarding the subsequent implementation of a Pre-Paid Card service should approval be given to procure.

Recommendation(s)

Cabinet to;

1. Approve the commencement of a procurement exercise for a Pre-Paid Card service for a period of three years, plus two one-year extension options, utilising an existing framework operated by Surrey County Council as the mechanism to procure the service.
2. Approve the criteria for the evaluation of tenders received in the procurement exercise.
3. Delegate the decision to award a contract, following the procurement exercise, to the Cabinet Member – Adult Social Care.
4. Authorise officers to include other Liverpool City Region (LCR) Local Authorities in the procurement exercise, subject to them having secured the necessary agreement to participate.
5. Authorise officers to provide the commissioning and procurement support, set out in paragraph 5.2 of the report, to other Liverpool City Region (LCR) Local Authorities who may wish to implement a Pre-Paid Card Service in the future.
6. Approve the following recommendations regarding the implementation of a Pre-Paid Card service for Direct Payments recipients;
 - a. Service Users are not charged for the use of a Pre-Paid Card, aside from them being charged for the costs associated with replacing any lost or stolen cards;

- b. The use of a Pre-Paid Card becomes the 'default' mechanism used by Sefton Council to make and administer Direct Payments;
 - c. That all existing Direct Payment Service Users be engaged with regarding transferring their Direct Payment onto a Pre-Paid Card within an agreed timeframe;
 - d. A project team be established to manage the change detailed in point C above; and
7. Authorises Officers to investigate and if appropriate implement Pre-Paid Cards for use in other Council service areas.

How does the decision contribute to the Council's Corporate Objectives?

<u>Corporate Objective</u>		<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community	X		
2	Jobs and Prosperity		X	
3	Environmental Sustainability	X		
4	Health and Well-Being	X		
5	Children and Young People	X		
6	Creating Safe Communities	X		
7	Creating Inclusive Communities	X		
8	Improving the Quality of Council Services and Strengthening Local Democracy	X		

Reasons for the Recommendation:

The Council has undertaken a successful pilot of a Pre-Paid Card service, in relation to Social Care Direct Payments, which has highlighted significant benefits both to Sefton Council and to Service Users, together with ensuring that the actions detailed within the *Direct Payments Strategic Plan* (approved by Cabinet on 4th February 2016) are met. Following this Pilot it is recommended that a procurement exercise is undertaken, utilising an existing framework in place (operated by Surrey County Council), for the commissioning of a permanent Pre-Paid Card service in Sefton.

It is recommended that the existing framework is used as it contains providers/suppliers who operate in the market and who would tender for services as part of an alternative procurement exercise. Sefton would also be able to utilise existing tendered costs within the framework. In addition, should other LCR Local Authorities be in a position to also procure a Pre-Paid Card service at the same time as Sefton, then they can be included in the procurement exercise and also realise the benefits of the framework.

The framework also offers benefits with respect to Sefton being able to utilise existing agreements and processes for the evaluation of tenders. The framework also allows scope for Sefton to amend the service specification and tender evaluation criteria in order to ensure that any Pre-Paid Card service procured meets Sefton's requirements.

In addition, the pilot has identified that Pre-Paid cards could be implemented in other service areas, aside from Adults and Children's Direct Payments, which in turn may deliver greater efficiencies and improved ways of working. Such areas could include;

- Respite
- Carers payments
- Care Leavers payments
- Foster Care payments
- Emergency and discretionary payments
- Expenses and Petty Cash
- Council Tax
- Housing Benefit

Alternative Options Considered and Rejected:

The following options were considered and rejected;

1. **Maintaining the status quo** – this was not considered a viable option due to issues identified with existing systems and working practices. The Pre-Paid Card pilot has highlighted significant benefits and outcomes for both Sefton Council and Service Users.
2. **Commissioning via a Sefton only formal tender exercise (above EU spend threshold)** – this option was rejected as it has been identified that any procurement exercise would attract the same suppliers currently on the Surrey County Council framework and therefore would not offer any significant benefits, including cost savings as tendered supplier rates are unlikely to be lower than those detailed within the framework.
3. **Commissioning via the establishment of a Framework with other Liverpool City Region (LCR) Local Authorities** – at this present time this is not considered a viable option as not all LCR authorities have received approval via their own decision making processes to implement a Pre-Paid Card service. As with option 2 above, this exercise would be unlikely to attract any suppliers who are not currently part of the Surrey CC Framework.

What will it cost and how will it be financed?

(A) Revenue Costs

Market analysis has identified that annual costs associated with a Pre-Paid Card service, for approximately 1500 users, is likely to be in the region of £35,000-£50,000. Definitive costs will be identified as part of any procurement exercise. Should other LCR Local

Authorities be included in the procurement exercise then further financial benefits may also be realised through economies of scale.

It is proposed that the ongoing costs associated with procuring and operating the system will be met via efficiencies/economies realised within the existing Direct Payment budgets under an *Invest to Save* ethos. In previous financial years on average £600,000 was reclaimed from Service User Direct Payment accounts through surplus recovery exercises. It is envisaged that the introduction of Pre-Paid Cards will enhance the identification of surpluses and the potential volume of recovery and that these monetary increases will be greater than the annual costs of the Pre-Paid Card Service. Improved processes and monitoring data will help to more accurately assess the amount needed to meet care needs and reduce the need for post-payment recovery.

(B) Capital Costs

Implications:

The following implications of this proposal have been considered and where there are specific implications, these are set out below:

Financial	
Legal	
The Children and Families Act 2014 and the Care Act Statutory Guidance 2014 and subordinate legislation and statutory guidance.	
Human Resources	
Equality	
1. No Equality Implication	<input type="checkbox"/>
2. Equality Implications identified and mitigated	<input checked="" type="checkbox"/>
3. Equality Implication identified and risk remains	<input type="checkbox"/>

Impact of the Proposals on Service Delivery:

The implementation of a Pre-Paid card service is an identified action within the *Direct Payments Strategic Plan*, which aims to assist with ensuring that service delivery is more person centred and monitored. Personalisation is a key concept underpinning the Care Act Statutory Guidance 2014 and the Children’s and Family Act 2014.

The pilot period has identified benefits for Sefton Council, the Direct Payments Team commissioned through Sefton Carers Centre and Service Users, with respect to more

efficient, robust and timely monitoring of Direct Payment accounts as well as a less administratively burdensome system for Service Users, thus assisting with the delivery of the Personalisation Strategy. Improved monitoring will also assist with Service User reassessments, the identification of any safeguarding issues and also wider strategic work relating to the use of Direct Payments and anticipated future demand.

The pilot for Pre-Paid cards has identified the potential for efficiencies in the processing of Direct Payments as well as more timely identification and recovery of surpluses from Direct Payments accounts. Any efficiencies associated with this will be determined within a review to be undertaken of Direct Payments and the development of the Council's Personalisation Strategy and Personal Budgets Strategic Plan, which was approved, by Cabinet, on 4th February 2016.

The implementation of a Pre-Paid Card service will impact on service delivery and will need to be supported by appropriate learning and development, training, processes and procedures for all staff. The implementation will also require engagement with Service Users regarding 'transferring' them onto a Pre-Paid Card from their existing arrangements.

What consultations have taken place on the proposals and when?

The Chief Finance Officer (FD.4142/16) and the Head of Regulatory & Compliance (LD.3425/16) have been consulted and any comments have been incorporated into this report.

Engagement exercises have been held with those Service Users and their families/advocates who volunteered for the Pre-Paid card pilot. Their feedback is included in Appendix 1.

Implementation Date for the Decision

Following the expiry of the "call-in" period for the Minutes of the Cabinet Meeting.

Contact Officer: Neil Watson
Tel: 0151 934 3744
Email: Neil.Watson@sefton.gov.uk

Background Papers: Customer Experience and Evaluation Report (Appendix 1)

1. Introduction / Background

- 1.1 Personalisation is a key concept underpinning the Care Act Statutory Guidance 2014 which focuses on Local Authorities providing and arranging the provision of services, facilities or resources that help an individual avoid developing care and support needs by maintaining independence, good health and by promoting wellbeing.
- 1.2 Sefton's Personalisation Strategy (which was approved in August 2015) included actions around the review of Direct Payments processes together with the development of an overall Personal Budgets approach for the Local Authority. As a result the *Personal Budget Strategic Plan* was developed and approved by Cabinet on 4th February 2016. This plan includes actions around the review of Direct Payments processes and identifies that providing enhancements and expanded choice for Service Users is a key priority and references one way forward that this can be achieved via the use of Pre-Paid Cards. The report also identifies that a key aim of the plan is to seek to ensure that the monitoring and auditing of Personal Budgets is delivered to a high standard.
- 1.3 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.
- 1.4 The Care Act Statutory Guidance 2014 highlights that Local Authorities should not design systems that place a disproportionate burden on Service Users as this would 'clash' with the intention of Direct Payments being used to encourage greater autonomy, flexibility and innovation and monitoring requirements should be 'lowered' for those Service Users who have been managing Direct Payments for a long period of time without any issues arising.
- 1.5 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.
- 1.6 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 or by their Service Users at any time. 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.
- 1.7 Pre-Paid Cards have been identified as offering the following benefits;
 - 1.7.1 **Lower Cost of Operation** – Pre-Paid Cards can lower the costs associated with carrying out business processes.
 - 1.7.2 **Better Monitoring & Auditing** – Pre-Paid Cards provides 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 allows for more effective and timely auditing of accounts thereby allowing for surpluses to be recovered from accounts more immediately. In addition, by accessing spend data through portals or by downloading transaction details the time and costs associated with more traditional methods such as asking Service users to submit bank statements and complete paperwork are minimised.

- 1.7.3 **More Effective Use of Staff Time** – as staff are able to spend less time on paper-based administrative exercises which typically include staff requesting hard copies of information and then conducting manual checks of the information submitted. This time can then be utilised to obtain surplus recoveries from Direct Payment accounts and to ensure Service Users are making their required financial contributions.
 - 1.7.4 **Supports the Personalisation Agenda** – Pre-Paid Cards provide Service Users with greater control with respect to whom and what their money is spent on. The use of the cards can also assist some Service Users with developing their life skills, promoting independence and self-sufficiency or for those who do not have bank accounts. In addition, the cards can be used to check that client contributions have been made onto the card by the Service User.
 - 1.7.5 **Assists with the identification of Safeguarding issues** – via more robust and regular monitoring, issues such as the misappropriation of funding can be identified more quickly
 - 1.7.6 **More Responsive Service** – Pre-Paid Cards allow funds to be loaded immediately and can therefore be used to respond to emergencies (either initiated by the Service User or the Local Authority). As soon as funds are transferred onto the Pre-Paid Card they are available to the Service User.
 - 1.7.7 **Wider Use** – there is scope for Pre-paid Cards to be utilised for other service areas across the Council aside from Personal Budgets / Direct Payments.
- 1.8 Currently there are in the region of over 40 Local Authorities utilising Pre-Paid cards with many more exploring their implementation.
 - 1.9 In Sefton there are currently in the region of 1100 Service Users in receipt of Direct Payments for a variety of services such as Homecare, Day Care, Respite and Carers Support at Home. For the majority of these Service Users (in the region of 800 – as the remaining Service Users utilise a Holding Account or receive Carers Support payments) they are required to submit on a quarterly basis information to evidence appropriate use of their Personal Budgets. This includes submitting hard copies of timesheets, invoices and income/expenditure sheets. This information is then audited by staff.
 - 1.10 Following a review of the administration of Direct Payments, under the remit of the *Adult Social Care Change Programme*, it was identified that the current arrangements were inefficient and overly complex. As a result the Council's Transformation Team commenced work on exploring the viability of implementing Pre-Paid Cards. Following a presentation by a current supplier of Pre-Paid Cards (Pre-Paid Financial Services – PFS) offered Sefton the opportunity to commence a free pilot of Pre-Paid Cards for up to 300 Service Users.

- 1.11 The Council's Strategic Leadership Team approved the recommendation to utilise the free pilot offered by PFS in September 2014 and an agreement with PFS was devised.
- 1.12 This agreement was established to commence the pilot on 1st October 2015 for an initial period up to 31st March 2016, with the option to extend the arrangement for an additional maximum period of six months, with a charge being levied to the Council by PFS of £2 per Pre-Paid Card per calendar month for those cards still in operation beyond the initial term of the agreement.
- 1.13 The agreement with PFS also included the following statement to confirm that the pilot period was separate to any formal procurement process;
- The Provider acknowledges that if the Council undertakes any further schemes of a similar type to the pre-paid card scheme which is the subject of this Agreement (whether similar in scope, size, service, type or otherwise) the Council will disclose the identity of the Provider and such details of this pilot as the Council considers relevant (in its sole discretion) in order to conduct the procurement of such schemes in a fair, open and transparent manner.*
- 1.14 In addition the implementation of Pre-Paid Cards was identified as a project to be included within the Liverpool City Region (LCR) group which was established following the receipt of *Transformation Challenge Award* funding from the *Department of Communities and Local Government (DCLG)*. The LCR group was established to create a culture and practice of collaborative commissioning and Pre-Paid Cards was included as a project as it was identified that the LCR Local Authorities could conduct a joint tendering exercise and establish a framework contract in order to achieve economies of scale. A LCR project group was established to explore commissioning options and for Sefton to share the outcomes of the pilot.

2 The Pre-Paid Card Pilot – Background

- 2.1 The pilot commenced in October 2015 and was run in conjunction with existing processes and Sefton was allocated a maximum of 300 cards. It was agreed that during the pilot, no charges would be levied on Service Users aside from a charge of £3.50 for replacement (lost/stolen) cards.
- 2.2 A project team was also established for the pilot period which included members of the following;
- Transformation
 - Commissioning
 - Adult's & Children's Social Care
 - Legal
 - Audit
 - Finance
 - Communications
 - Direct Payments Team

- 2.3 Prior to the commencement of the pilot expressions of interest were sent out to all current Direct Payment Service Users asking them if they would be interested in utilising a Pre-Paid Card and be part of the pilot. 46 Service Users commenced the pilot from 1st October 2015 (39 Adults and 7 Children’s cases) and during the pilot an additional 29 Service Users (26 Adults and 3 Children’s cases) joined the pilot during the six month period. In total 84 Servicer Users (46 volunteers, 29 new cases and 9 transfers from the existing process) utilised a Pre-Paid Card, 73 of which are Adult’s and 11 are Children’s cases.
- 2.4 As part of a Direct Payment Advisors role and responsibility they conduct a home visit for any new referrals to the service. At this point the advisor would share information about Direct Payments, with the intention to actively promote a Pre-Paid Card. As part of the introduction of a Pre-Paid Card the project team developed a ‘starter pack’ which included key documents and information for the client/representative to consider the best option for them moving forward. This pack included an amended Direct Payment agreement plus supporting documents to support and guide the cardholder through the new process.
- 2.5 During the pilot period regular engagement with Service Users took place (please see Appendix 1 for full details) which included;
- 2.5.1 Holding engagement events throughout the borough;
 - 2.5.2 Establishing dedicated customer support arrangements for Service Users;
 - 2.5.3 Issuing guidance on how to use the Pre-Paid Card;
 - 2.5.4 Updating both the Sefton Council internal and external websites with details of the pilot;
 - 2.5.5 Holding drop-in sessions for Service Users to attend in order to provide one-to-one support and guidance;
 - 2.5.6 Ensuring that Service Users and their families/advocates could approach the Council at any time to receive support and advice; and
 - 2.5.7 Holding a Customer Experience Event in March 2016 in order to ascertain the views of Service Users and their families/advocates who were involved in the pilot – full details of the findings of this event are detailed in Appendix 1.

3 The Pre-Paid Card Pilot – Key Outcomes and Findings

- 3.1 The pilot has identified that the potential benefits outlined in section 1.7 of this report have been realised.
- 3.2 When compared to the ‘traditional’ methods for administering Direct Payments, the pilot has shown that there are significant benefits to Service Users summarised as follows;

Traditional Method	New Method
Open a separate account with your bank, or a representative can help you	An online account will be opened with a prepaid card provider, and Sefton will have direct access through a portal

Pay for care services with a cheque book.	Pay for care services online, by telephone or by setting up a standing order / direct debit
Complete Income and Expenditure sheets for all bank transactions	Scan/Upload or send invoices/ receipts directly to the website or send them to the Direct Payments Team, to reconcile against their account
Send in bank statements, Income / Expenditure sheets, timesheets and invoices every 12 weeks	The Direct Payments Team have access to online viewing of their account to enable 'light touch' monitoring so sending paperwork is no longer required Information in relation to their support is timely and more accurate

3.3 In addition feedback from Service Users during the pilot has highlighted that use of the card has helped them to better manage their Direct Payment. Key benefits identified, and feedback on the pilot by Service Users included;

3.3.1 The reduction in paperwork has been beneficial;

3.3.2 Making payments was easy; and

3.3.3 They would be disappointed if Pre-Paid Cards were no longer available

Please see Appendix 1 for the full report.

3.4 The pilot has identified further benefits with respect to Service Users gaining more independence and self-sufficiency. During the pilot six Adults with Learning Difficulties transferred their Direct Payment onto a Pre-Paid Card which was created in their own name as opposed to being managed by a representative / family member. These Service Users have successfully managed their Pre-Paid Card account by making payments online and uploading their supporting documents on to the system.



3.5 The pilot has also reiterated the benefits with respect to the identification of safeguarding issues. During the pilot four 'traditional' Direct Payment cases were found to have been the subject of misappropriation of funds. This would typically result in the Direct Payment ceasing and the Service User's care being transferred to an Adults or Children's Social Care contracted service. In the four cases the Direct Payment was transferred onto a Pre-Paid Card thus allowing for continuity of care with more effective and timely monitoring of expenditure. An invoice was raised to the Service User for a refund to the Council. Pre-Paid Cards are now the preferred alternative option for the Safeguarding Team.

3.6 With respect to benefits to the Council it has been found that Pre-Paid Cards provide a mechanism for more timely and efficient reconciliation of Direct Payment accounts. At present there are three main elements to the monitoring process of a Direct Payment bank account;

- 3.6.1 Reconciliation of the account;
- 3.6.2 Surplus recovery; and
- 3.6.3 Final audit / closure of account.

Every Quarter the Direct Payment Team are responsible for sending paperwork to over 800 Direct Payment Service Users. The Service User then has to complete the paperwork (timesheets for employees, income & expenditure sheets, bank statements and invoices & receipts) and return it to the Direct Payment Team in order to enable reconciliation work to then take place. In previous financial years on average £600,000 was reclaimed from Service User Direct Payment accounts through surplus recovery exercises. It is envisaged that the introduction of Pre-Paid Cards will enhance the identification of surpluses and the potential volume of recovery.

3.7 In summary the timeline for this process is as follows;

Timescale	'As is' – Traditional Direct Payment Process
Week 1 	Monitoring paperwork posted out for coming quarter
	Client completes income & expenditure sheets to reflect transactions in their account
	Bank Statement/Invoices/Income & Expenditure sheets/Timesheets due to be reviewed
Week 13	Documentation booked into the system so the team have a record of who they have received paperwork from and last time their account was reconciled.
Week 15	Follow up letter sent out to client to chase outstanding paperwork
Week 16 	Reconciliation takes place on each account
	Ongoing missing paperwork
	Surplus recovery/Final Audit
Week 26	Next quarter due to be reviewed

- 3.8 The above process is inefficient, overly complex (such as the duplication of paperwork) and time consuming. In addition, there are significant backlogs accruing for reconciliation work which in turn then has implications for Adult Social Care Management Teams who do not have access to reconciled and up-to-date information that they require when conducting Service User reviews and reassessments.
- 3.9 Each reconciliation has been calculated as taking on average 45 minutes to conduct and for 800 Direct Payment accounts (IE: those Direct Payment accounts where a Holding Account is not used) this equates to 16.65 weeks work each quarter during a financial year (i.e. 66.6 weeks per year).
- 3.10 The Pre-Paid Card system has identified that the current processes can be streamlined to the following;

'To be' – Pre-Paid Card Service (Actions and Highlights)
Accounts light touch audit approach
Balances checked on a monthly basis against what is expected to be in the account (approx. 8 weeks monies)
Rolling 12 monthly reconciliation programme for regular accounts
'unusual' occurrences investigated further - Real time back office functionality
No request required for outstanding bank statements due to instant access to transactions and transaction history

- 3.11 As a result, the volume of reconciliation work is reduced to 11.1 weeks per quarter (44.4 weeks per year) thus realising an 'efficiency saving' of 22.2 weeks per financial year. This 'saving' can then be utilised for staff to conduct work such as obtaining surplus recoveries from Direct Payment accounts and reviewing Direct Payment cases to ensure that Service Users are making their required financial contributions.
- 3.12 In addition to the above the use of Pre-Paid Cards offers environmental benefits via the implementation of a largely 'paperless' system which does not require both Sefton Council and Service Users to print and post documents to each other in order to monitor and reconcile Direct Payment accounts.

4 Procurement of a Pre-Paid Card Service

- 4.1 In light of the above, it is recommended that approval is given for the procurement of a Pre-Paid Card System in order to continue to realise the benefits identified during the pilot.
- 4.2 During the pilot period potential commissioning options have been reviewed and these options were identified as being;
- 4.2.1 Sefton to procure a Pre-Paid Card service on its own via an OJEU Open Tender process
- 4.2.2 Procure a service via the establishment of a LCR framework (with Sefton acting as the lead and other Local Authorities detailed in the framework as either committed to being a part of the framework or to potentially be included in the future)
- 4.2.3 Sefton to procure via the use of an existing framework, either alone or together with other LCR authorities who are ready to proceed.
- 4.3 In line with the ending of the pilot period and the agreement with PFS that existing Service Users on the pilot can still utilise the Pre-Paid Card for an additional period up to six months (as detailed in section 1.12 of this report) any potential procurement would need to be conducted by October 2016.
- 4.4 During the pilot period market analysis has been conducted and it has been identified that there is an existing framework in operation established by Surrey County Council which was created following an open tender process and an evaluation of tenders by officers from Surrey County Council.

4.5 The Surrey County Council framework has been reviewed by Sefton Commissioning, Procurement and Legal staff and it is recommended that this framework is utilised as it offers the following benefits;

4.5.1 **Reduced Costs to the Council** – the framework costs £350 (one-off cost) to join and therefore provides an efficient mechanism to procure a service as work on formulating contracts, tender documents and a service specification has already been conducted thus reducing Council Officer resources required to procure. A typical OJEU procurement exercise costs the Council between £3,000 and £5,000 to conduct.

4.5.2 **Framework includes Established Providers** – the framework contains existing and established market providers of Pre-Paid Card services. It would be expected that should Sefton conduct its own individual procurement exercise then the same market Providers would tender for the service.

4.5.3 **Competitive Tender Exercise** – the use of the framework requires each Local Authority joining to run a “mini-competition” which further details and defines their requirements for the contract.

4.5.4 **Scope for Amending Service Requirements** – as above, the framework allows for Local Authorities to amend details of the services to be provided via amending the service specification. Should Sefton Council join the framework the outcomes of the pilot will be used to amend the service specification so that any commissioned service meets operational requirements.

4.5.5 **Monitoring the Service** – as the framework allows Local Authorities to “call-off” direct from the Provider, Surrey County Council will not be involved in the day-to-day management of the Provider and the service they provide. This work will be the duty of Sefton to conduct, which will provide Sefton with the ability to effectively monitor and review delivery of the service.

4.6 Should approval be given to utilise the framework then the following procurement timeline will be followed;

ACTION	DATES
CABINET APPROVAL (MEETING)	26 th May 2016
CALL IN EXPIRES	3 rd June 2016
FINALISE SPECIFICATION AND I.T.T. DOC/ T'S & C'S	20 th June 2016
I.T.T. ISSUED/ ADVERTISED ON CHEST - Mini Competition Using Framework	21 st June 2016
TENDER (I.T.T.) RETURN DATE	12 th July 2016
TENDER EVALUATION COMPLETE / PREFERRED BIDDER SELECTED	July 2016
IMPLEMENTATION	August 2016 –

	September 2016
CONTRACT START DATE	September / October 2016

- 4.7 It is also proposed that should other LCR Local Authorities have their own approval to proceed with the procurement of a Pre-Paid Card service, that they be included in the Sefton exercise and be named as separate 'lots' within the tender exercise. This is however dependent on the other Local Authorities being able to adhere to the timeframes detailed in section 4.3 and 4.6 above and be in a position to agree to the terms and conditions detailed by Sefton in the procurement exercise. LCR authorities been engaged with the development and operation of the Pilot through the LCR Group referred to in 1.14 above.
- 4.8 The framework commenced on 13th February 2015 and is in place for four years. It is recommended that any contract be awarded by Sefton for a period of three years with two one-year extension options.
- 4.9 In line with the stipulated requirements of the framework, Sefton will evaluate tenders based on the following criterion ;
- Quality – 70%
 - Price – 30%
- 4.10 The assessment of quality will consider information provided by the Tenderer in relation to specific requirements to be set out within the tender documents. It is further recommended that the Quality criteria will be further weighted based on the following assessment;

Quality Criteria	Quality %	Overall Weighting	Sub-Weighting
Functionality	70%	100%	35%
Customer Support			20%
Online Programme Management Tool			10%
Implementation / Transition			10%
Relationship Management			10%
Innovation			5%
Social Value			10%

- 4.11 In order to evaluate tender submissions it is recommended that an evaluation panel be established which contains Sefton Council staff from the following departments / service areas;
- Adult Social Care

- Children's Social Care
- Direct Payments Team
- Transformation Team
- Finance
- Audit
- Commissioning Support

4.12 It is recommended that Cabinet delegate the decision on the awarding of the contract, following the tender evaluation to the *Cabinet Member – Adult Social Care*

5 Additional Commissioning & Procurement Actions – Liverpool City Region

5.1 In order to continue to work with other LCR Local Authorities on the implementation of a Pre-Paid Card service, it is further recommended that should other Local Authorities not be in a position to be included in the Sefton procurement exercise (as detailed in section 4.7 of this report), Sefton will continue to provide support and guidance to other LCR Local Authorities who may wish to procure a Pre-Paid Card service in the future.

5.2 This support will involve Sefton officers;

5.2.1 Sharing all Sefton reports and documents relating to Pre-Paid Cards and the procurement exercise – so other LCR Local Authorities can use and adapt these documents for their own use;

5.2.2 Offering to act as the conduit with Surrey County Council for any other LCR Local Authority seeking to join the framework individually at a later date; and

5.2.3 Providing procurement support during any tender processes conducted by other LCR Local Authorities through the Surrey County Council Framework.

6 Implementation

6.1 If approval is given to procure a Pre-Paid Card service then it is also recommended that;

6.1.1 Service Users are not charged for the use of a Pre-Paid Card, aside from them being charged for the costs associated with replacing any lost or stolen cards. Typically such charges range between £2 and £4.95 per replacement card. During the pilot period there have been no incidences where replacement cards have had to be issued. Market analysis has identified that such an approach corresponds to that of other Local Authorities who have implemented Pre-Paid Cards;

6.1.2 The use of a Pre-Paid Card becomes the 'default' mechanism used by Sefton Council to make and administer Direct Payments for all new Service Users. However, it is recognised that Pre-paid Cards may not be suitable for all Service Users and therefore alternative mechanisms for administering Direct Payments will also remain in place;

- 6.1.3 That all existing Direct Payment Service Users be engaged with regarding transferring their Direct Payment onto a Pre-Paid Card;
- 6.1.4 A project team be established to manage the change detailed in section 6.1.3 – as it is anticipated that implementing such change will need to take place over a period of time in order to be effectively managed. Consideration will also be needed regarding resources and capacity within the current Direct Payment Team to undertake the work required to implement Pre-Paid Cards across the current cohort of Direct Payment Service Users; and
- 6.1.5 Council Officers continue to explore the potential for Pre-Paid Cards to be utilised within other service areas.