

TRAFFORD COUNCIL

Report to: Executive
Date: 22 February 2016
Report for: Information
Report of: Executive Member for Adult Social Services and Executive Member for Finance

Report Title

Update on Implementation New Payment Arrangements for Personal Budgets

Summary

A Direct Payment is one of the ways in which a client’s Personal Budget can be made. In July 2015, the Council made the decision to move from paying Direct Payments gross, whereby the service user is paid in full and then the Council bills the client for their assessed contribution towards the cost of care, to net of any client contribution.

In addition, to ensure the Council can quickly and efficiently ensure clients have sufficient funds in place to meet their care needs, the decision also included moving the remaining clients currently not on a prepayment card on to one, unless there are exceptional circumstances.

The Executive requested an update be provided on how clients have been supported through the transition


Recommendation(s)

That the Executive note the contents of the report

Contact person for access to background papers and further information:

Name: Louise Shaw/Dianne Baker
Extension: 3120/2057
Background Papers: None

Finance Officer Clearance ID
Legal Officer Clearance HAK

[CORPORATE]DIRECTOR’S SIGNATURE *(electronic)*..... 

To confirm that the Financial and Legal Implications have been considered and the Executive Member has cleared the report.

1.0 Background

- 1.1 A Direct Payment is one of the ways in which a client's Personal Budget can be made. It supports clients to have choice, flexibility and control of their care. Adults deemed eligible as requiring help by Trafford Council (hereby referred to as the 'Council'), under the Care Act 2014, can choose to have a Direct Payment.
- 1.2 Direct Payments can be used to buy services from an organisation or to employ somebody to provide assistance. A Direct Payment can be used to purchase the services clients are assessed as needing to support their care, thereby providing clients with much more choice than a traditional package of care.
- 1.3 Legally, clients have to be financially assessed to determine what, if any, contribution they have to make towards their package of care. The client's contribution is calculated by carrying out a financial assessment. The contribution a customer is required to pay towards their care is dependent on the value of their budget/support and their ability to pay.
- 1.4 The Council previously paid its Direct Payments gross which meant the payment was made in full to the client and the Council then billed separately for the client contribution amount every 4 weeks.
- 1.5 A pre-payment card looks like a credit/debit card and the Council authorises people to use them. The agreed Direct Payment fund, net of the client contribution, is loaded onto the card by the Council and the client pays providers from the card, which has telephone banking and internet banking facilities attached to it.
- 1.6 The Council is able to view transactions made from each card instantly and recall funds if necessary. This has reduced the amount of paperwork and documentation that clients are required to send as part of the audit process.
- 1.7 All clients still receive the same level of support in terms of setting up their Direct Payment.

2.0 Introduction

- 2.1 A Council decision was made in July 2015 to amend the way in which it pays Direct Payments, to net of the contribution that the client has to pay for all clients from 31 October 2015. This now means that clients have to ensure they pay into their Direct Payment account, or on to their pre-payment card, their client contributions in a timely manner to ensure there are sufficient funds to pay for care.
- 2.2 The decision also supported the Council's preference to move to a position where pre-payment cards are the main delivery method for all Direct Payment clients, with exceptions such as no internet access or lack of basic IT skills being considered on a case by case basis.
- 2.3 At the request of the Executive, this report details how clients have been supported through the transition.

3.0 Implementation

- 3.1 In order to ensure clients were supported through this change, the feedback that was obtained throughout the consultation period, which included workshops for all clients and/or their representatives, was used to construct the implementation plan.
- 3.2 The majority of respondents understood the benefits of the proposed change and believed the change would be a sensible option to define a clear process for payments. They also recognised that it would also save time not only for the Council but for the service user/suitable person.
- 3.3 However, concerns were raised that certain people might have difficulty in using technology to access the pre-payment card. In order to mitigate the concerns raised during the consultation period, the implementation strategy included the following:
- Frequently Asked Questions (FAQs) raised throughout the consultation period were collated and sent to all service users or their suitable person as well as providers and stakeholders. Workshop attendees were keen for this to be issued in paper format which is the method of delivery used.
 - All 146 service users self-managing their Direct Payment using a bank account were invited to four separate forums to discuss the transition with Council representatives and address any issues about the introduction of a pre-paid card. 20% of these people attended the events
 - A follow up letter to explain implementation dates and a second invite to join the pre-paid card scheme was sent to the remaining 80%. This was accompanied by a set of Frequently Asked Questions about the process and a help guide about pre-paid cards. The Council also offered a home visit service; Around 10 service users took up this offer and Council staff assisted service users within their home to set up the card, access web banking as well as demonstrate how to set up payees on the system.
- 3.4 There are now 280 service users currently receiving their Direct Payment via a pre-paid card out of 426 eligible users (62%). The on-going plan for Trafford is to continue the migration strategy regarding the use of pre-paid cards through a series of customer engagement events. These include more service user forums, a follow up of all remaining self-managed clients as well as identifying a 'champion' service user who will help to promote the scheme. In the meantime, their Direct Payment will continue to be paid in to their dedicated bank account.
- 3.5 There have been 37 requests from service users and/or their suitable person not to go on to a pre-payment card, mainly due to issues with IT either availability of internet banking access or a lack of confidence in using the internet in this way. One of these requests was made via a formal complaint. As originally stated, all cases were considered on their own merit and to date all requests received have been agreed.
- 3.6 Issues and questions raised by service users informally via phone calls have ended with positive outcomes. The majority of the phone calls were received around billing time during the transition; this is because the Direct Payment is paid in advance and

the client contribution invoiced in arrears. Once this was explained the payment due and/or the net contribution was paid and/or a suitable payment plan agreed.

- 3.7 One of the identified risks from the decision to pay net, was whether service users would pay their contribution onto the pre-paid card, or into their Direct Payment accounts which could mean there would not be sufficient funds to cover the cost of their care.
- 3.8 70 audits of service users with pre-paid cards have been completed since the start of November and early indications show that there are 6 clients who have not paid their client contribution onto their card. Each service user has been telephoned by Audit to discuss the non-payment of contribution and the cases are being monitored.
- 3.9 Managed account services have identified 43 service users who have not paid their contribution. For a number of these the Council is the appointee and the correct contribution is now being paid by standing order. There is a transition plan to deal with the remaining clients (24) to ensure that the managed account service and client appointee (who is not always the same person) is fully aware of their duties.
- 3.10 The grand scale expansion of pre-payment cards has already improved the efficiency of individual audits and has increased clawback of unspent funds. This is mainly due to the Council being able to access the information required for the audit in real time via the online banking service and, where a clawback is identified, the funds can be requested by the Council immediately unlike clawbacks where the client has a dedicated bank account; in these cases the funds are the clients and an invoice has to be raised and the payment of that monitored. The audit is also reliant upon the individual providing their bank statements as the Council does not have access to them.
- 3.11 Since the decision in July 2015, the Council has recollected £118k in unspent funds from 70 pre-paid cards and only £8k from 17 paper audits. These amounts show how much quicker audits using pre-paid cards can be (including the return of unspent funds back into the council via a pre-paid card) rather than raising invoices to the client for unspent funds, waiting for a cheque to be returned from a potentially frozen, as happens with the paper audit process.

4.0 Recommendation

1. That the Executive note the content of the report.