

ADULTS AND COMMUNITIES OVERVIEW AND SCRUTINY COMMITTEE
1 SEPTEMBER 2015

DIRECT PAYMENT CARDS AND
CUSTOMER JOURNEY SIMPLIFICATION

REPORT OF THE DIRECTOR OF ADULTS AND COMMUNITIES

Purpose of Report

1. The purpose of this report is to advise Members of the Committee on the progress made in establishing Direct Payment Cards (DPCs) as the Council's preferred mechanism for the delivery of Direct Payments (DP) within the context of simplifying the customer journey/care pathway.

Policy Framework and Previous Decisions

2. This is the first report produced for this Committee on the subject of DPCs.

Background

3. The Adults and Communities Department established the Customer Journey Simplification Project in 2013. The aim of the project was to ensure that the care pathway was transparent and accessible for service users and/or carers, from the point of initial contact with the Council, through to the delivery of support and services. The work to establish DPCs was part of this project.
4. In April 2015, the Care Act Programme was established to implement the Care Act, which received Royal Assent in 2014. The Care Act set out new duties for local authorities and partners, as well as new rights for service users and carers, consolidating and modernising the framework of care and support law. The decision was made to incorporate the DPC project into the Care Act Programme to avoid duplication of effort and resources.
5. Following the Government's announcement on 17 July 2015 to postpone phase 2 of the Care Act, the remit of the Care Act Programme is being reviewed.

Direct Payments

6. The Adults and Communities Department has promoted the use of DPs as the preferred way of delivering Personal Budgets, in line with the Government's emphasis on a personalised approach to service delivery. Currently 91% of service users have a Personal Budget and 35.7% of them receive it as a DP. The planned DPC system will simplify the process of managing Personal Budgets and assist service users and carers to make the best use of their DP to meet their eligible needs.

7. The current system for receiving a DP from the Council to pay for care requires service users and carers to open a separate bank account, and to monitor and account for their spending.
8. Having reviewed DPs to service users and carers it became apparent that, over time, some of them accumulated unspent balances in their accounts due to either:
 - (i) Their Personal Budget being over estimated at the point of setting up the DP;
 - (ii) Their needs having changed so the level of support agreed at their initial assessment is no longer required;
 - (iii) Their informal network able to provide more of their support than initially planned;
 - (iv) Service users having changed their mind about accepting the care and support services provided to them;
 - (v) Service users being unsure about how to use their DP/bank account;
 - (vi) Service users' ability to procure services to meet their needs more effectively.
9. When reviewing cases, it has been noted by Adult Social Care staff that the DP is not always used to pay for items or services agreed in the Service User's Support Plan.
10. As reviews are scheduled annually errors and unspent balances on accounts in the current system can remain unnoticed for some time, allowing inappropriate spending habits or unspent balances to become considerable before remedial action is taken by the Council.
11. On review it is clear that errors on the accounts can be due to either service users finding the current system challenging to operate or, the lack of day to day monitoring and support with the accounts.
12. Options for addressing these issues were explored. The business case for DPCs as the default mechanism for the delivery of Direct Payments (DPs) was presented and agreed at the Adults and Communities Change Board in October 2014. It was anticipated that the introduction of the cards would provide a more transparent and simple way for service users and carers to access their DPs while saving money and enabling the Adult Social Care team to monitor and scrutinise the deployment of DPs. Officers visited a number of authorities already operating DPCs to understand their effectiveness, both in terms of service to service users and carers and in terms of the savings that they created. This experience was used to model the projected savings and benefits for the Council.

Direct Payment Cards

13. A full tender process has taken place and the Adults and Communities Department has engaged a company called Prepaid Financial Services (PFS) to provide the cards and the associated infrastructure and services.
14. The new service will enable the Council to issue each DP recipient with a card (similar to a bank debit card) linked to an individual account. The Council will credit the account with regular payments (as agreed in the Support Plan), and the service user will be able to use the card or set up regular payments to pay for services. The

service user and/or carer will be able to pay their contribution towards their care services into the card account.

15. A small team of four employees will manage the service within the Council (Direct Payment Support Team).
16. The service provided by PFS is an online service which will:
 - (i) Allow the Direct Payment Support Team to monitor the account and transactions of each individual remotely;
 - (ii) Allow the team to view individual's accounts at any time;
 - (iii) Set thresholds for expenditure on the accounts;
 - (iv) Set triggers which will raise an alert with the team if there are unusual patterns of expenditure;
 - (v) Raise an alert if an item or service has been purchased outside of what was agreed on the Support Plan;
 - (vi) Raise an alert if too much or too little has been spent;
 - (vii) Raise an alert if the unspent balance on the account exceeds the tolerances agreed;
 - (viii) Produce regular reports for the team to be able to analyse expenditure on both a system and an individual level.
17. The team will have a personal relationship with service users and carers, established at the outset when setting up the account for them. Members of the team will offer support to service users in managing their account. Any irregularities flagged by the system will be responded to quickly with the use of the remote monitoring provided by the system.
18. The Direct Payment Support Team, in close collaboration with the Review Team, will have the ability to investigate any issues with the accounts, recover unspent balances within agreed thresholds and amend Support Plans and change service orders on the Council's own social care systems. The process is anticipated to be as follows:-
 - (i) Small amendments will be made directly by the team (estimated at 70% of all changes required);
 - (ii) Some changes will/may require advice from the manager of the Review Team (estimated at 20% of all changes required);
 - (iv) Some issues will need to be referred to the Review Team – in situations where the individual's circumstances have changed considerably and a full review is required (estimated at 10% of all changes required);

Savings

19. In addition to providing an improved service to service users, the DPCs will contribute to the savings identified in the Medium Term Financial Strategy (MTFS). Further details are set out in paragraphs 27 to 30.
20. In June 2015, the Care Act Programme Board agreed proposals to launch DPCs for all new service users and carers, and for existing DP recipients over a five month period – issuing 900 cards. The approach would include sending out briefing packs to recipients, offering specialist support services to assist in the set up and

requesting that recipients transfer all existing account balances to DPC for review by the newly appointed Direct Payments Support Team. The Board acknowledged the advantages of this dual approach as it will produce savings in three key areas:

- (i) The return of unspent balances on existing DPs;
- (ii) The reduction of Personal Budgets on existing DPs as a result of the return of the surplus and the accompanying adjustment of Support Plans;
- (iii) The reduction of Personal Budgets as a result of employing the DPCs for new service users and/or carers in the future.

21. The Care Act Board also agreed individual reviews of Support Plans and Personal Budgets and to ask DP recipients to check their balances and return any unwanted surplus funds.
22. There is evidence that surplus funds build up in the accounts of some DP recipients. Writing to recipients to ask them to return any unspent balance has proved to be effective in the past. In 2010 an exercise undertaken by Community Care Finance (CCF) was able to achieve a return of £155,855 from excess DP balances. Other local authorities (eg Nottinghamshire) have achieved substantial returns from similar exercises.
23. The work of the Review Team has evidenced that undertaking a review of Support Plans can result in reductions in spending for the Council going forward, for example the two week post hospital reviews (independent home care) being undertaken currently have resulted in 72% of Personal Budgets being either reduced or ended as a result of a timely and thorough review.
24. In 2014/15, the Review Team focussed on recovering surplus balances within some provider managed accounts (PMAs). As a result £146,000 was recovered. There is scope for extending this to the remainder of PMAs requiring review.
25. The Care Act Programme Board agreed that, in order to ensure the most effective outcome in terms of funding returned to the Department and savings going forward, a combination of all four options were adopted. The approach will be used to ensure early implementation of the DPCs combined with writing to recipients, not only to introduce the card, but also to request that any unspent balances are returned. While the Direct Payments Support Team will undertake a financial review of the DP, the involvement of the Review Team (targeting those reviews most overdue and those with the largest DP) will ensure that personal budgets are appropriate and proportionate to individual's needs and prevent the excesses reoccurring.
26. This approach received further challenge, and subsequent agreement, at the Directors' "challenge sessions" in July 2015.

Resource Implications

27. Although the service will require initial financial investment in setting up the team to become operational, it is anticipated that it will deliver substantial savings for the Council both in 2015/16 – due to unspent balances being recovered, and in 2016/17 and beyond in terms of reduced Personal Budgets and closer monitoring.
28. Potential savings have been estimated as follows:

- 2015/16 - £136,000;
- 2016/17 - £634,000;
- 2017/18 - £362,000.

29. The savings from 2016 onwards will arise from a combination of unspent balances on remaining DPs, addressed in year two, and more accurate Personal Budget setting as a result of the monitoring work and the revision of The Resource Allocation System.
30. Modelling work will continue to refine these estimates once the initial cards are rolled out, the service has bedded in, and service user and/or carer behaviour re using the card is understood.

Timetable for Decisions

31. The new service is planned to “go live” in November 2015.

Background Papers

None.

Circulation under the Local Issues Alert Procedure

None.

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List of Appendices

Appendix A – Equalities and Human Rights Impact Assessment (EHRIA)

Relevant Impact Assessments

Equality and Human Rights Implications

32. As part of the project work an EHRIA screening exercise was undertaken and approved by the Departmental Equalities Group. This is attached as Appendix A.

Partnership Working and Associated Issues

33. The Council will continue to work co-operatively with the provider of the DPCs to operate and manage the system.
34. Work is planned to involve providers of care services in the deployment of the DPCs. Communications are planned before the launch of the DPCs to ensure that providers understand how the system works and the benefits for them and for service users and carers.
35. There is work planned to transfer existing PMAs on to DPCs making it easier for both the Council to monitor them and the providers of care services to manage them.

Risk Assessment

36. The following risks have been identified by the project team:
 - (i) The predicted savings will not be realised:
 - (a) Further financial modelling is taking place to ensure robust predictions;
 - (b) The combination of all approaches is being used to achieve the best result.
 - (ii) The Direct Payments Support Team will not be in place in time to deliver the required number of cards within the prescribed timescales and therefore realise the savings:
 - (a) Work is underway with CCF to approve the job descriptions and financial processes to ensure a start to the work in November 2015.
 - (iii) People return too much money putting themselves at risk:
 - (a) The alignment to the work of the Review Team (prioritising reviews where they are most overdue/biggest DPs etc) will assist in ensuring that Personal Budgets and Support Plans are appropriate and sufficient and that recipients understand the processes involved. The principles of effective support and the cost effective care policy will continue to apply.
 - (iv) The use of the Review Team to recover monies may cause delay due to the time consuming nature of individual reviews and resourcing required:
 - (a) Work is planned to consider a variety of approaches to reviewing the DPs. A process will be developed for identifying which reviews could be undertaken by the Direct Payments Support Team and which ones will require the involvement of the Review Team. This will also enable other review work streams to continue to contribute to the MTFS.
 - (v) Writing out to all DP recipients may not produce the cooperation required:
 - (a) The use of a combination of all the approaches will assist. If the letters do not receive a response, they can be followed up with the DP recipient in a timely way.
 - (vi) The extent of the initial set up work may cause delay and expectations of the team in terms of volume of cards delivered may be too high:
 - (a) Advice has been sought from CCF as to the launch date and the rate and number of cards to be issued by the team.