



The Client

Buckinghamshire County Council

The Project

Delivery of over 1000 Direct Payments using the PCG Virtual Wallet Solution

The Result:

Over £1m in savings in Year 1

The Opportunity

Buckinghamshire County Council (BCC) had put considerable effort into increasing the number of adult social care clients receiving a Direct Payment (DP). In 2015/16 the adult social care department had, in many ways, become a victim of its own success with over 1350 DPs - exceeding the ASCOF target by 20%. Around 1100 individuals had their own DP bank account and the remainder had been issued with a pre-paid card.

This success created a number of challenges:

- *The high degree of manual checking and hand-off between staff in different departments meant that it was taking 34 days to set up new DPs*
- *The ongoing management and oversight of DP payments was complicated by the fact that information was stored across multiple systems*

- *Social care staff had great difficulty ensuring that the packages of care being purchased were aligned with the assessment of need.*
- *A 3rd party managed account service had been commissioned to support individuals but even with this wrap-around service, clients were frequently confused, receipts were mis-laid and BCC lacked visibility about how DP funds were being spent.*
- *The cost of running the service was rising by £100k per annum at a time when BCC had to identify 7.5% savings across the authority.*

The Solution

BCC selected PCG's Virtual Wallet solution. With only a 3-month implementation phase, the Virtual Wallet went live on 1 April 2017.

Year 1 IN NUMB3RS

Following evaluation of the first year of operation, the solution has been tweaked and continues to operate successfully. The numbers speak for themselves....

**£1.1
Million**

Clawback of unused funds returned to BCC

**19
Days**

The reduction in the time taken to create a new DP account

£340k

Annual, cashable savings for BCC

1100
Virtual Wallet

Direct Payment client records being managed in Virtual Wallet

How Virtual Wallet works - as simple as 1, 2, 3...

We listened to parents and the Council, and came up with a very simple hypothetical scenario:



PCG receives one payment from the LA and allocates each individual's direct payment to their Virtual Wallet. Client contributions and top-ups can be paid directly into the Virtual Wallet or via the Local Authority and they are clearly identified in the system.



Individuals or professionals choose and book services through the online eMarketplace that includes a weekly calendar that shows when care and activities are scheduled.



Once the product or service has been delivered, the Virtual Wallet processes payments to the provider automatically. There is no need to retain paper copies of purchase orders and invoices because everything is recorded in the Virtual Wallet system.

The Result

The following table summarises the back-office activities undertaken by BCC and the Virtual Wallet in the first year of operation:-

£10m Spend over 12 Months	BCC	Virtual Wallet	Comments
Suppliers	1 vendor	347 PAs 265 Providers	PAs and Providers do not need to exist on BCC systems
Products & Services	None	2,236	Highly complex catalogues to be managed
Invoice queries	None	20	Virtual Wallet is very low as % of spend/number of invoices
BACs runs	69	1,564	PCG run BACs daily, sometimes twice a day, with result being average payment terms is 3 days
Payments	69	16,648	Number of payments made to providers
Client Contributions / Top Ups (inbound)	10	4,105	Individuals pay direct to Virtual Wallet

“ The introduction of Virtual Wallet at Buckinghamshire both enabled us to make substantial savings in relation the cost of our previous external contract (reduced by approximately 40%) as well as demonstrating the benefits of “digitalisation” for people, providers and BCC. In real terms this equated to **£350,000** year on year savings because the new technology delivered significant efficiencies that enabled us to restructure the way we delivered Direct Payments.

Virtual Wallet provided visibility into each individual's Direct Payment account. This greatly simplified the clawback process and in the first year of operation we almost doubled the clawback from £630k to **£1.1 million**. The process also provided us with a prioritised list of individuals to review.

