

# Prepaid Financial Services Solutions Helping Councils meet April 2013 Deadline of Welfare Reform Act 2012

Submitted by: Prepaid Financial Services

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Prepaid solutions from Prepaid Financial Services (PFS) are helping Local Authorities and councils meet the challenges posed by the abolition of the discretionary social fund and its impact on Crisis Loans and Community Care Grant payments, as outlined in the Welfare Reform Act 2012.

From April 2013, the Department of Work and Pensions will be handing over the responsibility of making Crisis Payment and Community Grants to Local Authorities. This follows the changes implemented via the Welfare Reform Act 2012 which abolished the discretionary Social Fund and introduced payments on account to replace Crisis Loan alignment payments and eventually Budgeting Loans as well, and paves the way for delivery of new local services to replace Community Care Grants and Crisis Loans for general living expenses.

The funding is not "ring-fenced" for any purpose, but the Government has advised Local Authorities what it expects the funding to be used for, the underlying principles, and the new initiatives are expected to deliver a range of positive impacts; providing a more responsive and integrated service for local residents.

## The Challenge for Local Authorities

The new regulations pose a number of challenges for Local Authorities as summarised below

- Implement a solution that complies with the new regulations.
- Find a mechanism to dispense one off payments effectively.
- The solution should allow for spend to be tracked.
- The solution needs to be implemented and in place by April'2013
- All of the above needs to be achieved cost effectively to meet government outlined austerity objectives, in the new economic climate.

## Real Time Integrated Solutions from PFS

The dedicated Local Authority prepaid solutions

(<https://www.prepaidfinancialservices.com/news-and-media/pfs-local-authority-solutions-helping-councils-meet-april-13-deadli>) provided by PFS are designed to help Local Authorities meet these challenges head-on. Key features include

- Prepaid cards for one off or recurring loads
- Cards can be given out over the counter or sent to recipients via post
- Cards can be loaded in real time or bulk load by the Local Authority for the specific sum
- There is greater control over spend with the ability to block spend at certain merchants (MCC Code blocking) along with the ability to restrict ATM facilities as well.
- Cards can have 90 day expiry if required for one off payments or can be valid for up to 3-5 years for longer recurring payment programmes.

- Local Authority solution can be set up in a matter of days to ensure that they are compliant and meet all regulatory deadlines.
- PFS can provide demonstrable evidence of the direct financial benefit to local authorities utilising PFS solutions. Examples include one council which had £150k in savings from overpayments in January 2013, compared to £13k in the same period last year in addition to savings of around 5% of their annual spend of £4m on direct payments.

#### Benefits to Local Authorities

The benefits to Local Authorities are numerous and can be summarised as follows:

- Fast setup with solution live in a matter of days.
- Effective solution which directly impacts financials
- Easy to manage
- Low cost of set up and run
- Allows quick and effective reclamation of unspent funds
- Track all spend without cumbersome monitoring policies
- Track via exception as opposed to having to track as default with a comprehensive audit trail.
- Meet compliance deadlines and additional savings generated can be invested in other departments and initiatives.

#### Benefits to Local Residents

- Safe and secure mechanism to receive grants, loans and other disbursements and avoid some of the security issues around cash in pocket.
- Can spend online, in-store and over the phone.
- Easy to budget and see what is left on account.
- Fast and effective release of disbursements.
- No longer need to maintain extensive expense trails on spend as spend is monitored.

#### How it Works

PFS can have you set up in a number of days using a well-established process

- Scheme set up for Local Authority in a number of days.
- Local Authority holds cards in stock at its premises or orders cards when required from PFS.
- Local Authority staff enter amount to be loaded to each card or bulk entry for larger loads.
- User gets PIN number by SMS or IVR
- User can spend wherever MasterCard® is accepted (but some MCC & ATM may be blocked by Local Authority )
- Local Authority monitors cards and spend in real time
- Local Authority can issue a replacement card if card is lost
- Local Authority can recoup unspent funds if desired
- Solution can be integrated with Local Authority finance and audit solutions for tracking, monitoring and reporting purposes.

A number of public sector organisations are already benefitting from the unique prepaid solutions (<https://www.prepaidfinancialservices.com/>) for Local Government provided by Prepaid Financial Services. If you are interested in finding out how your organisation could benefit from the real time integrated prepaid disbursement and payment solutions for Loans, Grants, Benefits and Expenses, contact a member of the PFS sales team on +44 (0)207 125 0321 or e-mail [sales@prepaidfinancialservices.com](mailto:sales@prepaidfinancialservices.com)

Prepaid Financial Services Ltd. has programmes operating in 10 currencies and is recognised as a specialist supplier to the prepaid industry globally and is one of the preferred suppliers for MasterCard Europe.

- Notes to the Editor -

Prepaid Financial Services (PFS) Ltd. is an award winning global prepaid programme manager, e-money Issuer and a preferred MasterCard® supplier, operating out of the UK. PFS is authorised and regulated as an e-money issuer by the Financial Services Authority (FSA) in the UK and have passported our e-money license across the SEPA region to enable card issuance in up to 32 countries.

In addition to programme management and issuance, PFS also offer BIN sponsorship and processing services for entities running or planning to run prepaid programmes within Europe.

PFS manage multiple programme's processing millions of transactions every week and our products are utilised by Governments, Local Authorities, blue chip corporations, SME's and individual consumers utilising our cutting edge, secure technology.

Since our launch in 2008, PFS have rapidly established itself as a trusted, dependable and credible prepaid provider to a range of clients across the globe.

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