

PORTFOLIO HOLDER FOR HOUSING

6 JULY 2021

REPORT OF ASSISTANT DIRECTOR (PARTNERSHIPS)

A.1 TENDRING CARELINE – NEW CONTRACT

(Report prepared by Mark Westall, Head of Customer and Commercial Services)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

The purpose of this report is to request approval of new fees and charges for current and future Careline private pay service users in response to increased costs and changes in how the service is delivered.

EXECUTIVE SUMMARY

The new Essex-wide telecare contract let by Essex County Council (ECC) will have an impact on future Tendring Careline service users that cannot, or do not want to, access the service via Adult Social Care. From 1st July 2021 these customers will not have their equipment funded by ECC.

Future Private Pay Service Users

At the latest, by the end of 2025, BT will turn off the analogue telephone signal to all homes across the UK. This will affect everyone that has a landline telephone and particularly those residents that have an analogue Careline alarm plugged into their telephone socket. The role-out of digital exchanges has already begun with some exchanges in Essex switched over from analogue. When this switch happens, all Careline service users will need to have a digital alarm that works through the internet or via a sim card (preferred) installed in their homes. The old analogue alarms cannot be guaranteed to work and the telecare industry is already experiencing an increasing failure rate.

To ensure that our service users have technology that is robust and effective, and so that we are not storing up future costs in terms of replacement alarm units, Tendring Careline intends to only install digital alarms going forward for new private pay service users. However, as ECC will no longer fund the equipment for these service users we will need to recoup the cost of both the Technology Enabled Care (TEC) and the sim cards. It is imperative that a new set of fees for future private pay service users is approved.

Appendix 1 sets out the proposed fees and charges for new private pay service users and, as can be seen, these will vary dependant on the equipment that the individual service user will need. It must be stressed that this will only apply to customers that have been means tested as able to afford the service or those that do not want to be assessed by Adult Social Care.

Current Private Pay Service Users

Current private pay service users will be unaffected by the new ECC contract as they already have the equipment they need in their homes (although it will need changing during 2025 if

they are still Careline customers). However, Careline fees and charges for these customers were last raised in April 2019 and since that time input costs have risen significantly. Staff salaries account for circa 73% of all costs at Careline and we have seen a salary increase for Grade 3's of 9.42% and for Grade 4's of 5.32%.

	Salaries	Overtime	Total
2018/19	£445,237	£73,781	£519,018
2020/21	£519,377	£115,864	£635,241
Difference			-£116,223

For its service users Careline operates on a subscription model and these have not kept pace with the rise in costs. For current Careline service users the monthly fees need to rise by £2.01 per month to £23.35 (generating an extra £48,000 per year and allowing the service to recoup some of these costs). This will still make Tendring Careline cheaper than any comparable alternative. Colchester Helpline currently charge £28.54 per month for its basic service, and they are not accredited by the Tec Services Association.

The full increase in costs will not be passed on to Careline service users. It is expected that the remainder of the shortfall will be covered by increased income from our external contracts.

RECOMMENDATION(S)

That the Portfolio Holder for Housing approves the new monthly fees for private pay Careline service users as set out in appendix 1.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

Delivering High Quality Services

Tendring Careline has been delivering high quality services for many years. This is borne out by Accreditation from the TEC Services Association, hundreds of messages of thanks received from Service Users and their families, the ability to attract external contracts, and the High Sherriff's Award of 2020.

The new ECC Telecare contract will see the service grow in size quickly, therefore the implementation of the new structure is vital if we are to continue to deliver the same high quality services.

Strong Finance and Governance

Tendring Careline has been in existence for 34 years. Particularly in the last 7 years, the attraction of external contracts has allowed the service to keep prices down for Tendring residents yet remain self-sufficient. The award of the ECC telecare contract will safeguard the future of the service for the next four years, and probably beyond, as long as Careline is able to meet the objectives and retain the contract. It will also allow the service to employ more local people which benefits the local economy.

It is important to ensure that the service is well financed now in order to maximise the opportunity of future years.

FINANCE, OTHER RESOURCES AND RISK

Finance

As shown above, the Careline service needs a new set of fees and charges for future private pay service users in order to recoup the cost of the equipment that will be installed within their homes. Likewise the fees and charges for current service users need to be increased to counteract the increase in input costs.

Risk

Careline is not a statutory function that TDC has to deliver, therefore it is desirable that it operates at breakeven or even a small surplus that can be re-invested in the service. The service must be well resourced in terms of staffing or our service users may potentially be at risk. Likewise the risk of running at a loss is that the validity of the service could come into question putting local jobs under threat.

LEGAL

The Portfolio Holder for Housing has the powers to approve the new monthly charges for Tendring Careline.

PART 3 – SUPPORTING INFORMATION

BACKGROUND

Tendring Careline delivers a service to circa 10,800 telecare customers (circa 2,300 are Tendring residents) and also deliver out-of-hours services for Rochford District Council and Lee Valley Parks.

ECC began the process to commission an Essex-wide telecare service in early 2016 with a diagnostic of the market place undertaken by external contractors (although they had been in talks with Carelines since 2012). The original tender, which was eventually withdrawn, was announced in October 2018 with new tender documents published during 2020. The contract was awarded in March 2021 to a consortium of which Tendring Careline is a part. The start date of the new service was 1st July 2021.

Careline fees and charges were not increased for the financial year 2020/21 whilst awaiting the outcome of the ECC tender.

Any analogue alarms that are still in use by Careline service users will need to be exchanged during 2025. The average customer stays with Careline for 3.5 years therefore it is likely that most of the analogue alarms will have been replaced via 'churn'.

CURRENT POSITION

Fees for current Service Users were also not increased for the current financial year in April pending the outcome of the ECC tender.

APPENDICES

Appendix 1 – Proposed Careline fees and charges.