

CAMBRIDGESHIRE LIFELINE PROJECT BUSINESS CASE

To: **General Purposes Committee**

Meeting Date: **24th March 2020**

From: **Jane Crawford-White, Service Development Manager,
Technology Enabled Care Services**

Electoral division(s): **All**

Forward Plan ref: **Not applicable** *Key decision:* **No**

Purpose: **To consider a Transformation Fund bid to support the business case for the Cambridgeshire Technology Enabled Care Service to become a Lifeline Provider that includes a tender for an Alarm Receiving Centre for a four year contract.**

Recommendation: **The Committee is asked to approve the application for up to £172,406 Transformation Funding over the next two years.**

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1. INVESTMENT PROPOSAL SUMMARY TRANSFORMATION FUND BID

Bid Title	Lifeline Project
Service Area / Directorate	Early Intervention and Prevention, Adults Services, People and Communities
Sponsoring Director	Charlotte Black - Service Director, Adults

Brief Description of Bid	<p>The proposal is that Cambridgeshire Technology Enabled Care (TEC) becomes a Lifeline provider so that the income from the charges to customers funds the provision of the service.</p> <p>Transformation funding of £173k is required at the start of the project to cover the overall expenditure until the service can completely cover its own costs. In year 3 the income from customers covers the cost of the service and makes a net saving of £82k. In year 4 this rises to a net saving of £175k. The net saving in year 5 of £183k will then continue annually based on stable numbers of connections.</p> <p>The charge for the service will be kept under review to ensure costs continue to be covered, and the service will review opportunities to expand or deliver more efficiently, which may see a return on investment over the longer term.</p>
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Type of Bid	Invest to Advance and Invest to Save
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Strategic Links	Finance, Procurement, Commissioning, Transformation, Technology Enabled Care
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Pay Back Period in Years	3
Savings/Investment Ratio over 5 Years	£182,608 = 1.06 ROI, plus cost avoidance and non-financial benefits

2. BACKGROUND

- 2.1. The County Council will need to plan for the telephone digital switch over in 2023 – 2025 and how it impacts on all the customers who have connected telecare. In Cambridgeshire this is currently estimated to be between 12,000 and 15,000 people who live in sheltered accommodation and people who have a Lifeline in their own home. This group of people will be the most affected by the digital switchover because they rely on land line connections and the Alarm Receiving Centres (ARC) who are slow to upgrade to fully digital platforms. This project will make a significant contribution to preparing for the switch over for those people with Lifelines in their own homes. The Housing Providers will remain responsible for the preparation for the digital switchover for people living in sheltered accommodation.

- 2.2. The proposal is that Cambridgeshire's Technology Enabled Care (TEC) becomes a Lifeline provider so that the income from the charges to customers funds the provision of the service. The business case is based on the purchase of digital Lifelines with connectivity via mobile sim cards and/or internet protocol. TEC will also tender for an Alarm Receiving Centre with a digital platform that enables integration with the Lifeline and sensors and detectors in people's homes. The move from analogue to digital enables the transmission of larger volumes of data that transforms telecare from being a reactive service to being preventative and even predictive.
- 2.3. Transformation Funding of up to £39k was approved as part of the Adults Positive Challenge Programme in April 2019 for the discovery phase of the project (including input from subject matter expertise (SME)), which has resulted in this business case with next steps for successful implementation. The main business case was approved at Cambridgeshire and Peterborough Joint Commissioning Board in January 2020, and subsequently has been submitted to go to Adults Committee on the 12th March 2020.
- 2.4. TEC is a key service that is part of the Prevention and Early Intervention Services for adult social care, working closely with Adult Early Help, Reablement, Sensory Services and the Enhanced Response Service. Increasing the uptake of TEC is a core part of the Adults Positive Challenge Programme. This proposal will enhance the ability of TEC to achieve their targets and is an essential step prior to further developments and opportunities.

3. MAIN ISSUES: THE PROPOSAL

- 3.1. The proposal is for the TEC service to become a Lifeline provider the team would need two staff to install the Lifelines, the sensors and the key safe in one visit. Business Support would be needed to manage the referrals, recording on the client information system and the finance system, completing reviews at six weeks and liaising with the ARC (total 3 FTE). A competitive tender process will need to be completed to secure a 4 year contract for the ARC. The ARC will provide the 24/7 monitoring of the Lifeline activations and instigating a response from family, Enhanced Response Service or emergency service.
- 3.2. Customers would be charged a flat rate for the 24/7 monitoring, installation, withdrawals and maintenance. All customers would be charged irrespective of whether they had a care package or not. However for those on benefits and who are in receipt of a Council funded care package who undergo a financial assessment, the assessment will take into account their payment for a community alarm system as Disability Related Expenditure (DRE) as per The Care Act's Care and Support Statutory Guidance. The Guidance specifically states "Community Alarms" as a key example areas of DRE that must be considered as part of someone's financial assessment to determine their care charge. This recommendation will not require any changes to the most recent Adult Social Care charging policy to accommodate this.

- 3.3. The provision of Lifelines is not a statutory social care provision. There is no specific guidance for social care on the charging for Lifelines, provision is generally a housing provider responsibility. People who are becoming frail and vulnerable will generally consider having a Lifeline as the first support service that is taken up often several years before care is needed. Therefore in the first couple of years of the Lifeline service the overwhelming majority of people will not be in receipt of care. This charging option is supported at Joint Commissioning Board as preferred for the process for setting up of the advance quarterly billing cycles that is distinct and separate from the care billing cycles. The processes and resources needed for Finance Teams will be simpler and manageable within existing capacity.
- 3.4. The proposed rate of charging Customers is £5 per week. The Customer would have a six week trial period funded by the Council, the current retention rate is 75%. This initiative has been very successful at increasing the numbers of people with Lifelines. There would be no additional charges for installation, the numbers of sensors, the keysafe and the Enhanced Response Service. Benchmarking has been completed with other Local Authorities on their charging regime and their rates of charges. The rate of £5 is competitive and it avoids the separate up-front costs of an installation (£30-40) and a keysafe (£45 – 60) that can be a deterrent for the Customer agreeing to have a Lifeline.
- 3.5. The Cambs TEC Lifeline service would be implemented with new Customers only. There is no changes proposed for any existing Lifeline Customers. Based on current rates of TEC Lifeline installations, there are 73 new connections made per month and 55 (75%) retained at the six week review. The contract with the ARC is based on a charge per connection per week following soft market testing. The value of the four year contract for the Alarm Receiving Centre is expected to be £160,614.

	Number of connections	Value of the contract with ARC (£)
End of year 1	663	12,398
End of year 2	1326	31,360
End of year 3	1989	50,322
End of year 4	2652	66,535
		Total 160,614

- 3.6. Transformation funding of £172,406 is required at the start of the project to cover the overall expenditure until the service can completely cover its own costs. In year 3 the income from customers covers the cost of the service and makes a net saving of £81,599. In year 4 this rises to a net saving of £174,520. The net saving in year 5 of £183k will then continue annually based on stable numbers of connections at a charge of £5p/w. The charge for the service will be kept under review to ensure costs continue to be covered, and the service will review opportunities to expand or deliver more efficiently, which may see a return on investment over the longer term.

£5pw charge	Total income	Total costs + equipment	Transformation Fund required	Net saving*
Y1	70,265	212,087	141,822	
Y2	245,050	275,634	30,584	
			172,406	
Y3	420,810	339,211		-81,599
Y4	567,450	392,930		-174,520
Y5	583,050	400,442		-182,608

* The project will start in 2020/21. The financial modelling will be confirmed once the start date is confirmed and tender complete. The above figures are accurate assuming a full 12 months in year one.

- 3.7. Section 93 Local Government Act 2003 gives local authorities the power the charge for services that they have a power but not a duty to provide. The level of income is restricted to the amount it costs to provide the services. It is important for them not to make a profit. They are not constrained in how they calculate costs. They can include the full cost of all aspects of the service provision. To that end the model factors in staff time allocated to the project and their corporate allocation.
- 3.8. The provision of Lifelines, TEC and the Enhanced Response Service are often the first services provided from Adult Social Care. The meeting of irregular and on demand needs of Service Users with these preventative services is effective at postponing the requirement for regular long term social care. Looking at the activity of the Enhanced Response Service in the 9 months since April 2019 ERS has responded to 4,366 calls where there was no family member to respond. They have attended 1,668 calls for a fall and provided 1,170 people with personal care that is not part of a regular care package. This team has avoided 4,113 calls going to the Ambulance Service. Family members also respond to Lifeline activations that in reality make the greatest contribution to avoiding and postponing the need for health and social care. Lifeline provision enables people to continue living in their own home for as long as possible and at the same time gives family members peace of mind that their relative can summon assistance whenever it is needed day or night.
- 3.9. It is noted that overall cost avoidance attributed to the increased use of TEC in the county is forecast to be around £5.8m for 2019/20. Although the financial benefits costed for this project clearly show the direct savings and surplus that could be achieved, as the Lifeline is one aspect of this overall TEC cost avoidance, there are indirect financial benefits to the council for undertaking this project that will simplify the whole process and hopefully increase use of TEC.

3.10. Performance Measures

Measure of Performance Improvement	Baseline	20/21	21/22	22/23	23/24
Number of Lifeline connections	55 per month	275*	950 (new 675)	1642 (new 692)	2352 (new 710)
Retention rate at 6 week review	75%	75%	77%	79%	81%
Number of reviews instigated by activation history/ERS concern	0	12	47	82	118

*Figures for 20/21 based on 5 months activity and assumption of start date in November 2020

3.11 Risks and Contingencies

The Project group has completed a risk assessment. The table below includes the main risks that scored 15 or over (red) and 8-14 (amber) with their planned mitigation.

Risk	Risk level	Mitigation
Something not working at digital switchover	red	Proposal that Cambs TEC becomes a Lifeline provider. TEC purchases digital Lifelines only. TEC procures an Alarm Receiving Centre with digital platform. TEC liaises with other Lifeline providers in Cambs to minimise risks
Lifeline provision in Cambs very different from Peterborough	amber	Need for simplification greater in Cambs but ensure model proposed could include Peterborough at a future date
Costs of business case based on ARC charges of 55p per connection per week	amber	Completed extensive pre tender discovery work. Consultation with Telecare Services Association
Digital Lifelines more expensive than standard Lifelines and are reliant on roaming sim cards	amber	Secured quotes from several main Lifeline suppliers. Assumed all customers would need sim card and included these costs in business case. Some customers may have broadband that can be utilised that would reduce overall costs of sim cards
Income is lower than expected due to lower referral rates to TEC but also higher numbers of people with care package and on benefits	amber	Communications strategy to raise awareness of TEC with public to promote awareness of TEC and referrals. Council website has a self-referral form to TEC. Baseline of TEC caseload has just 28% cases in receipt of care package. New

		referrals less likely to have a care package therefore impact delayed.
Not being competitive when compared with other Lifeline providers in the local area	amber	Benchmarking completed with other local providers. Retain advantages of reduced upfront charges and a free to customer for a trial period. Promote the extra advantages of Cambs TEC being part of other services in Prevention and Early Intervention and particularly the Enhance Response Service.
Equipment purchase through the Integrated Community Equipment Service (ICES) contract, however ICES contract is due for retender in March 2021	amber	Ensure ICES Commissioner is fully aware of this project and includes it in the refreshment of the specification for the ICES contract
Reduced income due to customers refusing to pay or inability to afford payments	amber	Develop guidance on managing hardship. Managers have discretion to fund Lifeline based on levels of risk of the individuals circumstances

3.12. Summary

The Cambridgeshire Lifeline Project is an important service development that delivers considerable advantages to Customers, TEC and Adult Social Care. It minimises the risks for the digital switchover, increases the preventative and early intervention offering and is essential for a further two proposals. The Committee are asked to support Transformation Funding of £172, 406 for the start of the project. In year 3 the project will be covering its operational costs and will make a net saving of £182,608 in year 5. Future years will make similar savings as year 5 and still provide health and social benefits to individuals.

4. ALIGNMENT WITH CORPORATE PRIORITIES

4.1. A good quality of life for everyone

A good quality of life for everyone – The recommended proposals have been considered alongside the need to support people to live healthy and independent lives and to prepare to minimise the risks around the telephone digital switchover and enhance the provision of preventative and early interventions in adult social care.

4.2. Thriving places for people to live

There are no significant implications for this priority

4.3. The best start for Cambridgeshire's children

There are no significant implications for this priority

4.4 **Net zero carbon emissions for Cambridgeshire by 2050**

There are no significant implications for this priority

5. **SIGNIFICANT IMPLICATIONS**

5.1. **Resource Implications**

The report above sets out implications at section 3.7.

5.2. **Procurement/Contractual/Council Contract Procedure Rules Implications**

A tender for a four year contract for an Alarm Receiving Centre will need to be completed as per current Council procedures. David Isaacs from Procurement has been engaged and will support this process.

5.3. **Statutory, Legal and Risk Implications**

The following bullet points set out details of significant implications:

- As per 3.5 above, as per the procurement of a suitable ARC there will be associated legal advice required for the contract.
- Risks and mitigating actions are listed in the Adults Committee report at section 2.50. These are to be managed via the implementation plan.
- The statutory implications are outlined above in the Adults Committee report at sections 2.11 and 2.25.

5.4. **Equality and Diversity Implications**

A Community Impact Assessment has been completed details in Adults Committee report

5.5. **Engagement and Communications Implications**

A communications campaign is needed to promote the new service to the public and professionals, produce leaflets and update the new service on the TEC website

5.6. **Localism and Local Member Involvement**

There has been engagement with Chair of the Adults Committee, Councillor Anna Bailey, who endorses charging proposal at section 3.2 - 3.4 above. This report will be discussed in full at opposition leads and Chairs and Vice Chairs pre-meetings. There will also be engagement with Councillor Steve Count ahead of the March GPC.

5.7. **Public Health Implications**

This project enables the TEC service to move from being reactive to being preventative and to further develop with intelligent Lifelines to ultimately become predictive, improving the lives of some of the most vulnerable in society.

Implications	Officer Clearance
Have the resource implications been cleared by Finance?	Yes or No Name of Financial Officer: Tom Kelly
Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the LGSS Head of Procurement?	Yes Name of Officer: Gus de Silva
Has the impact on statutory, legal and risk implications been cleared by the Council's Monitoring Officer	Yes or No Name of Legal Officer: Fiona McMillan
Have the equality and diversity implications been cleared by your Service Contact?	Yes Name of Officer: Emily Gutteridge
Have any engagement and communication implications been cleared by Communications?	Yes Name of Officer: Matthew Hall
Have any localism and Local Member involvement issues been cleared by your Service Contact?	Yes or No Name of Officer: Charlotte Black
Have any Public Health implications been cleared by Public Health	Yes or No Name of Officer: Laurence Gibson

Source Documents	Location
1. Report to Adults Committee 2. Report to Joint Commissioning Board 3. Full financial costings 4. Implementation Plan 5. Risk Log 6. Specification for Alarm Receiving Centre	<p>All documents are saved in the CCC Assistive Technology projects area and are available on request.</p> <p>Contact Jane.Crawford-White@cambridgeshire.gov.uk</p>