

Report to the Cabinet



**Epping Forest
District Council**

Report reference: C-052-2016/17

Date of meeting: 2 February 2017

Portfolio: Report of the Communities Select Committee

Subject: Review of the Epping Forest Careline Monitoring Service

Responsible Officer: Roger Wilson (01992 564419).

Democratic Services: Gary Woodhall (01992 564470).

Recommendations/Decisions Required:

(1) That, in accordance with Option Three in the report, the Council's Careline Monitoring Service be outsourced to an external provider through a competitive tendering exercise;

(2) That, if Recommendation (1) above is agreed, a further report be submitted to the Cabinet regarding:

(a) a restructure of Housing Older Peoples Services following the Careline Service being outsourced; and

(b) future charges to users based on the cost of the outsourced service;

(3) That, in order to mitigate any risks to the service during the transitional period (as set out in the Risk Management Section of the report), budget provision be made as follows:

(a) That retrospective approval be agreed under emergency budget provision for the purchase of the PNC call answering equipment funded by a virement of £32,000 in 2016/2017 from the Non-Cost Reflective Repairs Budget;

(b) That additional revenue funding of £38,000 be agreed as part of the HRA budget in 2017/2018 in order to meet the costs of the ex-gratia retention payments and any potential costs of handing over the service to the manufacturer during periods of staff shortages; and

(c) That further additional revenue funding of £70,000 as part of the HRA budget be agreed in order to meet the transitional costs set out in Paragraph 72 of the report.

Executive Summary:

At our meeting on 21 November 2016 we considered a report from the Director of Communities on the following four options for the future delivery of the Careline Alarm Monitoring Service:

- (1) That the Careline Monitoring Service continues to be provided by the Council under the current arrangements;
- (2) That the Council provides an enhanced Careline Monitoring Service;
- (3) That the service is monitored through another provider 24/7; or
- (4) That the service is monitored through another provider overnight.

The reason why our Committee undertook the Review, which formed part of our agreed Work Programme, was due to the expansion of the Careline Monitoring service, with the increasing number of private sector connections and advances in technology, which we were advised is causing management and operational aspects of the service becoming more complex. In addition, we considered the difficulties being experienced in recruiting staff due to the nature of the work and the salary level. This has led to additional pressures on existing staff that have had to cover, not only vacant posts, but also annual leave and sickness absences. We also considered the cost of the various options to the Council and users, and the possibility of funding currently received from Essex County Council being withdrawn from April 2017.

Following detailed consideration we concluded that the best option for the future delivery of the service was Option 3 and we are therefore recommending that the service be outsourced to an external provider following a competitive tendering exercise.

We further recommend that a report is submitted at a later date to the Cabinet on a restructure of Housing Older Peoples Services following the Careline Monitoring Service being outsourced and a review of charges to users, subject to the Cabinet agreeing the outcome of the proposed competitive tendering exercise.

We have also made a further recommendation relating to the required transitional costs up to when the service is outsourced.

Reasons for Proposed Decision:

Our Committee considers that outsourcing the Careline Monitoring Service to an external provider will ensure its future resilience and reduce costs to the Council and/or charges to users.

Other Options for Action:

- (i) That the Careline Monitoring Service continues to be provided by the Council under the current arrangements in accordance with Option One in the report.
- (ii) That the Council provides an enhanced Careline Monitoring Service in accordance with Option Two in the report.
- (iii) That the service is monitored through another provider overnight in accordance with Option Four in the report.

Report:

1. At our meeting on 21 November 2016 (Minute 40 refers) the Communities Select Committee considered a report on the options for the future delivery of the Careline Alarm Monitoring Service.

2. The Council's Careline Monitoring Centre is based at Parsonage Court, Loughton. The service was introduced in June 1984 and offers a twenty-four hour, 365 days per year, emergency alarm monitoring service to older and disabled people living within the District. The Service is also offered to other vulnerable groups including victims of domestic violence and younger people with disabilities. The Council's own sheltered housing schemes and other designated dwellings for older people on housing estates have a hard-wired system installed in their properties with a speech module mounted on the wall and a pull cord in each of the rooms. There are currently 2,572 properties (representing around 3,500 people) in the District linked to the centre in this way.

3. In addition to emergency alarms, Careline provides many other important services which include the following:

- Monitoring a range of associated sensors including smoke, carbon monoxide and flood detectors, bogus call buttons and inactivity mats;
- CCTV systems at sheltered housing schemes;
- Lone worker systems for Council staff;
- Monitoring and supporting Scheme Managers who are on/off site Private sector dispersed alarms (see Paragraph 4 below);
- Monitoring of alarm systems of other housing providers; and
- Initiating call-outs for rest centre staff in the event of a civil emergency, in accordance with the Housing Emergency Plan.

4. The Careline Monitoring Centre also gives valuable support to Scheme Managers. In the Scheme Manager's absence, Careline contacts residents over the alarm system at varying frequencies, based on their level of risk. Scheme Managers pass information about their schemes to Careline staff when going off duty, and are updated on any incidents when they return.

Private Sector Installations

5. Around 1,380 of the connections are private sector dwellings, which are connected via a dispersed alarm, which has an associated neck worn radio trigger. A range of various sensors are offered for example, on line smoke alarms, fall and flood detectors etc. The user pays an annual rental to the Council for the service; in 2015/2016 the Council received a total income of around £185,000, inclusive of associated sensors. This includes income for monitoring alarms for a small number of housing association schemes. The Council works in partnership with Essex County Council which funds the first 12 weeks rental for the user.

6. The charges made by all Essex authorities last year (2015/16) are set out at Appendix One. As can be seen, the charges currently made by the Council are very competitive compared to other authorities in Essex.

Careline Initiatives

7. The Council has introduced many Careline initiatives which include the following:

- A Disaster Recovery Plan which is an essential back up system. In the event of a major incident at the Careline Monitoring Centre, all calls can be diverted and handled at the equipment manufacturer's own control centre in Yorkshire where clients' information is securely stored and is regularly updated should this alternative system be needed.

- Careline has an ongoing test programme ensuring all systems are working. This includes testing for any faults with the equipment itself, or the telephone line, which provides the link for the scheme.
- Following the installation of a dispersed alarm system, the client's next of kin is notified in writing.
- Client records are updated regularly, backed up on disc and stored away from the Careline Monitoring Centre with hard copies being filed at the Centre.
- The Housing Manager (Older Peoples Services) gives presentations to local groups, and other agencies, promoting the service. In addition, leaflets and posters are placed at the Council's Information Points, Libraries, and Citizens Advice Bureaus, etc. The service is advertised in the local press, and the Council's tenants' magazine "Housing News". When an enquiry is received about the service, an application pack is sent out.
- The Council pledges to install a basic dispersed alarm for any new private client when requested on an urgent basis within 2 working days of receiving the application. This timescale is regularly achieved.
- Careline works in partnership with other agencies like the Police who promote Telecare when assisting victims of domestic violence or bogus callers and the Fire Service when undertaking home safety checks.
- All conversations which take place over the alarm service are recorded and retained for a 12 month period. This is an important safeguard and enables the Council to investigate any complaints made about the service.
- Careline monitors fire alarms within the sheltered housing schemes when the Scheme Manager is off duty.
- All those residents who are nominated as "high risk" are called and accounted for every day.
- The Council is the founder member of the Essex Emergency Communications User Group, which was set up in 1984. This is an important means of liaising with other alarm service providers throughout Essex.
- Careline alarms are installed at the Council's homeless person's hostel at Norway House, North Weald. Various passenger lifts are also monitored by Careline including those at sheltered housing schemes and on the Limes Farm housing estate, Chigwell.

Reason for the Review

(a) Expansion of the Careline Monitoring Service and Covering Arrangements

8. The reason why our Committee considered the report was due to the expansion of the Careline Monitoring service. This is in terms of the number of private sector connections and the advances in technology enabling service users to benefit from a range of associated sensors, which we were advised is causing management and operational aspects of the service to become more complex. In addition, we considered the difficulties being experienced in recruiting staff due to the nature of the work and the

salary level. This has led to additional pressures on existing staff that have had to cover, not only vacant posts, but also annual leave and sickness absences. We noted that all new staff complete an 8 week training programme prior to commencing full duties, which adds to the burden of covering shifts.

(b) Telecare Services Association (TSA)

9. In 2011 the Careline Monitoring Service became Telecare Services Association (TSA) accredited. TSA is a nationally recognised standards body for the delivery of technology enabled care and support services in the UK. Accreditation involves the service being inspected against a rigorous regime on an annual basis to ensure it meets with the TSA Code of Practice ensuring the highest possible quality service. The Council's Careline Service has to date met all of the Audit requirements.

(c) British Standard

10. We gave particular attention to the British Standard (BS8591) which the TSA has recently brought to the attention of the Council and other authorities nationally, an extract of which states:

"There should be a minimum of two operators in an ARC [control centre] at all times, capable of carrying out all operational procedures, at least one of whom should be at their workstation at all times".

11. Officers advised our Committee that they have had discussions with the TSA who confirmed that the above Standard is under review. Although the TSA say this is work in progress, it is likely that it will be brought in line with the European Standard. Although 2 Operators on duty at all times is expected to be desired, this will result in Centres who do not have 2 Operators on duty at all times being required to put contingency measures in place should more than one emergency call be received at any one time. Such measures would be likely to include working with another centre or other 24 hour services so that such calls can be diverted, or having a duty worker at another site. There is currently no technical solution to such contingencies.

12. We were further advised that Authorities who do not comply with the Standard will not pass any TSA annual Audits when the Standard has been reviewed.

(d) Other alarm monitoring centres in Essex

13. The table at Appendix Two sets out all the Control Monitoring Centres in Essex, their staffing arrangements, number of connections, and those who have outsourced the service.

14. As can be seen, 5 authorities have retained the service and all 5 have two Operators on duty at all times, whereas 5 authorities have outsourced alarm monitoring.

Review of the Careline Monitoring Service

15. Although our Committee considers that the service currently provides an excellent and reliable service to residents, due to the reasons above we considered it important that this review is undertaken to ensure the future resilience of the service. We considered the following four options for the future delivery of the Careline monitoring service:

Option One – The Careline Monitoring Service continues to be provided by the Council under the current arrangements

16. The Committee noted that the Council is making a small surplus on the service by around £13,122 per annum, but accepted the disadvantages of continuing to provide the service under the current arrangements which are as follows:

- The Council would not be meeting with the British Standard set out at Paragraph 10 of the report and would therefore be at high risk should any call not be dealt with correctly by any Careline Operator where a user's well-being is put at risk and a challenge is brought against the Council;
- The difficulties of recruiting and retaining Careline staff and maintaining cover for staff absences, referred to earlier; and
- The inability to expand the service.

17. Due to the disadvantages set out above (apart from the surplus referred to at Paragraph 16) our Committee agreed that the Council can no longer continue to provide the service under the current arrangements, and we therefore decided that we could not recommend this Option to the Cabinet.

Option Two - The Council provides an enhanced Careline Monitoring Service

18. Under this Option our Committee considered an enhanced service which would include employing 5 (FTE) additional staff in order to meet with the British Standard referred to earlier in the report.

19. We considered the advantages of continuing to provide an enhanced Careline service under the current arrangements are:

- Scheme Managers will continue to have a local service which supports them in their work;
- Ability to expand the service without the need to employ further Operators;
- The Service can continue to initiate the call-out of rest centre staff in the event of a civil emergency, in accordance with the Housing Emergency Plan;
- Careline could provide the homelessness out of hours telephone response service; and
- All of the procurement costs under Options Three & Four would be avoided.

20. The disadvantages we considered of continuing to provide the service under the current arrangements are:

21. Apart from the busiest time being 9:30 am to 12:30pm weekdays, the service is currently covered by just one Careline Operator. As can be seen from the table at Appendix Four, additional staffing costs have been added in order meet with the British Standard (BS8591), that there should be a minimum of two operators on duty at all times, capable of carrying out all operational procedures, at least one of whom should be at their workstation.

22. Although this would comply with the British Standard, there would be insufficient work to ensure that both Operators would be fully utilised.

23. Importantly, if the service was retained in order to meet with the British Standard the Council would need to increase the establishment by 5.0 (FTE), which would increase staffing costs by around £166,300 per annum which would either need to be absorbed by

the Housing Revenue Account (HRA) or passed on to the customer. This could make the service uncompetitive and push service users towards other cheaper suppliers.

24. The table at Appendix Four sets out the cost to the Housing Revenue Account (HRA) of providing an enhanced Careline service based upon the level of expenditure expected in 2016/2017. As can be seen, if the Council were to continue with an enhanced service it would result in an increased cost to the Council of around £148,178 per annum. Therefore, under this Option in order for the service to break even, based on the calculations in the following table it would be necessary to increase charges to users by around 58%.

Category of User	Current Annual Income (£)	Increased Annual Income (58%) (£)	Current Annual charges (£)	Increased Annual charges (58%) (£)
Council Tenants – Self Funders (270 x £3.60 pw)	50,500	79,790	187.20 (£3.60 pw)	295.77 (£5.68 pw)
Council Tenants in receipt of housing benefit (777 x 0.55p pw contribution)	22,222	35,110	28.60 (£0.55p pw)	45.18 (0.87p pw)
Private Users (1,380) basic alarm charge including sensors and income from Housing Association Schemes	185,000	292,300	112.00	176.96
Total	257,722	407,200		

25. As can be seen, in order to break even there is the disadvantage that the increase in costs to private sector dispersed alarm users would make the service less competitive. The Council's charge would become the 6th highest in Essex. This could result in such users switching to another provider which could reduce income, resulting in higher charges having to be made for remaining users. However, in order to make charges more affordable, they could be reduced by an agreed percentage with any balance being subsidised by the HRA.

26. Our Committee considered the following further disadvantages of this Option which are as follows:

- Charges to service users increasing and being uncompetitive in order to meet the additional costs of the enhanced service unless the deficit is funded from the HRA;
- Difficulties with recruitment and retention and covering staff absences will increase due to the additional 5.0 (FTE) Posts;
- Inability to free up office accommodation; and
- Missed opportunity to make further savings on; staffing through a future staffing restructure of Housing Older Peoples Services; reduced service contract costs and disaster recovery arrangements.

27. Due to the disadvantages including in particular the continuation of the operational difficulties referred to and also the additional costs which would make the service uncompetitive, our Committee agreed that it could not recommend this Option to the Cabinet.

Option Three - Monitor the Service through another Provider 24/7

28. Under this Option, our Committee considered whether the alarm monitoring service should be outsourced to an external provider. We noted however, that the Council would still need to provide the associated services set out in Paragraph 35 of the report.

29. Officers advised us that following informal market testing, in order to offer a basic monitoring service to the Council's 2,572 properties currently linked into Careline on a 24-hour basis, it is expected that a third party alarm monitoring service provider would charge approximately £80,000 per annum. However, if the service was to be out-sourced this would be subject to the outcome of any competitive tendering exercise which may reduce this cost. It is important to note that any potential redundancy costs (set out at Paragraph 35) would be added to any tender obtained.

30. We considered that the advantages of monitoring the Careline service through another provider are as follows:

31. The table at Appendix Five sets out a cost analysis of providing the Careline service externally, based upon 2015/2016 actual out-turn costs and an indicative external provider's monitoring cost. As can be seen, this Option would result in a surplus of around £215,822 per annum, with the surplus the Council could consider either reducing charges to all service users, providing the service at a much lower cost to sheltered housing tenants, the savings being added to HRA balances or a combination.

32. We considered that there are the following further advantages of outsourcing the monitoring service:

- Resolving the difficulties with staff recruitment and retention and covering for staff absences;
- Removing the need for an in-house service to meet with the British Standard;
- Reduction in service contract costs of £14,000 due to the removal of the need for the PNC 5 call answering equipment;
- There would be no need to have a Disaster Recovery (DR) plan which would result in an annual saving of £5,750 (plus £130 for each hour the DR is activated) and the cost of telephone lines reducing;
- Ability to expand the service without the need to employ further Operators; and
- Ability to free up office accommodation.

33. We considered the disadvantages of outsourcing the service which are as follows:

- Although this option would result in savings, there is no guarantee that these would remain at this level in future years and there is the risk that the Council could close the Careline Centre and then have to pay higher charges in future. However, this risk can be mitigated through the application of competition;
- If it was decided to out-source the service under this option, it could prove difficult running the Careline centre leading up to the closure/transfer, as staff would be demotivated by the process, knowing they could become redundant. Members' attention is however drawn to the Risk Management Section later in the report;
- Officer's time involved in procuring the new provider including writing the specification and undertaking the client function;
- Re-programming all existing alarm equipment and running dual centres until the hand over is complete which may result in some additional one-off costs, which is estimated to be around £10,000;
- The selected provider could provide a less effective and quality service than the Council; and
- The need to cover other Council services provided by the Careline Centre set out in the table at Paragraph 36.

34. We were told that the Council's Human Resources advise that if the service was outsourced, existing staff (who spend more than 50% of their time on Careline duties) would transfer to the monitoring provider under the Transfer of Undertakings (Protection of Employment) (TUPE) Regulations. Should their new employer not require their services, then (based on an indicative termination date of 31 March 2018) a total of around £50,000 in redundancy costs would almost certainly be added to the successful providers tender for the first year's monitoring charge. This could be reduced, should it be possible to re-deploy staff. This figure is based on 5.5 FTE's transferring.

35. If Option Three was agreed it would be necessary to cover a number of other services provided at the Careline Centre by other means. These services and the suggested alternative ways of providing the services are set out in the following table:

Service	Alternative arrangements
Monitoring CCTV systems at sheltered housing schemes	Passively monitored by the Corporate CCTV officer through digital recordings as with other Council systems
Lone worker systems for Council staff	Monitored through Mears or the new monitoring service provider
Initiating call-outs of rest centre staff in the event of a civil emergency, in accordance with the Housing Emergency Plan	To be initiated by office staff during office hours and the Homelessness Officer on call out of hours
Monitoring and supporting Scheme Managers who are on/off site including calling "risk" residents at Schemes	Monitoring Service to be provided by the new monitoring service provider supporting EFDC management and retained staff

36. We noted that if the service was outsourced, although an external provider would be monitoring the service, the Council would still need to employ a number of staff to carry out the following functions:

- Undertaking the client role in managing the new service provider;
- Continuation of TSA accreditation for assessing and installing Telecare equipment;
- Continuing to manage the rest of Older Peoples Services;
- Performance monitoring;
- Partnership working with Social Care, Police etc.;
- Visiting users to update information;
- Providing cover at sheltered schemes in the Scheme Manager's absence;
- Installing and removing dispersed alarms;
- Undertaking Telecare assessments and installing sensors;
- Undertaking battery changes and testing equipment;
- Presentations to local groups and promoting the service generally; and
- Undertaking general administration.

37. Following detailed consideration, our Committee is recommending that this Option is agreed by the Cabinet.

Indicative Timescales

38. Officers advised us that if Option Three is agreed by the Cabinet work will commence on the tendering process following the call-in period. Bearing in mind that the procurement process could be managed by the procurement arm of the Northern Housing Consortium, or the Essex Procurement Hub or both of which the Council is a member, the process could take around 12 months. As it would then be necessary to undertake the transition arrangements including re-programming alarms to the new provider's centre, the handover should be completed by around the spring of 2018.

Option Four - Monitoring the Service through another provider overnight

39. Our Committee noted that one of the outcomes of the consultation with Careline Operators was that they felt a much more detailed analysis of the Option of monitoring the Careline Service through another provider overnight should be included, which was duly included in the report that we considered.

40. Under this Option, the Careline alarm monitoring service would be outsourced to an external provider but only at night between the hours of 8:00 pm to 8:00 am. Existing Careline Operators (5.5 FTE) would monitor the service during the day with 2 on duty at all times. This would meet with the British Standard without the need to employ further staff.

41. Following informal market testing, in order to offer a basic monitoring service of the Council's 2,572 properties currently linked into Careline on an overnight 12-hourly basis, it is expected that a third party alarm monitoring service provider would charge approximately £70,000 per annum. If the service was to be out-sourced overnight this would be subject to the outcome of any competitive tendering exercise, which may reduce this cost.

42. We considered the following advantages of monitoring the Careline service through another provider at night which were as follows:

- This would comply with the British Standard as existing staffing levels would enable 2 Operators to be on duty during daytime hours with the external provider monitoring at night;
- Scheme Managers will continue to have a local service which supports them in their work; and
- Ability to expand the service without the need to employ further Operators.

43. We considered the following disadvantages of monitoring the Careline Service through another provider at night.

44. The table at Appendix 6 sets out the cost to the Housing Revenue Account (HRA) of monitoring the service through another provider at night based upon the level of expenditure expected in 2016/2017. As can be seen, if the Council were to outsource the service overnight it would result in an increased cost to the Council of around £50,778 per annum.

45. Therefore, under this Option in order for the service to break even, based on the calculations in the following table it would be necessary to increase charges to users by around 20%.

Category of User	Current Annual Income (£)	Increased Annual Income (20% £)	Current Annual charges (£)	Increased Annual charges (20%) (£)
Council Tenants – Self Funders (270 x £3.60 pw)	50,500	60,600	187.20 (£3.60 pw)	224.64 (£4.32 pw)
Council Tenants in receipt of housing benefit (777 x 0.55p pw contribution)	22,222	26,666	28.60 (£0.55 pw)	34.32 (£0.66 pw)
Private Users (1,380) basic alarm charge including sensors and income from Housing Association Schemes	185,000	222,000	112.00	134.40
Total	257,722	309,266		

46. As can be seen, in order to break even there is the disadvantage that the increase in costs to private sector dispersed alarm users would make the service less competitive.

The Council's charge would become the 6th highest in Essex. This could result in such users switching to another provider which could reduce income, resulting in higher charges having to be made for remaining users. However, in order to make charges more affordable, they could be reduced by an agreed percentage with any balance being subsidised by the HRA.

47. We considered the following further disadvantages which are as follows:

- Difficulties with recruitment and retention and covering staff absences will remain;
- The cost of monitoring the service overnight is only slightly lower, this is due to the inclusion of the new call handling technology required in order for two centres to monitor the same systems;
- There is no guarantee that costs for monitoring the service overnight would remain at this level in future years, however, this risk can be mitigated through the application of competition;
- Officers time involved in procuring the new provider including writing the specification and undertaking the client function;
- Re-programming all existing alarm equipment may result in some additional one-off costs which is estimated to be around £10,000;
- The selected provider could provide a less effective and quality service than the Council overnight;
- Inability to free up office accommodation;
- Missed opportunity to make savings on staffing through a future staffing restructure of Housing Older Peoples Services;
- Service contract costs and disaster recovery arrangements remaining the same;
- There may be insufficient work to ensure that both Operators would be fully utilised during daytime hours; and
- Having to make alternative arrangements to provide associated services including monitoring CCTV systems at sheltered housing schemes, initiating call-outs of rest centre staff in the event of a civil emergency and monitoring the lone worker system overnight.

48. Due to the disadvantages set out above, this Option is not being recommended.

Other Options Considered

49. Two other options were considered and discounted. Firstly, continuing to provide the service locally but procuring a provider to monitor the service overnight. This option was originally discounted as it was considered this would be costly as it would be necessary to continue to employ all existing staff in order to have two Operators on duty during the day. Furthermore, the Careline call answering equipment would still need to be upgraded with no savings on service contract costs. However, following consultation with staff it was agreed that this would be explored in more detail and therefore has been included at Option Four in the report.

50. The second option was that the Council no longer provided the service to its 1,380 dispersed alarm users who could link into an alternative service provider of their choice. However, under this option, the Council would still need an external provider to monitor its sheltered housing schemes and remaining designated properties for older people on housing estates, therefore our Committee discounted this option.

Consultation on the Communities Select Committee Report

51. At our meeting on 21 November 2016, four members of Careline staff were in

attendance to observe our consideration of the Item; our Committee gave detailed consideration to the outcome of the consultations. Set out below were the comments made under the Consultation Section of our report by both Careline staff and UNISON and the responses of officers.

Careline Operators

52. Careline Operators were consulted on the report; the consultation process started with a meeting on 24 August 2016 and they were given a deadline of 30 days to respond. Their initial comments at the meeting were as follows:

- Careline Operators felt that a much more detailed analysis of the Option of monitoring the Careline Service through another provider overnight should have been set out in the report. In order to meet with their request, this has been included at Option Four in the report.

53. Another meeting was held with them on 4 October 2016 prior to them submitting the rest of their comments which in their own words are as follows:

54. *Careline staff was given a report on 24 August 2016 which will be presented to the Communities Select Committee in November 2016 regarding the future of Careline. Careline staff are shocked and very disappointed that their Managers are recommending the service be outsourced which would result in the loss of 4 full time posts and 3 part time posts. Staff had 30 days consultation period to respond and comment on the report. All Careline staff submitted their comments and below is a summary of their response.*

Option 1 – Careline staff accept that this cannot be considered as an option and that the service cannot continue under the current arrangements.

Option 2 – This would be the preferred option by the Careline Team as existing staff would remain in post with the recruitment of 5 additional staff to meet British Standards and the Tunstall call equipment being upgraded. However, staff are aware of the cost implications of this option.

Option 3 – Careline staff agree that this is not an option they hope would be considered because of the obvious implication of job losses for all staff and the adverse effect this change would have for all service users. In addition, alternative arrangements would need to be made for tasks currently undertaken by the Careline team. These tasks are referred to in paragraphs 36 and 46 (last bullet point) of the report. Other tasks to be included are:

- *Monitoring Limes Farm lifts – as well as responding to an emergency call when somebody is trapped in a lift by calling the Fire Service, Careline follow-up the call by contacting the Housing Officers in the Limes Farm Office and/or Facilities.*
- *Monitoring calls for Lee Valley Parks out of hours.*
- *Monitoring the main fire bells at Norway House – as well as calling the Fire Service if the main bells are activated it is necessary to contact member of staff from Norway House to attend.*

Option 4 – Careline staff were disappointed to read in the original report that very little time had been given to the viability of this option and Management had dismissed this as an option. It was requested that Option 4 be presented in the report in more detail and as a result Careline were given an amended copy of the report. Careline staff request that this

option be given serious consideration as it would mean that jobs would not be under threat. It must be noted, however, that if the night shifts were outsourced staff would lose a night allowance payment of approximately £198 per month for full time staff (6 nights) and between £33 - £66 per month for part time staff (1 or 2 nights).

Please refer to point 46 of the report which lists the disadvantages of option 4. Comments raised by Careline staff were:

- Many of the points listed as disadvantages for outsourcing the night shifts are also relevant if the service was monitored 24/7 by another provider.*
- Staff do not agree that there would be insufficient work to ensure 2 Operators use their time effectively. The role of the Careline Operator is not just call handling – a considerable amount of administrative work is necessary to ensure the service runs efficiently.*

The report refers to difficulties regarding recruiting new staff and the cost necessary to upgrade the Tunstall call equipment. The Careline team believes that:

- There could be a more positive response to job vacancies if applicants had the option of applying for a specific shift pattern i.e. applicant would work only early shifts, only late shifts or only night shifts.*
- Financial provision should have been made to upgrade the Tunstall call equipment following the last upgrade to PNC5 – no equipment lasts forever.*

55. The Careline team is proud of the service they provide and believe it is a credit to EFDC. They firmly believe that if the service is outsourced to another provider it would have a detrimental effect on how the service is delivered to users in terms of quality and response times.

Officers' Response to the Comments of Careline Operators

56. It is understandable that Careline Operators are very upset about the prospect of outsourcing the Careline Service and their hard work, commitment and dedication to the service is acknowledged and very much appreciated. They are discounting Option One and accept that the service cannot continue in the long term under the current arrangements. They also discount Option three monitoring the service through and external provider 24/7 for the reasons stated above.

Response to comments made by Careline Operators under Option Two - The Council provides an enhanced Careline Monitoring Service

57. Under Careline Operators preferred Option being Option Two the following disadvantages would remain:

- Having to recruit and retain 5.0 (FTE) additional Posts at an annual additional cost of £166,300;*
- Unless the additional expenditure for enhancing the service is funded from the HRA charges to service users would increase by around 58% making the service uncompetitive;*
- Financial provision for the cost of upgrading the PNC 5 call answering equipment to PNC 7 has been made and is referred to under the Risk Management Section of the report;*

- Problems with covering staff absences will increase two-fold;
- There would be a missed opportunity to make savings on staffing through a future staffing restructure of Housing Older Peoples Services;
- No savings will be made on service contract costs and disaster recovery arrangements;
- There would be insufficient work to ensure that both Operators would be fully utilised; and
- Although not essential, there would be a missed opportunity to free up office accommodation.

Response to comments made by Careline Operators under Option Three - Monitor the Service through another Provider 24/7

58. All of the monitoring required under the bullet points listed will be included in the specification and covered by the external provider if the service was outsourced, apart from Lee Valley Park which could be dealt with by the Council's out-of-hours service provider Mears.

Response to comments made by Careline Operators under Option Four - Monitoring the Service through another Provider overnight

59. Careline Operators would lose their night allowance under this Option. It is also accepted that if there were two Operators on duty, the lack of work for two staff would not be such a problem compared to there being two Operators on duty 24/7. However, Members attention is drawn again to the difficulties of managing the service in this way which in particular are as follows:

- Difficulties with recruitment and retention and covering staff absences will remain;
- The cost of monitoring the service overnight is only slightly lower, this is due to the inclusion of the new call handling technology required in order for two centres to monitor the same systems;
- There are risks associated with having two centres taking calls at different times of day including, delays in systems attempting to contact one centre before being re-diverted to the second centre and the reliance on technology to carry out additional functionality;
- There is no guarantee that costs for monitoring the service overnight would remain at this level in future years, however, this risk can be mitigated through the application of competition;
- Officers time involved in procuring the new provider including writing the specification and undertaking the client function; and
- Unless the additional expenditure for enhancing the service is funded from the HRA charges to service users would increase by around 20% making the service uncompetitive.

UNISON

60. UNISON was consulted on the report, the consultation process started on 24 August 2016 they were given a deadline of 30 days to respond. Their comments are as follows:

61. Having fully considered the Options 1-4 of the report and discarding Option 1, which is clearly untenable and Option 2, which is clearly too expensive, the EFDC Branch of Unison offers the following comments on Options 3 & 4:

Option Three - Monitor the Service through another Provider 24/7

- The Council will save the costs involved in upgrading the call answering equipment whether they choose Option 3 or 4;
- There are no costings for the removal of the current equipment and “making good” the vacated office space;
- The report makes no mention of the need to “free up” office accommodation; the Council already has a number of empty offices;
- The Council loses a degree of autonomy over the service;
- The Scheme Managers will lose the support of the staff and the service;
- It is unlikely that external providers will be able to offer the urgent 48hrs installation service;
- There are no costs attributed to the time that Council officers will spend dealing with staff being TUPE’d to the new provider;
- Redundancy costs will need to be built into the tenders;
- The Council will need to deal with the problems associated with keeping the service running through to the start of the transfer to an external provider; and
- The Council will need to fund the costs of providing the alternative methods of cover for the additional services being provided, detailed in item 36 of the report

Option Four - Monitoring the Service through another Provider overnight

It appears that it would be in the best interests of both the Council and employees to further explore Option 4. The reasons for this are:

- The Council retains a high degree autonomy over the service and the cost of providing it;
- The Council retains the in-house support and expertise for Scheme Managers;
- The Council will save both time and money as a result of staff not being TUPE’d to another service provider;
- The Council will save a considerable sum, in terms of potential redundancy costs;
- The Council is currently in the lower quartile across Essex, in terms of the costs for dispersed alarms and a 20% increase will keep EFDC in the lower half;
- The Council will save the costs involved in upgrading the call answering equipment;
- The Council will already be having the service covered at night;
- This retains the ability to install alarms within 48hrs;
- The Council will almost certainly eliminate recruitment and retention problems by removing the need for a night-shift;
- The Council avoids the problems of keeping staff whilst the new contract is put in place; and
- Careline will continue to cover for the additional services being provided, detailed in item 35 of the report.

Officers’ Response to the Comments of UNISON

62. Option One is discounted as UNISON considers this is untenable. Furthermore, Careline Operators preferred Option being Option Two has also been discounted by UNISON as they consider it is too expensive.

Response to comments made by UNISON under Option Three - Monitor the Service through another Provider 24/7

63. The cost of removing the current equipment and “making good” the office space would be minimal and freeing up the additional office space was by far not an important point. The Council would retain its autonomy through ensuring the specification is comprehensive and sets out what the Council as the client requires for the external provide including support for Scheme Managers.

64. The 48 hour urgent installation service will continue as this service will be provided by existing Careline Assistants who will not be affected should the service be outsourced. It is accepted that outsourcing the service will result in additional staff time to write the specification and deal with a range of other matters. Although some external assistance may be needed to complete the contract documentation the cost will be minimal particularly when taking into account the savings over future years should the service be outsourced. UNISON is correct in saying that any redundancy costs may be added to any Tender.

65. The problems associated with keeping the service running during the transitional period have been considered and are set out in the Risk Management Section of the report. Finally, the additional services referred to with are covered as set out at Paragraph 35 of the report.

Response to comments made by UNISON under Option Four - Monitoring the Service through another Provider overnight

66. It is accepted that the Council would retain more autonomy over the service during the day, would provide the in-house support and expertise for Scheme Managers and it would avoid TUPE issues. Furthermore, although charges to users would increase it would be by a lesser amount that if the service was enhanced under Option Three and the cost of upgrading the call answering equipment would be avoided. Regardless of which Option is agreed, the ability to install alarms within 48hrs will not be affected.

67. However, officers do not agree that the recruitment and retention problems (and covering shifts) would be resolved by removing the need for a night-shift.

68. Although it is accepted that the transitional arrangements may be easier, Members attention is drawn again to the difficulties of managing the service in this way which in particular are as follows:

69. Member’s attention is drawn again to the difficulties of managing the service in the way which in particular are as follows:

- Difficulties with recruitment and retention and covering staff absences will remain;
- The cost of monitoring the service overnight is only slightly lower, this is due to the inclusion of the new call handling technology required in order for two centres to monitor the same systems;
- There are risks associated with having two centres taking calls at different times of day including, delays in systems attempting to contact one centre before being re-diverted to the second centre and the reliance on technology to carry out additional functionality;
- There is no guarantee that costs for monitoring the service overnight would remain at this level in future years, however, this risk can be mitigated through the

- application of competition;
- Officers time involved in procuring the new provider including writing the specification and undertaking the client function; and
- Unless the additional expenditure for enhancing the service is funded from the HRA charges to service users would increase by around 20% making the service uncompetitive.

70. Careline staff and UNISON have been consulted on this report to the Cabinet and their comments are set out under the Consultation Section of the report.

Conclusion

71. The Communities Select Committee recommends to the Cabinet that the Careline Monitoring Service be outsourced to an external provider in accordance with Option Three in the report and that a report is submitted at a later date on a restructure of Housing Older Peoples Services following the Careline Monitoring Service being outsourced including a review of charges to users, subject to the Cabinet agreeing the outcome of the proposed competitive tendering exercise.

72. Furthermore, we noted that potential risks need to be mitigated during the transitional period and therefore additional funding will be required. Our Committee therefore considers that budget provision is made in accordance with Recommendation 3 in the report to cover the following costs:

- Emergency budget provision to replace the PNC 5 call-answering equipment with PNC 7 technology, although the PNC 5 is currently reliable it is considered that the system should be replaced for the transitional period in order to mitigate any potential risk;
- Making budget provision for switching the service over to the manufacturer's Control Centre if needed, should there be staff shortages;
- Recruiting any additional staff that may be required in order to cover the Rota;
- Meeting the costs of the retention payments referred to under the Risk Management Section of the report; and
- Meeting procurement costs.

73. Finally, we were advised that information has been received from Essex County Council that their Portfolio Holder for Housing Related Support (HRS) has stated that he proposes to recommend that all of the £81,000 HRS funding for our Careline Service is withdrawn from April 2017 resulting in higher costs to the HRA, or higher charges to users or both.

Resource Implications:

As set out under each Option in the report. The possible effects on other services are considered to be as follows:

If either Option 3 or 4 is agreed, then the Council's CCTV Operations Officer will need to assist with alternative passive monitoring of systems.

Human Resources will need to assist with a range of staffing matters should Option 3 be agreed.

The assistance of Legal Services and Procurement will be required should either Option 3 or 4 be agreed.

Legal and Governance Implications:

Housing Act 1985

Safer, Cleaner and Greener Implications:

None.

Consultation Undertaken:

Careline Operators

1. Careline Operators were consulted further on this report and were given a deadline of 30 days to respond. Their comments are as follows:

2. Below are the comments made by Careline staff on receipt of the report to be submitted to the Cabinet meeting to be held on 2 February 2017. With reference to sub-heading 'Careline Initiatives' (Paragraph 7), it is the Housing Assistants and the Assistant Housing Manager who generally carry out presentations to local groups.

3. To be added – after approximately 4 weeks following the new installation of an alarm a Careline Operator contacts the service user by telephone to ascertain if they are happy with the service or have any problems/questions to raise.

4. Some members of the Careline Team attended the Communities Select Committee meeting held on 21 November 2016. The comments raised by staff following the meeting are as follows:

- References were made by the Presenting Officer to imply that there is only one Manager who oversees the Careline service. It should be noted that there is also an Assistant Housing Manager who is based in Careline, who will call handle at busy times and cover vacant shifts as a last resort
- The Presenting Officer stated that it is necessary for the Housing Manager to frequently cover vacant shifts and help with call handling. The last shift covered by the Housing Manager was approximately 12 years ago and as stated above the Assistant Housing Manager assists the Careline Team when required
- The Presenting Officer stated that the installation of alarms was only carried out by the Housing Assistants. It should be noted that mobile duties, including installation of alarms, are carried out by Careline Operators 3 times a week

The Careline team felt it was important to document these inaccuracies as it could influence any decisions made.

5. Careline staff were originally advised that that the reasons why it was necessary to carry out a review included the need to upgrade the Tunstall equipment, which had high cost implications, and that the service failed to meet British Standards which requires 2 staff to be on duty at all times. At the meeting on 21 November 2016 the Presenting Officer announced that money had been allocated to upgrade the equipment and that there was a possibility the night shifts would be monitored by another provider during the interim period before arrangements are finalised to out-source the service. This would

mean that the rota could be configured so that 2 staff were on duty at all times – in effect this meets the requirements of Option 4. The Careline Team question why this can only be considered as an interim measure and not implemented on a permanent basis.

6. Careline staff attended a meeting on 23 November 2016 where a member of Human Resources was present. Staff was informed that if the service was out-sourced the staff would be TUPEd over to the new provider and that under no circumstances would EFDC be paying redundancy to staff. It is a great concern to staff that not only will they be losing their job; it is likely that they will have to endure a lengthy process to receive redundancy money they should be entitled to.

7. The Careline team are saddened and disappointed in terms of job losses and quality of service to service users that the recommendation to out-source the service 24/7 was agreed by the Communities Select Committee on 21 November 2016.

Officers' response to the comments of Careline Operators

In response to the matters raised under Paragraph 5 of the Careline Operator's comments, it was originally planned that a full EU Procurement may be necessary if the service was out sourced which could take around 18 months to 2 years. In these circumstances, it was considered that the Council may have to outsource at night during the lengthy transitional period. This would have also solved some staff rota difficulties that were being experienced at that time.

However, following consultation with another Council who outsourced their call monitoring services and discussions with the Council's procurement team and legal service, the Careline call monitoring service can be procured through a framework agreement which is a much quicker process. Furthermore, in consultation with Careline Operators, the staff rota difficulties have been resolved. The disadvantages of outsourcing the service overnight are set out under Paragraphs 43 to 47 and therefore Option 4 is not recommended.

In response to the matters raised at Paragraph 6 of the Careline Operator's comments, Human Resources confirm that the TUPE process would be the same regardless of whether the Council were to make staff redundant or if any were transferred to an external provider.

The Tenants and Leaseholders Association

The Tenants and Leaseholders Federation were advised of the Review at their meeting on 15 June 2016. They were updated again at their meeting on 31 August 2016. A copy of the report was submitted to their meeting on 2 November 2016. The Chairman of the Federation was at our meeting and reported their views as follows:

Having considered the options in detail we agree with the Recommendation that the Communities Select Committee reports to a future meeting of the Cabinet recommending that under Option Three in the report the Council's Careline Monitoring Service be outsourced to an external provider through a competitive tendering exercise.

Sheltered Forum

The Sheltered Forum will be informed of the decision of the Cabinet at their next meeting.

Background Papers:

Equality Impact Assessment
Report to the Communities Select Committee 21 November 2016.

Risk Management:

1. If the Careline monitoring service is outsourced there is a risk that Careline Operators may find alternative employment due to their jobs becoming at risk. As the Council must continue to monitor alarms for older and vulnerable people in the District during any transition the following two steps will be taken to ensure that risk is mitigated.
2. Firstly, Management Board have agreed that if the Cabinet agree that the Careline alarm monitoring service is outsourced, to assist with ensuring continuity of the service during the transition period, Careline Operators will be made an ex-gratia retention payment subject to certain conditions. This payment will be around 20% of their annual salary being a figure recommended by UNISON and may ensure that existing staff remain until the service is handed over to the new provider.
3. Secondly, officers are seeking a quotation from Tunstall Telecom Limited for monitoring calls at night during the transition period. Should some of the Careline Operators leave as a result of any decision to outsource the service then the remaining staff can cover the daytime shifts until the service is handed over to the new provider.
4. Our Committee noted that potential risks will need to be mitigated during the transitional period and therefore additional funding will be required. Our Committee therefore recommends that budget provision is made of £70,000 as part of the HRA budget in 2017/2018 and a further £70,000 in 2018/2019.

APPENDIX ONE**Charges made for Dispersed Alarms (basic alarm and pendant) in the private sector by other Essex authorities in 2015/2016**

Authority	Charges for Dispersed Alarms (£ Per annum)
Epping Forest District Council	109.32
Basildon District Council	206.96
Southend Borough Council	125.84
Braintree District Council	104.00
Colchester Borough Council	197.08
Tendring District Council	230.88
Harlow District Council	202.28
Uttlesford District Council	216.32
Chelmsford City Council	N/A
Castle Point District Council	60.00
Brentwood Borough Council	130.00

APPENDIX TWO

Control Centres in Essex, their staffing arrangements, number of connections and those who have outsourced the monitoring service

Authority	Staffing arrangements	Approximate Number of Connections
Epping Forest District Council	One member of staff on duty at all times, two on duty 9:30am to 12:30pm	2,572
Basildon District Council	Two staff on duty at all times	6,500 (inclusive of Castle Point DC)
Southend Borough Council	Two staff on duty at all times	3,000
Braintree District Council	Two staff on duty at all times, service monitored by Tendring District Council control centre overnight	4,000 (Plus 1,200 connections monitored for Uttlesford DC during the day)
Colchester Borough Council	Two staff on duty at all times	3,100
Tendring District Council	Two staff on duty at all times	2,900 (Plus 1,200 connections monitored for Uttlesford DC & 4,000 connections monitored for Braintree DC both overnight)
Harlow District Council	Monitoring service outsourced to Tunstall Telecom Limited's control Centre	2,000
Uttlesford District Council	Monitoring Service outsourced to Tendring District Council overnight and Braintree during the day	1,200
Chelmsford City Council	Monitoring service outsourced to Tunstall Telecom Limited's control Centre	N/A
Castle Point District Council	Monitoring Service outsourced to Basildon District Council	N/A
Brentwood Borough Council	Monitoring Service outsourced to North Herts Council	N/A

APPENDIX THREE

Current costs of the Careline Monitoring Service to the HRA based upon the 2015/2016 actual out-turn

Item of expenditure	Cost per annum (£)
Management of the service including proportion of Housing Manager (25% of FTE) & Assistant Housing Manager (Older Peoples Services) (45% of FTE)	30,100
Existing cost of Careline staff monitoring the centre including overtime costs, enhanced payments for bank holiday and night working and having 2 staff on duty for the 3 hour busiest period of the day (5.5 FTE)	183,800
Careline equipment budget	18,000
Service contract costs	56,000
Disaster recovery plan not including hourly rate of £125.00	5,700
Telephone lines etc.	32,000
Sub Total	325,600
Less income for monitoring dispersed alarms, associated sensors and Housing Association Schemes	185,000
Less income from sheltered housing tenants and tenants living in designated properties for older people who are self-funders not in receipt of housing benefit	50,500
Council Tenants in receipt of housing benefit (777 x 0.55p pw contribution)	22,222
Less Housing Related Support Grant	81,000
Total surplus	13,122

APPENDIX FOUR

Costs to the HRA of providing an enhanced Careline monitoring service

Item of expenditure	Cost per annum (£)
Management of the service including proportion of Housing Manager (25% of FTE) & Assistant Housing Manager (Older Peoples Services) (45% of FTE)	30,100
Existing cost of Careline staff monitoring the centre including overtime costs, night allowances and having 2 staff on duty for the 3 hour busiest period of the day (5.5 FTE)	183,800
Additional cost of 5.0 (FTE) further staff in order to meet with the British standard and have Operators on duty at all times	166,300
Careline equipment budget	18,000
Service contract costs	56,000
Disaster recovery plan not including hourly rate of £125.00	5,700
Telephone lines etc.	32,000
Sub Total	491,900
Less income for monitoring dispersed alarms, associated sensors and Housing Association Schemes	185,000
Saving of homelessness staff standby payments	5,000
Less income from sheltered housing tenants and tenants living in designated properties for older people who are self-funders not in receipt of housing benefit	50,500
Council Tenants in receipt of housing benefit (777 x 0.55p pw contribution)	22,222
Less Housing Related Support Grant	81,000
Total cost to the Council	148,178

APPENDIX FIVE

Cost to the HRA of providing an outsourced Careline monitoring service, based upon 2015/2016 actual out-turn costs and the indicative monitoring cost

Item of expenditure	Cost (£) per annum
Estimated cost of monitoring through another service provider	80,000
Cost of Housing Manager (Older Peoples Services) undertaking the client function (25% of FTE)	12,900
Service contract costs, not including Careline control equipment and disaster recovery	42,000
Careline equipment budget	18,000
Sub Total	152,900
Less income for monitoring dispersed alarms, associated sensors and Housing Association Schemes	185,000
Less income from sheltered housing tenants and tenants living in designated properties for older people who are self-funders not in receipt of housing benefit	50,500
Council Tenants in receipt of housing benefit (777 x 0.55p pw contribution)	22,222
Less Housing Related Support Grant	81,000
Less estimated saving in staffing costs associated with the Careline Service following a restructure of the Older Peoples Services Section	30,000
Total <u>surplus</u>	215,822

APPENDIX 6

Cost to the HRA of outsourcing the Careline Monitoring Service overnight

Item of expenditure	Cost per annum (£)
Estimated cost of monitoring through another service provider including hosting equipment	70,000
Management of the service, including 35% FTE of Housing Manager time to manage the service during the day including undertaking the client role for outsourcing overnight and Assistant Housing Manager (Older Peoples Services) (45% of FTE)	35,300
Existing cost of Careline staff monitoring the centre including estimated overtime costs, having 2 staff on duty 8am to 8pm (existing 5.5 FTE), but excluding night allowances	172,500
Careline equipment budget	18,000
Service contract costs	56,000
Disaster recovery plan not including hourly rate of £125.00	5,700
Telephone lines etc.	32,000
Sub Total	389,500
Less income for monitoring dispersed alarms, associated sensors and Housing Association Schemes	185,000
Less income from sheltered housing tenants and tenants living in designated properties for older people who are self-funders not in receipt of housing benefit	50,500
Council Tenants in receipt of housing benefit (777 x 0.55p pw contribution)	22,222
Less Housing Related Support Grant	81,000
Total cost to the Council	50,778