

CABINET MEMBER DELEGATED DECISION 6 JANUARY 2020

Report title: Careline24; Procurement of a new call handling, supply, installation and maintenance service

Ward: All Wards

Portfolio: Councillor Ed Davie, Cabinet Member for Health and Adult Social Care

Report Authorised by: Andrew Eyres, Strategic Director, Integrated Health and Care

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Report summary

This report seeks approval for Lambeth Council to enter into contract with London Borough of Southwark for the provision of community alarm and technology enabled care services for a period of five years with the option to extend the arrangement for a further period of two years.

Finance summary

The service is expected to cost a maximum of £3,969,905 for the five year term of the contract, and £1,694,371 for the two year extension option; a total of £5,664,276. This will be funded from the existing revenue budget for the Careline24 service.

An additional sum of £36,800 will be required for initial mobilisation and setup costs and will also be funded from the base budget.

Annual income from fees and charges is estimated to be £200,000.

Recommendations

1. To enter into contract with the London Borough of Southwark for the provision of community alarm and technology enabled care services for a period of five years from 24 February 2020 until 23 February 2025 at a cost of £4,006,705, (which includes an initial set up cost of £36,800 payable in year 1) with the option to extend the contract for a further two years at a cost of £1,694,371.

Reasons for Exemption from disclosure

The accompanying part II report is exempt from disclosure by virtue of the following Paragraphs of schedule 12A to the Local Government Act 1972:

3. Information relating to the financial or business affairs of a particular person (including the authority holding that information).

1. CONTEXT

- 1.1 Community alarm and telecare services provide sheltered housing tenants and other vulnerable residents with peace of mind that if something happens to them at home the right support can be put in place to respond quickly and appropriately. This is achieved by providing the user with a manually activated electronic pendant alarm and a two-way speech module connected to a 24/7 monitoring centre.
- 1.2 In addition to a basic emergency alarm service the Council offers more complex telecare equipment as part of a wider package of social care (TECS – technology enabled care services). This consists of a bespoke combination of equipment and peripherals aimed at supporting service users with their specific needs. This more complex equipment is prescribed and managed by social care professionals, with installation currently undertaken by a third party contractor. This equipment may be monitored by informal carers or a commissioned care provider, or may be connected to the monitoring call centre.
- 1.3 When an alert is received at the monitoring centre call handlers work with the service user to determine the right response; some issues can be resolved over the phone and in other cases, depending on the circumstances, the call handler will alert the resident's pre-notified contacts to provide the assistance that is required, arrange to visit the service user or summon the emergency services to the caller's home.
- 1.4 The community alarm and TEC service in Lambeth, known as Lambeth Careline24, is currently provided through a combination of in-house and third party contractual arrangements. The current customer base includes Lambeth sheltered housing tenants, Care Act 2014 eligible clients and individual private paying customers. Following a detailed review of the service it was agreed to streamline the provision, providing it only as part of the Council's own sheltered housing and social care offer. Future private paying customers are provided with advice and information and directed to alternative community alarm providers.
- 1.5 The business case determined that, given the reducing size of the service, and the level of capital investment required in call handling equipment to achieve future digital compliance, the service could be most effectively delivered through a partner organisation and therefore it was put out to competitive tender, via the NHS TECS Framework, in January 2019.

2. PROPOSAL AND REASONS

- 2.1. Having received no bids in response to the tender exercise the Council considered alternative options including a direct approach to two current contractors, and several neighbouring local authorities that operate similar community alarm and telecare services for their own residents. Of these options it was determined that the service provided by Southwark Council is most closely aligned to the Council's objectives and can offer a service that will meet the requirements of the specification.
- 2.2. It is proposed that approximately 2,100 clients will be transferred to the Southwark service, including all Lambeth sheltered tenants, Care Act clients and existing private paying customers, however as future eligibility for the service is constrained it is anticipated that that this number will reduce over the contract term, with a corresponding reduction in the cost of the contract.
- 2.3. Negotiations have been undertaken with Southwark Council officers and the specification and cost for the service has been agreed. It is proposed to enter into a contract with Southwark for a period

of five years from 24 February 2020 until 23 February 2025 with the option to extend for a further two years until 23 February 2027.

3. FINANCE

- 3.1. The contract price will be reviewed initially after the first six months of the contract and then annually commencing in April 2021. The contract price includes a tolerance of 350 customer connections, with any negative or positive variance to this figure resulting in a corresponding reduction or increase in the contract price.
- 3.2. In year one the cost of the contract will be £794,576 and the budget available for the service is £788,000 which is net of £100,000 saving required to be delivered in 2020/21. This nominal overspend will be funded from a reallocation of funds from Senior Management.
- 3.3. In year two, the volume of connections is anticipated to reduce and there will be a corresponding reduction in the contract price enabling the Year 2 saving to be delivered.
- 3.4. The revised contract price will be subject to an annual increase equivalent to the CPI. These contractual uplifts will be corporately funded via the usual contract inflation bid process each financial year. This is incorporated into the budget figures for each financial year.

	Year	Saving	Cost	Budget	Income	Net cost
Year 1	20/21	(100,000)	794,576	788,000	(200,000)	588,000
Year 2	21/22	(50,000)	768,111	768,111	(200,000)	668,111
Year 3	22/23		785,009	785,009	(200,000)	585,009
Year 4	23/24		802,279	802,279	(200,000)	602,279
Year 5	24/25		819,929	819,929	(200,000)	619,929
Total 5-year cost			£3,969,905			

- 3.5. In addition to the contract sum detailed in the table above there will a single payment of £36,800 payable in the first year as set up costs. This will fund the secure data migration between the Lambeth and Southwark call handling system and the transfer of connections for all clients.
- 3.6. The maximum cost of the five year contract (including the set up cost of £36,800) is estimated to be £4,006,705 and the option to extend for a period of two further years would cost £1,694,371; at a combined total of £5,701,076. These figures have been adjusted for expected contract inflation (using the CPI).
- 3.7. Sheltered housing tenants currently contribute towards the cost of the community alarm service via a weekly service charge of £4. This charge is reviewed annually and collected via rents and service charges and an annual sum of £145,600 paid to the community alarm cost centre.
- 3.8. Following a recent consultation with TECS service users on fees and charges it is proposed that a £4 per week charge will also be applied to users receiving the service as part of a prescribed care package from 1 April 2020. It is likely however that, following a financial assessment, many of these service users will not be required to pay this charge. A decision on this is to be taken in January 2020.

4. LEGAL AND DEMOCRACY

- 4.1. The authority to approve the recommendation in this report is delegated to the Cabinet Member for Health and Adult Social Care.
- 4.2. The Care Act 2014 requires that local authorities promote wellbeing when carrying out any of their care and support functions in respect of a person with care and support needs. This well-being principle includes measures to enhance their control over day-to-day life. The Care and Support (Preventing Needs for Care and Support) Regulations 2014 permit local authorities to make a charge for the provision of certain preventative services, facilities or resources.
- 4.3. The Equality Act 2010 requires public authorities to have due regard to a number of equality considerations when exercising their function. This process may be informed by an equalities impact assessment.
- 4.4. The Local Authorities (Goods and Services Act) 1970 enables a local authority to enter into an agreement to provide another local authority with goods and services, including administrative, professional or technical services.
- 4.5. The services which are the subject of this report are deemed 'light touch' Schedule 3 services within the meaning of the Public Contracts Regulations and should be procured in compliance with the Regulations pertaining to Schedule 3 services.
- 4.6. Regulation 32 permits contracting authorities to award public contracts by a negotiated procedure without prior publication where no tenders, no suitable tenders, no requests to participate or no suitable requests to participate have been submitted in response to an open procedure or a restricted procedure, provided that the initial conditions of the contract are not substantially altered and that a report is sent to the European Commission where it so requests.
- 4.7. The Transfer of Undertakings (Protection of Employees) Regulations may apply to employees engaged in the provision of the service immediately prior to transfer to Southwark but the precise position will be determined by law at the point of transfer.
- 4.8. This proposed key decision was entered in the Forward Plan on 07 December 2018 and the necessary 28 clear days' notice has been given. In addition, the Council's Constitution requires the report to be published on the website for five clear days before the proposed decision is approved by the Cabinet Member. Any representations received during this period must be considered by the decision-maker before the decision is taken. A further period of five clear days - the call-in period – must then elapse before the decision is enacted. If the decision is called-in during this period, it cannot be enacted until the call-in has been considered and resolved.

5. CONSULTATION AND CO-PRODUCTION

- 5.1. Consultation on Adult Social Care fees and charges, including Careline24 customers, was undertaken between July and October 2019. This consultation proposed that the community alarm / technology enabled care provision be a chargeable service and that the charge would be £4 per week for the service for people with an Adult Social Care support package. A decision is scheduled for January 2020.
- 5.2. Further individual engagement is taking place with current users of the Careline24 service who do not receive any other services from Adult Social Care other than the community alarm to establish if

they wish to continue to receive a service for which they would need to pay full cost or be supported to move to an alternative provider.

- 5.3. The Cabinet member for Health and Adult Social Care has been consulted on the proposals and is supportive of the approach being taken which will result in the service continuing to be provided locally.
- 5.4. Consultation has been undertaken with Lambeth staff who are affected by the proposal details of which are included in part II.

6. RISK MANAGEMENT

RISK	Description	Likelihood	Impact	Mitigation
Procurement route	Challenge from prospective providers on the basis of direct award of contract.	L	H	Regulation 32 Public Contracts Regulations applies as no tenders were received when the opportunity to bid was previously published in January 2019
Current budget not sufficient to deliver service	Provider unable to deliver the service for the proposed price. Creates risk for either service or savings delivery.	L	M	The cost of the service has been agreed at a price which delivers the savings and a taper written into the contract price accommodates any increase /reduction in volumes. The volume required is expected to reduce significantly over the initial contract period with a resulting reduction in the contract price.
Delays to service transfer data	The service cannot be accommodated by Southwark on the proposed date of transfer.	L	L	A mobilisation plan will be in place to deliver seamless transit on the date required. There is flexibility in the current service arrangements that can accommodate any slippage in the proposal.
Concern from service users regarding change of provider	Concern among vulnerable services.	M	L	Equalities impact assessment. Communications plan providing assurance of service continuity for tenants

RISK	Description	Likelihood	Impact	Mitigation
Reliability of current equipment	The current call handling equipment is outdated and very unreliable. The lack of digital compatibility is preventing upgrades to sheltered call alarm equipment Which is also unreliable and obsolete.	H	H	The lifespan of the current equipment is very short, i.e. months. If the arrangement should not proceed, it is likely that a major contingency plan, requiring significant capital investment, would be required to enable the service to continue.
Brexit	Consideration of any Brexit impact upon delivery of the service.	H	L	Southwark council has established a 'Brexit Panel' to gauge the impact of the UK leaving the European Union on its ability to deliver services. Any impact on this service will be considered in the wider context of Southwark Council's provision.

6.1. The specification and contract require that a robust and regularly tested business continuity and emergency plan is in place for the service. The non-functional requirements of the specification include the requirement for off-site data storage and disaster recovery in the vent of systems failure. Protocols will be agreed between the two authorities for the testing and circumstances requiring deployment of the emergency plan

7. EQUALITIES IMPACT ASSESSMENT

7.1. An Equalities Impact Assessment (EIA) was completed on the commissioning project in January 2019 and considered any impact and mitigating activity that may be required to address any impact arising from the alarm and telecare review and determined that there would be no detrimental impact on service users. A separate EIA has considered any impact on service users of changes to fees and charges for the service.

8. COMMUNITY SAFETY

8.1. Community alarm and TEC services offer peace of mind to older and vulnerable residents enabling them to summon assistance that may be required anytime of the day or night. The knowledge that help is readily available at the press of a single pendant that can be worn on the body offers reassurance and can also reduce the fear of crime leading to improved health and wellbeing.

9. ORGANISATIONAL IMPLICATIONS

Environmental

9.1. Like Lambeth Council, Southwark has a robust environmental and sustainability strategy and this will extend to the provision of this service. The contract specifies that new electric vehicles are acquired to operate the Lambeth service, therefore minimising the detrimental impact on air quality when undertaking journeys essential to the service delivery. The specification includes targets and performance indicators that will ensure the efficient recycling of equipment offering sustainability and value to the contract.

Staffing and accommodation

- 9.2. A number of council staff and some agency workers will be affected by the transfer of the service the details of which are in Part II.
- 9.3. Over the period of its operation, the Careline24 service has been located in various council buildings. As a round the clock service it is a requirement that any premises are accessible by staff and safe for their occupation, on a 24-hour basis. Having moved from Olive Morris House due to its imminent redevelopment, the Careline24 service currently operates out of accommodation in the basement of the Town Hall. The size and location of the current accommodation is not suitable in the longer-term, and were the service not transferring alternative 24 hour accommodation would need to be identified. Following the transfer of this service this accommodation will be available for its former use of storage.
- 9.4. Southwark Council is a London Living Wage accredited employer.

Procurement

- 9.5. This report details the award of a contract for community alarm and technology enabled care services to Southwark Council. This would be for a period of up to seven years, on a five plus two year basis, from 24 February 2020 to 23 February 2027 should the full contract term including the extension period be taken up, for a maximum total value of £5,839,672.
- 9.6. In accordance with Lambeth Council Contract Standing Order 17.2, where there is a demonstrable Best Interest for the Council, the Council and its Cabinet may waive Contract Standing Order 8.2 Competition Requirements for Purchases, Partnership Arrangements, Frameworks and Concession contracts. As detailed in section 2 and section 4.6 above, and in line with Regulation 32 of the Public Contract Regulations, a direct negotiation for award of this contract has been undertaken with Southwark Council, but a waiver of the Council’s internal rules is still required.
- 9.7. Commissioners have worked closely with Southwark Council to identify how the contract would support the Council’s Responsible Procurement Strategy. See table below:

Lambeth’s Responsible Procurement Policy	
Good quality jobs with fair pay and decent working conditions	<p>London Borough of Southwark (LBS) is an Investors in People and London Living Wage accredited employer. LBS provides its staff with all the benefits of Local Authority employee terms and conditions. This includes fair pay, childcare subsidies, travel loans, wellbeing support and facilities access to the Local Government pension scheme.</p> <p>LBS provides extensive training opportunities for its staff who are also provided with a range of other development opportunities.</p> <p>UNISON is the main union within LBS but staff are free to join any union they prefer.</p>
Modern Slavery Act (2015)	<p>LBS is a signatory to the Co-operative Party's Charter Against Modern Slavery to ensure that all forms of modern slavery are eliminated in Southwark.</p>

Lambeth's Responsible Procurement Policy

<p>Quality apprenticeships accessed by Lambeth residents particularly those from Lambeth priority groups</p>	<p>LBS operates its own Apprenticeship Scheme to provide the opportunity for people to gain work based skills and valuable qualifications.</p> <p>Working within Southwark Council or with one of the Council's partners, the scheme offers a contract of employment for a minimum of one year and the chance to receive support from the central apprenticeship team, line managers, assessors and tutors.</p> <p>The Council will also provide coaching and mentoring support to ensure all apprentices are empowered to succeed in their placement.</p>
<p>Quality and range of targeted employment opportunities for residents from Lambeth priority groups</p>	<p>LBS has developed a Workforce Equality Plan to help its meet its public sector equality duties with regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations between different people.</p> <p>The plan covers the protected characteristics set out in legislation as well as other potential barriers such as educational attainment, literacy and numeracy and digital literacy.</p>
<p>Reduce emissions with a focus on cutting our carbon footprint and improving air quality</p>	<p>In April 2019 LBS declared a climate emergency and aims to achieve carbon neutrality by 2030.</p> <p>The contract for this service requires that electric vehicles are utilised for journeys undertaken within Lambeth.</p>
<p>Single Use Plastics, Reducing Packaging and Plastics</p>	<p>LBS has adopted a single use plastic strategy and action plan which aims to immediately reduce and ultimately remove completely all single use plastics across its operational estate.</p>
<p>Maximise positive health and wellbeing – focus on supporting a healthy workforce and on provision of healthier, affordable and more sustainable food and drinks offer</p>	<p>LBS has a full suite of HR policies including Health and Wellbeing policies that supports flexible working and protected learning and development time.</p>

Health

- 9.8. The service contributes to the Health and Wellbeing agenda and supports the Council in delivery of social care packages using technology enabled care services.

10. TIMETABLE FOR IMPLEMENTATION

10.1. The contract will be managed and monitored within the commissioning framework for Adults and Health. This will including monthly reporting of activity and key performance indicators as set out by the Telecare Services Association.

Procurement Board	17/12/2019
Publication of report	18/12/2019
Cabinet member decision	27/12/2019
Effective Decision date	7/1/2020
Contract award date	8/1/2020
Communication to all customers and stakeholders	Dec 19-Mar 20
Mobilisation start date	08/01/2020
Mobilisation complete	24/02/2020
Target date for final Handover	31/03//2020
Obsolete equipment decommission	April 2020
Initial Contract monitoring	April 2020

AUDIT TRAIL				
Consultation				
Name/Position	Lambeth directorate / department or partner	Date Sent	Date Received	Comments in paragraph:
Councillor Ed Davie	Cabinet Member for Health and Adult Social Care	6\12\19	6/12/19	
Andrew Eyres, Strategic Director	Integrated Health and Care	22/11/19	4/12/19	
Fiona Connolly Executive Director	Adults and Health	22/11/19	27/11/19	
Pete Hesketh, Assistant Director	Finance and Investment	22/11/19	25/11/19	
David Thomas, Legal Services	Legal and Governance	30.10.19 22/11/19	8.11.19 25/11/19	4
David Rose, Democratic Services	Legal and Governance	22/11/19	02/12/19	
Sasa Glisic Senior Procurement Category Manager	Finance and Investment	22/11/19	26/11/19	9
Liz Clegg Interim Director Integrated Commissioning	Lambeth CCG and Lambeth Council	22/11/19	6/12/19	No comments
Richard Outram Deputy Director Adult Social Care	Adults and Health	22/11/19		
Maria Burton Assistant Director- Transformation	Adults and Health	22/11/19	22/11/19 5/12/19	
Laval Lebon Assistant Director- Older Adults	Adults and Health	22/11/19	6/12/19	No comments
David Bello Assistant Director Adult Social Care	Adults and Health	22/11/19	26/11/19	

REPORT HISTORY	
Original discussion with Cabinet Member	16/08/2019
Report deadline	N/A
Date final report sent	10/12/2019
Part II Exempt from Disclosure/confidential accompanying report?	Yes
Key decision report	Yes
Date first appeared on forward plan	07/12/2018
Key decision reasons	Expenditure, income or savings in excess of £500,000
Background information	Technology Enabled Care Services, NHS Commissioning Assembly January 2015
Appendices	Equalities Impact Assessment – Service Users Equalities Impact Assessment – Commissioning

APPROVAL BY CABINET MEMBER OR OFFICER IN ACCORDANCE WITH SCHEME OF DELEGATION

I confirm I have consulted Finance, Legal, Democratic Services and the Procurement Board, and taken account of their advice and comments in completing the report for approval:

Signature: _____ **Date:** _____

Post: David Worrall
Lead Commissioner Disabilities and Older Adults

Signature: _____ **Date:** _____

Post: Andrew Eyres,
Strategic Director, Integrated Health and Care

I confirm I have consulted the relevant Cabinet Members, including the Leader of the Council and approve the above recommendations:

Signature: _____ **Date:** _____

Post: Councillor Ed Davie
Cabinet Member for Health and Adult Social Care

Any declarations of interest (or exemptions granted):

None

Any conflicts of interest:

None

Any dispensations:

None