

Report to: Lead Member for Adult Social Care and Health

Date of meeting: 16th August 2021

By: Director of Adult Social Care

Title: Telecare Contract Extension

Purpose: To seek approval from the Lead Member for Adult Social Care and Health to extend the existing telecare contract to August 2023, to enable a comprehensive review of telecare provision in East Sussex to inform a full recommissioning exercise.

Lead Member is recommended to:

- 1. Agree to the extension of the existing contract with the current provider, Welbeing, for the provision of telecare services until 31 August 2023; and**
 - 2. delegate authority to the Director of Adult Social Care to take all necessary actions to give effect to the implementation of the above recommendation**
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1. Background

1.1. The existing telecare contract with Welbeing, now part of the DORO Group, started in September 2016 and is currently due to end on 31 August 2021. East Sussex County Council has the option to extend this contract for a period of 24 months and must give notice of its intentions prior to 31 August 2021.

1.2. An extension to the existing contract, under Public Contract Regulation 72(1)(a), is proposed to enable sufficient time to undertake a full review of the existing service and ascertain the structure and format of the future service. This will involve working closely with key statutory partners including the East Sussex Clinical Commissioning Group and District and Borough Councils to explore possible synergies including links with telehealth.

1.3. The current annual value of the telecare contract is £1,353,800.

1.4. Income is generated from client contributions of up to a maximum of £2.85 per week. However, this could be less or nil depending on the outcome of a client's financial assessment. The net cost to the Council of the contract therefore fluctuates between £200,000 and £400,000 per annum.

1.5. As of 31 January 2021, 10,366 clients were in receipt of telecare equipment.

2. Current Contract and equipment

2.1. East Sussex County Council currently purchases equipment manufactured by Tunstall which is then managed, installed, and maintained by Welbeing. Much of this equipment is coming towards the end of its lifespan and therefore will need replacing during the course of the proposed contract extension.

2.2. Between January 2021 and April 2023, 7,658 of 8,563 lifelines (89%) will need replacing, providing an opportunity to upgrade to digital equipment in advance of the 2025 digital switchover, at which point the existing analogue equipment will become redundant.

3. Service model for the duration of the proposed extension

3.1. With the existing contract, as the number of lifeline connections rises each year, value for money increases as the contract value remains the same. Extending the contract therefore capitalises on this funding structure. The current provider, Welbeing, have indicated that they are willing to continue to deliver the contract on the current conditions and within the existing financial envelope.

3.2. The proposal is to retain the existing purchase model for the duration of the extension and undertake a full appraisal of alternative models in advance of recommissioning the service in 2023. Consideration has been given to switching to an equipment lease model, however, this would require a significant contract variation and incur additional costs should the incumbent provider not retain the contract.

3.3. The cost of replacing the existing lifeline equipment, sensors and peripherals that are nearing the end of their usable life with digital ready equipment will cost £2.12m plus an ongoing annual cost of £368k for sim card charges, compared to a like for like replacement cost of £1.73m. Provision is contained within the Adult Social Care contract budget to cover the additional cost of the digital upgrades over the coming years.

4. Conclusion and reasons for recommendation

4.1. The current service is of a high quality and represents good value for money. The extension of the existing contract will:

- Enable the Council to undertake a full review of the market alongside key stakeholders and develop a specification that maximises the technical developments in this area.
- Provide an opportunity to upgrade all of the analogue telecare equipment in advance of the digital switchover in 2025.
- Maximise the financial benefits of the current contract structure through ongoing reductions in unit costs as a result of the incremental increases in the number of connections against a static contract value.

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Background documents:

None