

# **CHESHIRE EAST COUNCIL**

## **Cabinet Member for Adult Services**

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**Date of Meeting:** 28<sup>th</sup> June 2010  
**Report of:** Phil Lloyd – Head of Adult Services  
**Subject/Title:** Adjustment to Telecare Charges

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### **1.0 Report Summary**

- 1.1 This report sets out a proposed reduction in the published charge for Telecare.

### **2.0 Recommendation**

- 2.1 That the Cabinet Member for Adult Services approve the reduction of the charge for Telecare from £9.71 per week to £1.05 per week, in line with the reduction in the cost of provision.

### **3.0 Reasons for Recommendation**

- 3.1 This decision is required as an amendment to the Council's approved Scheme of Fees & Charges 2010/11.

### **4.0 Wards Affected**

- 4.1 All wards.

### **5.0 Local Ward Members**

- 5.1 All ward members.

### **6.0 Policy Implications including - Climate change - Health**

- 6.1 None.

### **7.0 Financial Implications**

- 7.1 The proposal passes on cost savings through procurement to charge payers. As such, the charge reduction is cost neutral in corporate terms.
- 7.2 The Finance Department is supportive in principle of any removal of barriers to the take up of Telecare, which is seen – in most instances – as an extremely cost effective care option. Work is ongoing within the service – supported by Finance – to monitor and measure the medium to long term financial efficiency of Cheshire East's Telecare offer.

## **8.0 Legal Implications (Authorised by the Borough Solicitor)**

- 8.1 The Local Authority is permitted to charge for this service under S17 of Health and Social Services and Social Adjudications Act 1983.
- 8.2 The Local Authority is not however permitted to commercially trade (except in certain prescribed circumstances) and cannot therefore charge more than the actual cost of providing the service.

## **9.0 Risk Management**

- 9.1 No risks have been identified.

## **10.0 Background and Options**

- 10.1 The proposal is that the policy of charging customers at the level of our costs is continued and Cheshire East charges its customers £1.05 per week for a Telecare service.
- 10.2 Cheshire East Council has recently undertaken a Telecare procurement exercise. All Telecare equipment is provided to those customers who have critical and substantial needs at no cost and there is no charge to that individual for the installation, maintenance or withdrawal of the equipment. This policy is underpinned by legislation (Chronically Sick and Disabled Person's Act, 1970). Under the current contract, customers are charged weekly (subject to a means assessment) £9.71, which relates to the link from Telecare equipment to the call centre and the availability of a worker to visit them (within an hour of an alert) in their home if this is required. Cheshire East pays this £9.71 per week to the contracted provider for each lifeline unit in a person's home, irrespective of the number of sensors linked up the lifeline unit. The only exception to the application of the charging policy is people who are charge exempt or have Telecare support provided under intermediate care are not charged at all for as long as they are supported through intermediate care (up to six weeks) for this service.
- 10.3 The recent re-procurement exercise sought to consolidate the number of providers of Telecare (from three currently) allowing that organisation to develop economies of scale and to ensure equity of service across the council area as the service develops further, as well as ensuring best value for Cheshire East as a commissioner and for our customers.
- 10.4 Under the new contract (starting in July), there will be one provider (Cheshire Peaks & Plains Housing Trust, based in Macclesfield) for the Cheshire East area and the charge for the monitoring and response service will reduce significantly to £1.05 per week; a reduction of £8.66 per week, just under 90% of the current price. We have also been able to reduce the guaranteed response time to 45 minutes.
- 10.5 One complaint has been received in the last year regarding the level of the charge; the son of a customer had been able to find a Telecare service privately that was significantly cheaper than the £9.71 charge. The procurement exercise has enabled the Council to purchase Telecare response services at a very competitive rate. By passing this saving on to

the customer, Cheshire East will be able to address one of the barriers to uptake; cost. Income will be reduced by reducing the charges to the customer. Previous years estimates of the income gained from Telecare charging is £42,000 per year, this would be reduced to around £5,000. However, this is offset by the reduction in contract costs. Additionally, a greater uptake from customers as a result of the reduced cost would impact positively on the social care budget as a whole.

- 10.6 The value of Telecare to the Council goes beyond its impact in enabling people to remain in their own home for longer. Recent evaluations across the UK have established that investment in Telecare can reduce costs in the longer term as an 'invest to save' initiative. The recent Department of Health publication Use of Resources in Adult Social Care: A guide for local authorities cited North Yorkshire County Council as an example of good practice in Telecare; they estimate that where Telecare is used there is a 38% reduction in the care package costs, saving £1.1 million in social care costs among 330 people. Another report, Telecare: a crucial opportunity to help save our health and social care system (published by the University of Leeds in August 2009, with a foreword by Andrew Lansley CBE MP the then Shadow Secretary of State for Health) concluded that there is a compelling case for further investment in Telecare. "It (Telecare) can be investment to save. It can eliminate common risks to health and wellbeing. It can enhance the quality of life. It should be a simple decision".
- 10.7 The Council plans to increase its investment in Telecare and assistive technology with a proposed investment of £1.5M over the next five years anticipated to realise £3.7M in cost avoidance. Making the Telecare service more accessible through passing on the procurement savings in reduced charges will support the aim of the maintaining people's independence for as long as possible and have a positive impact on the budget position as a whole.

## **11.0 Access to Information**

The background papers relating to this report can be inspected by contacting the report writer:

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