

Report to Cabinet

27 January 2022

By the Cabinet Member for Housing & Public Protection

DECISION REQUIRED



Not Exempt

Community Link Digital Investment

Executive Summary

This report details the proposed changes to the Community Link Service necessitated by BT moving from analogue to digital technology by 2025. With the replacing of copper lines all telephones will need to be changed and our Community Link emergency call button and base units will also need to be replaced.

It is recommended that the Council invests in new digital equipment over a two-year period to replace all existing installations for Community Link customers in the lead up to BT's deadline of 2025. The budget papers for 2022/23 include an investment estimated at £360,000 over the two-year period in addition to the service's normal operating budget. This expenditure will be recovered by an increase in charges to service users proportional to the service delivered.

Recommendations

That the Cabinet is recommended:

- i) To approve the direction of the Community Link Service to move its technology to digital to continue operating in the field.
- ii) To waive paragraphs 15.1 b and 16.2 of the Procurement Code to allow a change to the existing contract with ChipTech.
- iii) To award a contract extension to the contract with the ChipTech for the provision of the Community Link technology equipment provided by ChipTech.
- iv) To note the changes to the Community Link Service and charges are included in the Budget for approval by Council on 9 February.

Reasons for Recommendations

- i) The national switch to digital technology by the telecommunications industry as required by Government policy necessitates investment in the digital transformation of the Community Link Alarm Service in order to continue to provide this service.

Background Papers: None

Wards affected: All

Contact: Marc Rankin, Head of Environmental Health and Licensing, 01403 215178

Background Information

1 Introduction

Community Link is a non-statutory Council service that provides assistive technology to help residents maintain their independence in their own homes.

- The service is currently provided using BT's analogue telephone lines.
- BT is changing all analogue lines in the country for digital/fibre services by 2025.
- The technology currently provided by Community Link needs to be switched to digital equipment if the Council is to continue to provide the service.

2 Background

2.1 Community Link Service

- In excess of 1,700 vulnerable residents of all ages benefit from technological solutions to support independent living and link residents to other sources of assistance for their individual needs.
- Our service is tailored to an individual's needs.
- The equipment we supply and install includes personal alarms, smoke alarms, GPS trackers, bed sensors, connecting our service users to our call centre to call for help when needed.
- The service has 100% customer satisfaction in our annual surveys.
- The service currently makes a marginal operating profit of around £82,000 for the Council as our clients pay according to the service they receive. There has been no price increase for 10 years.
- There are other suppliers of similar services operating in our area, but they charge customers more.
- This is a discretionary service that the Council is under no obligation to provide.

2.2 BT's Digital Switch

- BT is moving from analogue to digital technology by 2025, replacing copper with fibre, so all telephones and our alarm equipment will need to be changed before this date.
- Our emergency call button and base units currently communicate via analogue landlines, so 1,450 sets of analogue equipment will not work when the digital switch is complete.
- BT have already stopped offering analogue lines or equipment. They are only installing digital lines for new homes and where existing lines fail, so we are already having to install digital base units for some service users.

2.3 Procurement issues

Community Link moved to a new supplier of digital equipment, Chiptech, in May 2021 after undertaking a procurement exercise through a framework held by the Northern Housing Consortium, consulting internally, and putting the decision to the Director of Community Services and the relevant Cabinet Member. Unfortunately, this contract was limited to £30,000 spend a year and now needs a variation well above those allowed in the Procurement Code referred to within the Constitution. The Northern Housing Consortium and our Procurement Partnership have advised that the extension to the current contract with them is acceptable in procurement law. However, the extension will need a waiver of paragraphs 15.1 b and 16.2 of the Procurement Code. Paragraph 15.1b needs to be waived because it states that no variation to a contract can exceed 50% of the original value. Paragraph 16.2 needs to be waived because the impending change from copper to fibre was known before the let of the contract in 2021 and therefore the need to extend the contract has not come about by unforeseen circumstances.

2 Relevant Council policy

2.1 The Community Link Alarm Service contributes towards District Priorities:

- Supporting our communities by making a fundamental contribution to the maintenance and improvement of public health, quality of life and wellbeing.
- A strong, safe and healthy community by providing technology-enabled care to help residents feel safe and live independent lives for as long as possible.

3 Details

3.1 The proposal sets out the investment in digital technology in order to enable the Council to continue to provide the Community Link Alarm Service.

3.2 The detail and reasoning for this proposal are set out in the business case in Appendix A.

4 Next Steps

4.1 The Cabinet are asked to recommend the proposal as set out in the attached business case (Appendix A) for inclusion in the budget as presented to Council on 9 February.

4.2 Once approval is given, the changes to the agreement with the Northern Housing Consortium will be made in conjunction with the Monitoring Officer. Price increases will be introduced from July 2022. The roll out of the new equipment will begin to customers who remain with the service after the price increase begins.

5 Views of the Policy Development Advisory Group and Outcome of Consultations

- 5.1 The proposed policy changes were considered by the Housing & Public Protection Policy Development and Advisory Group at its meeting on 18th January 2022. The Group was fully supportive of the proposals.

6 Other Courses of Action Considered but Rejected

- 6.1 Cease to provide the service.

There are other suppliers in the market and if this change is not supported the customers would have an alternative service to go to. This option was not developed because:

- The service is highly valued by residents and their families as well as the many professionals and stakeholders with whom we work,
- Ceasing to provide the service would be poorly received by the current 1,700 customers.
- The service is budgeted to make a small marginal profit of £82,000 in the 2021/22 financial year. The Council would have to replace the marginal profit by making savings or generating income in other services.

- 6.2 Sell the service to a competitor

The current customers could be sold as a group to another provider. This option was rejected because:

- It provides an excellent and appreciated service to residents. Some users find comfort in receiving a service like this from a public service brand.
- Financially the Council has more need of ongoing revenue funds than a lump sum increase in its reserves.

7 Resource Consequences

- 7.1 The Director of Corporate Resources was consulted and advises the change in technology will put the service into deficit for two years and recover beyond this by increasing charges to customers to a level similar to that currently charged by other suppliers. If customers leave the service due to the price increases, then the money to buy the new equipment will not be spent. Therefore, there is little risk to the Council from reduction in the customer base unless a high proportion of the customers leave, leaving the Council to cover its fixed costs, such as staff and its contract for the data handling computer system.

- 7.2 The additional staffing resource consequences have been included in the attached business case. The Head of HR & OD was consulted and can undertake the recruitment within his existing resources. There will be additional work in the Finance Service to change direct debits for increased costs, but this will be absorbed within existing staffing levels, albeit it may create some delays in other work.

- 7.3 The Head of Customer and Digital Services was consulted and says the new technology is not expected to conflict with existing Council technology.

8 Legal Consequences

- 8.1 There are legal implications contained within the body of the report. Discretionary Services are those which the council is permitted to provide but not required to provide.
- 8.2 The Council has a general power to charge a person for discretionary services under Section 93 of the Local Government Act 2003 (“LGA 2003”) and under the power of general competence found in Section 1 of the Localism Act 2011 (“LA 2011”).
- 8.3 The overall position on charging is that the Council must not charge for a service if legislation prohibits it from doing so. If legislation requires the Council to provide a service and to charge for it then we are required to do so. In the absence of specific powers or prohibitions on charging for services, the Council may use the powers in either s93 of the Local Government Act 2003 or s1 of the Localism Act 2011 to make charges for discretionary services.

9 Risk Assessment

- 9.1 There is a risk the Council would be unable to recruit a suitable person or lose current staff members. This would result in an inability to install in the timeframe. If this occurred, then an extension to the timeframe by one year and a carry-over of the agreed budget would ensure installation before the BT deadline. A delay in the implementation would improve the Council’s financial position.
- 9.2 There is a small risk the roll out of full fibre in towns from other suppliers than BT could disrupt the roll out plan if customers move more quickly to fibre only.
- 9.3 There is a small risk that significant losses of customers due to the price rise could result in some of the Council’s fixed costs not being covered.

10 Procurement Implications

- 10.1 Community Link moved to a new supplier of digital equipment, Chiptech, in May 2021 after undertaking a procurement exercise with the Northern Housing Consortium, consulting internally and putting the decision to the Director of Community Services and the relevant Cabinet Member. Unfortunately this contract was limited to £30,000 spend a year and needs an extension to allow the purchase of the new equipment. The Northern Housing Consortium has confirmed an extension of the contract is legal within its framework. The Council’s Procurement Code allows the maximum variation in a contract to be less than 50% and that no extension can be agreed for a matter than could have been foreseen when the contract was let. The variation needed to the contract is significantly more than this. This report recommends Cabinet waive the procurement code to allow the variation, as the contract value is now above the key decision limit.

11. Equalities and Human Rights implications / Public Sector Equality Duty

11.1 An equalities impact assessment has been carried out on the impact of the fee increase on our customers. This is shown at Appendix B.

12 Environmental Implications

12.1 There are no known environmental implications in this change in technology.

13 Other Considerations

13.1 The Community Link system has a positive impact on the fear of crime, as any vulnerable person is able to contact help in the event of a concern. Human Rights and Sustainability are not affected by the proposals. The service carries a lot of personal data on customers and is a high-risk area for data protection breaches. The risk is mitigated by current measures to protect this information. The change in the technology does not alter this risk.