



AUDIT COMMITTEE REPORT

Report Title	Call Care Service update
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AGENDA STATUS: PUBLIC

Audit Committee Meeting Date:	19 th May 2014
Policy Document:	NO
Directorate: Management Board	Customers and Communities
Accountable Cabinet Member	Cllr Markham

1. Purpose

1.1 Update regarding the Call Care Service

2. Recommendations

- 2.1 To note the current position of the Call Care Service, potential future options and option currently being pursued.
- 2.2 To note the actions required to enable the Call Care Service to transform into a fit for purpose service with potential for future growth.

3. Issues and Choices

3.1 Report Background

The Council continues to keep the options available regarding its Call Care service under review to establish the future direction of the service and methods of delivery. The options include:

- Retain and seek to grow the Call Care service
- Retain the service but outsource the call monitoring and handling provision
- Cease provision of the service and 'signpost' users to other providers

The Council's Call Care service has around 3,500 customers including sheltered housing tenants, other Council tenants and other residents within and outside of Northampton. The service takes around 6,000 calls per month. The Council's out-of-hours response service (predominantly housing repairs) is delivered through the team.

Specific challenges for the service include the potential loss of £260,000 income from Supporting People (via the Housing Revenue Account) and a reduction in income as a result of a fall in the number of customers. Conversely, opportunities exist in relation to expanding the service through active marketing and through development of other areas linked to Telecare and Telehealth.

In January 2013, the Council produced an initial appraisal of "Call Care Future Options" and a Marketing Plan. The appraisal examined a wider range of options looking at options for the future of the service. The appraisal recommended the retention and growth of the service; however more activity is required to actively market or grow the service so in January 2014, a further options appraisal was undertaken with a specific emphasis on how the service could be retained and grown.

3.2 Issues

1. The call care service has operated at a deficit against a budgeted surplus over recent financial years.
2. There had been no proactive marketing of the Call Care service in recent years and so work on marketing the service has been undertaken including a leaflet sent out with this year's Council Tax demand.
3. The County council's Olympus care offering has taken some clients from Call Care.
4. The current shift pattern and process for shift scheduling will be reviewed to enable maximum use of resources.
5. The current Call Care team will be trained for skills and expertise to run the service on a more commercial basis.
6. The service will need investment in new Lifelines to replace the existing Lifeline 400 units.
7. The demographic changes along with advances in Telecare and Telehealth technology give an opportunity to develop and expand the Call Care service to a greater number of private and corporate clients and to widen the range of service offerings. The telecare market is growing rapidly both nationally and locally with over 370 organisations now registered with the Telecare Services Association (TSA)
8. The 3 main options – retain and grow, outsource monitoring or closure of service – all required investment during 2014/15 and would all result in a further in-year deficit.

9. Resources, expertise and investment are all required to effectively market any enhanced Call Care service. In the case of the other options there would be redundancy, procurement and transition costs.
10. The service can be retained and grown and can move back into surplus, provided that its structure and processes are transformed to make it fit for purpose.

What action is required?

To compete effectively in this marketplace Call Care will need to offer the quality and range of services that the potential client base are expecting, to deliver consistently high levels of service, to provide, maintain and improve the equipment and technology provided to clients and to proactively market their services.

The required actions are set out below:

Staffing operations (timescale – 6 months)

The current staffing and shift structure reflects the higher level of connections and calls that were in existence. In addition the new structure needs to build in the requirements for operating a commercial business unit. This will need to include:

- Development of new staffing structure
- Revision to shift system
- Increased multi-skilling
- Review of role and reporting lines for Emergency Response Co-ordinators
- Review of on-call payments
- Improved utilisation of staff during overnight and other 'quiet' periods
- Inclusion/ strengthening of marketing and business development roles
- Commercial awareness and cultural change training

Systems and Processes (timescale – 3 to 6 months)

Review and development of processes to support:

- Responding to and processing sales enquiries
- Invoicing
- Credit control
- Accounting and reporting
- Signposting

Technology (timescale – 3 to 6 months)

Improve the use and deployment of technology through:

Sourcing replacement Lifelines (e.g. Lifeline Vi)

Maximisation of PNC7 reporting potential

Improving permissions and access to PNC7 to support multi-skilling

Investigation of other equipment and peripherals

Marketing (timescale – 3 months)

The Marketing Plan produced in 2013 contains a number of valid recommendations in terms of marketing activity and will be refreshed and provided with clear timescales and resources. Specific activities planned include:

Development of a full Business Plan

An analysis of new customers and cancellations to identify reasons/ routes for accessing the service and any controllable reasons for cancellation

Ensuring effective relationship management with corporate clients

Development of Unique Selling Point and branding

Reviewing the pricing structure, in particular out-of-Borough clients and self-installation options

Website development

Communication Plan

3.3 Choices (Options)

1. Retain and seek to grow the Call Care service
2. Retain the service however outsource the call monitoring and handling provision
3. Cease provision of the service and 'signpost' users to other providers

4. Implications (including financial implications)

4.1 Policy

4.1.1 There are no specific policy implications arising from this report.

4.2 Resources and Risk

4.2.1 Should no action be taken and no review of staffing, processes, technology and marketing take place then the current projected deficit will continue to grow due to:

Continued 'churn' and net loss of Lifeline customers; over the 12-month period to November 2013, approximately 28% of Lifelines were cancelled which after allowing for new Lifeline installations represents a net loss of 8%.

The effects of salary inflation.

Should the marketing of the service not achieve the required income to move the call care service into at least cost neutral then the option of achieving savings through the closure of the service and signposting of service users to other providers would need to be considered. The option for closure involves a number of risks including reputational and the cost of transition.

The retention of the service and outsourcing of monitoring requires a similar level of transitional costs and risk to the option of closing the service. For this option to be effective then the Council would still need to undertake similar marketing activity in order to maintain revenue to the service.

Given the risks involved the case for closure or outsourcing is not sufficiently compelling at this stage, and it is therefore recommended to pursue the option of retention and growth, subject to keeping this under review.

To mitigate the financial position of recurring deficits the budget for 2014/15 included a one off budget pressure of £150,000 to enable the service to continue its operation whilst this review on future service provision was undertaken.

4.3 Legal

There are no specific legal implications arising from this report

4.4 Equality

There are no specific equality implications arising from this report

4.5 Consultees (Internal and External)

Employees within the Call Care Team and users of the call care service.

4.6 Other Implications

Not applicable

5. Background Papers

None

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