

Decision Session - Cabinet Member for
Health, Housing & Adult Social Care

18 July 2013

Report of the Director of Adults, Children and Education

Proposal to consult on the introduction of new two tiered charging arrangements for Warden Call

Summary

1. This report considers the outcomes of the consultation on proposals to introduce tiered charging and an increase in the level of charge for the Warden Call service together with options and recommendations for approval.

Background

2. CYC Warden Call provides a 24 hour monitoring and response service to approximately 3,150 customers in York. The telecare service has over 1,650 customers who have at least one piece of telecare equipment installed.
3. Warden Call services are available to vulnerable adults of any age who would like to feel safer, more protected and independent in their own home. City of York Council currently charges a flat rate of £4.25 per week irrespective of the likely response needed or the complexity of the customer's needs. Customers on housing benefit do not pay for the service as historically this is funded from the Supporting People (SP) budget.
4. The table below highlights how the charge has increased by 35p in the last seven years and not increased at all in the last three years.

Budget year	Charge Per Week	Charge Per Year	Charge Per Month
2006/07	£3.90	£176.80	£16.89
2007/08	£4.00	£208.00	£17.32
2008/09	£4.10	£213.20	£17.77
2009/10	£4.20	£218.40	£18.20
2010/11	£4.25	£221.00	£18.42
2011/12	£4.25	£221.00	£18.42
2012/13	£4.25	£221.00	£18.42

5. The proposals consulted on were to move from the current single rate charge to a two tiered model. The tiered model allows some choice in the level of service a customer receives and reflects the different levels of costs incurred in their delivery.
6. Proposal 1 is to charge £5 for a tier 1 service and £7 for a tier 2 service.
7. Proposal 2 is to charge the full unit cost which would be £7 for tier 1 and £10 from tier 2.
8. Compared to similar services in neighbouring local authority areas the proposals are competitively priced for the level of service we provide.

Local Authority	Type of authority	Lifeline monitoring charge	Charge inclusive of	Equipment charged or loaned free	Comments
Darlington	Unitary	£5.06 - £3.31/wk	monitoring charge and maintenance	Charged	Lifeline £5.06 weekly. Any additional Telecare devices are charged at £1.50 per device in addition to the standard Lifeline Charge.
East Riding of Yorkshire	Unitary	£14-£22/month		Charged	Gold - £22/month rental Silverday/night £18/mth Rental Bronze £14/mth rental. Telecare sensors are rented at an additional cost - smoke detector £1.00, Temperature Extreme sensor £1.00, Flood detector £1.00, Bogus caller £1.00, Movement detector (PIR) £1.50, Enuresis sensor £3.50, Medication dispenser £4.50, Bed sensor £8.00, Epilepsy sensor £8.00.
North Yorkshire	Two tier	6.20-£12.30/wk	installation, maintenance, monitoring and response	free	Level 1 £6.20, Level 2 £12.30. Lifelines supplied in conjunction with district council housing partners for which there is a service level agreement (currently under review).
Sheffield	Metropolitan	4.67/wk		Charged	Charge £4.67 + VAT per week for the basic button and box including installation, maintenance, monitoring and response by our staff if required. Additional sensors are charged at anything from 50p + VAT per week to £1.50 per week extra depending on the unit.

9. The tiers would be differentiated as follows:

Tier 1 – Warden Call

10. This provides a telephone response when the person activates their pendant or they pull their cord. If they require assistance then wardens will visit them. This service can also offer additional provision including smoke detector; carbon monoxide detector and bogus call detector if required.

Tier 2 –Telecare

11. This provides a telephone response when the person activates their pendant or pulls their cord or when any one of the other sensors alerts the control centre. If they require assistance then wardens will visit them. Any number of required telecare sensors can be provided free of charge to meet an assessed need.
12. An increasing number of telecare packages and a greater range of equipment are being provided at no cost for the equipment. There is a case for charging a higher rate for those customers who have multiple pieces of equipment.
13. It is safe to assume that the greater the number of devices provided, the more likely the customer is to require a response and the more complex the care will be once the service has responded.

Proposal to charge each individual within a couple living at the same address

14. Presently any customer whose partner/spouse is already in receipt of a service is accepted onto the service at no additional charge. Therefore some customers are in receipt of a full service at no cost to them.
15. We would propose to charge an additional £3/£5 to the second person within the same household (depending on the decision taken with regard to which if the tier option is chosen) so for a couple the new charge would be either £8/£10.

Proposal to introduce a charge for lost pendants

16. Lost pendants cost £70 to replace and currently there is no charge for replacements. We propose a charge of 50% of the cost of a replacement pendant.

Consultation

17. Four proposals have been consulted on to change from the current flat rate charge of £4.25:
- proposal 1 for a two-tiered charging regime at £5/wk for tier 1 customers and £7/wk for tier 2 customers. Savings have been earmarked against this change to a tiered system and it is mitigating against growth as part of the 2013/14 budget process
 - proposal 2 for a two tiered charging regime at £7/wk for tier 1 customers and £10/wk for tier 2 customers
 - proposal 3 – to charge cohabitants of existing customers where they are also registered as a customer
 - proposal 4 – to charge customers 50% of the cost of providing a replacement for lost pendants

Analysis and results of the Consultation

Proposals 1 and 2 – a two-tiered charging regime at £5 and £7 per week or £7 and £10 per week

18. A total of 2639 questionnaires were issued to all customers of the Warden Call service and the issue of tiered charging was discussed at a YOPA committee meeting.
19. The YOPA board were in favour of the introduction of tiered charging and were keen that the charges represented the true costs of the service.
20. At the time of writing a total of 786 questionnaires have been received representing 30% of the customers.
21. The results of the consultation questionnaires and feedback indicate that the majority of customers agree that the charge should be increased.
- 66% agree
 - 30% disagree
 - 4% did not want to comment
22. Proposal 1, to introduce a charge of £5 for tier 1 and £7 for tier 2: Supported by 62% of respondents and 31% disagreed.

23. Proposal 2, to introduce a charge of £7 for tier 1 and £10 for tier 2: Supported by 4% of respondents.
24. Current regulations state that an authority cannot charge more than it costs to provide a service. The higher tiered charging rates of £7 and £10 conform to these regulations as they do not meet the full cost of providing the service. The £5 and £7 rates were modelled as an alternative option for consultation.
25. There will be no change for those 1200 customers who currently do not pay for the service as long as they remain in receipt of council tax assistance and/or housing benefit.
26. Initial discussions have been had with regard to the possible implications of the new universal credit implementation. We have been advised at this stage that implementation is likely to be very slow (12-24 months) and the greatest proportion of our customers are over 65yrs and therefore they will be exempt.

Proposal 3 – Charge cohabitants of existing customers

27. Current practice is to charge only one customer living at an address, even if two customers living at the address require the response service.
28. The option is to charge whichever tier 1 rate may be adopted less £2 (ie an extra £3 per week if the tier 1 rate is set at £5 or an extra £5 if the tier 1 rate is set at £7).
29. In the consultation 21% of customers who responded agreed that this charge should be introduced, 34% disagreed and felt it would be unfair to charge the second occupant and 45% did not make any comment.

Proposal 4 – to charge for lost equipment

30. We proposed to charge customers 50% of the cost of replacement of lost pendants.
31. In the consultation 28% of those who responded agreed that this charge should be introduced, 27% did not agree with the proposal to charge for lost pendants and 45% did not make any comment on this proposal.

32. On the whole a wide range of comments were made on the feedback forms which included many compliments for the service customers are currently receiving. This is clearly a popular service.
33. The majority of concern was around the prices rising too high which would mean that those on low income would not be able to afford to continue with the service. Many people stating that they have had no rise in their income and so to have increased charges means that they would be worse off.
34. However, very few (less than 20) have explicitly stated that they would return their equipment if the prices were to rise as suggested in proposal 2.

Options

35. Whilst 66% of the respondents and YOPA have recognised that an increase in the level of charge and the introduction of a two tiered system is reasonable understandably, the level of charge creates concern amongst customers.
36. The table below indicates the levels of charge together with the additional income that each is likely to rise in financial years 2013/14 and 2014/15.

Assumptions

- these figures are the expected increase to income above the budgeted level for 2012/13. £137k saving has been included within the 2013/14 budget to be achieved by introducing the new charging arrangements. Therefore, if option 1 is agreed, this will generate a further £5k saving against the directorate's 2013/14 budget.
- all extra income has been reduced by 10% as customers already receiving fairer charging services will have the amount they can afford to pay towards those services reduced by the value of any increase in their Warden call charge.
- in option 2, 20% customers have assumed to dropout of service due to the increase in cost.
- no adjustment has been made to the Warden Call staffing establishment should customer numbers decrease in line with these assumptions.

- no financial cost has been built into the model around any resource needed to implement the changes.

Charges expected to be introduced from 1 September 2013

(a) Option	Tier charges	Part year effect - income 13/14	Full year effect – income 14/15
1	Tier 1 £5 Tier 2 £7	81,955	142,056
2	Tier 1 £7 Tier 2 £10	129,893	225,148
3	Charging for 2 person @ £3	36,000	62,400

Council Plan 2011-15 Priorities

37. The Warden Call service provides support and reassurance to many of our most vulnerable citizens. It helps to deliver two of the objectives in our Council Plan of protecting vulnerable people and building stronger communities.

Implications

Financial

38. The actual revenue unit cost for the Warden Call service has been calculated to be £6.97 for a tier 1 service and £10.09 for a tier 2 service as proposed in this report. (This does not include the cost of equipment.)
39. If a charge of £5 and £7 per week were introduced it is estimated to generate additional income for the council of £142k.
40. If a charge of £7 and £10 per week was introduced to more closely mirror the actual unit cost of the service it is estimated to generate additional income for the council of £225k.

41. The additional income would contribute to the savings targets for adult social care and assist in avoiding the need to reducing service levels for recipients of adult social care.

Equalities

42. A full community impact assessment to inform a subsequent report in July.

Information Technology

43. There will be some changes required to the Frameworki system to facilitate charging of the new tiers.

Other

44. There are no Human Resources, Legal, Crime and Disorder or Property implications arising from this report.

Risk Management

45. There are no risks associated with the recommendation to consult with the customers and stakeholders of the Warden Call Service.

Recommendations

46. The recommendations of the report are:
- to approve and increase in Warden Call charges from 1 September 2013 to £5 for tier 1 service and £7 for tier 2 service
 - to approve a further increase in charges from 1 April 2014 to £7 for tier 1 service and £10 for tier 2 service
 - to approve charging cohabitants £3 per week where both parties are in receipt of the service
 - to approve charging customer 50% of the cost for any pendants lost

Reason: to create a two-tiered charging system for Warden Call with prices that more accurately reflect the actual revenue cost of the service.

Contact Details

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	Report Approved	✓	Date 4 July 2013
Specialist Implications Officer(s) None			
Wards Affected:			All ✓
For further information please contact the author of the report			

Background Papers

None

Annexes

None