

**Derbyshire Careline Partners**

Bolsover District Council  
Chesterfield Borough Council  
Derbyshire County Council  
South Derbyshire District Council

**Draft Head of Terms**  
**for the**  
**Derbyshire Careline Partnership**

**1. Partnership**

1.1 Nature of the Partnership

This is a not for profit equal partnership between Bolsover District Council (“BDC”), Chesterfield Borough Council (“CBC”), Derbyshire County Council (“DCC”) and South Derbyshire District Council (“SDDC”) to initially provide alarm call and telecare monitoring services to the people of Derbyshire, to be known as the Derbyshire Careline Partnership.

1.2 Principles of Collaboration

The Partnership will be founded on the following principles of collaboration:-

- Co-operation between all parties
- Accountability of each party for its role and responsibilities
- Pro-activity to establish and develop the partnership
- Development of the full potential of the partnership
- Adherence to statutory requirements and best practice
- Timely action
- Effective management of stakeholders
- Deployment of appropriate resources
- Action in good faith to support achievement of the Mission described in paragraph 2 below

1.3 Form of the Partnership

The partnership will take the form of a Strategic Partnership Agreement with two companies and other contractual arrangements. The corporate and contract structure and governance arrangements are described in paragraph 4 below. One of the companies will be a ‘Teckal exemption’ company primarily providing services to the publicly funded users. The other will be a trading company providing services primarily to private sector users.

1.4 Contributions to the Partnership

The contributions of the respective Councils to the partnership will be:-

- 1.3.1 Award by DCC of a service delivery arrangement by the relevant Partnership company to DCC of the existing alarm call and telecare

monitoring service of approximately 9,000 connections for social services clients throughout Derbyshire funded by DCC

1.3.2 [Combination of and] transfer to the relevant Partnership company of the existing alarm call and telecare monitoring services to self-funded customers of each of BDC, CBC and SDDC

1.3.3 Management and technical leadership to establish the new service by [ DCC]

1.3.4 Knowhow and operational staff by each of BDC, CBC and SDDC

1.3.5 Use of the call centre at [ ], Bolsover by BDC

1.3.6 Use of the call centre at [ ], Chesterfield by CBC

1.3.7 Use of the call centre at [ ], Swadlincote by SDDC

1.3.8 Transfer to or arrangements for use by the Partnership companies of Equipment comprising:-

[ ] by DCC

[ ] by BDC

[ ] by CBC

[ ] by SDDC

## 1.5 Name of the Partnership Service

The Service provided to end users through either company will appear as one unified seamless brand to be known as Derbyshire Careline (*can be something else but yet to hear of any better title*).

## 1.6 Commencement of the Partnership Service

The partnership, companies and their respective governance and administrative arrangements with an operational service will be in place by 1<sup>st</sup> October 2014.

## 1.7 Preparation for Commencement of Service

A Partnership Delivery group will be established to undertake item 1.6 made up of officers of each partner. The overall aim is that the work and costs involved in establishing 1.6 will be shared equally by the four partners.

## 1.8 Duration of Partnership

All partners will commit to the partnership for a period of [at least] 25 years.

## 2. Mission

2.1 The partnership mission will be to provide an alarm and telecare monitoring service of high quality and low cost to the residents of Derbyshire. The intention is deliberately to keep a local link between service users and the monitoring service to aid accountability and allow maximum integration with other Derbyshire care and health services. The Partnership may be developed by future agreement to serve other users in the future.

## 3. Pricing Objectives

- 3.1 The aim of the consortium is to keep costs low which will allow low charges to be made to all customers regardless of who pays for the service.
- 3.2 The price charged to private single users will be higher than that paid internally within the partnership by Derbyshire County Council. This higher charge will not only reflect VAT but the higher administrative cost of managing single users rather than through a multiple user contract. The principle though behind the higher private sector charge cost will be that it will be on a not for profit basis.
- 3.3 The partnership will initially offer the service across the whole County on a housing tenure neutral basis. The aim is to market the service initially extensively within the County for the benefit of the local community. In the medium term the possibility exists to widen the breadth of services offered and to offer services to users outside of the County. Additional users will bring additional income into the partnership without significantly driving up infrastructure or staffing costs. The additional income will be used to drive down the unit cost for all users.
- 3.4 The aim is to provide a base weekly monitoring fee for public sector users of £1 within three years of establishing the partnership.
- 3.5 The initial pricing proposal and all subsequent pricing proposals are to be approved by [ the Partnership Board].

#### **4. Governance, Corporate and Contractual Structure**

- 4.1 Strategic Partnership Agreement
  - 4.1.1 The Partners will enter into a Strategic Partnership Agreement to provide for the establishment, membership and procedure of a Partnership Management Board to manage all Partnership business matters.
  - 4.1.2 The Board will be made up of 3 councillors from each constituent partner appointed for a four year term of office.
  - 4.1.3 The full Partnership Board will meet at least quarterly.
  - 4.1.4 The Chair of the Partnership Board will be rotated amongst all partners on an annual basis.
- 4.2 4.1.5 Financial and administrative management arrangements will ultimately be decided upon by the Board. Initially one of the partners will take a lead on financial and administrative issues and this will be reflected in the financial arrangements between the partners.

#### **4.2 Companies**

- 4.2.1 The Partners will establish two companies and will enter into a Members/Shareholders Agreement for each company. One company shall be a "Teckal exemption" company primarily to provide services to publicly funded users. The other company shall be a trading company primarily to provide services to self-funded users

4.2.2 The Memorandum and Articles of Association of each company will provide for [ ]

4.2.3 The Members/Shareholders Agreement for each company will provide for [ ]

4.2.4 The two Companies will need formal registration with indemnities for constituent partners and Directors.

#### 4.3 Contracts

4.3.1 DCC will award to the Teckal exemption company a contract for the provision of alarm and telecare monitoring services to users funded by DCC Adult Social Care being approximately 9,000 residents throughout Derbyshire.

4.3.2 Each of BDC, CBC and SDDC will award a [concession] contract to the trading company for the provision of alarm and telecare monitoring services to self-funded users in their respective areas, and will transfer to the trading company their existing service user customer agreements.

4.3.3 Both the Teckal exemption company and the trading company will enter into contracts with the individual Councils for the use of facilities, supply of goods or services by the individual Councils to give effect to the arrangements described at 1.3.2 and 1.3.3 above.

4.3.4 Both the Teckal exemption company and the trading company will enter into such further contracts and other arrangements as may be required with other suppliers to create and operate the new service.

### **5. Financial Issues**

5.1 The Partnership Board will arrange for the preparation of a Partnership Business Plan reflecting the following.

5.2

The partnership aims to be financially stable and viable in the long term.

5.3 Private sector multiple user customers (e.g. Housing Association landlord – to be known as Corporate clients) can be offered net unit costs that are less than single private sector users.

5.4 The principle behind pricing will be that the unit cost for publicly funded customers will be the lowest charge made but Corporate clients could be charged at that same unit price if this was in the best interests of growing the business and driving overall unit costs down.

5.5 Any differential charging decision (e.g. between self funders / DCC / corporate clients) will be transparent.

5.6 The financial, employment and administrative arrangements of the partners are to be kept as separate as possible to avoid over complicating structures

and adding bureaucracy to the partnership. The buildings / staff / equipment etc will remain in the ownership / management of the individual partners.

- 5.7 Each service provider will in effect be paid by the partnership for the service it provides to both public and private sector users. The methodology for 'paying' each member for their services is to be determined.
- 5.8 The companies will lease services from the partnership members. The price paid by the companies will need to cover the appropriate costs of the partnership members. These costs will not be significantly different for the three operational centres.

## **6. Operational Issues**

- 6.1 The service will be provided from three operational centres located in Bolsover, Chesterfield and Swadlincote.
- 6.2 Dependant on the needs of the service 1, 2 or 3 of the call centres will be open at different times. In this way economies of scale will be greatly enhanced. A minimum of two operatives will be on site at any centre at any time if that centre is operational for call and telecare purposes.
- 6.3 Each service user (public and private) will have a primary linked centre which will deal with administration and charging for that service user.
- 6.4 There needs to be a decision on how new calls / clients are routed and which will be their primary centre. The principle of the partnership though is that no one centre should become significantly larger or dominant than any other.
- 6.5 The Monitoring Centres will develop common standards and procedures and the partnership will be collectively accredited to the TSA within the first five years of operation.
- 6.6 The Monitoring centres will provide other services to their respective Council and areas. The charging and financing of these services will be transparent and open to scrutiny by the other partners.
- 6.7 DCC will lead on the migration of existing clients / systems currently utilising third party monitoring. However other partners will assist wherever possible given their knowledge and expertise in operating these businesses over the last 25 years.
- 6.8 A shared Business Continuity plan will be developed.

## **7. Development Issues**

- 7.1 The partnership will develop a three year development plan which will be reviewed annually by the management board.

