

Agenda Item: 13

Executive Board

15 July 2009

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Home Safeguard community alarm service review

Summary

This report reviews the operation of the Home Safeguard community alarm service, considers the strengths, weaknesses, opportunities, and threats to the service, and presents some ideas about how we might generate additional income to improve and extend the services available to new and existing customers, whilst reducing the subsidy from the General Fund.

Included as a key part of the report are some suggestions for an updated charging policy. The report expands on proposals for charging all customers considered during the last budget round and more recently by the Leader's Service Transformation Group. The main report considers the financing of Home Safeguard and details of the operational review are set out in the annex.

The introduction of Telecare monitoring devices is seen as a major opportunity for the service where we are convinced demand exists to enable vulnerable clients to live independently in their own homes. We also identify the need to work towards accreditation against the Telecare Services Association (TSA) standards, the upgrading of software and final preparations for digital switchover, to secure the future of the service. The report sets out the investment needs, which can be financed through increased income.

Recommendations

- (1) All new Home Safeguard customers who are over 80 and in receipt of benefits be charged from 1 September 2009 the same as all other clients, and
- (2) All other customers currently provided with a free service be charged from 1st April 2010, and
- (3) The short term investment needs set out in the Home Safeguard review and the charging structure for Telecare customers are approved.

a) Reasons for Recommendation

To ensure that our Home Safeguard community alarm service remains competitive, delivers services that our existing and future customers need, and expands to meet new and un-met needs to promote continued independent living for our residents in the Council's sheltered housing and the wider private sector community.

b) Alternative Options

Not to plan for changes in customers' needs, and only maintain existing service levels and not promote more ambitious changes to develop the community alarm service.

c) Risk Considerations

If we do nothing there is a danger that the service will stagnate by not taking the opportunity to embrace changes in technology and reacting to increasing customer expectations.

d) Policy and Budgetary Considerations

The report explains the policy and budgetary implications of the recommendations.

e) Date for Review of Decision

Performance monitoring and reporting in respect of alarm call answering and Telecare equipment including response times will be undertaken annually. Performance reports on new business attracted to the service which has been successfully contracted will also be made annually.

1 Background

- 1.1 The Home Safeguard alarm system is essentially a telephone based emergency call monitoring service. The service has in excess of 5,000 customers and was originally conceived to provide a telephone connection to the council's sheltered housing and was supplemented by the Warden Service. It consists of a control centre based at Lymebourne Park, Sidmouth, Saturn software, telephony equipment, and eight Operators (plus some casual or agency staff) working a shift pattern to ensure 24/7 response for customers.
- 1.2 The service has expanded over the last twenty years in terms of the volume of calls/contacts received. We operate a complex four shift pattern with a system of early shifts (07.45 hours – 12.45 hours), mid shifts (12.30 hours – 17.30 hours), late shifts (17.15 hours – 22.15 hours) and night shifts (22.05 hours – 07.55 hours). This pattern is repeated over an eight week cycle and over this period our Operators typically work one night shift a week, plus up to four other shifts during the week. We have one Operator on duty during nights, late shifts and weekends, otherwise the system is run by two Operators.
- 1.3 We operate a Chubb product and their Saturn software, and use Chubb (Initial) or Tunstall hardware. The system contains a database of client details and their nominated contacts. When a client triggers their telephone, pull cord or pendant the call connects to the control centre and the Operator can talk to the customer to determine whether there is a problem. The Operator can respond by reassuring the customer and/or making a call to a relative, neighbour, Doctor etc. as appropriate. Test calls are made from the control centre or through the Scheme Manager/Mobile Support Officer to ensure that the client is well and/or the system is working properly. Some installations are 'hard wired' into our buildings and some operate as 'dispersed alarms' through the telephone system.
- 1.4 The cost of the Service is split between the Housing Revenue Account (the part of the service that supports council tenants) and the General Fund (the part that supports the private sector, provides council out of hours calls and protects officers who are lone working etc.).
- 1.5 The Home Safeguard service has been reliable, professional, and has provided good value for customers. It is closely linked with the housing support service provided through our Scheme Managers and Mobile Support Officers.
- 1.6 We have recently refurbished the Home Safeguard offices and introduced a business continuity or disaster recovery system, which enables us to transfer the operation to an office in Burnside, Exmouth should a problem occur with the office and/or the telephone system at our Sidmouth base. We can switch the calls and dispatch an Operator to work in Exmouth. We also have an uninterrupted power supply (UPS) at Sidmouth and a lone worker alarm for night shifts. All calls received are recorded.
- 1.7 Operators use a manual, containing advice on what to do in particular situations and contact numbers. The manual contains details of the 'out of hours' procedures and contacts, plus guidance on how to deal with various situations when they occur. In recent months we have been attempting to improve the format and content of the Manual, making it electronic and easier to update.

- 1.8 We have undertaken a full review of Home Safeguard services including an assessment of the funding structure, and the results have been summarised in **annex 1**.

2. Financing the Home Safeguard service

- 2.1 Since 2003 Home Safeguard has been partly funded through the Supporting People grant, which is a revenue payment we claim and receive quarterly from a 'county wide pot'. We transfer 20% of all claimed Supporting People grant to Home Safeguard, which is currently equivalent to £104,000 per annum. Our income projections each year are based upon existing customers, group connections, and contracted organisations who subscribe to the service, plus amounts for recharges to the Housing Revenue Account to run the Council's out of hour's service.

- 2.2 We fund Home Safeguard through the General Fund, although a significant proportion of our customers are council tenants. Our costs are predominately employee costs associated with running a 24/7 operation, premises, and the cost of maintaining and providing telephony equipment, software, equipment installation and maintenance.

- 2.3 The Supporting People Team have issued guidance to providers of older persons' services and the position in respect of alarm services is as follows:

"Community alarm services will continue to be provided to all people living in sheltered housing. The strategic review has proposed that in the long-term community alarm services need to be integrated with Telecare services and that older people should access these services based on a single assessment (which could be carried out by the provider). For the time being alarm services will continue to be paid as a service charge by all sheltered housing residents and included within the Tenancy Agreement. Sheltered housing providers will be required to disaggregate the charge for community alarm services at the point a service moves to floating support. In the meantime the strategic review has proposed that providers move from hard wired systems to telephone based systems to ensure greater compatibility with Telecare".

- 2.4 We have attempted to make Home Safeguard self-funding in recent years and reduced the General Fund contribution from £143k per annum to £80k in 2009/10. However, we are finding it difficult to reach a breakeven position because of the need to invest in upgrades to software, equipment purchases, and the decision to continually uphold the policy of providing free alarm installations and monitoring for those who are over 80 and in receipt of Housing or Council Tax benefits in the District.

- 2.5 We have a real need for further investment into the Home Safeguard service if we are to maintain a 'cutting edge' service (see the review details). A software upgrade, equipment replacement programme, Telecare capability and TSA accreditation all need to be financed to reach the point where Home Safeguard is in a strong position to be the main and best service provider in the region.

- 2.6 The estimated investment costs are detailed in the Home Safeguard review and summarised below:

- Software upgrade £54,755
- New voice recorder £10,439
- Upgraded uninterrupted power supply (UPS) £8,152
- Telecare equipment set up £2,500
- TSA accreditation £15,000
- Digital telephone compliance £5,000

The software upgrade costs can be absorbed as we are currently paying a significant amount for our existing software and annual maintenance. So the investment needs are in the order of **£41,091**.

- 2.7 I suggest that in order to achieve our future aspirations and investment needs we need to establish a new **charging policy** for Home Safeguard customers. Existing customers currently pay £33.36p (excluding VAT) per quarter for the alarm, 1 pendant, and the monitoring service. There is also a one-off installation charge of £27.98p (excluding VAT). As indicated above we currently have an adopted policy whereby all applicants for the service who are over the age of 80 years of age and in receipt of Housing or Council Tax benefit receive a completely free service.
- 2.8 Home Safeguard monitors approximately 2,500 private customers with the alarm equipment. Free alarms account for approximately 1,400 of those existing customers due to our generous free issue alarm policy. If these customers were charged the current rate (£133.44 p.a. excluding VAT) this would generate additional income of £186,816 p.a. Alternatively these customers could be charged a reduced amount to say half the current rate (£67 p.a. excluding VAT) this would generate additional income of £93,800, assuming all customers transfer to paying customers. The service would offer excellent value for money at just over £1 per week for these customers, but we would inevitably lose some customers who refuse or are unable to pay the charge.
- 2.9 From April 2008 to March 2009 134 free alarms were installed. Based on this figure from last year we have spent approximately **£13,400** on free alarm equipment, and lost revenue of **£17,880**. We would therefore propose to cease the provision of all free alarm installations to all client groups irrespective of their circumstances from September 2009. We also invite the Executive Board to consider that from April 2010 we charge all existing customers who enjoy free alarm installations and the on-going monitoring services, to be charged the full rate per quarter, to increase the revenue and financial viability of the Home Safeguard service now and in the foreseeable future.
- 2.10 To continue to uphold providing free alarms to future and existing customers will have a negative impact on the Home Safeguard income potential, and any future business opportunities to develop Home Safeguard in other areas. It is worth noting that we know of no other Community Alarm service in the Country that provides free alarms.
- 2.11 We also need to consider imposing a standard charge for 'call outs' when we replace batteries in equipment, provide additional pendants and charges for handsets for clients who have purchased their own equipment, for which no charges are currently levied. This takes up a significant amount of our staff time for which no revenue is received. Therefore it is proposed that a standard 'call out' charge should be set (say £25) with the cost of the equipment maintenance included and with any replacement equipment necessary charged at cost. We need to adopt a more businesslike approach whilst recognising we have a high proportion of vulnerable customers.
- 2.12 Currently we have four customers who are in arrears with the debt amounting to £298.37. We have not taken a particularly robust approach to managing arrears when we know that our customers are typically older, vulnerable people. However, we should actively manage any arrears and we need to put more effort into attempting to resolve them. Therefore, arrangements have been made for Income & Payments to notify the Home Safeguard Manager of the arrears position on a monthly basis in order that we monitor and address this situation more efficiently.

3. The future of Home Safeguard

- 3.1 It is clear that there are numerous opportunities available now and in the future to develop our much valued Home Safeguard service, but we must also be aware of the threats present, the market pressures and the future costs of running the service to embrace the future expectations and customers' needs. Making the decision to charge all customers will however provide the opportunity to develop services and reduce/eliminate the call on the General Fund.
- 3.2 A cost neutral approach to running this service now and in the future, and a decision to approve some investment in achieving accreditation for the service, and the replacement of old and non compliant equipment, would ensure that the service is modern and compliant with the national standards. We can provide 'peace of mind' for all our current and future customers in that they are subscribing to a credible and accountable service which provides them with local and nationally recognised excellent customer service, and reliability when they need it the most. Officers are keen to operate the service without a call on the General Fund and to run the business using the income generated.
- 3.3 For those customers who wish to remain in their own homes as long as possible the availability and accessibility of community alarm and Telecare technology will enable those customers to exercise those choices and be supported by the Home Safeguard to remain independent.
- 3.4 There are risks associated with introducing charges for new and existing customers who have been exempt to date. There will be some customers who refuse to pay the charge and some who may be unable. We will assist customers in hardship with advice on the benefits and allowances available to fund care and support. In cases of genuine hardship you may wish to enable the Housing Business Manager, in liaison with the Portfolio Holder for Communities, to grant an exemption from Home Safeguard charges. There will be a significant administrative task and the potential for negative publicity.
- 3.5 We have recognised that the Lone Worker business potential is largely untapped and could provide a great deal of peace of mind to local businesses if they had a reliable way of monitoring their lone workers. It could also increase the credibility of the Home Safeguard service as a business solutions enterprise, which is supporting local businesses in ensuring the safety and security for lone workers.
- 3.6 We have identified a number of strengths associated with the Home Safeguard service along with recognising the weaknesses. We have identified a clear direction on how and when we can address these areas to demonstrate improvement. The Marketing Plan elaborates on these and identifies how we can attract new business and improve/expand our services to many new and existing customers.
- 3.7 Home Safeguard is a locally recognised brand with a reputation for reliability. I would like to see us build on this foundation, recognise that it is challenging to obtain major investment in upgrading the infra structure of the community alarm centre, but change the charging policy to generate the additional income required.
- 3.8 If the proposals set out in this report are seen as the way forward we can continue to confidently build the Home Safeguard business and the clientele, in particular move towards providing Telecare, and develop the services to a wider client base. Therefore we recommend concentrating on these areas of development over the next few years.

Legal Implications

There are no legal observations on the review outlined in the report.

Financial Implications

The financial implications of a charging review are detailed in the attached report.

Although the cost to the General Fund for the Home Safeguard service has decreased over the years, there was in fact an increase in costs of £17,600 between the 2007/8 and 2008/9 outturn figures.

Consultation on Reports to the Executive

None.

Background Papers

- Housing General Fund paper to the Leader's Service Transformation Group, 23rd June 2009.
- Budget estimates 2009/10.
- Telecare Services Association accreditation standards.

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