

Community Alarms Service Review

**To:**

Cllr Bird, Executive Councillor for Housing
Housing Scrutiny Committee, 21st June 2022

Report by:

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Wards affected:

All Wards

Key Decision

The appendices B1 and B2 to the report contain exempt information during which the public is likely to be excluded from the meeting subject to determination by the Scrutiny Committee following consideration of a public interest test. This exclusion would be made under paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

1. Executive Summary

Cambridge City Council's Community Alarms service has been in operation in the City for over 20 years and currently serves around 440 customers. It has built a solid reputation and provided a very valuable service over this time. However, for at least the last 5 years the service has been experiencing a decline in customer numbers and has, therefore, not achieved its income targets, resulting in the service no longer recovering its full cost inclusive of all overheads.

The decision was made at the end of 2021 to instruct external consultants to conduct a review of the options for the service moving forward. This report makes the recommendation that the City Council should terminate the service, and transfer those customers who choose to, to the equivalent service provided by Cambridgeshire County Council. Initial discussions

with the County Council have indicated that this would be something they would be keen to explore with us.

2. Recommendations

The Executive Councillor is recommended to:

- 2.1 Agree the termination of the Community Alarms service

3. Background

- 1.1 The Community Alarms Service install alarms into individuals' properties, which, when activated, contacts a response centre who triage the call and arrange for appropriate action to be taken. This could be, for example, contacting emergency services, key holders (such as friends and family) or other support agencies. This is a discretionary service which the City Council has no statutory obligation to provide. It has been provided by Cambridge City Council for over 20 years and as of 3rd May 2022 the service had 438 customers across the City.

The installation, maintenance and removal of the alarms is carried out in-house by staff within the Independent Living Service. We currently have a contract in place with Tunstall Healthcare (UK) Ltd who provide our response centre on a 24/7 basis. The service also benefits from an enhanced response service (ERS) provided by the County Council. This service provides an alternative response option for customers who don't have key holders or whose key holders cannot be reached. It is provided free of charge by the County Council and operates on a 24/7 basis.

- 1.2 The alarms service has experienced a continued decline in customer numbers over the past 5 years resulting in an under achievement in income, which has resulted in the service failing to meet its full cost inclusive of all overheads, with loss of income items being presented in the annual budget process. This is the result of a number of factors including technological advancements, which has widened the options available in the market and increased

competition from both local and national providers many of whom provide equivalent or advanced services at a competitive cost.

Significantly, in the last year, Cambridgeshire County Council has launched its own alarms service using the latest alarms technology and providing a broader service offering to its customers. The County Council already provides all of the 'add-on' assistive technology products for the City Council's alarm customers, as well as operating the ERS service, which they provide to their own customers as well as customers of Cambridge City Council.

Our alarms work using the phone line in an individual's property to call the response centre. The planned national switch from analogue to digital telephone services by 2025 means it may be necessary to change the type of alarm we provide, which would require significant investment.

- 1.3 A review of the service by independent consultants, the East of England Local Government Association (EELGA) was, therefore, instructed and was concluded in February 2022. The full report is included in Appendix B. We asked EELGA to look at 4 main options for the future of the service and provide recommendations on the best way forward. The options explored were:
1. Investing to develop the service for continued delivery by Cambridge City.
 2. Transfer the customers via signposting to alternative 'preferred' provider.
 3. Cooperative/collaborative delivery with sector partners.
 4. Sale of the service (customer base) to a commercial operator.

EELGA's initial conclusion was that options 3 and 4 should be discounted. Option 3, while having commendable intent, was considered to be problematic within the timescales we had identified, especially when trying to align monitoring contracts with other providers. It was also noted that previous discussions with South Cambs District Council and Cambridgeshire County Council about this option in 2019 had not proven to be productive.

The current analogue operating platform was identified as a major issue for moving forward with outcome 4. It was felt that the need to invest in providing new digital end-user units to all current customers would effectively make the cost of acquisition prohibitively high and this would need to be factored into any commercial purchase. This

would mean that the return on investment would not be likely to be very attractive to potential buyers.

Option 1 was explored in more detail, including the impacts of the digital switch over by 2025. Whilst the current alarms that we install would be digitally capable in the short term, in order to ensure the service is able to compete in the medium term, significant investment to upgrade all of the alarms would be required. The report has estimated that the cost would be in excess of £100,000 over 3 years and that there would still be no guarantee that numbers would increase.

The review concluded that, from an external perspective, the decision to transfer the service on an agreed basis, as per option 2 would be most sensible. Furthermore, they advised that transfer to another local authority provider, specifically the County Council, would be most rational. They advocate a peer-to-peer transfer rather than to a commercial operator as there is likely to be only a limited commercial value realisable for the current business and that route would provide for a:

- sustainable long-term solution for existing customers;
- local service provider and assured future pricing;
- financial value retained within the public sector; and
- risk managed solution with well-established working relationship to help effect a seamless service transfer.

1.4 Initial discussions with the County Council have indicated that they would be interested in exploring the transfer of our customers to their service. This would be subject to approval through their own internal processes following this committee's decision.

1.5 A full project plan would be developed between both organisations to ensure that the transfer process is as smooth as possible. This would include the possibility of customers keeping their current alarm equipment where they are able to do so and seeking to get agreement from the County Council on their future pricing structure for customers transferring.

1.6 Customers who transfer to the County Council would be supported to do so in tranches, between September 2022 and March 2023. This approach has been recommended by the County Council based on previous experience they have, to help minimise the risks

associated with transfer process. Some transfers would be able to be completed remotely, whereas others will require an on-site visit to the customer's home to complete. A full appraisal of what is needed would be completed at the start of the project.

- 1.7 The above proposals will not affect our tenants in our sheltered housing schemes, who will continue to have their alarms provided directly by the City Council, with the monitoring of these alarms provided by a new contract which will be procured ready to start in April 2023 once the current contract with Tunstall Healthcare (UK) Ltd has expired.

4. Implications

a) Financial Implications

Historically, the income from this service has covered all of the direct and indirect costs of running this non-statutory service. As numbers have dwindled, any contribution towards the indirect / overhead costs associated with providing this service has been significantly eroded. Based upon 2022/23 budgets, if customer numbers are maintained, which has not been our experience over the last few years, the service will cease to make any real contribution to the management costs and overheads of running the service. If customer numbers decline further, which is anticipated, then the service would not even recover direct costs and would make a loss. Any net cost or shortfall in funding would need to be met from the Council's General Fund.

If the service is ceased, there will be an adverse impact on the HRA of just over £7,000 per annum, with the HRA being required to re-absorb a small element of direct staff cost that would be retained in the Independent Living Team, despite cessation of the service. This cost would need to be met through service charges to sheltered residents where the remaining staff would divert any time previously associated with delivery of emergency alarm services. Alternatively, a budget virement to offset this sum could be sought from elsewhere in the service or the budget would need to be built into HRA as part of the HRA Medium Term Financial Strategy in September 2022.

Assuming the recommendation to cease direct delivery of the community alarm service, and transfer those who wish to mover across to the County Council service is approved, it is proposed that the equipment in situ is effectively 'gifted' to the customer, to facilitate the passporting between

services. The old equipment is considered to be of no real financial value to the Council due to its age and digital status, but leaving it with the customer would aid the transition between suppliers, would avoid the County Council needing to carry out multiple installations of new equipment within a short timeframe and would avoid the City Council needing to staff the removal, and disposal, of over 430 alarms in one go.

The City Council has set the charges to customers of the alarms service at £3.42 ex VAT per week for 2022/23. The County Council currently charge £5 ex VAT per week for their service. It is our intention to propose that the County Council hold our current prices for those customers who transfer to them and who retain our alarm equipment. However, as there would be no formal agreement in place this is not something we could guarantee that they will agree to or formally hold them to. Our initial conversation with them has indicated that they would be prepared to work with us to minimise the financial impact to the customers.

It is worth noting that if the City Council were to continue with the service post 22/23, a review of the costings would have to be undertaken which would be likely to lead to an increase in the price of the service.

b) Staffing Implications

We currently employ 1 FTE Independent Living Facilitator (ILF) who operates the service. HR advice indicates that ceasing the service would be likely to result in redundancy for this member of staff.

The service is also supported by the wider Independent Living Service and is managed by an Independent Living Supervisor, and Housing Services Manager who oversee it. Staff within the service also provide cover for events such as annual leave, sickness and training. Ceasing the service would relieve some of the current pressure on these posts and result in increased capacity to concentrate on other service priorities, including supporting tenants in our sheltered housing schemes and in the wider community as part of the visiting support service.

c) Equality and Poverty Implications

An Equality Impact Assessment has been conducted and is attached as **appendix A**. The assessment gives more data on the makeup of the current customer base of the Community Alarms Service and identifies groups that will be more affected simply due to the numbers of them. These include older people, people with a disability, single households and

females. It also identifies the possible impact to those on low incomes. As detailed in the assessment, we will be adopting an individual approach to consulting with all of our customers to make sure all of their needs are taken into account, and that they are supported through the process.

d) Net Zero Carbon, Climate Change and Environmental Implications

The climate change tool has been completed and has concluded that this project will have a low positive rating and therefore a low impact overall. This is because ceasing the service will mean a reduction in staff travel across the city. However, it should be noted that this may increase for other organisations taking on the customers. There are no other impacts that have been identified from completing the tool.

e) Procurement Implications

Advice has been taken from the City Council's procurement and legal teams who have advised that there are no procurement implications for ceasing the service and supporting customers to transfer to a preferred provider. Our customers currently have individual contracts in place which require a minimum of 28 days' notice to be given. However, we would plan to give much more notice than this (please see section 5 below). The County Council would set up new contracts with each individual as part of the transfer of the service.

The Independent Living Service has a contract in place with Tunstall Healthcare (UK) Ltd to provide a monitoring service to its customers and also the tenants within our Sheltered Housing Schemes. This is due to expire in March 2023 and so a decision to transfer the service will mean that this contract will be procured without the Community Alarms Service being included. However, it is not anticipated that this will have any adverse implications on this procurement.

f) Community Safety Implications

There are no community safety implications for this report.

5. Consultation and communication considerations

As this decision is based on financial and operational factors, no prior consultation has been carried out with our customers directly at this stage. Satisfaction with the service is generally good, and we appreciate that this decision will likely cause some concern and anxiety amongst our customers and, therefore, want to ensure that consultation is done in a

managed way, at a time when we have more certain information for them. If this decision is approved, we will then start consultation with each customer on an individual basis in July to ensure that they are aware of their options. These options would include support to transfer the service to the County Council, support to cancel our service and set up a new service with a provider of the individual's choice, or finally support to cancel the service and not replace it with a new one. For all of these options, a further conversation would be had with the individuals and their friends/families to ensure they understand the implications of their decision.

Initial contact will be made via letter, with telephone and face to face contact offered as follow up options for those who need it. New referrals would not be taken from the point of the decision, and the ILF who currently operates the service would be tasked with supporting existing customers.

Elected Tenants and Leaseholders on HSC have also been made aware of the report.

6. Background papers

There were no background papers used in the production of this report.

7. Appendices

Appendix A – Equalities Impact Assessment

Appendix B1 and B2 – EELGA Full Report (CONFIDENTIAL)

8. Inspection of papers

To inspect the background papers or if you have a query on the report please contact: Laura Adcock, tel: 01223 457649, email: laura.adcock@cambridge.gov.uk.