

# CABINET

## Funding and Provision of Community Alarm and Telecare Services 8 October 2013

### Report of Chief Officer (Health and Housing)

PURPOSE OF REPORT			
The purpose of this report is to outline the impact of changes to Lancashire County Council's funding and provision of community alarm and telecare services on the services provided by Lancaster City Council.			
Key Decision	<input checked="" type="checkbox"/>	Non-Key Decision	Referral from Cabinet Member
Date of notice of forthcoming key decision		5 August 2013	
This report is public.			

#### RECOMMENDATIONS OF COUNCILLOR LEYTHAM

- (1) That the impact of the announcements of the county council regarding the provision of telecare and community alarm services on the future viability on maintaining the emergency call centre is noted.
- (2) The council reviews the services provided by the emergency call centre and considers how they could be provided in the future.
- (3) That officers are authorised to take action to ensure appropriate arrangements are in place to ensure business continuity is maintained pending the outcome of the review.

#### 1.0 Introduction

- 1.1 The council provides community alarm and telecare services on behalf of Lancashire County Council through contracts awarded by Lancashire Supporting People and Lancashire Telecare. These services are provided through the council's emergency call centre, and staff within the council housing section.
- 1.2 The county council were in the process of bringing these services "in-house" and delivering them through their strategic partner, One Connect Limited, and other suppliers. The council had been advised that this would occur during 2013/14.

- 1.3 The county council were awarding the monitoring element of the services to One Connect Limited. The county had also recently announced that they had appointed a national company to manage the overall Lancashire Telecare Service which included assessment, installation, monitoring, and response in conjunction with One Connect Limited; we had also been advised that the telecare response services had been subcontracted to a national company. The existing Lancashire Supporting People and Lancashire Telecare providers had not been allowed to compete for this work or for these contracts. There was a likelihood that the provision of Lancashire Supporting People was to follow a similar delivery model.
- 1.4 However, on the 6 August 2013 the county council announced that they were no longer pursuing this procurement route. The county council have advised that they are to review the approach to the proposed policy and provision of telecare. The county council have also given notice that they are reviewing their position in relation to the procurement of community alarm services.
- 1.5 The county council have indicated that they will be tendering out the telecare service through a competitive tendering process. The timing and lotting of the tender is not clear but it is likely to be at a Lancashire area level or pan – Lancashire. It is unlikely that the council would be able to compete on that basis.
- 1.6 The future procurement position for Lancashire Supporting People community alarm services is also not clear. At a meeting on the 11 September, with the existing providers, including the council, the county council confirmed that a further review was to be undertaken. This should be concluded in December 2013 with further consultation.
- 1.7 The county council have now asked the existing Lancashire Telecare providers to consider extending the current Lancashire Telecare contract to the 31 March 2014, with an option for a further six month period to the 30 September 2014 by mutual agreement pending their decisions on future procurement. They have also indicated that they wish to discuss the price of the contract extension. These announcements continue the uncertainty about the future viability of the emergency call centre and the council remaining a future provider of telecare and community alarm services. It also continues the anxiety of the staff over their future employment.

## **2.0 Impact**

- 2.1 **Emergency Call Centre** – The council's emergency call centre provides the monitoring services for a range of community alarm and telecare services. This includes: approximately 1,916 community alarm users (884 council housing and 1,032 private sector) of which 1,204 are commissioned by and receive funding from Lancashire Supporting People; and approximately 142 telecare alarm users of which 132 are funded by Lancashire Telecare.
- 2.2 The Lancashire County Council contracts account for over 50% of the monitoring services provided, both in terms of volume and finance. The loss of these contracts would present significant financial issues and would make the provision of the emergency call centre unsustainable.

- 2.3 **Other services** – The council uses the spare capacity within its emergency call centre to provide a range of other services including responding to out of office hours emergency call relating to council services, and lone worker monitoring. The emergency call centre also plays a part in emergency planning. The loss of the community alarm and telecare contracts would mean that the future provision of these services will need to be reviewed and procured.
- 2.4 **Disaster Recovery and Business Continuity** - The current arrangements for the emergency call centre are robust and are provided by another community alarm provider. The disaster recovery and business continuity arrangements for the emergency call centre will need to be reviewed in the light of the county council announcement.
- 2.5 **Installation and Response** – The council also provides an installation and response service for community alarms and telecare, and these elements of the community alarm and telecare services are also affected by the decision of the county council.
- 2.6 **Staffing** - Staff have been aware of the county council intentions and this obviously has led to uncertainty and anxiety within the workforce about their future employment. The county council had already been advised that the council considers that TUPE would apply at the point of any transfer. The announcement by the county council on the 6 August continues this uncertainty.
- 2.7 Given the county council are now seeking to extend the existing contracts for potentially up to 12 months we will need to review our staffing arrangements. One member of staff has already confirmed that they will be leaving in November 2013 with potential for other staff turnover. With the extended uncertainty this situation could get progressively more difficult to manage over the coming months.
- 2.8 **Summary** – The council needs to manage the impact of the continuing uncertainty the announcement the county council has made. The priority in the short term will be to decide how the council can continue to operate the emergency call centre and the services it provides, and whether or not the council wishes to extend its existing contracts with the county council for both telecare and community alarm provision.
- 2.9 In the medium to long term, ultimately, with the potential loss of the county council contracts for telecare and for community alarms the remaining services are not sufficient to justify maintaining the emergency call centre in its current form.
- 2.10 The services that would remain include 1,032 private sector community alarm customers which sit outside any county council contract and is a service directly provided by the council. These users will need to transfer to an alternative provider should the council cease to be a community alarm provider.

- 2.11 A service provider will also need to be found for the emergency out of office hours services provided by the council, and also to provide lone worker monitoring.
- 2.12 The county council were looking to provide additional services through One Connect Limited including an offer of a free service to district councils to provide out of office hours emergency contact but the extent of this offer is still not clear.
- 2.13 There has also been an approach from the emergency call centre's disaster recovery and business continuity provider who has expressed an interest in taking on the council's private sector community alarm customers, and also provide out of office hours emergency contact for the services the council provides and also lone working.

### 3.0 Proposal Details

- 3.1 It is proposed that the council reviews the provision of services provided by the emergency call centre and considers how they could be provided in the future including the consideration of alternative providers for the services and functions that would remain should the council lose the Lancashire County Council contracts. Officers will continue in the discussions with the county council and the provider of the emergency call centre's disaster recovery and business continuity services to further report on the options for future service provision.

### 4.0 Details of Consultation

- 4.1 There will need to be detailed consultations with customers and staff.

### 5.0 Options and Options Analysis (including risk assessment)

	<b>Option 1:</b> The council seeks to maintain an emergency call centre to provide the services that remain following the loss of the Lancashire Telecare and Supporting People contacts	<b>Option 2:</b> The council reviews the services provided by the emergency call centre and considers how they could be provided in the future; including the consideration of alternative providers for the services and functions that would remain following the loss of the Lancashire Telecare and Supporting People contacts
Advantages	Local, flexible, responsive service delivered through a valued local knowledge base	Services provided to a specified standard, and achieves value for money Reduction in costs.
Disadvantages	Service would be provided at a loss and the council would have to fund any deficit - expectation that financial costs of running the emergency call centre would not meet value for money principles.	Potential loss of flexibility and knowledge

	Does not provide for considering a wider range of options.	
Risks	The volume of work would not be sufficient to warrant maintaining the emergency call centre, and its infrastructure. The loss of income from the contacts could not be replaced, and equivalent cost reduction could not be achieved. The overall financial costs of running the emergency call centre would not meet value for money principles, and so would not be in the best interests of housing rent payers in particular. Ultimately, risk of failure in the Council's fiduciary duties, leading to challenge.	Control of future quality and cost of services.  The contractual arrangements will need to be robust and clear to ensure that future costs are controlled

## 6.0 Officer Preferred Option (and comments)

- 6.1 The officer preferred option is option 2 to ensure that an appropriate service provision is maintained to the standard the council requires, achieving value for money and that future costs are controlled.

## 7.0 Conclusion

- 7.1 The loss of the Lancashire Telecare and Supporting People contacts would leave the council's emergency call centre in an unsustainable position, and maintaining the centre would not represent value for money. For this reason it is necessary to consider alternative provision for the service areas and work that would remain.

### RELATIONSHIP TO POLICY FRAMEWORK

This report support two key themes that underpin the Council's stated priorities: Working Together in Partnership and Managing the Council's Resources.

### CONCLUSION OF IMPACT ASSESSMENT

(including Health & Safety, Equality & Diversity, Human Rights, Community Safety, HR, Sustainability and Rural Proofing)

None directly arising out of this report

### LEGAL IMPLICATIONS

Legal Services have been consulted and should option 2 be approved would advise on all matters of a contractual nature arising from such a decision.

### FINANCIAL IMPLICATIONS

The ultimate loss of both the Lancashire Telecare (£89,400 for 2014/15) and the Lancashire Supporting People (£127,100 for 2014/15) Contracts would have a significant financial impact resulting in the residual service running at an unacceptable deficit of £239,500 in

2014/15. This assumes both contracts come to an end on 31 March 2014, but clearly any extension would reduce this position.

Both these services come under the Housing Revenue Account and therefore do not impact financially on the General Fund. However, there is a contribution of £29,800 (2014/15) from the General Fund towards the central control section in respect of private sector clients. This again would need to be factored into any future detailed financial appraisal of the viability of the section.

#### **OTHER RESOURCE IMPLICATIONS**

##### **Human Resources:**

Structured consultation is vital to ensure the affected staff are fully aware of the proposals and potential impact on their ongoing employment.

Although the council believes that TUPE would apply more detailed information is needed from the county council to fully assess the impact any changes will have on our staff that are directly engaged in delivering services and those whose duties are linked to service delivery.

##### **Information Services:**

None directly arising out of this report.

##### **Property:**

None directly arising out of this report.

##### **Open Spaces:**

None.

#### **SECTION 151 OFFICER'S COMMENTS**

The S151 Officer has been consulted and her comments reflected in the report.

#### **MONITORING OFFICER'S COMMENTS**

The Monitoring Officer has been consulted and has no further comments.

#### **BACKGROUND PAPERS**

None

**Contact Officer:** Chris Hanna  
**Telephone:** 01524 582516  
**E-mail:** [channa@lancaster.gov.uk](mailto:channa@lancaster.gov.uk)  
**Ref:** C115